

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF  
SAN MIGUEL COUNTY, COLORADO,  
ADOPTING ADDITIONAL STANDARDS FOR THE ISSUANCE OF MEDICAL  
MARIJUANA CENTER, OPTIONAL PREMISES CULTIVATION, OR MEDICAL  
MARIJUANA – INFUSED PRODUCTS MANUFACTURER LICENSES FOR  
LICENSED PREMISES LOCATED WITHIN UNINCORPORATED SAN MIGUEL  
COUNTY, COLORADO, INCLUDING THE DESIGNATION OF A LOCAL  
LICENSING AUTHORITY**

**Resolution #2012 - 10**

**WHEREAS**, the Colorado Medical Marijuana Code, Title 12, Article 43.3, Part 1, C.R.S., H.B. 10-1284, effective July 1, 2010, as amended by H. B. 11-1043, effective July 1, 2011, (“Code”), provides in pertinent part as follows:

**12-43.3-301. Local licensing authority – application – licenses.**

(1) A Local Licensing Authority may issue only the following medical marijuana licenses upon payment of the fee and compliance with all local licensing requirements to be determined by the Local Licensing Authority:

- (a) A Medical Marijuana Center License;
- (b) An Optional Premises Cultivation License;
- (c) A Medical Marijuana – Infused Products Manufacturing License.

(2)(a) A Local Licensing Authority shall not issue a local license within .... The unincorporated portion of a County unless the governing body of ... the County has adopted a resolution containing specific standards for License issuance, or if no such ...resolution is adopted prior to July 1, 2012, then a Local Licensing Authority shall consider the minimum licensing requirements of this Part 3 when issuing a License.

(b) In addition to all other standards applicable to the issuance of licenses under this article, the Local Governing Body may adopt additional standards for the issuance of Medical Marijuana Center, Optional Premises Cultivation, or Medical Marijuana – Infused Products Manufacturer Licenses consistent with the intent of this article that may include, but need not be limited to:

- (I) Distance restrictions between premises for which local licenses are issued;
- (II) Reasonable restrictions on the size of an applicant’s licensed premises; and
- (III) Any other requirements necessary to ensure the control of the premises and the ease of enforcement of the terms and conditions of the license; and

**12-43.3-308. Restrictions for applications for new licenses.**

(1) The State or a Local Licensing Authority shall not receive or act upon an application for the issuance of a state or local license pursuant to this article:

(a) If the Application for a State or Local License concerns a particular location that is the same as or within one thousand feet of a location for which, within the two years immediately preceding the date of the application, the state or a local licensing authority denied an application for the same class of license due to the nature of the use or other concerns related to the location;

(b) Until it is established that the Applicant is, or will be, entitled to possession of the premises for which application is made under a lease, rental agreement, or other arrangements for possession of the premises or by virtue of ownership of the premises;

(c) For a location in an area where the cultivation, manufacture, and sale of medical marijuana as contemplated is not permitted under the applicable zoning laws of the .... County;

(d)(I) If the building in which medical marijuana is to be sold is located within one thousand feet of a school, an alcohol or drug treatment facility, or the principal campus of a college, university, or seminary, or a residential child care facility. The provisions of this section shall not affect the renewal or re-issuance of a license once granted or apply to licensed premises located or to be locate on land owned by a municipality, nor shall the provisions of this section apply to an existing licensed premises on land owned by the state, or apply to a license in effect and actively doing business before said principal campus was constructed. The local licensing authority of a city and county by rule or regulation, the governing body of a municipality, by ordinance, and the governing body of a county, by resolution, may vary the distance restrictions imposed by this subparagraph (I) for a license or may eliminate one or more types of schools, campuses, or facilities from the application of a distance restriction established by or pursuant to this subparagraph (I).

(II) The distances referred to in this paragraph (d) are to be computed by direct measurement from the nearest property line of the land used for a school or campus to the nearest portion of the building in which medical marijuana is to be sold, using a route or direct pedestrian access.

