

# CITY OF AURORA

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## RETAIL MARIJUANA ESTABLISHMENT RULES AND REGULATIONS

February 2016

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### **Rule 100 Series – General Applicability**

#### **Rule 101: Purpose and Intent.**

Section 16, article XVIII of the Colorado Constitution (the “Recreational Marijuana Amendment” also known as Amendment 64) permits personal use of marijuana by persons aged 21 years and older under Colorado law. To enact, restrict, and enforce the state constitution, the General Assembly enacted the Colorado Retail Marijuana Code, article 43.4 of title 12, C.R.S. (“the CRMC”). In addition, the Colorado Department of Revenue adopted 1 CCR 212-2, Series 100 through 1500, Retail Marijuana Rules (“the RMR”). The CRMC and the RMR authorize counties and municipalities to determine whether to permit, as a matter of state law, certain retail (i.e. non-medical) marijuana establishments within their jurisdictions.

As permitted under Amendment 64, the Aurora City Council has determined to allow retail marijuana establishments in the city on the condition that the establishments are operated in compliance with all applicable state and local laws. The City Council has adopted Ordinance 2014-14 (“the ordinance”) amending Chapters 6, 22, and 146 of the Aurora City Code related to the regulation of retail marijuana establishments. The ordinance created the local licensing authority and vested it with authority to promulgate regulations as necessary for proper administration and enforcement.

The purpose of these regulations is to establish specific standards and procedures for local licensing of retail marijuana-related establishments and to protect the health, safety, and welfare of the residents and consumers of the City of Aurora (“the city”) by prescribing the manner in which retail marijuana establishments can be conducted in the city. Retail marijuana establishments are a heavily regulated industry in the state and city. The city has a zero-tolerance policy for violations of this ordinance or the regulations contained herein.

By enacting these regulations, the city does not intend to encourage or promote the establishment of any business or operation, or the commitment of any act, that constitutes or may constitute a violation of state or federal law. As of the date of the enactment of these regulations, the use, possession, distribution, and sale of marijuana is illegal under federal law and those who engage in such activities do so at their own risk of criminal prosecution.

#### **Rule 102: Defined Terms.**

The definitions contained in Section 12-43.4-103 of the CRMC and Rule 103 of the RMR shall apply equally to these regulations except where specifically defined below.

“Applicant” means a person that has submitted an application pursuant to these rules that was accepted by the local licensing authority for review but has not yet been approved or denied by the

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local licensing authority. A person submitting multiple applications for retail marijuana establishments in the city is considered to be a separate applicant for each of the applications submitted.

"Business manager" means an individual designated in the application for licensure or renewal thereof as the person responsible for all operations of the business in the absence of the owner from the licensed premises, and shall include any person with managerial authority in the business, and any person that has access to lock or unlock the safe, to lock or unlock the business, or set or disarm the alarm.

"Local licensing authority" means the manager of the Aurora Marijuana Enforcement Division for the city.

"Liquid assets" are assets in the form of money or cash in hand, assets that will be placed directly into the retail marijuana establishment or other assets that can be quickly converted into cash. Liquid assets include, but are not limited to the following: funds in checking or savings accounts, certificates of deposit, money market accounts, mutual fund shares, publicly traded stocks, United States savings bonds, furniture and equipment, and packaged marijuana, and related products and inventory to be transferred to the retail marijuana establishment. For purposes of these regulations, household items, vehicles, marijuana plants, and real property and improvements thereto are not considered to be liquid assets.

"Person" means a natural person, partnership, association, company, corporation, or organization, or a director, officer, shareholder, partner, manager, agent, servant, or employee thereof.

### **Rule 103: Effective Date and Applicability.**

These regulations shall be effective on June 14, 2014 and shall govern all applications submitted to the city on and after that date for licensing of any retail marijuana establishment in the city under the CRMC and the ordinance

### **Rule 104: Relationship to Other Laws.**

The city intends to follow and incorporate all requirements and procedures set forth in the CRMC and the RMR. The provisions in these regulations that are different from the applicable state law are consistent with the city's responsibility to protect the public health, safety, and welfare as authorized by applicable law, and by the home rule authority granted to the city by Article XX of the Colorado Constitution and the charter of the city. Where these regulations conflict with the state regulations, the city regulations shall apply.

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Whenever possible, these regulations and any licenses issued under these regulations shall be construed to comply with federal law, specifically including the Controlled Substances Act (21 U.S.C. 801 et seq.).

### **Rule 105: Severability.**

If any provision of these regulations is found to be invalid by a court of competent jurisdiction, only the provision subject to the court decision shall be repealed or amended. All other provisions shall remain in full force and effect.

### **Rule 106: Local Licensing Authority.**

106.1 Creation and Purpose. Section 6-304 of the ordinance establishes the local licensing authority for the purpose of regulating and controlling the licensing and sale of retail marijuana in the city pursuant to the local licensing provisions of the CRMC. The local licensing authority shall serve as the primary point of contact and shall have the final authority of review and approval on all such matters.

106.2 Duties. The local licensing authority, along with the state licensing authority, shall enforce compliance with the requirements established in these regulations and the CRMC. Any other state regulations will be enforced by the state licensing authority.

### **Rule 200 Series—Licensure**

#### **Rule 201: Licenses.**

201.1 Licensure Required. It is unlawful for any person to operate a retail marijuana establishment in the city without obtaining a local license to operate. A valid license from the State of Colorado is also required as provided by the CRMC.

201.2 Relationship to Other Laws. The license requirements in these regulations shall be in addition to, and not in lieu of, any other licensing and permitting requirements imposed by any other federal, state, or local law. The license does not provide any exception, defense, or immunity to any person in regard to any potential criminal liability the person may have for the production, distribution, or possession of marijuana. Upon denial or revocation of a state license, any license issued under these regulations shall be null and void. If a court of competent jurisdiction determines that the issuance of local licenses violates federal law, all licenses issued under these regulations shall be deemed immediately revoked by operation of law, with no ground for appeal or other redress on behalf of the licensee.

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- 201.3 No entitlement or vested right. No person shall have any entitlement or vested right to licensing under these regulations. Operation of a retail marijuana establishment is a revocable privilege and not a right in the city. The applicant bears the burden of proving that all qualifications for licensure have been satisfied.
- 201.4 Classes of Licensure. The local licensing authority may issue the following types of local licenses authorized under the CRMC:
- 1) Retail marijuana store license;
  - 2) Retail marijuana cultivation facility license;
  - 3) Retail marijuana product manufacturing facility license; and
  - 4) Retail marijuana testing facility license.

Medical marijuana businesses – including medical marijuana centers or dispensaries, medical marijuana-infused product manufacturers, and medical marijuana cultivation facilities – are not permitted to conduct operations within the City. Retail marijuana testing facilities are allowed to test medical marijuana within the City if they apply for and obtain a state issued Medical Marijuana Occupational License for Testing and Research. A testing facility may accept samples of medical marijuana or medical marijuana-infused product from medical marijuana businesses for testing and research only as authorized under R701 of the Colorado Retail Marijuana Rules. Bona fide medical marijuana research facilities may be permitted at the Anschutz Medical Campus and the Fitzsimons Life Science District.

- 201.5 Separate and Distinct Licenses. Each license issued under this article is separate and distinct. It is unlawful for a person to exercise any of the privileges granted under a license other than the license that the person holds or for a licensee to allow any other person to exercise the privileges granted under the licensee's license. A separate license shall be required for each specific establishment or business entity and each geographical location.

### **Rule 202: Application Procedure.**

- 202.1 Start Date. The local licensing authority shall receive and process all applications for retail marijuana establishment licenses beginning on July 1, 2014.
- 202.2 State Application Required. Filing a local application for a retail marijuana establishment with the city does not constitute an application with the State of Colorado. A separate state application process must be followed through the Colorado Department of Revenue Marijuana Enforcement Division.
- 202.3 Pre-Licensing Process. Prior to submitting a formal application for a retail marijuana establishment license, an applicant is encouraged to submit a letter of intent to the local licensing authority. All prospective applicants must attend a pre-licensing meeting prior to submitting an application for a retail marijuana establishment.

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- (a) Letter of Intent. The purpose of the letter is to notify the city that an application may be forthcoming. The letter shall set forth: the name of the individual(s) or entity applying for licensure; contact information for the applicant or primary contact person; the address of the proposed retail marijuana establishment, if known; the type of license(s) sought by the applicant, a statement, not to exceed 100 words, defining the applicant's intent to submit an application for a retail marijuana establishment; and the dated signature of the prospective applicant.
- (b) Pre-Licensing Meeting. The purpose of this meeting is for the applicant to inform the city of the size, scope and feasibility of the proposed retail marijuana establishment and for the city to provide the applicant a more complete understanding of the licensing process. Pre-licensing meetings are mandatory for all applicants, and may be scheduled online at the following link:

<https://apps2.auroragov.org/MJPreLicenseMeeting/MarijuanaPreLicenseApplication.cshtml>

202.4 Application Materials. All applications for retail marijuana establishment licenses shall be made upon forms provided by the city and shall include the following supplemental materials:

- (a) If an owner is not a natural person, the organizational documents for all entities identified in the application;
- (b) A copy of the lease or deed for the property;
- (c) If the property is leased, written consent from the owner allowing operation of a retail marijuana establishment on the leased premises;
- (d) A site plan of all buildings on the property where the premises is located, including but not limited to: a floor plan showing how the floor space is or will be used, parking for the premises, total floor area of the building(s), and the nature and location of any existing or proposed exterior lighting and signage;
- (e) A list of all other uses on the property;
- (f) A list of all proposed changes or modifications to the premises, including any such proposed changes that are purposed because of state licensing requirements;
- (g) A security plan indicating how the applicant will comply with the requirements of this ordinance and any other applicable law, rule, or regulation; and
- (h) Fingerprints and personal histories as may be specified on forms provided by the local licensing authority.

