



**~~MEDICAL-REGULATED~~ MARIJUANA RULES AND REGULATIONS  
FOR THE CITY OF COLORADO SPRINGS**

**~~DRAFT – January, 2025~~ Revised July 24, 2017**

**PART 1 – General Rules**

**Section 1 – Applicability**

**Rule 1.1.00 Applicability of Rules**

In addition to any other rules or laws which may be applicable, these rules shall govern all ~~Medical-Regulated~~ Marijuana business license applications, suspension or revocation proceedings, or license renewals of any kind whatsoever which have been filed with the City Clerk as the Local Licensing Authority ("Authority") for the City of Colorado Springs.

**Section 2 – Authority and Jurisdiction**

**Rule 1.2.00 General**

The Local Licensing Authority ("LLA" or the "Authority") of the City of Colorado Springs for ~~Medical-Regulated~~ Marijuana business licenses as authorized by Colorado Revised Statutes, the rules and regulations of the State Licensing Authority, the Code of the City of Colorado Springs and by these rules and regulations, shall possess all powers given to local licensing authorities by the provisions of State Statutes, City Code and State and Local Rules and Regulations.

**Rule 1.2.01 City Clerk**

The City Clerk shall be the Local Licensing Authority for the City of Colorado Springs, except as otherwise provided by ordinance or by these rules. The City Clerk shall function as the Licensing Officer and the Deputy City Clerk shall function as the Deputy Licensing Officer.

**Rule 1.2.02 Jurisdiction of Authority**

A. The ~~Local-Licensing-Authority~~LLA or its designee shall have jurisdiction over all ~~Medical-Regulated~~ Marijuana business licensing matters related to licensed premises within the City of Colorado Springs. In disciplinary matters, the ~~Local-Licensing~~

~~AuthorityLLA~~ shall have the authority to accept, modify, or reject/deny stipulation and admission agreements.

1. Acceptance of the stipulation and admission agreement. If the ~~Local Licensing AuthorityLLA~~ or its designee accepts the stipulation and admission agreement, then he/she shall enter findings of fact, conclusions of law, and order.

2. Modification of the stipulation and admission agreement. The ~~Local Licensing AuthorityLLA~~ or ~~his/her/their~~ designee may, only with the consent of all parties, modify the stipulation and admission agreement. If the ~~Local Licensing AuthorityLLA~~ modifies the stipulation and admission agreement, then ~~he/shethey~~ shall enter findings of fact, conclusions of law, and order.

3. Denial of the stipulation and admission agreement. If the ~~Local Licensing AuthorityLLA~~ or ~~his/her/their~~ designee denies the stipulation and admission agreement, then he/she shall set the matter for a hearing before a hearing officer in accordance with section 3, of these rules, as may be amended from time to time.

B. The jurisdiction and authority of the ~~Local Licensing AuthorityLLA~~ may be delegated to the following designees:

1. License Enforcement Officer – The City Clerk's designee assigned to review and make recommendations to the ~~Local Licensing AuthorityLLA~~ regarding ~~Regulated Medical~~ Marijuana business applications and renewals. The License Enforcement Officer shall be responsible for coordinating the issuance of show cause documents in the event of an alleged license violation. The License Enforcement Officer shall assist the Authority by receiving all applications, conducting investigations, coordinating with other City departments and state agencies as required, and by scheduling public hearings.

2. Deputy Licensing Officer –The Deputy City Clerk or the City Clerk's designee responsible for reviewing, granting or denying ~~Regulated Medical~~ Marijuana business license applications. The Deputy Licensing Officer may also sign show cause documents on a finding of probable cause that there has been a business license violation.

3. Hearing Officer – An independent hearing officer appointed by the City Clerk and acting on behalf of the Local Licensing Authority who conducts hearings on appeals from the ~~Local Licensing Authority'sLLA's~~ decisions, and hearings on suspension or revocation action for alleged license violations.

## **Section 3 – Hearings**

### **Rule 1.3.00 Conduct of Hearings**

A. The ~~Local Licensing AuthorityLLA~~ shall conduct public hearings on appeals of the denial of a license and contested suspensions or revocations of a ~~Medical-Regulated~~ Marijuana business license, including hearings to temporarily or summarily suspend a ~~Regulated Medical~~ Marijuana business license.

B. All hearings shall be open to the public. Any hearing may be continued, adjourned and reconvened at a time and place determined by the Hearing Officer.

C. Public notice of all hearings shall be posted pursuant to the Colorado Springs City Charter § 3-60(d). Licensees issued an order to show cause and notice of hearing shall be given at least ten (10) days prior notice of the time, place, and nature of the hearing. Notice shall be served personally or by mailing by first-class mail to the last address furnished to the ~~Local Licensing Authority~~LLA by the applicant or licensee to be notified. Appeals from the ~~Local Licensing Authority's~~LLA's decision must be presented in writing to the City Clerk's Office within ten (10) of the decision. Failure to appeal the ~~Local Licensing Authority's~~LLA's decision in accord with this section shall be deemed a waiver of the right to appeal pursuant to CRCP 106 by virtue of a failure to exhaust administrative remedies.

D. If an applicant, licensee, the City, or the Hearing Officer requests postponement of a hearing, the Hearing Officer shall have the discretion to continue the hearing as it deems fit.

E. At hearings on appeal of denial of a license application, the burden shall be on the appellant to establish, that the ~~Local Licensing Authority~~LLA exceeded its jurisdiction or abused its discretion based on evidence in the record before the ~~Local Licensing Authority~~LLA. The appeal shall state a short plain statement of the basis for claiming the Local Licensing Authority exceeded ~~his/her~~their jurisdiction and/or abused ~~his/her~~their discretion. Failure to provide such basis for the appeal may be deemed a waiver of the right to appeal. The issues discussed at the hearing shall be limited to the reasons for denial contained in the City's denial notice. The record shall include the entire license application file, excepting privileged materials. Evidence supplementing the record before the ~~Local Licensing Authority~~LLA shall not be presented at the hearing unless the Applicant, the City, and the Hearing Officer all stipulate that it should be submitted. If the parties stipulate to the admission of evidence, they will be required to exchange a list of witnesses with a concise statement of anticipated testimony as well as exhibits at least three (3) business days prior to the hearing. Briefs containing legal argument may be submitted at the Hearing Officer's discretion. If briefing is ordered, the Hearing Officer will provide the parties with a briefing schedule and page limits. At the ~~Local Licensing Authority~~LLA's request, the City may be represented by a prosecuting attorney.