(III) In addition to the requirements of section 12-43.3-303(2), the local licensing authority shall consider the evidence and make a specific finding of fact as to whether the building in which the medical marijuana is to be sold is located within any distance restrictions established by or pursuant to this paragraph (d).

**12-43.3-310. Licensing in general.**

(1) This article authorizes a county..... to prohibit the operation of medical marijuana centers, optional premises cultivation operations, and medical marijuana-infused products manufacturers' licenses **and to enact reasonable regulations or other restrictions applicable to medical marijuana centers, optional premises cultivation licenses, and medical marijuana-infused products manufacturers' licenses based on local government zoning, health, safety, and**

**public welfare laws for the distribution of medical marijuana that are more restrictive than this article. [Emphasis added]**

(2) A medical marijuana center, optional premises cultivation operation, or medical marijuana-infused products manufacturer may not operate until it has been licensed by the local licensing authority and the state licensing authority pursuant to this article. In connection with a license, the applicant shall provide a complete and accurate list of all owners, officers, and employees who work at, manage, own, or are otherwise associated with the operation and shall provide a complete and accurate application as required by the state licensing authority.

.....

(7) Before granting a local or state license, the respective licensing authority may consider, except where this article specifically provides otherwise, the requirements of this article and any rules promulgated pursuant to this article, and all other reasonable restrictions that are or may be placed upon the licensee by the licensing authority. With respect to a second or additional license for the same licensee or the same owner of another licensed business pursuant to this article, each licensing authority shall consider the effect on competition of granting or denying the additional licenses to such licensee and shall not approve an application for a second or additional license that would have the effect of restraining competition.

**WHEREAS**, section 12-43.3-104(5), C.R.S., defines a “Local Licensing Authority” to mean “an authority designated by municipal or county charter, ordinance, or resolution, or the governing body of a municipality, city and county, or the board of county commissioners of a county if no such authority is designated;” and

**WHEREAS**, the Board of County Commissioners of San Miguel County, Colorado, (“BOCC”), having considered this matter at duly noticed public meetings of the BOCC held in Norwood, CO on May 30, 2012, and in Telluride, CO on June 20, 2012, does hereby find and determine that in addition to all other standards applicable to the issuance of medical marijuana licenses pursuant to the Code that the public’s health, safety, and welfare, requires that the BOCC, acting in its statutory capacity as the Local Licensing Authority for unincorporated San Miguel County, adopt additional standards for the issuance of Medical Marijuana Center, Optional Premises Cultivation, or Medical Marijuana – Infused Products Manufacturer Licenses, consistent with the intent and applicable requirements of the Code.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of County Commissioners of San Miguel County, Colorado, as follows:

1. The additional standards for the issuance of Medical Marijuana Center, Optional Premises Cultivation, or Medical Marijuana – Infused Products Manufacturer Licenses, for those Licensed Premises located within the unincorporated area of San Miguel County, Colorado, as set forth in Exhibit “A,” a copy of which is attached hereto and incorporated herein by reference, are hereby adopted effective July 1, 2012.
2. The additional standards set forth in Exhibit “A” shall apply to all license related applications that San Miguel County receives on or after July 1, 2012, pertaining to

Licensed Premises that are proposed to be located within the unincorporated area of San Miguel County, Colorado.

- 3. The licensing standards set forth in Exhibit "A" are in addition to the relevant licensing standards set forth in the Code.
- 4. The BOCC, acting in its statutory capacity as the Local Licensing Authority for the unincorporated area of San Miguel County, Colorado, pursuant to the Code, shall not approve a local license for any such premises unless it finds and determines that such premises are in full compliance with all applicable Code requirements and the additional local licensing standards set forth in Exhibit "A."

**DONE AND APPROVED** by the San Miguel County, Colorado, Board of County Commissioners at a duly noticed public meeting held on June 20, 2012, in Telluride, Colorado.