202.5 Specialized Requirements. In addition to completing the city application form and submitting the above documents, applicants must satisfy the following requirements when applying for certain license types.

- (a) Retail marijuana store applicants must provide documentation to demonstrate a minimum of \$400,000 in liquid assets available under the applicant's control.

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- (b) Retail marijuana cultivation facilities and retail marijuana product manufacturing facilities must provide, either prior to or at the time of building plan submittal to the building division, a plan that specifies the methods to be used to prevent the growth of harmful mold and compliance with limitations on discharge into the wastewater system of the city.
- (c) For retail marijuana cultivation facilities, applicants must provide a ventilation and filtration plan at the time of plan submittal to the building division, describing the systems that will be used to prevent the detection of any odor of marijuana from the licensed premises.
- (d) Applicants for retail marijuana product manufacturing facility or retail marijuana testing facility licenses must specify all means to be used for extraction, heating, washing, or otherwise changing the form of the marijuana plant, along with proposed ventilation and safety measures to be implemented for each process. Such documentation shall be submitted prior to or at the time of building plan submittal to the building division.

202.6 Waiver or Additional Requirements. The local licensing authority may, at its discretion, waive specific submission requirements or require the submission of additional materials as may be useful in making a determination under these regulations. To the extent any of the foregoing supplemental materials have been included with the applicant's state license application and forwarded to the city by the state licensing authority, the local licensing authority may rely upon the information forwarded from the state without requiring resubmittal of the same materials in conjunction with the local license application.

202.7 Complete Application. The city will not accept an incomplete application. An application shall not be considered complete until the local licensing authority has: (i) determined that all requirements of the application have been provided to the city, (ii) fingerprints and photographs of each person required, (iii) received the local share of the application fee from the State of Colorado, (iv) received the operating fee and any applicable additional fees from the applicant, and (v) obtained all other information the local licensing authority determines necessary to make a decision whether to approve or deny the license application, or approve it with conditions.

### **Rule 203: Licensing Procedure – General.**

The local licensing authority shall consider and act upon all complete local license applications as authorized by these regulations. The local licensing authority shall grant or deny a license based solely upon the local licensing authority's investigation and findings, and no public hearing shall be required.

203.1 Approval. The local licensing authority may issue a retail marijuana establishment license if the inspection, background checks, and all other information available to the city verify



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that the applicant has submitted a full and complete application, has made improvements to the establishment location consistent with the application, is prepared to operate the business with other owners and managers as set forth in the application, and has submitted the annual operating fee, all in compliance with this code and any other applicable law, rule, or regulation. The conditions of an approval of a retail marijuana establishment license shall include, at a minimum, operation of the establishment in compliance with all of the plans and information made part of the application.

- 203.2 Denial. The local licensing authority will deny any application that does not meet the requirements of these regulations or any other applicable law, rule, or regulation or that contains any false or incomplete information. In the event an application for licensure is denied, the local licensing authority will notify the applicant in writing, explaining the reasons for the denial.
- 203.3 Appeal. Persons whose applications have been denied have a right to appeal the denial via the procedures set forth in Rule 802 below. Within 20 calendar days from the date of the notification of denial, an aggrieved applicant may petition in writing to the finance director to request a hearing regarding the denial of licensure.
- 203.4 Good Moral Character. The local licensing authority shall make a finding and determination as to the good moral character of the applicant. A determination that the applicant is not of good moral character constitutes sufficient grounds for denial of the application, regardless of other qualifications. Good moral character means an individual who has a personal history demonstrating honesty, fairness and respect for the rights of others, and conformance to law. It also includes the propensities of the applicant and the applicant's employees toward criminal conduct, in addition to their criminal record. In making the evaluation of the good moral character of an individual identified on an application or, the local licensing authority shall consider the following:
- (a) The criminal history of the applicant and the applicant's employees;
  - (b) Denial, suspension, or revocation of business and professional licenses held by the applicant and the applicant's officers, owners, executives, and key employees;
  - (c) The types and dates of criminal or licensure violations, including whether the violations are related to moral turpitude, substance abuse, or;
  - (d) Evidence regarding abuse of intoxicating or controlled substances by the applicant and the applicant's officers, owners, executives, and key employees;
  - (e) The evidence of rehabilitation, if any, submitted by the applicant; and
  - (f) Any additional information that may otherwise directly affect the applicant's ability to operate a retail marijuana establishment in conformity with applicable laws and regulations.

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### **Rule 204: Licensing Procedure – Retail Marijuana Stores.**

The city will issue no more than 24 retail marijuana store licenses, with a limit of four such licenses to be issued in each of the six council wards. The retail marijuana store licenses will be awarded via a competitive process involving a two-stage review of the applications received.

204.1 Initial Review. The initial criteria considered for review by the local licensing authority for an application for a retail marijuana store license must be satisfied in full before the applicant will be entered into the point system review. The initial review standards are defined as follows:

- (a) The State of Colorado has accepted the applicant's application for a retail marijuana store license;
- (b) The applicant can demonstrate at least \$400,000 of liquid assets in control and available, as evidenced by bank statements, lines of credit, or the equivalent to show that the applicant has sufficient resources to operate;
- (c) The applicant has no felony convictions for ten years, no drug-related misdemeanor convictions for five years, and no drug-related felony convictions;
- (d) The applicant must have at least two years of experience, as defined below in Rule 204.3, operating a licensed marijuana establishment in Colorado as an owner or manager;
- (d) The applicant's proposed store location satisfies the minimum distance requirements of at least 1,000 feet from a school serving pre-school through twelfth grade students and 500 feet from a hospital or substance abuse treatment center, as measured from the nearest property boundary of these uses to the address point of the retail marijuana store; and
- (e) The business must certify that it has satisfied or will meet the minimum security requirements of the CRMC and Rule 305 of these regulations prior to opening.

204.2 Liquid Asset Requirement. All applicants for retail marijuana store licenses must demonstrate a minimum of \$400,000 in liquid assets under control and available at the time of application. This threshold must be separately met for each of the retail marijuana stores for which the applicant is seeking licensure.

Only assets held or titled in the name of the actual applicant will qualify toward meeting this requirement – for example, in the case of a corporate applicant, the personal assets of owners or assets of related business entities would not be considered. For jointly held assets, only the applicant's portion of ownership will be considered toward the minimum requirement.

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The applicant must provide satisfactory documentation of asset ownership such as bank statements, lines of credit, stock certificates, and invoices or receipts. The local licensing authority has discretion to make final determinations as to whether assets qualify as liquid assets and whether sufficient proof of ownership in the name of the applicant has been demonstrated.

204.3 Point System Review. The local licensing authority shall review each application that satisfies the minimum requirements set forth in Rule 204.1 and award points to each applicant as follows:

Differentiator	Qualifier	Points
<b>Experience operating a licensed marijuana establishment in Colorado (Cumulative)</b>	3 Years	+1
	4 Years	+1
	5 Years	+1
<b>Experience operating a licensed marijuana establishment in Colorado without administrative penalties or license revocation (Cumulative)</b>	3 Years	+1
	4 Years	+1
	5 Years	+1
<b>The applicant, and the applicant's principal officers and executives were in compliance with all tax laws</b>	Demonstrated history of timely payment (1 year) and no criminal, civil, or administrative actions in the past 3 years	+2
<b>Applicant criminal background history</b>	No felony convictions	+2
	No pending charges	+2
	No drug-related misdemeanor convictions	+2
<b>Manager and employee criminal background history</b>	No felony convictions	+2
	No drug-related misdemeanor convictions	+2
<b>Building contains a filtration or air scrubbing system</b>	Minimize odors and public nuisance complaints	+3

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<b>Demonstrates enhanced security in excess of minimum requirements</b>	Deter criminal activity and minimize police supervision of premises	+2
<b>Operating Plan</b>	Ensure adequate staffing, security, employee training, consumer education, and compliance with state and local laws.	+1 to +10
<b>Business Plan</b>	Define scope of planning and capital improvements, estimate revenue and expenses, and demonstrate ability to operate in highly regulated industry.	+1 to +10
<b>Total Score</b>		<b>43</b>

- (a) Burden of Proof. The applicant is responsible for identifying the bonus point criteria for which they are applying. The local licensing authority will not presume proposed qualifications without supporting documentation.
- (b) Experience Requirement. At least one member of the ownership group applying for licensure must have two years or more of experience operating a licensed marijuana establishment in Colorado, and bonus points will be awarded for additional experience beyond this minimum requirement. In evaluating an applicant's experience level and history as an operator of a licensed marijuana establishment, the local licensing authority will apply the following standards:
- (1) Operating experience is defined as an individual with an active ownership or managerial role who made administrative decisions for the establishment.
  - (2) The applicant's experience must demonstrate knowledge of the business practices and protocols of a retail marijuana store, such as security requirements, awareness of limited access areas, administration of the marijuana inventory tracking system, and understanding of applicable laws and regulations for the industry.
  - (3) Only the industry experience of those members of the ownership group with at least a twenty percent (20%) ownership interest in the business entity applying for licensure will be considered.

The provisions above apply to both the minimum experience requirement of two years set forth in Section 6-309(a)(4) of the Aurora Municipal Code and to any bonus points awarded under Section 6-309(b) of the Aurora Municipal Code, as described in the chart above.

