



— THE DENVER —

# COLLABORATIVE APPROACH

LEADING THE WAY IN  
Municipal Marijuana Management

— 2023 —



**DENVER**  
THE MILE HIGH CITY

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## I. LETTER FROM MAYOR MICHAEL B. HANCOCK



Voters in Colorado passed Amendment 64 in November 2012, legalizing the possession of recreational marijuana for adults. Denver then embarked on the process of adopting first-of-its-kind retail marijuana licensing requirements and procedures with no blueprint to follow.

On Jan. 1, 2014, Denver became the first U.S. city to allow retail marijuana sales. My Administration established the Denver Office of Marijuana Policy to recommend, administer and implement policies, oversee and coordinate city agencies, and act as a liaison between Denver and other local, state and federal officials, agencies and stakeholders.

Nearly 10 years later, Denver is the gold standard for cannabis regulation and a worldwide leader. Denver has brought unlicensed operators into compliance and created a collaborative model of marijuana management. We developed ordinances to regulate, license and tax medical and retail marijuana. Denver has embraced a management model that is quick, responsive, and nimble in collaboration with a fast-developing and innovative industry.

Thanks to the hard work of the team to craft and enforce strong regulations, Denver serves as a model to other cities and states as they implement marijuana regulatory systems. When Amendment 64 to legalize marijuana was put to Colorado voters, many feared that youth marijuana use and crime would skyrocket. To date, none of the extreme negative predictions about legalization have come to pass in the Mile High City.

Denver has committed millions of retail marijuana sales tax dollars to important programs to protect and educate our youth about marijuana. Launched in 2017, the High Costs campaign educates 12- to 18-year-olds about marijuana use, a program that has helped keep youth usage levels low. In 2021, only 11% of Denver high school students reported using marijuana one or more times in the past 30 days, down from 26.6% in 2013, according to the biannual Healthy Kids Colorado Survey. Marijuana industry-related offenses overall represent less than one-half of 1% of overall crime in Denver, and we have retained strong public health oversight of the industry.

In 2021, I signed legislation resulting in the largest overhaul of marijuana rules and regulations in Denver since initial legalization. It authorized marijuana delivery, expanded types of hospitality establishments eligible for licensing and aimed to make the industry more equitable and accessible by assuring exclusivity for most types of marijuana licenses for social equity applicants.

Still, there is always more work to do, and Denver continuously improves and evolves, particularly when it comes to social equity in the cannabis industry. Denver has developed a multipronged approach to remove barriers and implement changes through its social equity program so there is more equitable access to the cannabis industry and the city can achieve the full promise of legalization.

Last year, Denver began a partnership to offer a free entrepreneurial assistance program for aspiring cannabis business owners who were disproportionately impacted by marijuana prohibition. Our new Cannabis Cares program is aimed at recognizing businesses in the industry that give back to Denver and support social equity.

As legalization continues across the country, Denver serves as a resource for guidance on how to effectively implement and manage a regulatory framework for legal marijuana.

The city's dedicated team of experts manages a complex and ever-changing regulatory and licensing process. This work includes legislation to create, improve, and clarify ordinances, management of education and health initiatives, social equity, coordination of enforcement efforts, and allocation of resources — all in concert with the industry and the community.