**BOARD OF COUNTY COMMISSIONERS  
SAN MIGUEL COUNTY, COLORADO**

By: *Elaine R.C. Fischer*  
Elaine R.C. Fischer, Chair

ATTEST:

*John Huebner*  
Chief Deputy Clerk to the Board



VOTE:

Elaine R.C. Fischer	<u>Aye</u>	Nay	Abstain	Absent
Joan May	<u>Aye</u>	Nay	Abstain	Absent
Art Goodtimes	<u>Aye</u>	Nay	Abstain	Absent

Attachment: Exhibit "A" – "MEDICAL CANNABIS LOCAL LICENSING STANDARDS"

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**Section 1. Applicability:**

All Licensees must comply with the regulations set forth herein below (Exhibit "A"), as well as all other applicable state laws, rules and regulations, including, but not limited to any and all applicable rules promulgated by the Colorado Department of Revenue's Medical Marijuana Enforcement Division ("CMMED"). A person must obtain the appropriate Licenses in accordance with these Medical Cannabis Local Licensing Standards ("Standards") and the applicable provisions of the Colorado Medical Marijuana Code, C.R.S. Title 12, Article 43.3, Parts 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10, ("Code") prior to commencement of a medical cannabis (marijuana) operation located within the unincorporated area of San Miguel County, Colorado ("County"). All terms in these Standards shall have the same meaning and definition as in the Code and all rules duly adopted by the state licensing authority.

**Section 2. Local Licensing Authority and classes of licenses:**

The medical cannabis licensing authority for the County (a/k/a the "Local Licensing Authority"), shall be the Board of County Commissioners of San Miguel County, Colorado, ("Board") or an individual appointed by the Board in its sole discretion. The Local Licensing Authority may only issue the following medical cannabis licenses for licensed premises located within the unincorporated area of the County upon payment of the required licensing fees and compliance with the Code and these standards:

- (a) A Medical Cannabis (Marijuana) Center License;
- (b) An Optional Premises Cultivation License;
- (c) A Medical Cannabis (Marijuana) – Infused Products Manufacturing License.

**Section 3. License Restrictions:**

(a) A local license shall not be issued to and shall not be held by any person prohibited from being licensed pursuant to §12-43.3-307, C.R.S.

(b) The local licensing authority shall not receive, accept, or act upon a local license application that it is prohibited from considering pursuant to §12-43.3-308, C.R.S. The distance restrictions set forth in §12-43.3-308(1)(d), C.R.S., provide that "(1) The State or a Local Licensing Authority shall not receive or act upon an application for the issuance of a state or local license pursuant to this article: (d)(I) If the building in which medical marijuana is to be sold is located within one thousand feet of a school, an alcohol or drug treatment facility, or the principal campus of a college, university, or seminary, or a residential child care facility. The provisions of this section shall not affect the renewal or re-issuance of a license once granted or apply to licensed premises located or to be located on land owned by a municipality, nor shall the provisions of this section apply to an existing licensed premises on land owned by the state, or apply to a license in effect and actively doing business before said principal campus was

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constructed. The local licensing authority of a city and county by rule or regulation, the governing body of a municipality, by ordinance, and the governing body of a county, by resolution, may vary the distance restrictions imposed by this subparagraph (I) for a license or may eliminate one or more types of schools, campuses, or facilities from the application of a distance restriction established by or pursuant to this subparagraph (I)." are not being varied and shall remain in full force and effect within the unincorporated area of San Miguel County.

(c) The local licensing authority shall not issue a Local Optional Premises Cultivation License unless the applicant for such license has also applied for and received state and local license approval for a Medical Cannabis (Marijuana) Center and/or a Medical Cannabis (Marijuana) - Infused Products Manufacturer located within the County, including within the boundaries of any municipality located within the county, or within the unincorporated area of the County.