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- (c) Administrative Penalties. In evaluating an applicant's history of operating a licensed marijuana establishment without administrative penalties, the local licensing authority will review property histories, police reports, and other relevant documentation to determine whether the applicant, or an establishment the applicant has operated or managed, has previously been:
  - (1) Subject to a license suspension or revocation;
  - (2) Fined or charged with an administrative penalty; or
  - (3) Received a court summons related to the operation of the licensed establishment.
- (d) Tax Compliance. In evaluating an applicant's history of tax compliance, the local licensing will review the federal, state, and local tax returns of the applicant and any of the owners of the applicant, to determine whether a timely history of payment has been established. The local licensing authority will also review available public records to determine whether the applicant and any of the owners of the applicant, have in the past three years been subject to any tax-related liens, seizures, or fines, or have been convicted of a tax-related criminal offense.
- (e) Security Plan. All applicants must include a security plan as part of their application package, which will be reviewed by the local licensing authority in conjunction with members of the Aurora Police Department. If the applicant's plan is able to sufficiently demonstrate security measures in excess of the minimum requirements set forth in state regulations, the applicant shall be awarded two points. Such enhanced security measures shall include, but are not limited to, steel security doors, improved video surveillance system capabilities, and advanced alarm systems.
- (f) Business Plan. The business plan is to demonstrate the applicant's ability to successfully operate in a highly regulated industry over an extended period of time. The local licensing authority will review all business plans submitted, and shall assign a score of between one and ten points. The content by which the local licensing authority will evaluate business plans may include, but is not limited to the following: scope of work for the planning and development; scope of work for capital improvements; an estimate of first-year revenues; an estimate of first-year operating expenses and evidence that the applicant will have the resources necessary to pay for those expenses; and a description of the applicant's history of compliance in a highly regulated industry. The business plan will be reviewed and scored by an independent three-person panel, with the final score being the average of the scores from each of the three panel members, rounded to the nearest whole number.
- (g) Operating Plan. The operating plan is to enumerate the specific means through which the applicant intends to achieve the business goals and comply with the city and state regulatory requirements. The local licensing authority will review all operating plans submitted, and shall assign a score of between one and ten points. The content by

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which the local licensing authority will evaluate the operating plans may include, but is not limited to the following: staffing schedules to ensure adequate coverage and experience during all business hours; employee training programs for security, product knowledge and safety; proactive consumer education and community outreach practices; and an operations manual demonstrating compliance with state and city retail marijuana laws. The operating plan will be reviewed and scored by an independent three-person panel, with the final score being the average of the scores from each of the three panel members, rounded to the nearest whole number.

- (h) Protection from Disclosure. The security plan will be protected from public disclosure as provided under the Colorado Open Records Act, § 24-72-204(2)(a)(VIII), C.R.S. If the applicant believes that portions of the business plan or operating plan would cause a competitive disadvantage to the applicant if disclosed pursuant to an open records request, the applicant should identify the specific sections of the plan that would cause the competitive disadvantage and request that those portions be protected from disclosure. The general policies for disclosure of application materials are described in Rule 702.3 below.
- (i) Permanency of Bonus Points. With the exception of the business plan and operating plan, retail marijuana store applicants will be held accountable for any information submitted which may result in bonus points being awarded in the point system review process. Such criteria are subject to reevaluation during the inspection and license renewal processes, and any failure of the applicant to adhere in a timely manner to the criteria by which bonus points were awarded may result in penalties including, but not limited to, revocation of the store license.

204.4 Award of Store Licenses. The local licensing authority shall issue a retail marijuana store license to the four applicants in each ward that earn the highest point totals pursuant to Rule 204.3. In the event that two or more applicants applying for licensure in the same ward receive the same total score, and the applicants cannot all be issued a license, the local licensing authority shall randomly select the applicants that will be awarded a retail marijuana store license.

204.5 Limitation on Number of Licenses per Person. No person may hold an ownership interest in more than six retail marijuana stores located throughout the city. While a person may submit an unlimited number of applications for retail marijuana store licensure, a maximum of six licenses may be awarded to any particular owner.

In evaluating the applications submitted by a person with ownership interest in multiple prospective retail marijuana stores, the top-scoring applications in each of the wards in which the applicant submitted applications will be considered first. For example, if a person submitted three retail marijuana store applications in each of four separate wards,

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the top-scoring application submitted by that person in each of the four wards must be considered for licensure before their second-ranked application in any of the four wards will be evaluated. Similarly, the second-ranked applications by the person in each of the wards must be considered for licensure prior to evaluating their third-ranked application in each ward. In the event that six licenses are awarded to any person, any additional applications in which that person has an ownership interest will be disregarded.

### **Rule 205: Licensing Procedure – Retail Cultivation, Retail Manufacturing and Retail Testing Facilities.**

- 205.1 Distance from Residential Areas. No retail marijuana cultivation, product manufacturing or testing facility shall be permitted within 300 feet of an existing residential use, excluding any nonconforming residential use, or any residential or open zoning district. This distance shall be measured from the nearest property boundary of such use or district to the nearest property boundary of the marijuana cultivation, product manufacturing or testing facility.
- 205.2 Prohibited Materials and Processes. Retail marijuana product manufacturers are prohibited from using metals, butane, propane, or other solvents or flammable products that produce flammable vapors to process or test marijuana unless a certified industrial hygienist has verified that the method used and the premises are safe and in compliance with all applicable rules and regulations. Any retail marijuana establishment proposing to process or test retail marijuana through the use of such chemicals or processes must present documentation from a certified industrial hygienist confirming that the method used for producing, extracting, or testing marijuana or marijuana products does not produce noxious or dangerous gases or odors or otherwise create a danger to any person or entity in or near the establishments.
- 205.3 Testing Facility Ownership. Pursuant to Rule 702(A) of the RMR, any person who is an owner of a retail marijuana store, retail marijuana cultivation facility, retail marijuana product manufacturing facility, or any medical marijuana business shall not be permitted to have an ownership interest in a retail marijuana testing facility.

### **Rule 206: Licensing Requirements.**

Before issuing a local license for a retail marijuana establishment, the local licensing authority shall determine that the applicant has satisfied all of the following requirements:

- (a) The applicant has satisfied all requirements in Rules 203, 204 and 205;
- (b) The application is complete, including all required and requested supplemental documentation;
- (c) The city's portion of the application fee has been received from the state, and the applicant has paid the operating fee and any applicable additional fees.



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- (d) The area where the proposed activity will take place on the licensed premises is the same as shown on the application documents and construction plans for the associated license;
- (e) No additional signage, lighting (indoor or outdoor), or building construction is proposed except as necessary to comply with these regulations and state licensing requirements;
- (f) No outstanding violations of city regulations or licensing requirements exist on the property where the proposed establishment is located; and
- (g) For a retail marijuana store, the applicant must provide proof of a surety bond in the amount of twenty thousand dollars (\$20,000.00) for sales and use taxes due.

### **Rule 207: Transfer of Ownership and Changes in Business Structure.**

- 207.1 General Requirements. A transfer of ownership or change in business structure shall be governed by the standards and procedures set forth in the CRMC and any rules adopted pursuant thereto, and the local licensing authority shall administer transfers of licenses or changes in business structure in the same manner as the state licensing authority administers transfers of state licenses and changes in business structures. A license holder for a retail marijuana establishment must apply to the local licensing authority prior to initiating a transfer of ownership or changing the business structure of the licensed entity. Such application shall be made upon forms prescribed by the local licensing authority
- 207.2 Obligations Must Be Current. No application for transfer of ownership or change in business structure shall be approved by the local licensing authority until all occupational taxes, sales and excise taxes, any fines, penalties, and interest assessed against or imposed upon such licensee in relation to the licensed business are paid in full.
- 207.3 One-Year Prohibition Following Licensure. For one year after the date any license is issued by the city pursuant to the ordinance, the licensee is prohibited from transferring ownership of the license or making changes to the business structure of the licensed entity, unless the licensee can demonstrate that a transfer of ownership or change in structure is made necessary by death or disability of the licensee or a similarly substantial financial hardship.
- 207.4 Transfer of Ownership. A retail marijuana license issued by the city is not transferable except as provided in these rules. No transfer of ownership shall be permitted until after the local licensing authority considers the application, and such additional information as it may require, and issues a license to the transferee. Upon issuance of the new license in the transferee's name, the prior license becomes invalid and the transferor must immediately cease operations. The transferee may not commence operations until all inspections and approvals have been completed and the new license has been issued.



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### **Rule 208: Change of Location.**

- 208.1 Application Requirements. Any license granted under these regulations is limited to the location(s) specified on the license application. If a retail marijuana establishment desires to move to another location within the city, an owner or other authorized representative must apply to the local licensing authority for permission to change the location of its licensed premises. Such application shall be made upon forms prescribed by the local licensing authority and is in addition to, and not in lieu of the state application for changing locations.
- 208.2 Licensure Required. No change of location shall be permitted until after the local licensing authority considers the application, and such additional information as it may require, and issues to the applicant a license for the new location. Upon issuance of the license for the new location, the prior license becomes invalid and the licensee must cease operations at the former location. At no time may a licensee operate a retail marijuana establishment at both locations at the same time.
- 208.4 Retail Marijuana Stores. No change of location for a licensed retail marijuana store shall be approved if the new proposed location does not comply with the zoning requirements set forth in Chapter 146, the spacing requirements set forth in Section 146-1253, and the limitation on the number of retail marijuana store licenses per ward set forth in Section 6-310.
- 208.5 Cultivation, Manufacturing, and Testing Facilities. No change of location for a licensed retail marijuana establishment other than a retail marijuana store shall be approved if the new proposed location does not comply with the zoning requirements set forth in Chapter 146 and the spacing requirements and best management practices set forth in Section 146-1253.
- 208.6 Redistricting. In the event that the City Council ward boundaries are reconfigured such that the location of a retail marijuana store operation is changed from one ward to another, the retail marijuana store operation is considered to be “grandfathered” into the original ward where it was located. Accordingly, the retail marijuana store may continue operating under the current license until such time as there is a change in ownership, the store relocates to a different site, or the store ceases operations. The fact that the location of a retail marijuana store is reclassified from one ward to another does not, in itself, create an opening for an additional retail marijuana store to be licensed in the previous ward.