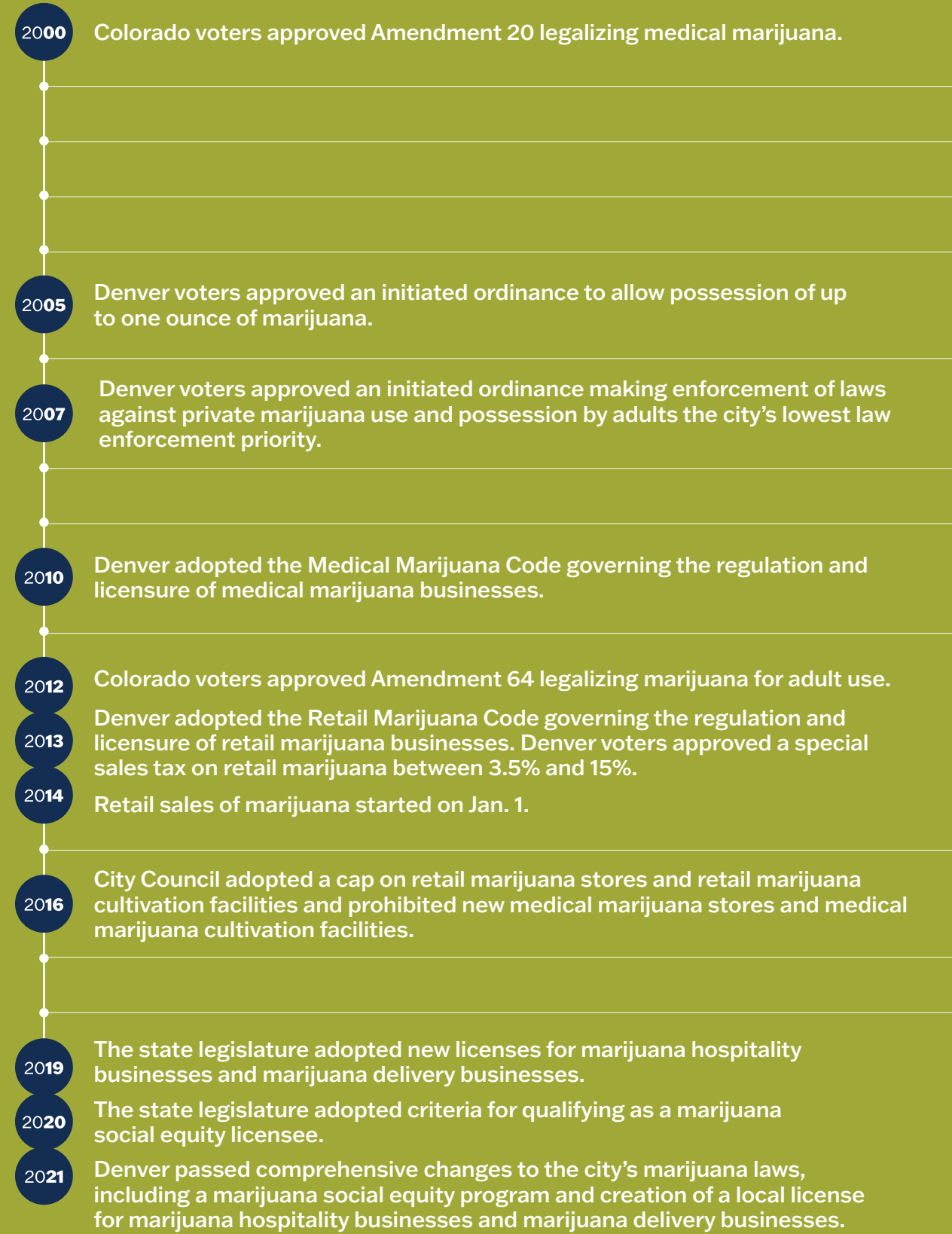
I am proud of the foundation my Administration has built over the past decade and their dedicated efforts to ensure a bright future for this industry.

A handwritten signature in black ink, appearing to read 'M. Hancock'. The signature is fluid and cursive, written over a horizontal line.

MICHAEL B. HANCOCK | Mayor



# TIMELINE OF MARIJUANA LEGALIZATION AND IMPLEMENTATION IN DENVER



## II. DENVER'S MARIJUANA INDUSTRY

The City issues the following marijuana business licenses and permits.

LICENSE OR PERMIT TYPE	DESCRIPTION
<b>Marijuana cultivation facility license</b>	Marijuana cultivation facilities grow retail marijuana for sale and distribution to marijuana stores, marijuana products manufacturers, retail marijuana hospitality and sales businesses, or other marijuana cultivation facilities. <i>Retail only. Moratorium on new medical marijuana cultivation facilities.</i>
<b>Marijuana products manufacturer license</b>	Marijuana products manufacturers manufacture, package, label, and store marijuana concentrate, marijuana products, and pre-rolled marijuana for sale and distribution to marijuana stores, other marijuana products manufacturers, and marijuana hospitality and sales businesses. <i>Retail and medical.</i>
<b>Marijuana products manufacturer license</b>	Medical marijuana stores sell marijuana to adults 18 years old and older with a medical marijuana registry card or caregiver. Retail marijuana stores sell marijuana to adults 21 years old and older. <i>Retail only. Moratorium on new medical marijuana store licenses.</i>
<b>Marijuana hospitality business license</b>	Marijuana hospitality businesses allow adults 21 years old and older to bring their own marijuana to ingest, smoke, or vaporize on the premises. These businesses can operate from a mobile or fixed premises. <i>Retail only.</i>
<b>Marijuana hospitality and sales business license</b>	Marijuana hospitality and sales businesses sell marijuana to adults 21 years old and older in limited quantities for consumption on the premises. <i>Retail only.</i>
<b>Marijuana transporter license</b>	Marijuana transporter licensees transport marijuana between marijuana businesses. <i>Retail and medical.</i>
<b>Marijuana delivery permit</b>	Marijuana delivery permits are issued to marijuana transporter businesses, allowing them to deliver marijuana to private residences. <i>Retail and medical.</i>
<b>Marijuana off-premises storage facility permit</b>	Marijuana off-premises storage facility permits are issued to marijuana cultivation facilities, marijuana products manufacturers, marijuana stores, and marijuana transporters for storage of marijuana at a separate premises.
<b>Marijuana research and development license</b>	Marijuana research and development licensees can grow and receive marijuana from a cultivation facility or products manufacturer for limited research purposes. <i>Medical only.</i>
<b>Marijuana testing facility license</b>	Marijuana testing facilities accept samples of marijuana from licensed marijuana businesses for the purposes of product development and required compliance testing. <i>Retail and medical.</i>

## LICENSING

Marijuana businesses can have multiple marijuana licenses at the same location. In 2023, the ratio of licenses to locations is down 36% from its peak in 2018 when there were 2.3 marijuana licenses per location to 2 in 2023. At the time, 1,149 licenses operated from 492 locations.