(d) An Optional Premises Cultivation License may be issued for Green Houses, or other types of structures, for the cultivation of medical cannabis, provided, such structures are located within a County zone district where such structures are an authorized use for which a county development permit, as well as any other applicable county land use approvals, have been issued, and any applicable county building and environmental health permits have been issued. Any such Green House, or other type of structure, shall be constructed and operated in full compliance with all applicable Security Requirements of the CMMED rules and regulations.

**Section 4. New License Applications:**

(1) An application for a new medical cannabis license of the type authorized under Section 2 of these standards shall be submitted to the Local Licensing Authority on forms provided by the State Licensing Authority and shall contain such information as the State Licensing Authority may require and any forms and/or documentation that the Local Licensing Authority may require pursuant to these standards. Each such license application submitted to the Local Licensing Authority shall be verified by the oath or affirmation of the person(s) prescribed by the State Licensing Authority. Application documentation submitted to the Local Licensing Authority shall include supporting documentation sufficient to demonstrate the following:

(a) *Proof of the right to possess proposed physical premises.* Documents that demonstrate proof of possession of the proposed premises to the reasonable satisfaction of the Local Licensing Authority may include a copy of a fully executed deed, lease, or contract that governs the terms and conditions of the occupancy of the premises for the period of the license and that the premises may be lawfully used in accordance with the License.

(b) *Building Plans.* The plans for the interior of the Licensed Premises shall include a detailed floor plan layout drawn to scale (1/4" = 1 foot) which clearly reflects the uses, functions, and operations within the building. The plan shall show mechanical functions such as cooling and ventilation systems, Individual Sewage Disposal System ("ISDS"), filters and wastewater discharge systems and locations, heating systems and all grow light configurations. Where food products are prepared, a detailed plan for the food preparation area must be separately described.

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For proposed facilities that are contained in a multi-occupancy building, detailed drawings showing the wall construction that separates the ownerships or occupancies must also be submitted. All required drawings shall be submitted on paper that is 11" x 17" or larger.

*(c) Location plan, plot plan.*

i. The location plan shall show all uses located within 1,000 feet of the licensed premises, including, but not limited to: (A) any public or private preschool or elementary, middle, junior high, or high school; (B) the campus of any college, university, seminary, or residential child care facility; or (C) a drug or alcohol rehabilitation center. The distance measurement shall be a direct line between the closest point of the premises' boundary and the closest point on the neighboring lot or parcel containing the specified use.

ii. The plot plan shall show the location of the building containing the proposed licensed premises and provide distances from the building to adjacent buildings and occupancies, property lines, and physical land features, such as streams, driveways, and roadways. The plot plan shall be submitted on paper 11" x 17" or larger.

iii. Upon approval by the county's chief building official the plot plan and location plan requirements may be satisfied through the submittal of one plan on paper 11" x 17" or larger.

*(d) Fees.* All appropriate licensing fees shall be submitted with the application, made payable to the local and state licensing authorities, as appropriate.

*(e) Fingerprints.* Applications shall include a set of fingerprints for each licensee applicant on forms provided by the state licensing authority.

*(f) Corporate, LLC, or partnership, formation documents shall be provided for any licensee other than a sole proprietorship.*

*(g) Material Safety Data Sheets ("MSDS").* MSDS sheets for each and every proposed chemical and/or proposed chemical mixtures to be stored or used on the premises shall be submitted with the application.

(2) The Licensing Authority clerk shall have ten business days to review the application documentation to determine whether or not the submittal is complete. If the clerk finds and determines the application to be incomplete the clerk shall contact the applicant in writing and specify the application's defects and/or deficiencies.

(3) Prior to the Local Licensing Authority's final decision regarding an application, the applicant shall provide the following information:

*(a) Fire district comments.* Written comments or a letter from the appropriate fire district in which the proposed licensed premises are to be located demonstrating compliance with the applicable adopted fire code provisions.

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(b) *Proof of county land use approval.* Documentation that demonstrates proof of land use approval issued by the San Miguel County Planning Department, including, but not limited to, any development permit, and any other site specific land use approval issued pursuant to the County's LUC, showing that the proposed licensed premises have been approved for the proposed use(s) that is (are) the subject of the license application.