F. At hearings on suspension or revocation, the City shall have the burden to establish that a violation occurred by a preponderance of the evidence, as provided in Rule 3.1.02

G. Evidence and requirements of proof shall conform, to the extent practicable, with those in civil non-jury cases in the district courts. Evidence not admissible under those rules may be admitted if the evidence possesses probative value commonly accepted by reasonable and prudent persons in the conduct of their affairs. Objections to evidentiary offers may be made and shall be noted in the record. Incompetent and unduly repetitious evidence may be excluded. Documentary evidence may be received in the form of a copy, but, upon request, a party shall be given the opportunity to compare the copy with the original. The Hearing Officer may take notice of general, technical, or scientific facts within the Hearing Officer's knowledge, but only if the fact so noticed is specified in the

record or is brought to the attention of the parties before final decision and every party is afforded an opportunity to dispute the fact noticed.

H. All testimonial evidence, whether provided in person or by affidavit, must be sworn. The Hearing Officer shall have the power to issue subpoenas, to compel testimony or present documents, records or any other tangible evidence. Questions concerning the materiality, relevancy or competency of witnesses to testify on behalf of or in opposition to a licensee or applicant will be determined as questions arise.

I. Any applicant, licensee, or person testifying before the Hearing Officer may offer exhibits or demonstrative evidence to the Licensing Authority for its consideration. The Hearing Officer shall have the discretion to accept or reject the offer and to weigh the exhibit or demonstrative evidence as it deems appropriate.

J. The Hearing Officer may establish reasonable time limits for presentations, which shall apply to both parties. Whenever necessary, the Hearing Officer shall direct that remarks be germane to the item. Further, the Hearing Officer has the right to limit the presentation of evidence tending to be repetitious, irrelevant, speculative or conjectural.

K. Any person having business before the Hearing Officer shall provide a qualified interpreter if necessary to participate in the hearing subject to the following:

Every person acting as an interpreter shall be administered an oath or affirmation that the person will make a true translation; and

1. Every person acting as an interpreter shall be required to be qualified as an interpreter and accepted by the Hearing Officer. A person may be qualified by virtue of their knowledge, skill, experience, training, or education.
2. In determining whether an individual is qualified to act as an interpreter in any proceeding before the Hearing Officer, the Hearing Officer may consider, but is not limited to:
  - a. Whether the interpreter is a certified Court interpreter by the State of Colorado Office of the State Court Administrator or the Federal Courts;
  - b. Any special training or education received by the interpreter in providing interpretation and/or translation;
  - c. The interpreter's means of knowledge regarding the languages translated from and translated to;
  - d. Number of times that the interpreter has performed interpretation/translation services and the type of proceedings where these services were rendered; and
  - e. The relationship of the interpreter to the individual who will be using the interpreter's service to determine whether any bias, or other motive would preclude the interpreter's ability to provide a true, literal and complete bilateral translation of the entire proceeding.

L. If an appellant fails to appear at a scheduled appeal hearing, the application will be deemed abandoned and will be denied. If a licensee receives notice pursuant to Rule 3.1.00 and fails to appear at a scheduled disciplinary hearing pursuant to Part 3 –

Disciplinary Proceedings: Rules Related to Suspension, Revocation and Non-Renewals, the hearing shall go forward in the licensee's absence.

### **Rule 1.3.01 Final Agency Action**

The decision of the Hearing Officer shall constitute final agency action of the ~~Local Licensing Authority~~LLA for all purposes under the Colorado Revised Statutes, the rules and regulations of the State Licensing Authority, the Code of the City of Colorado Springs and these rules and regulations. Any appeal of the decision of the Hearing Officer shall be to the district courts of Colorado in accord with the Colorado Rules of Civil Procedure as now existing or later amended. There shall be no stay of execution of the Hearing Officer's decision pending decision by the District Court, except by court order. Failure to appeal the decision of the Hearing Officer shall be deemed to be a waiver of the right of appeal.

## **Section 4 – Inspections**

### **Rule 1.4.00 Inspection of Books and Records**

Each licensee shall keep a complete set of all records necessary to show fully the business transactions of the licensee, all of which shall be open at all times during business hours for the inspection and examination ~~of by the Local Licensing Authority~~LLA, its designees, or the Colorado Springs Police Department. Each licensee shall retain all books and records necessary to show fully the business transactions of the licensee for a period of the current tax year and the three (3) immediately preceding tax years. The ~~Local Licensing Authority~~LLA may require any licensee to furnish information it considers necessary for the proper administration of the State ~~Marijuana~~ Code or the Code of the City of Colorado Springs 2001, as amended. If the ~~Local Licensing Authority~~LLA's investigation is unable to determine the state of the business' financial operations, the ~~Local Licensing Authority~~LLA may select and engage the services of an auditor who shall also have access to all books and records of the licensee. Engagement and payment of an auditor shall be accomplished in accord with the State ~~Medical~~-Marijuana Code and State ~~Medical~~-Marijuana Rules and Regulations.

### **Rule 1.4.01 Inspection of Licensed Premises**

A. The licensed premises, including any places of storage where ~~Medical-Regulated~~ Marijuana is grown, stored, cultivated, sold, or dispensed, shall be open and made immediately available for inspection by the ~~Local Licensing Authority~~LLA, El Paso County Health Department, building official of the Pikes Peak Regional Building Department, the Colorado Springs Fire Department, the Colorado Springs Police Department, and other city departments or agencies, or State Licensing Authority and related agencies during all business hours and other times of apparent activity, for the purpose of inspection or investigation. For examination of any inventory or books and records required to be kept by the licensees, access shall be required during business hours. Where any part of the

licensed premises consists of a locked area, upon demand to the licensee, the area shall be made available for inspection without delay, and, upon request by authorized representatives of the Local Licensing Authority LLA, the licensee shall open the area for inspection.

B. The licensed premises shall be and remain at all times in compliance with all applicable City regulations including, but not limited to, zoning, building, and fire codes, and shall be inspected by and to the satisfaction of the Fire Department and the Local Licensing Authority LLA, or their designees, prior to the issuance of a license, or final approval of a modification of premises or change of location in accord with city code § 2.1.701, et seq., and pursuant to C.R.S. ~~§12-43.3-303~~44-10-304(4).

C. Should a licensed ~~medical~~-marijuana facility be closed or not in operation for more than twelve (12) months, the premises may require re-inspection by the Local Licensing Authority LLA, or their designees, prior to local approval of re-starting or re-establishing the operation of the facility.

### **Rule 1.4.02 Duties of All Applicants and Licensees**

#### **A. Notification and Communications**

1. An applicant or Licensee must provide valid physical mailing and email addresses to the LLA. A Licensee must inform the LLA in writing of any change to its physical mailing and/or email address within ten (10) days of the change. The LLA will not change a Licensee's information without written notice from the Licensee or its authorized representative.