The initial shift downward was driven by a change in state law that consolidated commonly owned licenses to one medical cultivation license per location. The number of marijuana licenses decreased 6% from January 2022 to January 2023.

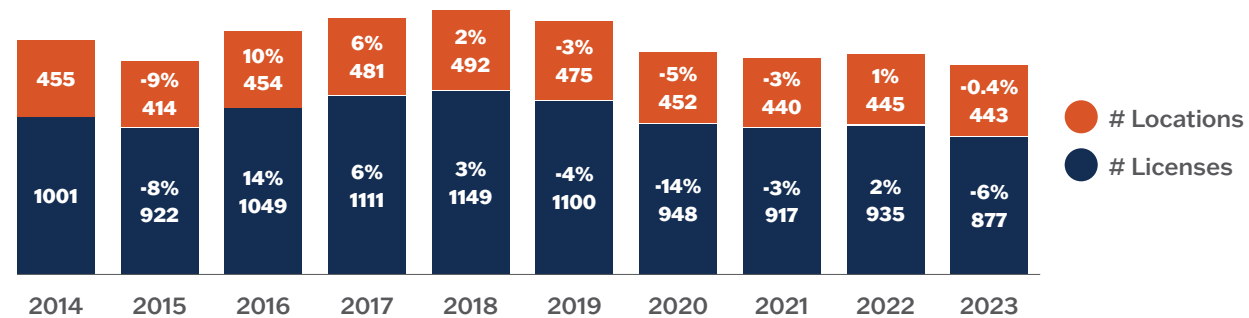
Medical marijuana licenses account for most of the decrease. The number of medical marijuana licenses fell 11% from 433 licenses in January 2022 to 385 licenses in January 2023. This is likely associated with the decline in medical marijuana sales, which are the lowest they have been since 2011.

As medical marijuana sales decline, some medical marijuana businesses have surrendered their licenses or let them expire. Over the past five years, medical marijuana licenses in the city have been in decline, with no growth years since 2017. This can be attributed in part to Denver's moratorium on new medical store and cultivation licenses, which has been in place since 2016.

Conversely, retail marijuana licenses saw modest growth in three of the past five years. In 2022, the 5% increase from 2021 brought retail licenses to the highest volume to date, at 502.