(c) *San Miguel County Department of Health and Environment approval.* For medical cannabis – infused products manufacturing licenses, documentary proof of compliance with the applicable county and/or state health department standards,

(d) *San Miguel County Building Department approval.* For all licensed facilities located within a building or structure for which a San Miguel County Building permit is required, documentary proof of compliance with all applicable county building code standards, as well as documentary proof of compliance with all applicable Colorado Plumbing/Electrical Code standards.

(e) *San Miguel County Sheriff's Office comments.* Written comments or a letter from the San Miguel County Sheriff or his designee with regard to the Sheriff's recommendations to the Local Licensing Authority concerning the issuance of the license(s) for which application has been made, including the results of any investigation conducted pursuant to Section 5 (1) hereinbelow.

**Section 5. New Application review:**

(1) *General.* New application reviews shall include, but need not be limited to, an investigation into the criminal background, if any, of the proposed licensee(s) by the San Miguel County Sheriff's Office ("SMCSO"). The SMCSO may, in its discretion, require the proposed licensee(s) to submit to a personal interview regarding, but not limited to, their background, qualifications, and financial arrangements, relevant to the proposed License.

(2) *Public Hearing.* Should the SMCSO's written report of the results of its investigation of the proposed licensee(s) include factual findings, conclusions, or recommendations, indicating that the License application should be denied, the clerk to the Licensing Authority shall promptly schedule the matter of the issuance of the Local License(s) for the proposed Licensed Premises for a duly noticed public hearing before the Local Licensing Authority. Any such Local Licensing Authority public hearing shall be conducted in compliance with the applicable provisions of §12-43.3-302 and 303, C.R.S. The Local Licensing Authority, may, in its reasonable discretion, upon receipt of the SMCSO's written investigation report, and consideration of the documentation submitted with the application, as well as criminal justice records furnished by a criminal justice agency, and any other records and documentation it deems relevant to its consideration of an application, schedule the application for a duly noticed public hearing which shall be conducted in compliance with the applicable provisions of §12-43.3-302 and 303, C.R.S. If the Local Licensing Authority considers an applicant's criminal history record, it shall also consider information submitted by the applicant, including, but not limited to, evidence of rehabilitation, character references, and educational, or other professional achievements. Unless the Local Licensing Authority schedules a license application for a public

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hearing it shall process the License Application(s) administratively, however, the Local Licensing Authority may not deny any Application for a Local License without having provided the proposed Local Licensee(s) with the opportunity for a duly noticed public hearing concerning the Local License Application(s).

(2) *Concurrent State/Local License Review Requests.* A Local Licensing Authority, or a License Applicant with Local Licensing Authority written approval, may, in its discretion, request that the State Licensing Authority conduct a concurrent review of a new license application prior to the Local Licensing Authority's final approval of a license application pursuant to §12-43.3-302(5), C.R.S.

(3) *Decisions concerning New Applications for Licenses.* The Local Licensing Authority shall make its determinations with regard to the approval or denial of a License Application in writing in accordance with the applicable provisions of §12-43.3-302 and 303, C.R.S., and these Standards. The License Applicant and the State Licensing Authority shall be notified of the Local Licensing Authority's decisions regarding new applications for Licenses in accordance with the applicable statutory provisions. Should the Local Licensing Authority approve an application of a Local License, no such Local License shall be issued to the Licensee(s) until and unless the State Licensing Authority has approved the issuance of a State License for the proposed Licensed Premises. Furthermore, in accordance with §12-43.3-303(4), C.R.S., after approval of an application for a local license the Local Licensing Authority shall not issue a Local License until the building in which the licensed business operations are to be conducted is ready for occupancy with such furniture, fixtures, and equipment in place as are necessary to comply with applicable provisions of the Colorado Medical Marijuana Code, including any and all state or local implementing rules and/or regulations, and then only after the Local Licensing Authority, or its duly designated representative, has inspected the proposed Licensed Premises to determine that the Applicant(s) has complied with the architect's drawing and the plot plan and detailed sketches for the interior of the building containing the proposed Licensed Premises submitted with the Application. Pursuant to §12-43.3-310(2), C.R.S., A Licensee may not operate its Premises until it has been licensed by both the Local Licensing Authority and the State Licensing Authority pursuant to the Code. In making licensing decisions the Local Licensing Decisions shall also consider the licensing standards set forth in §12-43.3-310, C.R.S., as applicable.