For example, assume that 23 of the 24 total retail marijuana store licenses have been issued with four stores operating in Ward I and four in Ward III. If a retail marijuana store is operating in Ward I and, due to redistricting of City Council wards, its location is reclassified as being in Ward III, the store may continue operating in the same location

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under its existing license. Although the change in ward boundaries creates an apparent imbalance in the number of licenses in the two wards, with five stores now located in Ward III and three in Ward I, this does not create a vacancy for an additional retail marijuana store license in Ward I. This is true even though not all licenses have been issued for the city as a whole, as the store that shifted to Ward III due to the redistricting is still considered to be “grandfathered” into the prior ward, and Ward I would still have issued its full allotment of four retail marijuana store licenses. Similarly, if only three of the four possible retail marijuana store licenses had been issued in Ward I prior to the redistricting scenario described above, Ward I would still be eligible to add an additional store via a fourth license.

### **Rule 209: Term of License - Renewals and Expirations.**

- 209.1 Term of License. A retail marijuana establishment business license shall be valid for a period of one year from the date of issuance or upon the expiration and non-renewal of the associated license, whichever occurs first.
- 209.2 Renewal of License. Renewal of any local license is subject to the laws and regulations effective at the time of renewal, which may be substantially different than the regulations currently in place. Renewal of a retail marijuana establishment license is not automatic, and it is the licensee’s responsibility to ensure that the renewal application and all supplemental materials are submitted in a timely manner. Applications for license renewals shall be processed in the same manner as new licenses under these regulations, with the exception of the retail marijuana store license award process described in Rule 204 above, which shall not apply to renewals. Such application is made in addition to, and not in lieu of the state application for license renewal.
- 209.3 The local licensing authority may refuse or deny a license renewal if renewal of the license will have a harmful or damaging impact on the public health, safety or the general welfare of the city or the neighborhood where the establishment is located. Nothing in these regulations limits the local licensing authority’s consideration of behavior occurring on or about the licensed premises. It may consider behavior that occurs in other jurisdictions in which the licensee conducts business in determining the potential impact on the city and the surrounding neighborhood.
- 209.4 Notice of Renewal. 90 days prior to the expiration of an existing license, the local licensing authority will send a renewal notification to the licensee’s mailing address of record via first class mail. Failure to receive a renewal notification does not relieve a licensee of the obligation to renew all licenses in a timely manner.

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- 209.5 **Renewal Timeline.** The licensee shall apply for renewal of the retail marijuana establishment license at least 30 days, but no earlier than 90 days prior to the expiration of the license.
- (a) If the applicant fails to apply for renewal at least 30 days before the expiration of the license, but does apply for renewal prior to expiration of the license, the city may process the renewal application if the applicant provides a written explanation of the reasons for the late renewal and submits a late filing fee at the time of submittal of the renewal application.
  - (b) If the local licensing authority accepts a late application as described above, it may elect to administratively continue the license beyond the expiration date while the renewal process is pending.
- 209.6 **Expiration of License.** A retail marijuana establishment license is immediately invalid upon expiration of the license unless the licensee has filed a late renewal application and the local licensing authority has granted an administrative continuance of the license as described above. Expiration of a retail marijuana establishment license for any reason, including, without limitation, failure to file a renewal application in a timely manner, shall be considered an inactive local license as described in § 12-43.4-311, C.R.S. A licensee whose license has expired shall not cultivate, manufacture, distribute, or sell any retail marijuana until all required licenses have been obtained.
- (a) If the holder of an expired license files a late application and pays the requisite operating and late fees within 90 days of expiration of the license, the local licensing authority may administratively continue the license from the date the late application is received until it can complete its renewal application process and investigate the extent to which the licensee may have operated with an expired license.
  - (b) If the holder of an expired license files a renewal application after 90 days from date of expiration, the application will be treated as a new license application.
- 209.7 **Renewal Application Procedure.** The licensee shall apply for renewal using forms provided by the city. The application for renewal must include the supplemental information set forth below before the application will be considered complete and processed by the city.
- (a) The yearly operating fee, and late fee if applicable, shall accompany the renewal application.
  - (b) In the event there has been a change to any of the plans identified in the license application which were submitted to and approved by the city with the application or an earlier renewal, the renewal application shall include specifics of the changes or proposed changes in any of such plans.

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- (c) In the event any person who has an interest as described in the disclosures made to the city pursuant to this chapter, or any business manager, financier, agent as defined herein, or employee, has been charged with or accused of violations of any law since such disclosure, the renewal application shall include the name of the violator, the date of the violation, the court and case number where the violation was filed, and the disposition of the violation with the renewal application.
- (d) In the event the retail marijuana establishment license has been suspended or revoked or a licensee has received any notice of violation of any law, the renewal application shall include a copy of the notice, suspension, or revocation.
- (e) The renewal application shall include verification that the retail marijuana establishment has a valid state license and the state license is in good standing.
- (f) The renewal application shall include a summary report for the previous twelve months showing the amount of marijuana purchased; the amount of marijuana sold, the forms in which marijuana was sold; the police report numbers or case numbers of all police calls to the retail marijuana establishment; and, for calls resulting in a charge of a violation of any law, the charge, case number, and disposition of any of the charges.

209.8 Procedure for Expired or Revoked Store Licenses. In the event that a license for a retail marijuana store has been expired for 90 days and the local licensing authority has not granted an administrative continuance for late application, the application process shall be reopened and applicants will have thirty (30) days to submit new applications for the license. In instances where a retail marijuana store license has been revoked, the license shall be reissued as follows:

- (a) If the license was initially awarded within the previous six months, the license shall be issued to the next highest-scoring application in that ward, if any, which was not awarded a license during the previous point system review process.
- (b) If more than six months have passed since the initial licensure award date, or there is not another applicant that was not awarded a license in the ward, the application process shall be reopened and applicants will have thirty (30) days to submit new applications for the license. The original licensee from whom the license was revoked is ineligible to reapply for licensure.

209.9 Hearing Upon Denial. A licensee shall be entitled to a hearing before the finance director via the procedures set forth in Rule 802 below if the local licensing authority seeks to deny the renewal of a retail marijuana establishment license.

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### **Rule 210: Fees.**

- 210.1 Authority and Process. The city is authorized to impose fees relating to the administration and implementation of the ordinance and these regulations. Such fees shall be established by the city manager and subject to review by the City Council. At least annually, the amount of fees charged pursuant to this rule shall be reviewed and, if necessary, adjusted to reflect the direct and indirect costs incurred by the city in connection with the administration, regulation, and enforcement of the ordinance.
- 210.2 Types of Fees. An applicant for a new retail marijuana establishment license shall pay to the city a non-refundable operating fee when the application is filed. The city shall also collect fees for license renewals, change of location, transfer of ownership, and modification of the licensed premises. Other fees may be imposed in the future as necessary for the city to recover the costs of the retail marijuana establishment licensing and inspection programs.
- 210.3 Fee Schedule. The following fees shall apply to all retail marijuana establishment licenses:

Application fee*	\$2,500.00
Operating fee	\$15,000.00
Late renewal fee	\$7,500.00
Change of location fee	\$2,500.00
Transfer of ownership fee	\$2,500.00
Modification of premises fee	\$2,500.00

\* Must be received from the state before the application for initial licensure is deemed to be complete. Application fees are subject to change at the state's discretion.

The fees above apply to each license issued, and a business with multiple locations in the city must pay separate fees for each location. The appropriate fees must be paid in conjunction with any application or request before the city will process or act upon the forms submitted. A portion of the operating fee, not to exceed 50%, may be refunded if the application for initial licensure or renewal is denied. All other fees are nonrefundable in the entirety. No fee previously paid by a licensee in connection with a license shall be refunded if the licensee's license is subsequently suspended or revoked.

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### **Rule 300 Series – The Licensed Premises**

#### **Rule 301: Limited Access Areas.**

Retail marijuana shall only be grown, cultivated, processed, stored, weighed, displayed, packaged, sold, or possessed for sale in a limited access area under the licensee's control. Licensees shall restrict entrance to limited access areas only to owners and employees in possession of an occupational license from the state Marijuana Enforcement Division, along with visitors registered as described below.

301.1 Visitors in Limited Access Areas. Visitors must be escorted at all times by a person holding a valid owner or occupational license. Management personnel of the licensee must take the following actions prior to allowing any visitor to enter a limited access area:

- (a) Enter the visitor's name, address and the purpose of the visit into a log, which shall be made available for inspection upon request;
- (b) Check the identification for all visitors to verify that the name on the identification matches the name in the visitor log and that the visitor is at least 21 years of age; and
- (c) Provide a visitor identification badge that shall remain visible at all times while in the limited access area.

301.2 Required Signage. All areas of ingress and egress to limited access areas on the licensed premises shall be clearly identified by the posting of a sign at least 12 inches wide and 12 inches long, which shall state, "Do Not Enter - Limited Access Area – Access Limited to Licensed Personnel and Escorted Visitors" in letters at least one-half inch in height.

301.3 Violations. A retail marijuana establishment's failure to comply with the limited access area restrictions and procedures described in this rule may be considered a license violation affecting the public safety.

301.4 Enforcement Personnel Authorized. Notwithstanding the other requirements of this rule, nothing shall prohibit investigators and employees of the local licensing authority, the state Marijuana Enforcement Division, or state or local law enforcement personnel from entering a limited access area for an authorized inspection or enforcement purpose upon presentation of official credentials.

#### **Rule 302: Possession of Licensed Premises.**

302.1. Evidence of Lawful Possession. All applicants for retail marijuana establishment licensure must demonstrate proof of lawful possession of the premises to be licensed at the time of application. Evidence of lawful possession consists of properly executed deeds of trust, leases, or other written documentation the local licensing authority may consider satisfactory. Lease agreements contingent upon the applicant being approved for licensure

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are acceptable to show the applicant's lawful possession of the intended premises.