2. The LLA will send any formal notifications or determinations regarding any application, requirements, or administrative actions to the last mailing address and email address on file. An Applicant's or Licensee's failure to notify the LLA of a change of mailing or email address does not relieve the Applicant or Licensee from the obligation of responding to LLA communication, and failure to respond within the required time period may result in adverse action regarding the applicable communication or compliance issue, up to and including denial of the application or revocation of the license.

#### **B. Duty to Report and Cooperate**

1. An Applicant or Licensee must notify the LLA in writing of any criminal conviction, deferred sentence, or other judgement within ten (10) days of the conviction or judgement, and such notification shall include court disposition documentation. A Licensee must report to the LLA any pending action against the Licensee by another regulatory authority within ten (10) days. Such required notifications include, but are not limited to, State Marijuana Enforcement Division ("MED") violations, suspensions, stipulations, and/or fines, State Health Safety Advisories or actions, Colorado Springs Fire Department occupancy or operational

and/or hazardous permit violations, and state or local assessments for delinquent sales taxes.

2. Licensees must report any Regulated Marijuana Business location robbery, break in, or attempt to the LLA within the next business day of the event. Such notification must include a description of the event and/or loss, and a Colorado Springs Police Department case number. Licensees must exercise all reasonable safeguards, efforts, and maintain adequate physical infrastructure for safe and secure storage of Regulated Marijuana, and must maintain applicable sanitary and environmental standards at all times.

3. Applicants and Licensees must ensure cooperation with the LLA, Colorado Springs Police Department, and applicable City and State agencies in any investigation conducted by the Authorities. Failure to cooperate with the LLA or other regulatory agency investigations may be grounds for denial of an application or for administrative action against a Licensee.

A.C. Licensees must maintain the validity of the required associated State MED license at all times. Where the licensee has failed to maintain the validity of the required State MED license either by failure to renew by the expiration date or by revocation, the LLA shall revoke or deny renewal of the associated City marijuana business license.

## **PART 2 – Application and Proceedings (Non-Disciplinary)**

### **Section 1 – Applications and Forms**

#### **Rule 2.1.00 Applications**

A. All applications for a ~~Medical-Regulated~~ Marijuana business license, including but not limited to new license applications, renewal applications, applications for change of location, applications for change of corporate structure, applications for transfer of ownership, applications for manager registration, or applications for change of trade name, as well as applications for expansion, alteration or modification of the premises, shall be filed with the ~~Local Licensing Authority~~LLA on approved forms, together with all fees and documents required by the City and State, with the exception of State Associate license material, which the applicant must forward directly to the State Licensing Authority.

B. A request for a change in the class of license from that presently held by a licensee shall be considered an application for a new license.

C. All applicants for ~~medical~~ marijuana business license locations that are requested to be co-located with other new or existing ~~Medical Marijuana~~ marijuana business license(s) shall have 100% common ownership with all co-located licenses at the same licensed premises location.

## Rule 2.1.01 Forms and Fees

The following shall be filed:

- A. State ~~Medical~~ Marijuana business license application forms, which shall be filled out and completed in all material details, with applicable documentation as required. Incomplete application forms shall be rejected.
- B. The ~~Local Licensing Authority~~ LLA application forms, as provided by the City, which shall be filled out and completed in all material details, with applicable documentation as required. Incomplete application forms shall be rejected. Applications requiring additional documentation will have a ten (10) calendar day period from date of notice for remedy, or the application may be deemed withdrawn.
- C. Local application fees, payable by check or money order to the City of Colorado Springs, as established by separate City Council Resolution. Application fees will not be refunded upon withdrawal or denial of an application or license. ~~The application fee is valid for all license types submitted concurrently for a single applicant.~~ Subsequent applications for additional locations require an additional application fee.
- D. Local license fees, payable by check or money order to the City of Colorado Springs, as established by separate City Council Resolution. License fees will be due after State ~~Marijuana Enforcement Division~~ MED approval of the new application and within five (5) business days of the ~~Local Licensing Authority~~ LLA posting written notice at the premises that the license has been approved conditional on payment of the license fee. If the applicant fails to pay the license fee within five (5) business days after notice is posted at the premises, the application will be deemed withdrawn. License fees may be refunded only if the application or subsequent licensing period had not been approved or effective on the date of request.

## Rule 2.1.02 Application Requirements for ~~Medical-Regulated~~ Marijuana Business License

- A. Every application for a license to operate a ~~Medical-Regulated~~ Marijuana business shall be legible, ~~be filed in duplicate,~~ and shall include but not be limited to the following:
  - 1. The full name and any other names under which each owner is or has been known, the address and telephone number, date of birth, and social security number of each owner, principal, officer, director, member, and registered agent and/or managing agent for the applicant;
  - 2. The full name and any other names under which the managing owner, registered agent or managing agent is or has been known, the residence address, contact telephone number, date of birth and social security number of the managing owner, registered agent and/or managing agent;



3. The name under which the applicant intends to do business, the address of the local principal place of business and any ~~optional~~ premises to be licensed;
4. A description of the specific types of services to be rendered, including specific identification of any proposed ~~Medical~~ Marijuana ~~Infused~~ Product (~~MIP~~) processes including, but not limited to, any volatile or hazardous chemical extractions or non-hazardous extractions as defined in zoning and fire code;
5. An Applicant Interview Form and one classifiable set of fingerprints for each owner, principal, officer, director, member, and managing agent;
6. The residence address of each owner, registered agent and managing agent for the five (5) years prior to the date of the application;
7. Statement containing the date, place and disposition of any criminal history of any owner, principal, officer, director, member, and registered agent and/or managing agent of the applicant;
8. A statement containing information relating to the denial, suspension or revocation of any privileged license (i.e., Liquor, Gaming, Racing, ~~Medical~~ Marijuana, and Driver's License) held by any owner, principal, officer, director, member, and registered agent and/or managing agent of the applicant, whether in this state or any other state;
9. A release statement signed by the applicant, each owner, principal, officer, director, member, and registered agent and/or managing agent for the applicant allowing the City to check and review all known criminal and financial records at any time;
10. A professionally drawn 8½" x 11" floor plan diagram, drawn to a specified, commonly used scale (e.g. 1" = 20', ¼" = 1') of the ~~Medical Marijuana-proposed licensed~~ premises showing the uses and functions within the premises, including overall dimensions, the dimensions of the rooms and their primary functional use identifying propagation, cultivation, manufacturing, sales, storage areas, restricted and limited access areas, all areas of ingress and egress, and a depiction of where any services other than the dispensing of ~~Medical~~ Regulated Marijuana are proposed to occur (such as offices, bathrooms, storage areas, waiting areas and hallways), and including State ~~Marijuana Enforcement Division~~ MED minimum standards for designating locations of ~~MIP-production~~, processing, displays, counters, POS, DVR, and cameras. Each diagram must identify the licensee, the premises address, a directional arrow indicating North, and list the license types or numbers for each license located in the facility; and
11. If the applicant is not the owner of the proposed location of the ~~Medical~~ Marijuana-marijuana business, a statement from the owner of the property

authorizing ~~Medical Marijuana~~ marijuana use for the property pursuant to City and State ~~Medical~~ Marijuana Code;