(4) *Indemnification.* No Local Licensing Authority's decision granting a new License Application, or the renewal of a License Application, shall be issued to the Applicant for a License until and unless such Applicant/Licensee has executed and delivered to the Local Licensing Authority its written undertaking in a form acceptable to the Local Licensing Authority, in its sole discretion, providing that, in consideration for the Local Licensing Authority's issuance of a local license to the Applicant, the Applicant/Licensee shall indemnify, release, save and hold harmless the Local Licensing Authority, its officials, employees and agents, from and against any all claims, complaints, liabilities, injuries, damages, judgments, and actions at law or in equity, arising out of, or otherwise associated with, any damage or injury to persons or property caused by or sustained in connection with the issuance of any such Local

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License to the Licensee. Should the Licensee have commercial general liability insurance coverage in effect for the licensed premises, including its licensed facilities and operations, the County shall be endorsed as an additional insured on such insurance coverage and the Licensee shall provide the County with a current certificate of insurance and endorsement naming the County as an additional insured for the term of the license, and any subsequent license renewal terms, prior to the issuance of the County's license, including any and all renewal terms.

(5) *Permit Duration.* All local licenses shall be valid for a period not to exceed two years from the date of issuance, unless duly revoked or suspended. The term of any such local license shall begin to run on the date of issuance of the State Licensing Authority's license for the same licensed premises, and shall terminate on the same date as the State Licensing Authority's license.

**Section 6. Transfer of Ownership of Licensed Premises: (12-43.3-309, C.R.S.)**

A local license issued pursuant to the Code and these Licensing Standards shall not be transferable except as provided for in §12-43.3-309(1) and (2), C.R.S., however, the location of licensed premises may be changed subject to the Licensee's compliance with §12-43.3-310(9)(b) and (13), C.R.S. and the approval of the state and local licensing authorities.

**Section 7. Modifications to Licensed Premises: (12-43.3-301(4), C.R.S.)**

(1) After the issuance of a local license, the licensee shall make no physical change, alteration or modification to the licensed premises without the prior written consent of the local licensing authority. Those physical changes, alterations, or modifications to the licensed premises that require the local licensing authority's prior written consent, include, but are not limited to:

- (a) Any increase or decrease in the total physical size or capacity of the licensed premises;
- (b) The interior building plans;
- (c) Any modification or increase in the electrical load generated by the licensed premises;
- (d) Any modifications of the chemicals and/or chemical mixtures used or stored on the licensed premises;
- (e) Any other change in the interior of the licensed premises that would affect the basic character of the premises.

(2) The Local Licensing Authority's prior written consent shall not be required for painting and/or redecorating of the Licensed Premises, and the replacement of furniture and/or equipment that does not increase the electrical load.

3) The Local Licensing Authority shall conduct a duly noticed public hearing regarding a Licensee's proposed modifications to the Licensed Premises if the proposed modification would increase the square footage of the licensed premises or the electrical load by more than ten

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percent or there has been one prior modification to the Licensed Premises within the previous twelve months that was granted without a public hearing. When making its decision on a proposed modification to the Licensed Premises the Local Licensing Authority shall determine whether or not the proposed modification will comply with all applicable Code requirements, all rules and regulations of the State Licensing Authority promulgated pursuant to the Code, and these Local Licensing Standards. The Local Licensing Authority may request that fire district within which the Licensed Premises are located, as well as the County Building Official, the County Environmental Health Director, the Colorado State Electrical Board, as well as any other relevant state or local government agency, investigate the proposed modification and provide a written report to the Local Licensing Authority regarding their findings and recommendations with regard to the proposed modifications to the Licensed Premises.