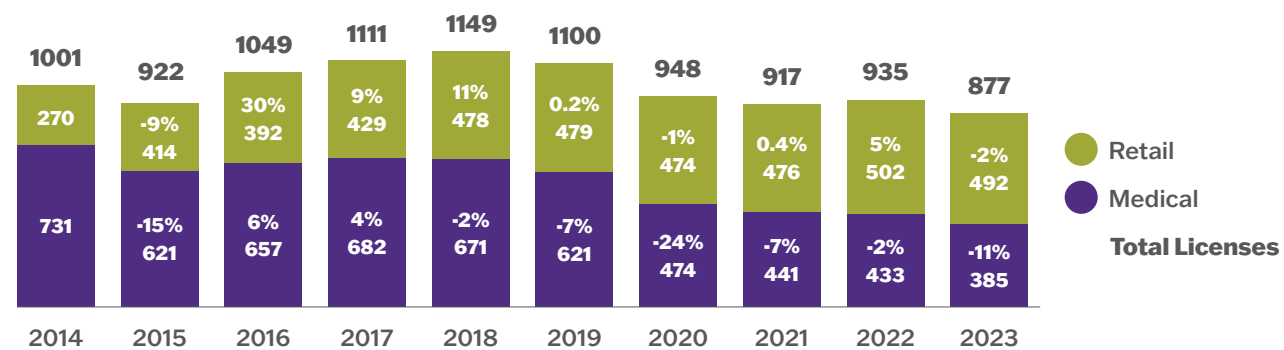
### Cannabis – Locations and Licenses

With % Change from Prior Year



### Cannabis – Active Licenses by Type

With % Change from Prior Year

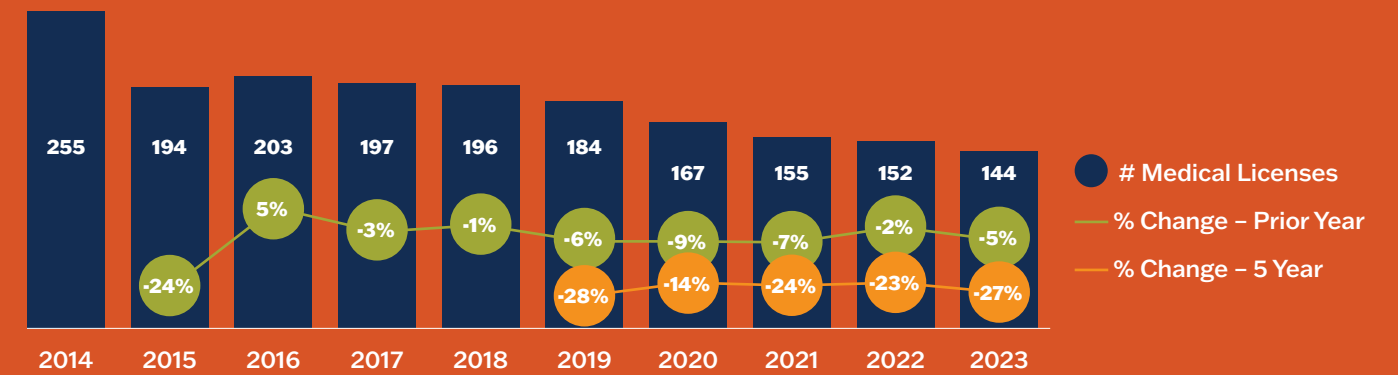


## STORE LICENSES BY YEAR

The number of medical marijuana store licenses has been decreasing since 2014 when retail sales began. Over the past five years, medical marijuana store licenses in Denver declined 27%, down 52 licenses. Several factors likely contributed to this decline. In 2016, Denver stopped issuing new medical marijuana store licenses because of a moratorium adopted by City Council. The number of registered medical marijuana patients has been declining since 2014, reducing the number of potential customers for medical marijuana stores.

### Medical Cannabis Store Licenses by Year

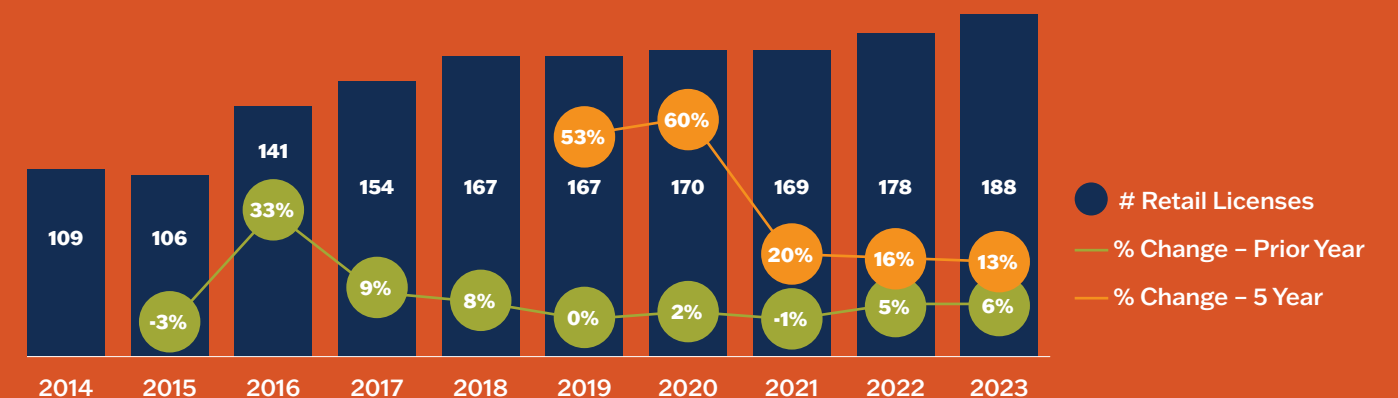
With % Change from Prior Year and from 5 Years Prior



In contrast, over the past five years, retail marijuana store licenses in Denver increased 13%, up 21 licenses. Retail marijuana store licenses accounted for the largest increase of all license types in 2023, with an increase of 10 licenses from 2022. Beginning in 2021, new retail marijuana store licenses in Denver are exclusively available to social equity applicants, with no cap on the number that can be issued.

### Retail Cannabis Store Licenses by Year

With % Change from Prior Year and from 5 Years Prior







## CULTIVATION FACILITY LICENSES BY YEAR

The number of marijuana cultivation facility licenses is down 14% in 2023 compared to 2022. Retail marijuana cultivation licenses decreased 8%, down 16 licenses. Medical marijuana cultivation licenses declined 20%, down 38 licenses.