12. A copy of the deed, lease, contract or other document governing the terms and conditions of occupancy of the premises licensed or proposed to be licensed reflecting the ownership and right to possess the property that is the subject of the ~~Medical-Regulated~~ Marijuana business license. Any possessory documentation or lease must be valid for at least one year and include the landlord's specific authorization for marijuana business use. Possession documentation must be in the name of property owner as landlord (or approved property manager) and lease must be in the applicant entity name only as tenant, reflecting sole and exclusive possession of the premises (no individual name unless sole proprietor – individuals/owners may certainly be listed as guarantors);

13. A statement of the applicant's personal, financial and management associations and the interests of other persons in the ~~Medical Marijuana~~ marijuana business and a statement of the business backgrounds of each owner, principal, officer, director, member, and registered agent and/or managing agent for the applicant with applicable documentation;

14. An acknowledgement and consent that a background investigation will be conducted and a release statement signed by each applicant, owner(s), principal(s) and managing agent allowing the City to check annually for any pertinent criminal history;

15. Evidence of a City of Colorado Springs Sales Tax License, as applicable;

~~16. A listing of the number of employees, contractors, and managers;~~

~~17.~~ 16. Supporting documents that ensure that the ~~Medical Marijuana~~ marijuana business will operate in a manner consistent with State Law and City Code and any other documents required by the ~~Local Licensing Authority~~ LLA.

~~18.~~ 17. Suitable additional evidence of citizenship, residence, and good character and reputation.

~~19.~~ 18. Five (5) years employment history of each owner, principal, officer, director, member, and registered agent and/or managing agent for the applicant.

~~20.~~ 19. Complete disclosure of all persons having a direct or indirect financial interest, and the applicant's financial sources for the acquisition and outfitting of the establishment sought to be licensed and as shown by the plans and specifications, including proof of original lawful source of funds.

~~21.~~ 20. Complete company organizational information, including articles of organization or incorporation, bylaws or operating agreement, and amendments, as applicable.

22-21. An acknowledgment and affirmation of the applicant's understanding of the requirements contained in the ~~Medical~~ Marijuana Code and Rules and Regulations of the State and City.

B. An application for an original ~~or~~, renewal ~~of a~~, ~~or optional premises~~ ~~Medical Marijuana~~ ~~marijuana~~ business license shall be accompanied by:

1. The fees established by the City;
2. If applicable, a trade name registration, if any, and a certificate of good standing from the Colorado Secretary of State;
3. Upon application for renewal of any license, a statement of certification that there have been no changes to the disclosure of all persons having a direct or indirect financial interest in the license or financial investment since the last annual application, that the configuration of the licensed premises has not been physically changed, altered, or modified since the last annual application, and required disclosure of any violation notice, suspension, or revocation of any privileged license (i.e., Liquor, Gaming, Racing, ~~Medical~~ Marijuana, and Driver's License) law violation, or any have charges pending since the last annual application.

C. Burden of Proof: The applicant shall have the burden to establish that the applicant has met all the requirements of the State laws and local ordinances governing the particular application by a preponderance of the evidence.

### **Rule 2.1.03 Application Review and Findings for ~~Medical Regulated~~ Marijuana Business License**

The License Enforcement Officer shall gather evidence as required by State and local law and ordinance. The investigation shall consider the following matters:

A. Whether it satisfactorily appears that the applicant or licensee is or will be entitled to possession of the premises for which application is made under a lease, rental agreement, or other arrangement for possession of the premises, or by ownership;

B. Whether the premises sought to be licensed is in compliance with the zoning, fire, building and other applicable laws of the City of Colorado Springs;

C. Whether the building containing a ~~Medical Marijuana marijuana Center business~~ licensed premises is in compliance with any applicable distance restrictions for protected uses located more than one thousand feet (1000') from any K-12 school, alcohol or drug treatment facility or residential child care facility.

D. Whether the applicant or licensee has submitted false applications, made willful misrepresentations and/or committed fraudulent acts;

E. Whether the applicant or licensee has a criminal history involving crimes of moral turpitude. By way of example, crimes of moral turpitude shall include, but not be limited to: murder, burglary, robbery, arson, kidnapping, sexual assault, and illegal drug or narcotics convictions;

F. Whether the applicant or licensee has had previous ~~Medical Marijuana-marijuana~~ business licenses denied, suspended or revoked as a result of violations of law;

G. Whether the applicant or licensee has been found to be delinquent in the payment of any State or local taxes, and whether record of the tax delinquency has been filed in a court having jurisdiction or has been made a public record by some other lawful means;

H. Whether the applicant or licensee has committed violations of law resulting in suspension, revocation or denial of any other government granted business permit, clearance, or license;

I. When making a determination as to the character, record or reputation of a licensee or applicant, the License Enforcement Officer shall consider the provisions of C.R.S. §24-5-101, including the nature and age of any convictions as well as evidence of rehabilitation. Evidence of rehabilitation may include, but not be limited to, evidence of no criminal history, education achievements, financial solvency, community standing, lack of additional arrests or convictions, or the lack of parole or probation violations since the last conviction.

J. Whether it satisfactorily appears that the State ~~Marijuana Enforcement Division~~MED has accepted any required applications for the exact same application submitted to the City. Failure of the applicant to provide proof of State ~~Marijuana Enforcement Division~~MED acceptance of the application within one (1) year from the date of City application may cause the application to be deemed withdrawn.

K. Whether the building containing a ~~Medical-M~~arijuana licensed premises is in compliance with applicable zoning requirements for the specific ~~Medical-Marijuana marijuana~~ license type requested for the facility.

L. If an application is denied by the State Licensing Authority, the LLA shall revoke the City issued approval or license.

#### **Rule 2.1.04 Unlawful Financial Interest, Assistance, Owner-Manager**

A. Each license for a Regulated Marijuana business must be held by ownership approved by the LLA and MED~~the owner of the licensed Medical Marijuana business~~. "Owner" means the entity, person, or persons whose proprietary interest is such that they bear risk of loss other than as an insurer, and have opportunity to gain profit from the operation or sale of the establishment.

In determining who ~~is the owner~~an owner is, elements considered, in addition to risk of loss and opportunity for profit, include: (1) possession; (2) who controls the license; (3) who guarantees the establishment's debts or production levels; (4) who is beneficiary under the establishment's insurance policies; and (5) who acknowledges liability for the business' federal, state, or local taxes.