**Section 8. License Renewals: (12-43.3-311, C.R.S.)**

(1) A Local Licensee shall submit an application for renewal of their license to the Local Licensing Authority in accordance with the requirements set forth in §12-43.3-311, C.R.S., together with applicable licensing fees. Any such license renewal application shall contain any and all documentation required by the Code and the applicable rules and regulations of the State Licensing Authority, as well as the applicable Local Licensing Standards. If the Licensed Premises have been modified since the Local Licensing Authority's last consideration of the License, as defined in Section 7, the License renewal documentation shall include a Building Plan for the Licensed Premises describing in detail the nature and extent of such modifications to the Licensed Premises. Renewal applications for Optional Premises Cultivation facilities shall include documentation demonstrating that the Licensee currently has a valid state and local license for a Medical Cannabis (Marijuana) Center and/or a Medical Cannabis (Marijuana) – Infused Products Manufacturing facility then in effect that is located within the boundaries of San Miguel County, including any incorporated municipality.

(2) The Local Licensing Authority may hold a duly noticed public hearing regarding an application for the renewal of a Local License only if authorized by, and conducted in accordance with, the relevant provisions of §12-43.3-311(1), C.R.S.

(3) Renewal Applications submitted to the Local Licensing Authority after the statutory deadlines for the filing of such Applications shall only be accepted for processing to the extent authorized in accordance with §12-43.3-311(1) and (2), C.R.S., and upon the Licensee's payment of any and all statutorily mandated fees.

**Section 9. Inspection of Premises/Licensee's Records: (12-43.3-701(2), C.R.S.)**

The Licensed Premises, including any and all places of storage where Medical Cannabis (Marijuana) is grown, stored, cultivated, sold, or dispensed, shall be subject to inspection by the Local Licensing Authority and its authorized investigators, which may include, but are not limited to, the San Miguel County Sheriff and/or his/her sworn deputies, during all business hours and other times of apparent activity, for the purpose of inspection or investigation. For the examination of any inventory or books and records required to be kept by the Licensee, access shall be required during business hours. Where any part of the Licensed Premises consists of a

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locked area, upon demand to the Licensee, such area shall be made available for inspection without delay, and, upon request by authorized representatives of the Local Licensing Authority, the Licensee shall promptly open any and all such areas for inspection.

**Section 10. Unlawful Acts/Enforcement: (12-43.3-601, 901, C.R.S.)**

The Local Licensing Authority shall conduct all Disciplinary and/or Enforcement actions pertaining to a Licensee in compliance with the applicable provisions of the Code, specifically, Title 12, Article 43.3, Part 6 – Disciplinary Actions, and Part 9 – Unlawful Acts – Enforcement, and pursuant to the authority granted by such Code provisions.

**Section 11. Local License Fees: (12-43.3-503, C.R.S.)**

(1) Each Application for a Local License, a change in a Local License, or the renewal of a Local License, provided for under the Code that is filed with the Local Licensing Authority shall be accompanied by an application fee determined by the Local Licensing Authority in its reasonable discretion as set forth in Appendix A to these Standards, which the Local Licensing Authority may revise, in its sole and reasonable discretion at any time, with or without prior notice to the public or the Licensees.

(2) Licensee Fees, as determined by the Local Licensing Authority in its reasonable discretion, as set forth in Appendix A to these standards, shall be paid to the San Miguel County Treasurer, in advance of the Local Licensing Authority's approval, denial, or renewal, of a License. The Local Licensing Authority may revise such licensing fees in its sole and reasonable discretion at any time, with or without prior notice to the public or the Licensees.