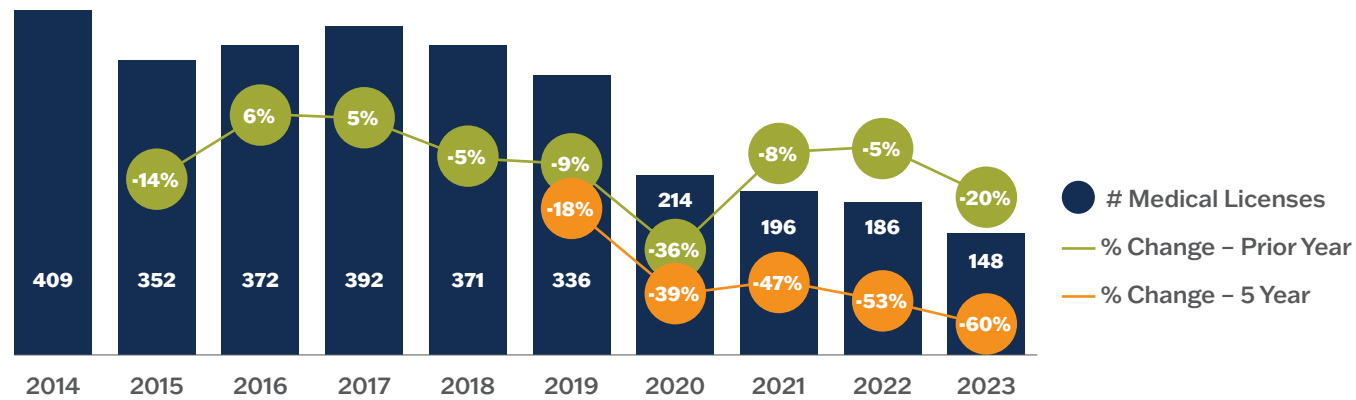
Over the past five years, the number of medical marijuana licenses is down 44%, which equates to 260 licenses. This includes 122 licenses that were eliminated from 2019 to 2020 when a change in state rules consolidated commonly owned licenses to one medical marijuana cultivation license per location.

The continued decline in marijuana cultivation licenses corresponds with a decline in the average price of marijuana flower. In 2014, the average price of medical marijuana flower in Denver was \$5.35 per gram, compared to an average price of \$2.05 per gram in 2022. In 2014, the average price of retail marijuana flower in Denver was \$11.17 per gram, compared to \$3.58 per gram in 2022. (For more data trends, visit the Colorado Marijuana Enforcement Division's [data dashboard](#).)

In Denver, there is a moratorium on new medical marijuana cultivation licenses. Beginning in 2021, new retail marijuana cultivation licenses in Denver are exclusively available to social equity applicants, with no cap on the number that can be issued.

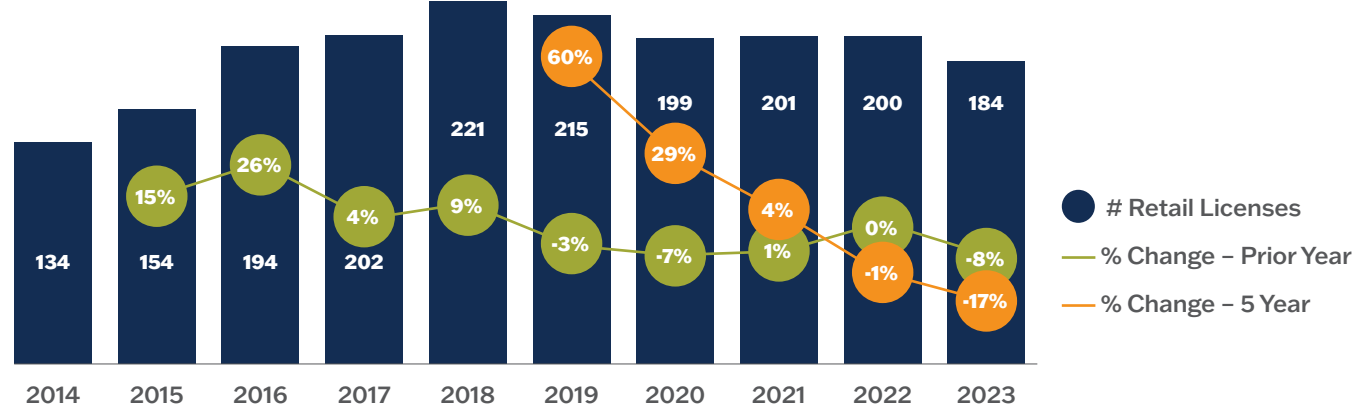
### Medical Cannabis Cultivation Licenses by Year