B. Owners may hire managers, and managers may be compensated on the basis of profits made, gross or net. A license may not be held in the name of the manager.

C. A spouse of a licensee may hold a license in ~~his or her~~their own right if ~~he or she~~is they are the owner of the separately licensed ~~Medical Marijuana~~marijuana business, regardless of whether the spouses file separate or joint income tax returns.

D. A partnership interest, limited or general, a joint venture interest, ownership of a share or shares in a corporation or a limited liability company which operates a ~~Medical Marijuana~~marijuana business, or having a secured interest in furniture, fixtures, equipment or inventory of a ~~Medical Marijuana~~marijuana business constitutes ownership and a direct financial interest. Each individual having these types of ownership or direct financial interests must obtain and hold the appropriate license.

E. Any person who guarantees production levels, yields, quantities produced or any other obligations of the licensee or its operation shall be deemed to have a financial interest.

F. After initial licensing, any new financial investment, loans, or other permitted economic interest shall be reported to the ~~Local Licensing Authority~~LLA, along with a complete disclosure and proof of original lawful source of funds.

## **Rule 2.1.05 Transfer of Ownership and Changes in Licensed Entities**

### **A. Corporations and Limited Liability Companies**

1. If the applicant for any license is a corporation or limited liability company, it shall submit with the application the names, addresses, the names and addresses of any managers, a copy of its articles of incorporation or articles of organization, and evidence of its qualification to do business within this State. In addition, each applicant shall submit names, addresses and background forms for all persons owning any of the outstanding or issued capital stock, or of any person holding a membership interest.

2. Any transfer of capital stock or any change in principal officers or directors of any corporation holding a license under the provisions of the Colorado ~~Medical Marijuana~~ Code shall be reported at least thirty (30) days prior to the transfer or change. With the report, the licensee shall submit names, addresses, and background forms for any new officer, director, or stockholder acquiring any outstanding capital stock. A report shall be required for transfers of capital stock of any corporation regardless of size.

3. Any transfer of membership interest or any change in managing members of any limited liability company holding a license shall be reported at least thirty (30) days prior to the transfer or change. With the report, the licensee shall submit names, addresses and background forms for any new manager, or member acquiring a membership interest.

#### B. Partnerships

1. If the applicant for any license is a general partnership, limited partnership, limited liability partnership or limited liability limited partnership, the applicant shall submit names, addresses and background forms for all of its partners and a copy of its partnership agreement;

2. Any transfer of partnership interest or any change in general or managing partners of any partnership holding a license shall be reported at least thirty (30) days prior to the transfer of change. With the report, the licensee shall submit the names, addresses and background forms for any new partner, or any other partner acquiring a partnership interest.

#### C. Entity Conversions

1. Any licensee that qualifies for an entity conversion shall not be required to file a transfer of ownership application upon statutory conversion, but shall submit a report containing suitable evidence of its intent to convert at least thirty (30) days prior to the conversion. Evidence required shall include, but not be limited to, any conversion documents or agreements for conversion at least ten (10) days prior to the date of recognition of conversion by the Colorado Secretary of State. In addition, at least thirty (30) days prior to the date of the conversion, the licensee shall submit names, addresses and background forms or any new officers, directors, managers, general or managing partners, and for all persons having any ownership interest.

All reports required by this rule shall be on forms supplied by the [Local Licensing AuthorityLLA](#) or the State of Colorado.

D. No application for a transfer of ownership may be received or acted upon by either the State or [Local Licensing AuthorityLLA](#) if the transferring licensee has surrendered its license or had it canceled or revoked by either Authority prior to submission of the transfer application. In cases where surrender, cancellation or revocation has occurred prior to the submission of a transfer of ownership application, the license applicant shall follow the procedures for a new license application pursuant to these Rules and Regulations.

D.E. [No application for transfer of ownership may be received or acted upon by the LLA if the transferring license is not currently in compliance with all City regulations or obligations and not in good standing with other applicable City agencies including, but not limited to, City Sales Tax and local Building and Fire Codes.](#)

~~EF~~. Changes in registered managers shall be reported to the ~~Local Licensing Authority~~LLA within thirty (30) days of the change. Each licensee holding a ~~Medical Marijuana Center-Store (MMC)~~ license shall appoint and register a separate and distinct Managing Agent for each ~~MMC-Store~~ location. When a person ceases to be a Registered Manager for a licensee, for whatever reason, the licensee shall notify the ~~Local Licensing Authority~~LLA within five business (5) days and shall designate a new Registered Manager within thirty (30) calendar days. Any person acting as Managing Agent as defined in §2.1.304 of the code of the City of Colorado Springs for a ~~Medical Marijuana-marijuana~~ facility or licensee shall be registered. The ~~Local Licensing Authority~~LLA may refuse to accept any person as a Registered Manager unless the person is satisfactory to the Licensing Authority as to character, record, and reputation. In determining a Registered Manager's character, record, and reputation, the ~~Local Licensing Authority~~LLA may have access to criminal history record information furnished by a criminal justice agency subject to any restrictions imposed by such agency.

#### **Rule 2.1.06 Changing, Altering or Modifying Licensed Premises**

A. The licensee shall make no physical change, alteration or modification of the premises which materially or substantially alters the premises or the usage of the premises from the plans and specifications submitted at the time of obtaining the license, or as defined by these Rules, without prior application and written approval from the ~~Local Licensing Authority~~LLA as set forth in this Rule, and as required by Rules and Regulations of the State ~~Marijuana-Enforcement-Division~~MED for local approval of a Modification Of Premises. For purposes of this Rule, physical changes, alterations or modifications of the premises, or in the usage of the premises requiring prior written consent, shall include, but not be limited to, the following:

1. Any increase or decrease in the total size or capacity of the licensed premises, whether the increase or decrease be to restricted or unrestricted areas.
2. The sealing off, creation of or relocation of a common entryway, doorway, passage or other means of public ingress and/or egress that permits access to the licensed premises from or between public streets or thoroughfares, adjacent or abutting buildings, rooms or premises.
3. Any material change in the interior of the licensed premises that would affect the basic character of the premises or the physical structure that existed in the plan on file with the latest prior application. The foregoing shall not apply to painting and redecorating the licensed premises; the installation or replacement of fixtures or equipment or plumbing, refrigeration, air conditioning or heating fixtures and equipment; the lowering of ceilings; the installation and replacement of floor coverings; the replacement of furniture and equipment, and other similar changes.

4. Any change in previously disclosed and approved ~~Medical-Regulated~~ Marijuana ~~Infused~~ Product Manufacturer (MIP) processes including, but not limited to, changes or additions of hazardous or non-hazardous extraction processes, as defined in zoning code, and fire code.