- 302.2. Relocation Prohibited. The licensed premises are limited to the physical areas and dimensions that are specifically and accurately described in the documents verifying lawful possession. Licensees may not relocate in any manner – either to a different address or to other areas or units within the current building structure – without first filing a change of location application and obtaining approval from the local licensing authority and the Colorado Marijuana Enforcement Division. Licensees are likewise prohibited from adding additional contiguous units or areas, thereby altering the initially approved premises, without filing an application and receiving approval to modify the licensed premises on current forms local licensing authority, including any applicable processing fee.

### **Rule 303: Modification of Premises.**

- 303.1 Application Required. Following issuance of a license for a retail marijuana establishment, the licensee must secure prior approval from the local licensing authority and the Colorado Marijuana Enforcement Division prior to making any physical change or modification to the licensed premises that materially or substantially alters the licensed premises, or use thereof, from the plans originally approved during the licensure process. The licensee seeking the material alteration is responsible for filing an application for approval on current forms provided by the local licensing authority and the Colorado Marijuana Enforcement Division and must pay the fee set forth in Rule 210 above.
- 303.2 Material Change Defined. Material or substantial changes, alterations, or modifications requiring approval include, but are not limited to the following:
- (1) Any increase or decrease in the total physical size or capacity of the licensed premises;
  - (2) The sealing off, creation of or relocation of a common entryway, doorway, passage or other such means of public ingress and/or egress, when such common entryway, doorway or passage alters or changes the limited access areas;
  - (3) The permanent addition of a separate sales counter or display case in a retail marijuana store; or
  - (4) The installation or replacement of electric fixtures or equipment for purposes of increasing production, the lowering of a ceiling, or electrical modifications made for the purpose of increasing power usage to enhance cultivation activities.
- 303.3 General Provisions. The procedures for material changes listed above are in addition to, and not in lieu of, other general building requirements that may apply to building structures and land parcels in the city. Modification of any building structure where a retail marijuana store, retail marijuana cultivation facility, retail marijuana manufacturing facility, or marijuana testing facility is located is subject to all applicable provisions of the city's Building and Zoning Code.



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### **Rule 304: Security Requirements.**

304.1 Security Plan. All applicants for retail marijuana establishment licensure shall file a written security plan with the local licensing authority. The security plan will be protected from public disclosure as provided under the Colorado Open Records Act, § 24-72-203(2)(a)(VIII), C.R.S. The written security plan shall address, at a minimum, the following elements:

- (a) Evidence that the space will comply with all security and video surveillance requirements set forth in these rules and Rules 305 through 307 of the RMR;
- (b) A site plan showing the entire vicinity in which the retail marijuana establishment is located, including the street(s), parking lot(s), other tenants within the facility, and any other entities that physically border the establishment;
- (c) A floor plan of the retail marijuana establishment detailing the locations of the following:
  - (1) All entrances and exits to the establishment;
  - (2) The location of any windows, skylights, and roof hatches;
  - (3) The location of all cameras, and their field of view;
  - (4) The location of all alarm inputs (door contacts, motion detectors, duress/hold up devices) and alarm sirens;
  - (5) The location of the digital video recorder and alarm control panel; and
  - (6) Restricted and public areas;
- (d) The type of security training provided for, and completed by, establishment personnel, including conflict resolution training and procedures for handling violent incidents;
- (e) How the applicant intends to use and maintain an incident log;
- (f) The establishment's procedures for preventing the use of marijuana on the licensed premises;
- (g) Security measures taken by the applicant to prevent individuals from entering the limited access area portion of the registered premises;
- (h) The applicant's closing procedures after the cessation of business each day;
- (i) The applicant's plan to prevent theft or the diversion of marijuana, including maintaining all marijuana in a secure, locked room that is accessible only to authorized persons;
- (j) The type of alarm system and outdoor lighting to be used by the applicant; and
- (k) The applicant's procedures for accepting delivery of retail marijuana products at the facility, including procedures for how it is received, where it is stored, and how the transaction is recorded.

304.2 Minimum Standards. The applicant must demonstrate that the following security measures are in place or will be implemented prior to opening:



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- (a) Installation of a safe or vault for storage of any processed marijuana or marijuana product and cash on the premises when the business is closed to the public. The safe or vault must be incorporated into the building structure or secured to the structure to prevent removal. For marijuana-infused products that must be kept refrigerated or frozen, the establishment may lock the refrigerated container or freezer so long as the appliance is affixed to the building structure.
- (b) Any dumpster or similar trash receptacle on the premises used to discard retail marijuana products must have a metal cover or lid that is locked at all times when the receptacle is unattended.
- (c) Cultivation and manufacturing facilities are required to have audible and visual notification systems to alert employees of the presence of persons ringing the doorbell to gain access to the facility.

304.3 Security Alarm System. All retail marijuana establishments shall install, maintain, and use a professionally monitored security alarm system meeting the following requirements:

- (a) The system shall provide coverage of all facility entrances and exits, rooms with exterior windows, rooms with exterior walls or walls shared with other building tenants, roof hatches, skylights, and storage rooms containing safes or vaults;
- (b) The system shall include at least one silent holdup or duress alarm that can be manually triggered in case of emergency;
- (c) The alarm system must be equipped with a failure notification and a battery backup system sufficient to support a minimum of four hours in the event of a power outage;
- (d) The alarm system must be monitored by a company that is staffed twenty-four hours a day, seven days a week. The security plan submitted to the city shall identify the company monitoring the alarm, including contact information, and shall be updated within seventy-two hours in the event the monitoring company is changed; and
- (e) The licensee shall maintain for a period of three years, reports of any incidents triggering an alarm, and such reports shall be made available to the local licensing authority and the Aurora Police Department during any inspection of the facility.

304.4 Greenhouse Cultivation. Any greenhouse cultivation facility is a limited access area and must meet all of the security requirements, including alarm and video surveillance systems, described in these regulations. Greenhouse cultivation facilities must provide sufficient security measures to demonstrate that outdoor areas are not readily accessible by unauthorized individuals. The licensee is responsible for maintaining physical security in a manner similar to a retail marijuana cultivation facility located in an indoor licensed premises.

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### **Rule 305: Video Surveillance.**

Prior to receiving a license to operate, all retail marijuana establishments are required to install a video surveillance system satisfying the minimum standards described below, in addition to the state requirements set forth in Rule 306 of the RMR.

- 305.1 Operation. Retail marijuana establishments are responsible for ensuring that all video surveillance equipment is properly functioning and maintained, such that the surveillance equipment is capturing the identity of all individuals and activities in the monitored areas with a recording quality suitable for viewing. The surveillance systems must be continuously operational at all times, 24 hours per day. The retail marijuana establishment or agent overseeing the functioning of the video surveillance system must immediately report to the Aurora Police Department any malfunctions or technical problems with the system.
- 305.2 Equipment. Video surveillance equipment shall, at a minimum, consist of digital or network video recorders, cameras capable of meeting the recording requirements described in this rule, video monitors, digital archiving devices, and a color printer capable of delivering still photos. The surveillance equipment must meet the following specifications:
- (a) The video cameras employed in the system must have a minimum resolution of 1.3 megapixels (1280 x 1024 pixels) and record at a minimum rate of 12 frames per second;
  - (b) All video cameras employed in the system must have infrared capabilities to capture images in low lighting conditions;
  - (c) The use of motion detection is authorized when a licensee can demonstrate that monitored activities are adequately recorded;
  - (d) All video surveillance systems must be equipped with a failure notification system and a battery backup system sufficient to support a minimum of four hours of recording in the event of a power outage; and
  - (e) The Licensee's surveillance system or equipment must have the capabilities to produce a color still photograph from any camera image, live or recorded, of the licensed premises.
- 305.3 Camera Placement and Coverage. The retail marijuana establishment shall install and use security cameras to monitor and record all interior areas of the premises, except in restrooms, along with outdoor trash receptacles and all points of ingress and egress to the exterior of the licensed premises. All entrances and exits to the facility shall be recorded from both indoor and outdoor vantage points, with camera placement capable of identifying activity occurring within 20 feet of all such points of ingress and egress. Camera placement in all areas shall allow for the clear and certain identification – with

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sufficient detail to identify facial features and clothing – of any individual and activities present on the licensed premises.

### 305.4 Location and Maintenance of Surveillance Equipment.

- (a) Surveillance recording equipment must be housed in a designated, locked, and secured room or other enclosure with access limited to authorized employees, service personnel or contractors, state or local law enforcement agencies, and agents of the local licensing authority and the Colorado Marijuana Enforcement Division.
- (b) Licensees must maintain a current list of all authorized employees and service personnel who have access to the surveillance system and shall keep a surveillance equipment maintenance activity log on the licensed premises to record all service activity including the identity of the individual(s) performing the service, the service date and time and the reason for service to the surveillance system.
- (c) Each licensed retail establishment must have a separate surveillance room or area that is dedicated to those specific licensed premises, regardless of any shared or adjoining location in a common building, except as provided in subpart (d) below.
- (d) Commonly-owned retail marijuana establishments located in the city may have one central surveillance room located at one of the commonly-owned licensed premises which simultaneously serves all of the commonly-owned retail facilities. The facility that does not house the central surveillance room is required to have a review station, printer, and map of camera placement on the premises. All minimum requirements for equipment and security standards as set forth in this section apply to the review station.