With % Change from Prior Year and from 5 Years Prior



### Retail Cannabis Cultivation Licenses by Year

With % Change from Prior Year and from 5 Years Prior



## MARIJUANA PRODUCTS MANUFACTURER LICENSES BY YEAR

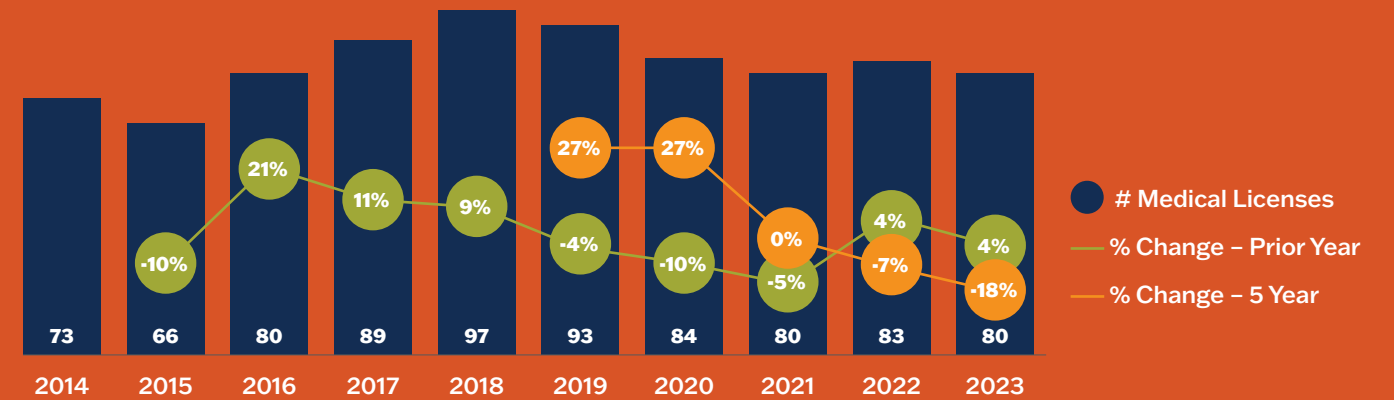
The number of marijuana product manufacturer licenses is down 4% from 2022 to 2023. Over the past five years, the number of marijuana product manufacturers increased by 1%, while medical marijuana product manufacturer licenses in Denver declined 18% and retail marijuana product manufacturer licenses increased 22%.

The decline in medical marijuana product manufacturer licenses could be due in part to a state law passed in 2021 that dramatically reduced the sales limits for medical marijuana concentrate.

Beginning in 2021, new medical and retail marijuana products manufacturer licenses in Denver are exclusively available to social equity applicants, with no cap on the number that can be issued.

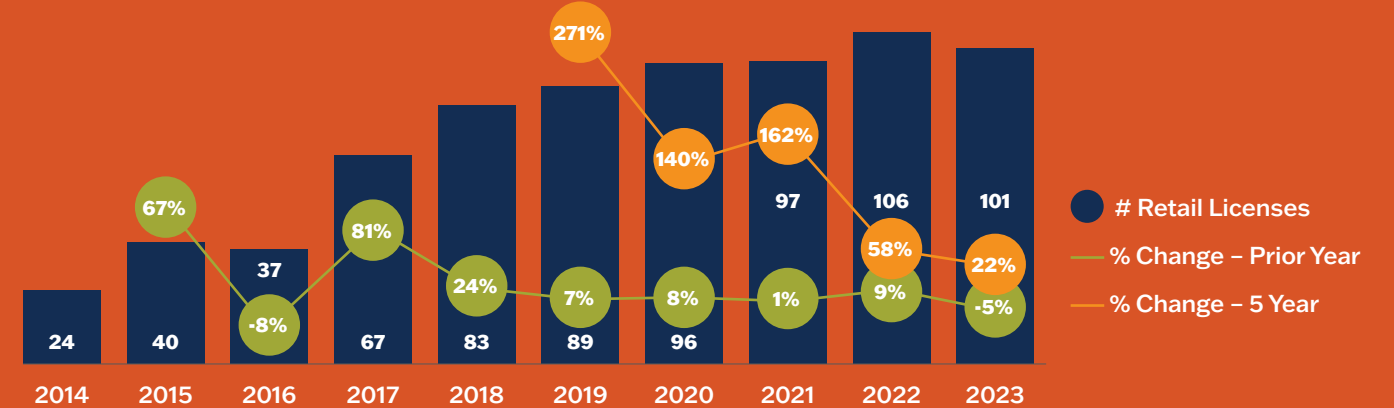
### Medical Cannabis Manufacturer Licenses by Year

With % Change from Prior Year and from 5 Years Prior



### Retail Cannabis Manufacturer Licenses by Year

With % Change from Prior Year and from 5 Years Prior



## MARIJUANA TRANSPORTERS AND DELIVERY

In 2021, Denver adopted the marijuana delivery permit created by the Colorado state legislature in 2019. A marijuana delivery permit can be issued to a marijuana store to allow them to provide products for delivery. A marijuana delivery permit can also be issued to a marijuana transporter to allow them to transport marijuana products from a permitted marijuana store to customers.