5. Any addition or change for a State Centralized Distribution Permit pursuant to C.R.S. §§44-10-502(6) or 44-10-602(7). LLA notification and processing of the addition of a State Centralized Distribution Permit requires application for a minor modification.

In making its decision with respect to any proposed change, alteration, expansion or modification the ~~Local Licensing Authority~~ LLA must consider whether the licensed premises, as changed, altered, expanded or modified, will meet all of the pertinent requirements of applicable State and City law.

B. Once the licensee has received ~~Local Licensing Authority~~ LLA approval and a permit for the modification of premises has been issued, the licensee may make the modifications as approved, however may not utilize any expanded licensed premises for ~~Medical Marijuana-marijuana~~ use until any expanded premises is in compliance with all applicable City regulations including, but not limited to, zoning, building, and fire codes, and has been inspected by and to the satisfaction of the Fire Department and the ~~Local Licensing Authority~~ LLA, or their designees, in accord with City Code § 2.1.701, et seq., and pursuant to C.R.S. § ~~12-43.3-303~~ 44-10-304(4).

#### **Rule 2.1.07 Change of Trade Name**

No licensee shall change the name or trade name of the licensed business without submitting completed and approved form(s) with required fee(s) to the ~~Local Licensing Authority~~ LLA at least ten (10) days prior to the change.

#### **Rule 2.1.08 Change of Location**

A. Before the location of a license is changed, the licensee shall submit an application on forms provided by the City and State Licensing Authorities ~~in duplicate~~ to the ~~Local Licensing Authority~~ LLA for the change of location, accompanied by the required application fee(s).

B. All applications for a change in location shall be filed with the ~~Local Licensing Authority~~ LLA and shall be subject to Part 2 of these Rules of Procedure, except that the character of the applicant shall not be considered.

C. Once the licensee has received ~~Local Licensing Authority~~ LLA approval and a permit for the change of location has been issued, the licensee may not utilize any new location or licensed premises for ~~Medical-Regulated~~ Marijuana use until the new facility is in compliance with all applicable City regulations including, but not limited to, zoning,



building, and fire codes, and has been inspected by and to the satisfaction of the Fire Department and the ~~Local Licensing Authority~~LLA, or their designees, in accord with City Code § 2.1.701, et seq., and pursuant to C.R.S. §~~12-43.3-30344-10-304~~(4).

D. A marijuana cultivation licensee that has obtained an approved Change of Location Permit from the LLA and the State MED may also be granted a temporary Transition Permit issued by the MED pursuant to the terms and conditions outlined in Rule 2-255(D) of 1 CCR 212-3. The licensee must provide the LLA a copy of the MED Transition Permit and complete the transition to the new location within the time limits outlined in the LLA issued Change of Location Permit.

### **Rule 2.1.09 License Renewal**

A. All applications for renewal of a ~~Medical-Regulated~~ Marijuana Business License shall be on forms provided by the ~~Local Licensing Authority~~LLA, and must be submitted to the ~~Local Licensing Authority~~LLA, no later than forty-five (45) days prior to the license expiration date, together with the required license and renewal application fees, in the form of a check or money order.

B. If an application for renewal is filed less than forty-five (45) days prior to the license expiration date, and no other objections have been filed with the ~~Local Licensing Authority~~LLA as set forth in Subsection E of this Section, then the Authority shall process the application as provided in Subsection D of this Section. ~~If objections are filed, then the provisions of Rule 3.1.07 shall apply.~~ After forty-five (45) days prior to the license expiration date, a licensee who files a renewal application and pays the required fees and a nonrefundable late application fee prior to the current license expiration date may continue to operate until the ~~Local Licensing Authority~~LLA has taken final action to approve or deny the licensee's late renewal application. ~~No application for renewal of a Medical Marijuana business license shall be accepted after the date of expiration except as provided in Subsection C, below.~~

~~C. Notwithstanding the provisions of Subsection B of this Section, a licensee whose license has been expired for not more than ninety (90) days may file a late renewal application upon the payment of a nonrefundable late application fee payable to the City of Colorado Springs. A licensee who files a late renewal application and pays the required fee shall not be allowed to sell, distribute, or cultivate Medical Marijuana, or manufacture Medical Marijuana-infused products until the Local Licensing Authority has taken final action to approve or deny the licensee's late renewal application, unless the Local License Authority or State Marijuana Enforcement Division expressly waives this provision. No late renewal application shall be accepted more than ninety (90) days after the expiration of a licensee's annual license. Any licensee whose permanent annual license has been expired for more than ninety (90) days must apply for a new license pursuant to C.R.S. 12-43.3-Part 3, and shall not cultivate, distribute or sell any Medical Marijuana, or manufacture any Medical Marijuana-infused products until all required licenses have been obtained.~~

C. No application for renewal of a Regulated Marijuana business license shall be accepted after the date of expiration. The failure of a licensee to exercise the privilege of license renewal by the expiration date of the license shall be prima facie evidence that the licensee does not intend to renew the license, and that the license has expired and is no longer valid. In the event that the licensee has submitted a City MJ renewal application but failed to submit application for the required associated State MED license prior to the date of expiration of the MED license, the validity of the State MED license is lost, the City MJ license shall be rendered immediately invalid, and the LLA shall deny the City MJ renewal application.

D. Upon receiving the properly completed renewal application, the ~~Local Licensing Authority~~LLA shall ~~assemble~~review the file of the applicant containing all of the various City departments' records regarding the applicant or the premises dating back for a period of at least one (1) year. Unless there is evidence to the contrary, whether contained in the applicant's file or otherwise, it will be presumed that the licensed premises comply with the provisions of the statutes and applicable regulations, and that the character of the applicant continues to be satisfactory. If these presumptions apply, and the required associated State MED license is also submitted for renewal prior to the date of expiration, the application shall then be approved by the ~~Authority~~LLA and forwarded to the State Department of Revenue, ~~Medical~~Marijuana Enforcement Division.

~~D.~~

E. In the event that an application for a transfer of ownership of a license is pending at the same time that an application for a renewal is pending, both applications shall be processed simultaneously. If the renewal of the license occurs prior to the transfer of the license, then the licensee may continue to operate pending final determination of the application for transfer of ownership. If the transfer of ownership occurs prior to the renewal of the license in the name of the original licensee, then the renewed licenses will be issued in the name of the new licensee with the same expiration date of the original license(s).

F. In the event that a disciplinary action or objection based on "Good Cause" as that term is used in C.R.S. §44-10-103(17) is pending at the same time that an application for renewal is pending, then the resolution of the action or objection must be determined prior to action being taken on the renewal application. The licensee shall be permitted to continue to cultivate, sell, and possess marijuana as authorized by the license type pending the resolution of the disciplinary action or objection and action on the renewal application.