**Section 12. Licensed Premises Operational Standards: (12-43.3-310, C.R.S.)**

All Licensed Premises located within the unincorporated area of San Miguel County shall be operated in full compliance with all applicable standards set forth in §12-43.3-310, C.R.S, and the applicable provisions of the State Licensing Authority's adopted rules and regulations and these adopted Local Licensing Authority Standards, including, but not limited to the following Operational Standards:

- 12.1 There shall be no consumption of any alcoholic beverage on any licensed premises.
- 12.2 Persons under the age of 18 shall not be allowed on any licensed premises unless such person is a medical cannabis patient and is accompanied by their primary caregiver, their parent or legal guardian.
- 12.3 A licensee or an owner or manager of a licensed premises shall promptly report all known criminal activity occurring within their licensed premises or on the lot or parcel on which the licensed premises are located to the SMCSO.
- 12.4 Medical cannabis facilities shall not store or display medical cannabis and/or medical cannabis infused products in such a manner as to be visible from outside the licensed premises.

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- 12.5 Licensed premises shall be constructed, altered, maintained and operated in compliance with all applicable San Miguel County Building Codes, as well as any applicable fire codes.
- 12.6 Optional premises cultivation operations shall install, maintain, and operate active carbon filtration systems such that the odor of cannabis is not detectable at the perimeter of the lot or parcel on which any such operation is located.
- 12.7 Licensed medical cannabis facilities shall keep in full force and effect at all times workers' compensation insurance coverage as required by Colorado law.
- 12.8 No sale may be made to a patient unless the patient presents a valid current patient identification card issued by the Colorado Department of Public Health & Environment.
- 12.9 The following security measures are required for all medical marijuana centers, in addition to any other security measures that state law and/or regulations may require:
- 12.9.1 All medical cannabis center inventory and cash on hand shall be stored in a safe or vault affixed to the building structure of the licensed premises during non-business hours.
- 12.9.2 Monitored panic alarm systems shall be installed and maintained in good operational order.
- 12.10 In addition to compliance with the applicable signage standard in the County's LUC, the following signage standards shall also apply to all medical cannabis Center facilities:
- 12.10.1. Any and all signage located on the exterior of any licensed premises shall be in compliance with LUC section. However, such signage cannot use the words "marijuana" and/or "cannabis" or other words, parts or words, phrases or symbols commonly understood to refer to cannabis or marijuana unless immediately preceded by the word "medical."
- 12.10.2. A sign or signs shall be posted in a conspicuous location within the interior of each and every licensed premises that is directly visible members of the public entering the premises, containing the following warnings. The warnings shall be legible and printed in all capital letters at least one-half inch high.
- 12.10.2.1. **USE, POSSESSION, CULTIVATION AND/OR DISTRIBUTION OF CANNABIS FOR NONMEDICAL PURPOSES IS A VIOLATION OF COLORADO LAW.**
- 12.10.2.2. **USE, POSSESSION, CULTIVATION AND/OR DISTRIBUTION OF CANNABIS IS A VIOLATION OF FEDERAL LAW.**

Appendix "A"

# Memorandum

**To:** Board of Commissioners  
**From:** Lynn Black, County Administrator  
**Date:** 6/14/2012  
**Re:** Fees for processing Medical Cannabis License applications

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Mike Rozycki, Planning Director and I have discussed the issue of fees over the past two weeks. We are in agreement that a more comprehensive analysis of the County's Planning fees needs to be completed to make a final recommendation on Medical Cannabis fees. However, we agree that for the interim, a License fee for a new license application should be \$1,000.

During our discussions, we began a preliminary look at time and resources expended for a new application. However, because of the State's delays in developing regulations, it was difficult to determine the time spent on development of County regulations versus dealing with the State process. The other issue discussed was, which department would be responsible for administering the licensing program. On this point, we still have more discussion and analysis.

**Recommendation:** San Miguel County establish an interim New License Fee for in the amount of \$1,000 and that a final recommendation be submitted to the BOCC by November 1, 2012.

**CC:** Mike Rozycki, Planning Director