### 305.5 Video Recording and Retention Requirements.

- (a) All surveillance recordings are required to be retained for a minimum of 60 days and shall be in a digital format that can be easily accessed for viewing and that ensures authentication of the recording as being legitimately captured without alterations.
- (b) In addition to maintaining surveillance recordings in a locked area on the licensed premises, a copy of the surveillance recordings must be stored at a secure off-site location in the city or through a network “cloud” service that provides on-demand access to the recordings. The off-site location or network service provider shall be included in the security plan submitted to the city and provided to the Aurora Police Department upon request, and updated within seventy-two hours of any change to the location or provider.
- (c) All surveillance recordings shall be embedded with the date and time without significantly obscuring the picture.
- (d) Regardless of the expiration of the 60-day limit for retention of surveillance video recordings, such recordings may not be destroyed if the licensee knows or should have known of a pending criminal, civil or administrative investigation, or any other proceeding for which the recording may contain relevant information.

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### **Rule 400 Series – General Operational Requirements**

Unless otherwise specified, the following requirements apply to all retail marijuana establishments licensed within the city.

#### **Rule 401: Age Requirements.**

- 401.1 Age limitation. Retail marijuana establishments may not allow persons less than 21 years of age to enter limited access areas under any circumstances. No retail marijuana store is permitted to sell marijuana to persons younger than 21 years of age, and stores must conspicuously post signage in the entrance area that clearly states: “You must be at least 21 years old to enter.”
- 401.2 Identification Scanners. For retail marijuana stores, the business shall verify the proof of age of every person entering the business with an electronic identification scanner. An electronic identification scanner is a device that is capable of quickly and reliability confirming the validity of an identification using computer processes.
- 401.3 Receipts. All receipts for the sale of retail marijuana to consumers must contain the statement: “It is illegal to transfer or sell retail marijuana or retail marijuana products to anyone under the age of 21.”

#### **Rule 402: Hours of Operation and Access.**

- 402.1 Store Hours. Retail marijuana stores may only be open to the public between the hours of 8:00 a.m. and 10:00 p.m. daily, and no sale or other distribution of marijuana may occur upon the premises outside of those hours. A registered cultivation facility or its contracted agent may deliver marijuana or marijuana product to retail marijuana stores on any day and at any time except between the hours of 9:00 p.m. and 7:00 a.m.
- 402.2 Other Hours. Retail marijuana cultivation facilities, retail marijuana product manufacturing facilities and retail marijuana testing facilities, may conduct business operations on the licensed premises at any time.
- 402.3 Posting Required. Retail marijuana establishments must post their hours of operation at the main entry of the store or facility.
- 402.4 Public Access Restricted. Retail marijuana cultivation facilities, retail marijuana product manufacturing facilities and retail marijuana testing facilities, shall not be open to the public, and any visitors must be tracked in an entry log identifying the visitor’s name, entry and departure times, and the purpose of the visit. Visitors to such establishments must be escorted by a manager or owner at all times, while within the facility and required to wear

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a badge identifying them as a visitor. In the event that a licensed retail marijuana store is located in the same building as a retail marijuana cultivation facility, retail marijuana product manufacturing or retail marijuana testing facility, only the portion of the building occupied by the retail marijuana store shall be open to the public.

### **Rule 403: Documents To Be Displayed.**

- 403.1 Display of Licenses Required. The general business license, along with the retail marijuana establishment license, shall be conspicuously posted inside the retail marijuana establishment near the main entrance.
- 403.2 Emergency Contact Information. The name and contact information for the owner or owners and any business manager of the retail marijuana establishment shall be conspicuously posted inside the licensed premises near the main entrance.

### **Rule 404: Owner or Manager Present.**

- 404.1 Owner or Business Manager Required on Premises. No retail marijuana establishment shall be managed by any person other than the licensee or the business manager listed on the application for the license or a renewal thereof. Such licensee or business manager shall be on the premises and responsible for all activities within the licensed business during all hours of operation.
- 404.2 Business Manager Changes. In the event the licensee intends to employ a business manager that was not identified on the license or renewal application, the licensee shall report the name of such business manager to the city, and such business manager shall submit to the city, at least thirty days prior to commencing employment, the requested contact and background information for the business manager on a form specified by the local licensing authority. Licensees shall report to the city the release or removal of a business manager from employment no later than five days after such an occurrence.

### **Rule 405: Sales Limitations.**

- 405.1 Direct Sales. All retail sales of marijuana must be in person, directly to the purchaser. No sales may be made through a drive up window, by telephone, internet, or other means of remote purchase.
- 405.2 Giveaways. Retail marijuana stores may not distribute marijuana or marijuana-infused products to a consumer free of charge.

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### **Rule 406: Advertising.**

- 406.1 General Requirements. All retail marijuana establishments are subject to the signage requirements contained in Article 16, Chapter 146 of the Aurora Building and Zoning Code and the restrictions on advertising and marketing under the CRMC.
- 406.2 No Public Advertising. No advertisement for marijuana or marijuana products is permitted on signs mounted on vehicles, temporary signs, hand-held or other portable signs, handbills, leaflets or other flyers directly handed to any person in a public place, left upon a motor vehicle or posted upon any public or private property without consent of the property owner. This prohibition shall not apply to (1) any advertisement contained within a newspaper, magazine or other periodical of general circulation within the city or on the Internet; and (2) advertising which is purely incidental to sponsorship of a charitable event not geared to or for the benefit of children or youth.

### **Rule 407: Reporting and Response.**

- 407.1 Reporting Requirements. A retail marijuana establishment shall report to the local licensing authority each of the following within the time specified. If no time is specified, the report shall be provided within 72 hours of the event.
- (a) A violation of any law by any licensee or applicant of a retail marijuana establishment;
  - (b) A notice of potential violation of any law related to the licensee;
  - (c) Any report that the retail marijuana establishment is required to provide to the State of Colorado; or
  - (d) Reports of all criminal activities or attempts of violation of any law at the retail marijuana establishment or related thereto shall immediately be reported to the Aurora Police Department.
- 407.2 Response to City Officials. The owner or a business manager of a retail marijuana establishment is required to respond by phone or email within 24 hours of contact by a city official concerning its retail marijuana establishment at the phone number or e-mail address provided to the city as the contact for the establishment. Each twenty-four-hour period during which an owner or manager does not respond to the city official shall be considered a separate violation.

### **Rule 408: Separation of Marijuana Establishments.**

Retail marijuana stores, retail marijuana cultivation facilities, retail marijuana product manufacturing facilities and retail marijuana testing facilities, are all separate establishments requiring separate licenses and separate premises, regardless of any shared ownership or location. In addition to all other application requirements for separate premises, each establishment shall:

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- (a) Have separate operations, ventilation, security, and fire suppression systems, and separate access from a public area;
- (b) Be divided within a building from floor to roof. Unless higher performance is required by applicable law, there must be a minimum of a one-hour fire separation between a retail marijuana establishment and any adjacent business; and
- (c) Obtain delivery documents and manifests for movement of any marijuana and/or marijuana product between any of the licensed retail marijuana establishments.

### **Rule 409: Visibility of Operations.**

Under no circumstances shall activities related to the cultivation, production, processing, distribution, storage, display, or sales of marijuana and marijuana-infused products be visible from the exterior of the business.

### **Rule 410: Organization of Cultivation Facilities.**

All cultivation facilities shall be organized in orderly rows with aisles at least 42 inches wide, and clear access to all exits, unless the local licensing authority determines that the business has provided a dimensioned floor plan that provides equivalent access and separation between plants and to exits.

### **Rule 500 Series – Building and Structural Requirements**

#### **Rule 501: General Requirements.**

- 501.1 General Building Requirements. The Building Division has published a summarized list of requirements, entitled “General Building Requirements,” pertaining to the plan review, approval and inspection of marijuana-related occupancies. A copy of the General Building Requirements will be provided to prospective applicants. This list is not intended to be an all-inclusive record of city building standards, but merely to inform prospective applicants of the significant requirements. Applicants are responsible for researching and following all building codes adopted in the city.
- 501.2 Licensed Contractors. All construction, remodeling, electrical, mechanical and plumbing work must be performed by an appropriately licensed contractor. Once an applicant has selected a contractor to perform a project, it is recommended that the applicant contact the Building Division to schedule a meeting to discuss the scope of the project and specific requirements that may apply.



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- 501.3 Compliance with Plans. All construction, remodeling, electrical, mechanical and plumbing work must be completed in compliance with the building plans, site plan or redevelopment plan. A copy of the building plans, site or redevelopment plan must be retained on the licensed premises at all times for verification during inspections.

### **Rule 502 – Exterior Requirements.**

If no site or redevelopment plan exists, one will be required before the license is issued.

- 502.1 Address Identification. All retail marijuana establishments shall display address or unit numbers in such a position as to be plainly visible and legible from a location nearest to the street or road fronting the property. The numbers used shall consist of Arabic numerals made of a durable material sharply contrasted in color with the background material on which they are placed, and shall be of a uniform height not less than four inches.
- 502.2 Signage. Prior to installation of any permanent sign, a sign permit must be obtained from the city through a licensed sign contractor. All signs must be maintained in a state of good repair, including structural supports and any paint or lighting. Retail marijuana establishments must comply with Article 16, Chapter 146 of the Aurora Building and Zoning Code and related regulations regarding signage, such as limitations on the number and area of signs allowed. No advertisement for marijuana or marijuana products is permitted on signs mounted on vehicles, temporary signs, or hand-held or other portable signs.
- 502.3 Exterior Maintenance. Every wall, window, roof, and door must be weatherproof and watertight and must be kept free of holes, loose or rotting boards or timbers. Faded or deteriorating walls, trim, siding and doors must be painted or replaced as appropriate. Sidewalks, driveways and parking surfaces must be maintained free of weeds, potholes, dirt, snow, ice, trash and debris. Businesses must stripe parking spaces and maintain the pavement. Any graffiti located on licensed premises shall be removed promptly.
- 502.4 Trash. Each business is responsible for removing trash, litter and garbage from its property. An active trash contract service contract must be maintained on file, and trash must be removed from the property on a weekly basis, or more often if necessary. Dumpsters and trash containers must not be overflowing, and the surrounding area must be kept free of litter and trash. All dumpsters and containers shall be screened from public view. Per the security regulations of Rule 305, all trash receptacles on the premises used to discard retail marijuana products must have a metal cover or lid that is locked at all times when the receptacle is unattended and security cameras must be installed to record activities in the area of such trash receptacles.