E.G. In the event that an application for change of corporate structure is pending at the same time that a renewal is pending, then the change of corporate structure, as applicable, must be determined prior to the license being renewed. If the application for renewal is otherwise in compliance with State Statutes and Rule 2.1.09, and the application for change of corporate structure cannot be completed or approved prior to the expiration of the license, the license renewal may be continued after the expiration of the license pending determination of the change of corporate structure issues. Upon the

completion of those determinations, the renewal application shall be acted upon by the LLA.

### **Rule 2.1.10 Notice of Pending Denial**

If the ~~Local Licensing Authority~~LLA intends to deny any type of ~~Medical Regulated~~ Marijuana business application, the applicant shall be provided at least ten (10) calendar days written notice prior to the issuance of the actual denial letter. The applicant shall have the burden to supplement the ~~Local Licensing Authority~~LLA's file with materials relevant to the stated reason for pending denial. Failure of the applicant to supplement the file shall result in a waiver of additional evidence in the file.

## **PART 3 – Disciplinary Proceedings: Rules Related to Suspension, Revocation and Non-Renewals**

### **Section 1 – General Provisions Applicable to All Disciplinary Proceedings**

#### **Rule 3.1.00 Notice**

- A. Upon commencement of suspension and revocation proceedings requiring a hearing, the ~~Local Licensing Authority~~LLA shall set a time and place for the hearing of the matter.
- B. The ~~Local Licensing Authority~~LLA shall give the licensee no less than ten (10) days advance notice of the time, place and nature of the hearing, the authority and jurisdiction under which it is to be held, the violations asserted and/or the good cause generally asserted as the grounds. Notice shall be served personally or by mailing ~~by certified mail~~ to the last address furnished to the City by the licensee, ~~except that the time for Notice of Hearings on license renewal applications shall be governed by Rule 3.1.07.~~ Notwithstanding the above notice requirements, the Hearing Officer may summarily suspend the license without notice pursuant to State law and these Rules.
- C. In the discretion of the City, suspension and revocation proceedings may include violations occurring during the immediate preceding licensing period as well as the current licensing period.
- D. For purposes of disciplinary proceedings, the parties shall be the Licensee and the City.

#### **Rule 3.1.01 Discovery and Exhibits**

- A. For purposes of hearings on license suspension or revocation, the parties shall, upon request of the other party, exchange copies of all exhibits intended for introduction at the hearing, exchange all pertinent written reports of witnesses whose testimony is anticipated at hearing, and respond to all other reasonable discovery requests, within a

reasonable period of time. In the event a party intends to introduce evidence which is not subject to photocopying or electronic duplication, a description of the evidence will be provided to the other party and the evidence will be made available for inspection under supervision by appointment.

B. The Hearing Officer shall have the discretion to make any orders necessary to address alleged non-compliance with this Rule. Orders shall include, but not be limited to, ordering the non-complying party to permit the discovery of the material and information not previously disclosed, continuing the hearing, or any other orders that the Hearing Officer deems just under the circumstances. Upon a finding that this Rule has been violated by a party, the Hearing Officer should impose the least severe sanction that will ensure that there is full compliance with this Rule.

### **Rule 3.1.02 Hearings**

A. The Hearing Officer shall conduct hearings on contested violations subject to revocation or suspension.

B. The Hearing Officer shall have the power to administer oaths, issue subpoenas and, when necessary, grant continuances.

C. Representation. The City may be represented by a prosecuting attorney from the Office of the City Attorney. The licensee may be represented by counsel or may proceed pro se. The licensee will be given an opportunity to be heard, present evidence, cross-examine witnesses and offer evidence in mitigation of any alleged violations. At the Hearing Officer's discretion, a municipal attorney from the Office of the City Attorney may advise the Hearing Officer regarding any procedural questions during a hearing. Under no circumstances will the same municipal attorney act as a prosecuting attorney during any hearing.

D. All hearings before the Hearing Officer shall be electronically recorded. Summary suspension hearings shall be similarly recorded.

E. In all suspension or revocation proceedings before the Hearing Officer, the City shall have the burden to establish that a violation occurred by a preponderance of the evidence.

### **Rule 3.1.03 Decision**

A. The Hearing Officer shall make a written decision within fifteen (15) days after the conclusion of the hearing. The Hearing Officer shall consider only the testimony and evidence presented at the hearing in making ~~his or her~~their decision. A copy of this decision shall be mailed to or served upon the licensee.

B. In the event of revocation, suspension or surrender of the license, no portion of the license fee or any levied occupation tax shall be refunded.

C. Every Licensee whose license has been suspended shall post a notice on the exterior of its premises in a manner and place that is visible and conspicuous to the public for the duration of the suspension. The size and form of the notices shall be analogous to MED Rule 8-215 of 1 CCR 212-3. Any advertisement or posted signs that indicate that the premises have been closed or business suspended for any reason other than by the manner described in this Rule shall be deemed a violation of these rules.

#### **Rule 3.1.04 Penalty**

A. Upon a finding by the ~~Local Licensing Authority~~LLA or Hearing Officer that the licensee, or any of the licensee's agents or employees, committed a violation, the ~~Local Licensing Authority~~LLA or Hearing Officer shall have the power to suspend the license for a period not to exceed six (6) months (to include both time the license is actually suspended and suspension time held in abeyance), or to revoke the license. Any summary suspension ordered pursuant to Rule 3.1.06 shall be further limited in duration by that Rule.

B. In determining an appropriate penalty, the ~~Local Licensing Authority~~LLA or Hearing Officer may consider factors including, but not limited to, any recommended penalties for the violation contained in regulations promulgated by the State Licensing Authority pursuant to State law, any history of violations committed by the licensee or by any of its agents or employees, and any aggravating and mitigating factors. The appropriate penalty may include the provisions and process for a fine or a fine in lieu of suspension pursuant to C.R.S. §~~12-43.3-60144-10-901~~ and the associated Regulations promulgated by the State Licensing Authority.

#### **Rule 3.1.05 Summary Suspensions**

A. The Hearing Officer may summarily suspend a license without notice pursuant to State law:

1. Where the Hearing Officer has reasonable grounds to believe and finds that a licensee is guilty of a deliberate and willful violation of any applicable law, rule or regulation; or
2. Where the Hearing Officer has reasonable grounds to believe that the protection of public health, safety or welfare imperatively requires emergency action.

B. Upon the summary suspension of a license, the Hearing Officer shall render an order incorporating these findings.

C. The summary suspension of a license without notice pending any prosecution, investigation, or public hearing shall be for a period not to exceed fifteen (15) days, during which time the City shall institute suspension or revocation proceedings.