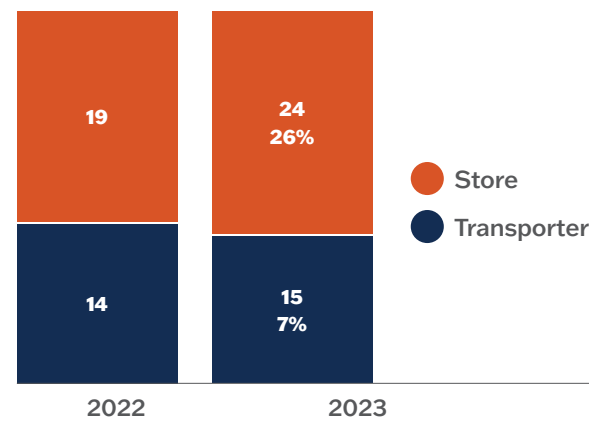
In Denver, marijuana transporter licenses are exclusively available to social equity applicants. Only social equity transporters with a marijuana delivery permit can deliver marijuana to customers on behalf of stores.

In 2022, the number of transporters more than doubled from 2021 as social equity delivery businesses applied for transporter licenses. From 2022 to 2023, this increase slowed as marijuana delivery businesses struggled to obtain contracts with marijuana stores and fewer social equity applicants saw marijuana delivery as a viable business opportunity.

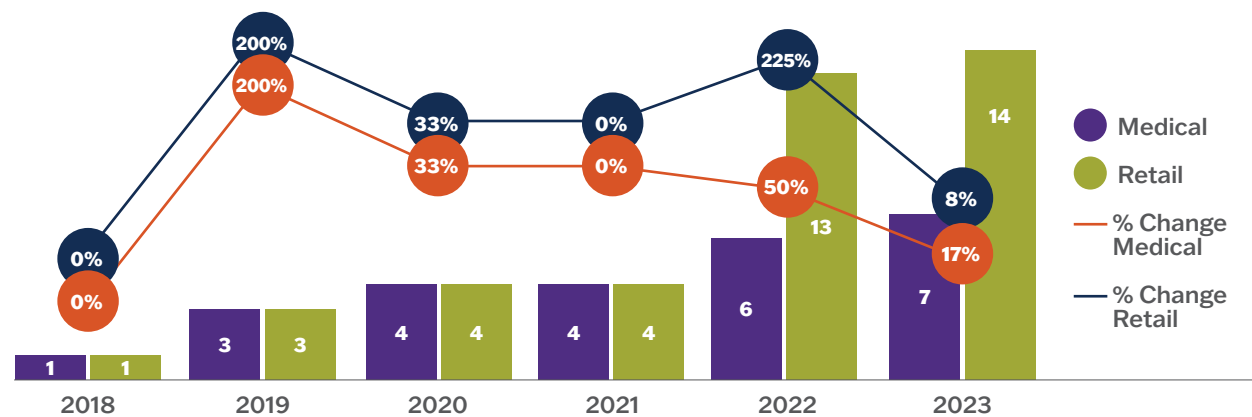
To address this challenge, the city passed an ordinance in 2022 reducing fees for transporter licenses and delivery permits and making delivery exclusivity for social equity businesses permanent (originally set to expire on July 1, 2024). It could take time to see the impact of this change reflected in the licensing data.

Delivery permits associated with stores increased 26% from 2022, from 19 to 24. Marijuana delivery permits associated with transporter licenses increased from 14 to 15 from 2022 to 2023. Note that some stores and transporters have two delivery permits — one medical and one retail.

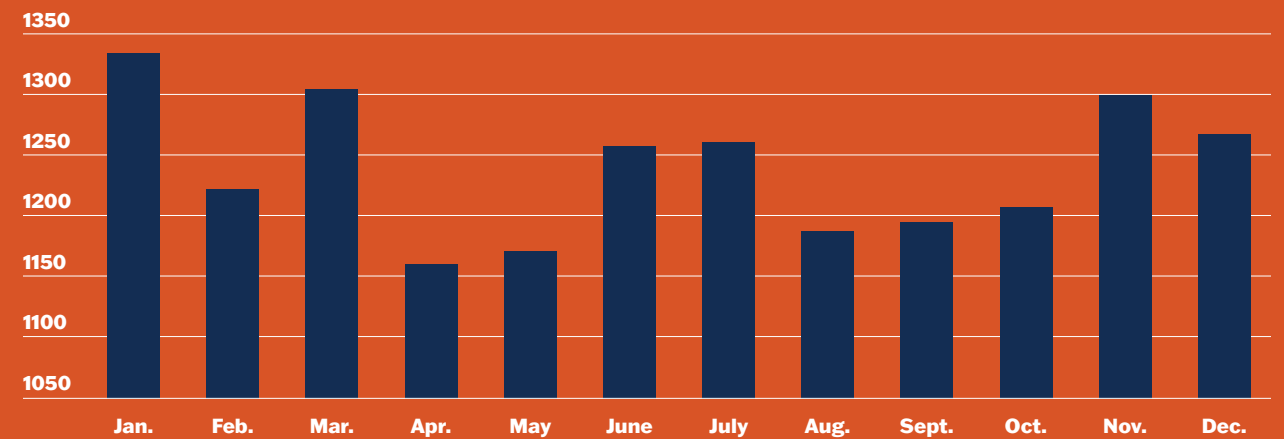
**Cannabis Delivery Permits by Type**  
With % Change from Prior Year