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- 502.5 Roof Access. All retail marijuana establishments must provide access to the roof via stairs, ladders, or other appropriate means to permit inspection and enforcement activities. Roof access hatches or similar portals must remain locked when unattended and must be covered by video surveillance and security alarm systems.

### **Rule 503: Odor Management.**

- 503.1 General Standard. For all retail marijuana establishments, the odor of marijuana must not be perceptible at the exterior of the building at the licensed premises or at any adjoining use of the property.
- 503.2 Ventilation and Filtration Systems. Retail marijuana cultivation facilities must implement appropriate ventilation and filtration systems to satisfy the odor nuisance standard described above in Rule 503.1. Retail marijuana stores, retail marijuana product manufacturing facilities, and retail marijuana testing facilities are not required to install filtration equipment on the licensed premises – except where a store licensee is awarded bonus points under Rule 204.3 for committing to such equipment – but must satisfy the same odor threshold. While the city does not mandate any particular equipment specifications with regard to filtration, all retail marijuana establishments are strongly encouraged to adopt best management practices with regard to implementing state-of-the-art technologies in mitigating marijuana odor, such as air scrubbers and charcoal filtration systems.
- 503.3 Noxious Gases and Fumes. Retail marijuana product manufacturing facilities and retail marijuana testing facilities shall include appropriate ventilation systems to mitigate noxious gases or other fumes used or created as part of the production.
- 503.4 Sealed Walls. Unless higher performance is required by applicable law, there must be a minimum of a one-hour fire separation in accordance with International Building Code (IBC) section 707 between a retail marijuana establishment and any adjacent occupancy regardless of occupancy classification. Per IBC section 707.5, fire barriers shall extend from the top of the floor/ceiling assembly below to the underside of the floor or roof sheathing, slab or deck above and shall be securely attached thereto. Such fire barriers shall be continuous through concealed spaces, such as the space above a suspended ceiling.
- 503.5 Enforcement. The odor standard described above in Rule 503.1 will be strictly enforced, and violation thereof shall be grounds for imposition of penalties. Each day on which a violation shall occur or continue shall be deemed a separate and distinct offense, and a continuing violation may be grounds for license suspension or revocation.

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### **Rule 504: Mechanical and Electrical Equipment.**

- 504.1 Exterior Requirements. All mechanical equipment, whether mounted on the rooftop or at ground level, must be fully screened from public view. Electrical panels on the outside of the building must be painted to match the building or screened from public view.
- 504.2 Rated Equipment. All appliances shall be listed and labeled, via United Laboratories (UL) or an equivalent organization, for the application in which they are installed and used.
- 504.3 Cultivation Grow Room Lighting. Areas in which marijuana is grown in cultivation facilities shall be equipped with green lights, or an equivalent means of illumination, to enable access and inspections during dark cycles.

### **Rule 600 Series – Land Use and Zoning**

If no site or redevelopment plan exists, one will be required before the license is issued. Please see Building and Zoning Code, Chapter 146 for requirements.

### **Rule 601: Zoning Limitations.**

- 601.1 Retail Marijuana Stores. The operation of a retail marijuana store is only permitted within designated zoning districts in accordance with section 146-600 of the Aurora Building and Zoning Code.
- 601.2 Retail Marijuana Cultivation, Retail Marijuana Product Manufacturing and Retail Marijuana Testing. The operation of a retail marijuana cultivation, retail marijuana product manufacturing or retail marijuana testing facility is only permitted within designated zoning districts in accordance with section 146-600 of the Aurora Building and Zoning Code.
- 601.3 Land Use Verification. At the time of application for a retail marijuana establishment license, the local licensing authority will verify that the operations of the retail marijuana establishment are a permitted use within the area where the licensed premises is located.

### **Rule 602: Buffering Requirements.**

Retail marijuana establishments must satisfy the following minimum distance requirements from sensitive uses. Prior to issuing a retail marijuana establishment license, the local licensing authority will confirm that the address or property boundaries of the proposed licensed premises, meets the buffering requirements.

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- 602.1 Retail Marijuana Stores. No retail marijuana store may be located within 1,000 feet of a school serving pre-school through twelfth grade students, nor within 500 feet of a hospital or substance abuse treatment center, as measured from the nearest property boundary of these uses to the address point of the retail marijuana store.
- (a) Daycare facilities and institutions of postsecondary education are not considered sensitive uses and the 1,000 foot minimum distance does not apply.
  - (b) The local licensing authority will only verify distance of the proposed licensed premises from existing sensitive uses; once the retail marijuana store license is issued, the city will not preclude a school, hospital, or substance abuse treatment center from opening at a location within the applicable buffer zones.
  - (c) A retail marijuana store may continue to operate in its present location as a preexisting use if a sensitive use later locates within the applicable buffer zone; however, the licensee does so at its own risk, and the issued license provides no protection or indemnification against enforcement of federal or other applicable laws prohibiting operation of a retail marijuana store near a school, hospital, or substance abuse treatment center.
- 602.2 Retail Marijuana Cultivation, Manufacturing and Testing. No retail marijuana cultivation, product manufacturing or testing facility shall be permitted within 300 feet of an existing residential use, excluding any nonconforming residential use, or any residential or open zoning district. This distance shall be measured from the nearest property boundary of such use or district to the nearest property boundary of the marijuana cultivation, product manufacturing or testing facility.

### **Rule 603: Fixed Location Required.**

It shall be unlawful to operate any retail marijuana establishment, including the cultivation of retail marijuana, outside of locked, enclosed space within a building.

### **Rule 604: Prohibited Uses.**

The following activities are prohibited anywhere within the city:

- (a) Storage of marijuana or marijuana-related products off the site of the licensed premises;
- (b) Marijuana membership clubs;
- (c) Vapor lounges; and
- (d) Outdoor cultivation, preparation, or packaging of marijuana or marijuana products.

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### **Rule 700 Series – Inspections**

#### **Rule 701: Inspection.**

- 701.1 Grant of Authorization. By signing and submitting a license application, the owner of the premises certifies that the applicant has received permission from the property owner to allow inspections as may be required under state or local licensing law. In addition, the owner of the premises authorizes the local licensing authority, its designee, and the city's building official or the official's designee, to enter upon and inspect the premises upon presentation of official credentials. These inspections are part of the routine policy of inspection and enforcement of these regulations for the purpose of protecting the public safety, individuals operating and using the services of the retail marijuana establishment, and the adjoining properties and neighborhood. This rule shall not limit any inspection authority authorized under any other provision of law or regulation, including those of police, fire, building and code enforcement officials.
- 701.2 Initial Inspection. The local licensing authority will inspect all retail marijuana establishments prior to issuance of a license, to verify that the facilities are constructed and can be operated in accordance with the application submitted and the requirements of these regulations and the ordinance. The initial inspection shall occur after the retail marijuana establishment is ready for operation, but no marijuana or marijuana products will be allowed on the premises until the inspection is complete and a license is issued.
- 701.3 Regular Inspections. At a minimum, the local licensing authority shall perform regular inspections on a quarterly basis during the first year following licensure, and on a yearly basis prior to license renewal following the first year of operation.
- 701.4 Random Inspections. The regular licensing inspection procedures described shall not prevent the local licensing authority from inspecting retail marijuana establishments at random intervals and without advance notice.
- 701.5 Building Plans. A copy of the building plans must be retained on the licensed premises at all times. The licensee must also maintain a floor plan, including depictions of limited access areas and security camera placement.
- 701.6 Inspection of Records. Upon request, the licensee or business manager on duty shall retrieve and provide any relevant business records pertaining to the inspection, including but not limited to, security camera recordings, marijuana inventory manifests, and copies of invoices and receipts. The city may require any licensee to furnish such information as it considers necessary for the proper administration of these regulations.

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701.7 Food Production Inspections. Any food related portion of a retail marijuana product manufacturing facility must be inspected by a third party contracted by the city. The licensee is responsible for any related inspection costs.

### **Rule 702: Business Records.**

702.1 Records to Be Maintained. Each licensee shall maintain a complete set of accounting books, invoices, receipts, shipping instructions, bills of lading, bank statements, cancelled checks and deposit slips, and all other records necessary to fully document the licensee's business transactions. Receipts must be issued for each sale of retail marijuana and shall be maintained in a computer system or by pre-numbered paper documents. The licensee shall record all retail marijuana product inventory received or purchased, and sales and disposal thereof, to clearly track revenue from the sales of retail marijuana and related products offered by the business. All such business records shall be open for inspection and examination by the city or its duly authorized representatives at all times during operating hours.

702.2 Reporting of Source, Quantity, and Sales. The records to be maintained by each retail marijuana establishment shall include the source and quantity of any marijuana and or marijuana product distributed, produced, or possessed within the premises. Such reports shall include the following information, at a minimum, for both acquisitions from wholesalers and retail sales transactions:

- (a) Date, weight, type of marijuana, and dollar amount or other consideration of transaction;
- (b) For wholesale transactions, the sales and use tax license number of the seller from the State of Colorado and city, if any; and
- (c) The amount of marijuana within the limited access areas.

702.3 Disclosure of Records. By applying for a retail marijuana establishment license, the licensee is providing consent to disclose any information required under these regulations. Any document that the applicant considers eligible for protection under the Colorado Open Records Act shall be clearly marked as confidential, and the reasons for such confidentiality shall be stated. If the city finds that such documents are subject to inspection as public records of the city, it will attempt to provide appropriate notice to the applicant prior to such disclosure.