D. In the event the Hearing Officer grants a summary suspension and the licensee requests that the hearing date is continued beyond fifteen (15) days, the Hearing Officer

shall have discretion to continue the hearing date so long as the licensee stipulates to the summary suspension continuing through the next scheduled hearing date.

E. In the event of the summary suspension of a license, no portion of the license fee or occupation tax shall be refunded.

### **Rule 3.1.06 Destruction of Unauthorized Marijuana or Marijuana- Infused Products and Related Materials**

A. The Colorado Springs Police Department, and the ~~Local Licensing Authority~~LLA, shall not be required to cultivate or care for any marijuana or marijuana-infused product belonging to or seized from a licensee.

B. If the Hearing Officer issues a final agency order imposing a disciplinary action against a licensee pursuant to § 2.2.108 of the Code of the City of Colorado Springs 2001, as amended, then, in addition to any other remedies, the Hearing Officer's order may specify that some or all of the licensee's marijuana or marijuana-infused product is not a valid Medical-Regulated Marijuana or a Medical-Regulated Marijuana-infused Product and is an illegal controlled substance. The order may further specify that the licensee shall lose any interest in any of the marijuana or marijuana-infused product even if the marijuana or marijuana-infused product previously qualified as a Medical-Regulated Marijuana or a Medical-Regulated Marijuana-infused Product pursuant to the State ~~Medical~~ Marijuana Code and State ~~Medical~~ Marijuana Rules and Regulations. The final agency order may direct the destruction of any marijuana and marijuana-infused products pursuant to the State ~~Medical~~ Marijuana Code and State ~~Medical~~ Marijuana Rules and Regulations. Destruction of any illegal controlled substances will be under supervision of the Colorado Springs Police Department and the ~~Local Licensing Authority~~LLA.

C. Following the issuance of a final agency action ordering destruction authorized by subsection (B) of this Rule, a licensee shall have fifteen (15) days to file a petition for stay of agency action with the District Court. The Colorado Springs Police Department and the ~~Local Licensing Authority~~LLA shall not carry out the destruction ordered by the Hearing Officer until fifteen (15) days have passed from the date of the Hearing Officer's Order without the filing of a petition for stay of agency action, or until the District Court has issued an order denying a stay of agency action.

D. Following the issuance of a final agency action ordering destruction authorized by subsection (B) of this rule, the ~~Local Licensing Authority~~LLA shall immediately provide written notice to the 4<sup>th</sup> Judicial District Attorney's Office that an order for destruction has entered and that the order will be executed 15 days after entry of the order unless the 4<sup>th</sup> Judicial District Attorney's Office notifies the ~~Local Licensing Authority~~LLA that the marijuana or marijuana-infused product(s) constitute(s) evidence in a criminal proceeding, in which case the 4<sup>th</sup> Judicial District Attorney's Office will be granted access for that purpose.

E. Whenever a decision of the Hearing Officer suspending a license becomes final, and the licensee petitions the Hearing Officer for an order of clarification permitting the licensee to maintain its inventory, the Hearing Officer may, if in compliance with State

~~Medical~~ Marijuana Rules and Regulations, grant the petition and order that the proposed suspension shall not prohibit the licensee from maintaining its existing inventory.

### ~~Rule 3.1.07~~ **Renewal Hearings**

~~A. Whenever the City files an objection to the renewal of a license based on “Good Cause” as that term is used in C.R.S. § 12-43.3-104(1)44-10-103(17) prior to the renewal of the license, the Authority shall have the discretion to set the matter for a renewal hearing. A hearing on the renewal application shall be held not less than 10 days from the date the licensee receives the City’s objection by personal service or certified mail as provided in Rule 3.1.00. A notice of hearing shall be conspicuously posted on the licensed premises for a period of no less than ten (10) days prior to the renewal hearing. The renewal hearing shall be conducted by the Hearing Officer in accord with this Part 3. The licensee shall be permitted to sell and possess Medical Marijuana pending the renewal hearing.~~

~~B. In the event that an application for change of corporate structure is pending at the same time that a renewal hearing is pending, then the change of corporate structure, as applicable, must be determined prior to the license being renewed. If the application for renewal is otherwise in compliance with State Statutes and Rule 2.1.09, and the application for change of corporate structure cannot be heard prior to the expiration of the license, the license renewal hearing may be continued by the Hearing Officer after the expiration of the license pending determination of the change of corporate structure issues. Upon the completion of those determinations, the renewal application shall be acted upon by the Hearing Officer. If a renewal hearing is held after the expiration of the license, and the filing of the renewal application is timely, pursuant to the requirements of Rule 2.1.09, then the licensee may continue to operate pending final determination of the change of corporate structure issues prior to the renewal hearing being held.~~

~~C. In the event that an application for renewal is pending at the same time that a disciplinary hearing is pending, then the resolution of the disciplinary hearing must be determined prior to the license being renewed. If the application for renewal is otherwise in compliance with State Statutes and Rule 2.1.09, and the disciplinary hearing cannot be held prior to the expiration of the license, the license renewal may be extended by the Hearing Officer after the expiration of the license pending determination of the disciplinary hearing. Upon the completion of those determinations, the renewal application shall be acted upon by the Hearing Officer.~~

### **Rule 3.1.0807** **Consequence of Inactivity**

A. Where a newly an approved license is for a premises which has not been constructed and placed in operation within two (2) years after approval of the license application or construction of the facility has not commenced within one (1) year after the approval has not been constructed and placed in operation within one (1) year of approval of the application, in the discretion of the Authority, the license may be suspended, revoked, or denied upon application for renewal.

B. Where a licensed premises has been inactive for more than one (1) year, the premises may be deemed abandoned and the license, in the discretion of the Authority, may be revoked or denied subsequent renewal.

C. Where the applicant has failed to provide proof of State ~~Marijuana Enforcement Division~~MED acceptance of an application for the exact same application submitted to the City within one (1) year from the date of city application, in the discretion of the ~~authority~~Authority, the application may be deemed withdrawn.

D. Where a licensed ~~Medical Regulated~~ Marijuana facility is closed or not in operation for more than a twelve (12) month period, the premises may require re-inspection by the ~~Local Licensing Authority~~LLA, or their designees, prior to local approval of re-starting or re-establishing the operation of the facility.

E. Modification of Premises (MOP) and Change of Location (COL) approvals are subject to expiration as outlined in relevant State Statute and MED rules governing those applications. If construction and completion is not achieved by the relevant expiration date, a new application and review process is required, or the modification or change will be deemed abandoned without final approval.

F. If the applicant does not receive State jurisdictional approval within one year of the date of LLA approval of the application, the City license application expires and may not be renewed. If an application is denied by the State Licensing Authority, the LLA shall revoke the City issued approval or license.