702.4 Separate Bank Accounts. The revenues and expenses of a retail marijuana establishment shall not be commingled in a checking account or any other bank account with the deposits or disbursements of any other business or individual person.

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702.5 Audits. The local licensing authority may require an audit to be made of the books of account and business records of a retail marijuana establishment according to Aurora Municipal Code Section 130-67 or on such occasions it may consider necessary.

### **Rule 800 Series - Violations and Penalties**

#### **Rule 801: Authority.**

801.1 Basis. A violation of any of the provisions of the ordinance, regulations, or any terms and conditions of a license issued by the local licensing authority may be grounds for imposition of penalties.

801.2 Enforcement Powers. The finance director has the authority to suspend or revoke a license following notice and hearing, or to summarily suspend a license pending a hearing.

801.3 Investigatory Powers. If the local licensing authority or its designee, based on information ascertained in the normal course of carrying out its enforcement responsibilities or via a public complaint, has reasonable cause to believe that a licensee has violated the ordinance or these regulations, or any terms or conditions of licensure, the local licensing authority shall forthwith certify to the finance director a written statement particularizing such violation, upon which the finance director may take action to suspend or revoke the license. The local licensing authority also has the authority to impose civil penalties against a licensee as described in Rule 806 below.

#### **Rule 802: Administrative Hearing Procedures.**

802.1 Scope and Applicability. An applicant or licensee shall be entitled to a hearing, and the procedures in this rule shall apply, in the following circumstances:

- (a) The local licensing authority denies the issuance of a retail marijuana license, and the applicant has timely submitted an appeal request to the finance director; or
- (b) The local licensing authority or other complainant seeks to suspend or revoke, or deny the renewal of a retail marijuana license.

802.2 Hearing Officer. In the event of such proceedings, the finance director may, in his or her discretion, designate such other officer, agent, or employee (designee) to sit as hearing officer for the purpose of conducting the hearing. The hearing officer shall make the ultimate disposition of the matter.

802.3 Initiation of Hearing. An administrative hearing may be initiated by an order to show cause from the finance director or, where permitted, via a written appeal from an applicant.

- (a) Petition for Appeal. Any applicant whose application for a retail marijuana license has been denied may appeal the decision of the local licensing authority by submitting an

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appeal request in writing to the finance director within 20 days following the date of such decision. Such petition shall set forth the legal and factual support for the appeal, and the finance director shall only consider those issues specifically addressed therein. The finance director shall conduct an appeal hearing no later than 20 days following the receipt of such request.

- (b) Order to Show Cause. Where there is probable cause to believe that grounds exist for the denial of a renewal, or the suspension or revocation of a license, the finance director shall notify the licensee in writing of the proposed action and the basis for such action. The finance director shall further order the licensee to appear for a hearing on a specified date to show cause as to why such suspension, revocation, or denial of renewal should not occur. The hearing shall take place no later than 20 days following the issuance of such order.
- 802.4 Summary Suspension. If the finance director has probable cause to believe that a licensee has deliberately and willfully violated any applicable law, rule, or regulation, or engaged in conduct which imposes an undue risk to the public health, safety, or welfare, the finance director may enter an order for the immediate suspension of such license, pending further investigation and hearing, for a period not exceeding 15 days.
- (a) Contents of Order. Such order shall be in writing, citing the reasons for the suspension, and shall be served upon the licensee forthwith upon its execution, together with a notice to appear before the finance director or designee for a hearing to show cause why the license should not be suspended or revoked.
  - (b) Hearing Date. Hearings following a summary suspension shall take place no later than 15 days following the date upon which such order is issued.
- 802.5 Notice of Hearing. The finance director shall notify the applicant or licensee of the date, time, place, and nature of the hearing. This notice shall be sent in writing by first-class mail to the last mailing address of record for the applicant or licensee. Hearings shall be scheduled and held as soon as is practicable. Continuances must be requested in writing and may only be granted for good cause shown.
- 802.6 Right to Legal Counsel. Any applicant or licensee has a right to legal counsel throughout all processes described in rules associated with the denial of an application or disciplinary action. Such counsel shall be provided solely at the applicant's or licensee's expense.
- 802.7 Subpoena Power. The finance director shall have the power to administer oaths and issue subpoenas to require the presence of persons and the production of papers, books and records necessary to the determination of any hearing the finance director is authorized to conduct. It is unlawful for any person to fail to comply with any such subpoena issued in the proper conduct of administrative hearings. The municipal court shall enforce the subpoenas of the finance director and, where appropriate, shall enter its orders compelling witnesses to attend and testify or produce books, records or other evidence and may impose penalties or punishment for contempt for failure to comply with such orders.



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- 802.8 Presentation of Evidence. At any hearing, the finance director or designee shall hear such statements and consider such evidence as the local licensing authority and the applicant or licensee shall offer which is relevant to the grounds alleged in the appeal petition or order to show cause. The finance director or designee shall make findings of fact from the statements and evidence offered as to whether substantial evidence exists to support denial, suspension, or revocation of the retail marijuana establishment license.
- 802.9 Decision of Finance Director. If the finance director or designee concludes that the license should be suspended or revoked, or the license should not be renewed, the finance director or designee shall provide the licensee with written notice of such suspension, revocation, or denial, and the reasons therefore, within 20 days following the date of the hearing.
- 802.10 Terms of Suspension. No suspension under this rule shall be for a period of time longer than 180 days. The finance director or designee may impose reasonable conditions upon the licensee in conjunction with the suspension of a license.
- 802.11 Review by district court. An aggrieved licensee or applicant shall have 30 days after the date of the final decision of the finance director or designee to file a complaint seeking review of such decision by the district court under Rule 106(a)(4) of the Colorado Rules of Civil Procedure. The district courts of the 17th and 18th Judicial Districts of the state shall have original jurisdiction to hear all such complaints. Failure to timely appeal the decision is a waiver of the licensee's or applicant's right to contest the suspension, revocation, or denial of the license. A licensee may continue to operate during the pendency of an appeal by the finance director or designee.

### **Rule 803 – Basis for Suspension, Revocation, or Denial.**

The finance director or designee may suspend or revoke a retail marijuana establishment license, or may deny an application for license renewal if, after notice and hearing thereon, the finance director or designee finds that any of the following occurred:

- (a) The licensee has failed to pay all required fees;
- (b) The licensee is overdue on payments to the city of taxes, fines, or penalties assessed against or imposed upon the licensed business;
- (c) The licensee has made any false statement as to any of the facts in the license or renewal application;
- (d) The licensee has failed to comply with his or her duty to supplement the license application;
- (e) The licensee has failed to file any reports or furnish any information as required relating to the operation of the retail marijuana establishment;
- (f) The licensee has refused to allow or has unreasonably interfered with an authorized inspection of the licensed premises;



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- (g) The licensee has failed to operate the retail marijuana establishment in accordance with any applicable building, fire, health or zoning statute, code, ordinance, or regulation;
- (h) The licensee has knowingly permitted or encouraged, or has knowingly and unreasonably failed to prevent a public nuisance from occurring in or about the licensed premises; or
- (i) The licensee has failed to appear upon a municipal court summons in violation of section 50-33 of the Aurora Municipal Code.

### **Rule 804 – Mitigating and Aggravating Factors.**

In deciding whether a license should be suspended, revoked, or denied renewal, and in deciding what conditions to impose in the event of a suspension, if any, the finance director shall consider:

- (a) The nature and seriousness of the violation;
- (b) Corrective action, if any, taken by the licensee;
- (c) Prior violation(s), if any, at the licensed premises by the licensee and the effectiveness of prior corrective action, if any;
- (d) The likelihood of recurrence;
- (e) All circumstances surrounding the violation;
- (f) Whether the violation was willful;
- (g) The length of time the license has been held by the licensee;
- (h) The number of violations by the licensee within the applicable 12 month period;
- (i) Previous sanctions, if any, imposed against the licensee; and
- (j) Any other factor making the situation with respect to the licensee or the licensed premises unique or the violation of greater concern.

### **Rule 805: Prohibited Activity During Suspension.**

During the term of any license suspension, whether summary in nature or following a hearing, a retail marijuana establishment may not conduct any operations on the licensed premises except as described below.

805.1 Retail Store Licensee. Unless otherwise ordered, during any period of active license suspension the licensee shall not engage in the selling, serving, giving away, distribution, transfer, or transport of any product – including retail marijuana, retail marijuana product, or paraphernalia and accessories – on the licensed premises, nor allow customers to enter the licensed premises.

805.2 Retail Cultivation Facility Licensee. Unless otherwise ordered, during any period of active license suspension the licensee shall not sell, distribute, transfer, transport, or otherwise remove any retail marijuana or retail marijuana product from the licensed premises.

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However, the licensee may maintain on hand inventory and otherwise care for its retail marijuana product and plant inventories during the period of suspension.

- 805.3 Retail Product Manufacturing Facility Licensee. Unless otherwise ordered, during any period of active license suspension the licensee shall not manufacture any retail marijuana product or concentrates, nor permit the selling, distribution, transfer, or transport of retail marijuana or retail marijuana product on or from the licensed premises.
- 805.4 Retail Testing Facility Licensee. Unless otherwise ordered, during any period of active license suspension the licensee shall not receive any marijuana for testing, perform any testing on marijuana, or otherwise transfer or transport any retail marijuana or retail marijuana product on or from the licensed premises.
- 805.5 Removal or Destruction Prohibited. During any period of active license suspension, retail marijuana and retail marijuana product shall not be removed from the licensed premises or destroyed except under the supervision of the Aurora Police Department as ordered by the local licensing authority.

### **Rule 806 – Civil Penalties.**

For violations of the ordinance or these regulations, the local licensing authority may impose civil penalties against the business or any licensee of up to \$5,000.00 per licensee for each day during which such violation occurs or continues. Each day on which a violation shall occur or continue shall be deemed a separate and distinct offense.