**Cannabis Transporter Licenses by Year**  
With % Change from Prior Year



## Marijuana Deliveries by Month (2022)



In 2022, deliveries accounted for less than one-half of 1% of marijuana sales in Denver. The average number of deliveries per month was 1,241.

### Other licenses:

- **Marijuana hospitality business licenses:** In November 2021, Denver began accepting applications for hospitality, mobile hospitality, and hospitality and sales businesses. As of Jan. 1, 2023, there was one licensed marijuana hospitality business in Denver that was licensed as a marijuana consumption business before the adoption of the marijuana hospitality ordinance.
- **Testing facilities:** There has been no change in the number of medical marijuana testing facilities, with five that have been actively licensed since 2019. As of Jan. 1, 2023, retail marijuana testing facilities shrank by one, bringing the total to four.
- **Research and development license:** There was one licensed research and development facility in Denver as of Jan. 1, 2023.
- **Off-premises storage:** There were no off-premises storage facilities licensed in Denver as of Jan. 1, 2023.



The Coffee Joint marijuana hospitality establishment in Denver.



### III. TAX, SALES, REVENUE

#### Denver percentage of Colorado sales

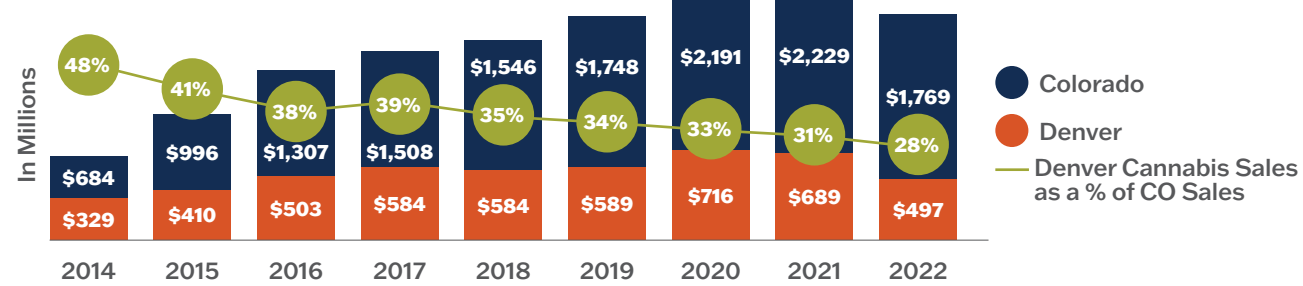
Denver marijuana sales (retail and medical) continue to make up a diminishing portion of Colorado's marijuana sales (retail and medical). This long-term trend took a new turn in 2022.

Before 2022, the trend for Denver sales as a percent of Colorado sales showed that marijuana-related purchases in Colorado were outpacing similar purchases made in Denver during the same period.

In 2022, Denver and Colorado saw reduced marijuana sales, with Denver down 28% and Colorado down 21%, compared to 2021 sales. For 2022, the trend reflects that Colorado sales shrank less than Denver sales.

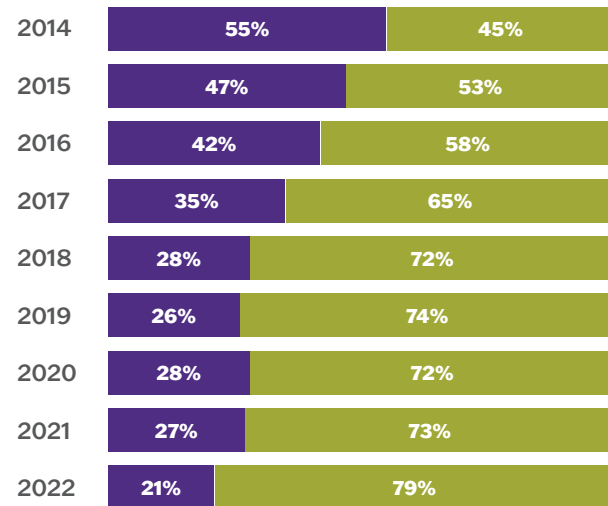
#### Cannabis Sales – Denver and Colorado

With Denver Sales as a % of Colorado Sales

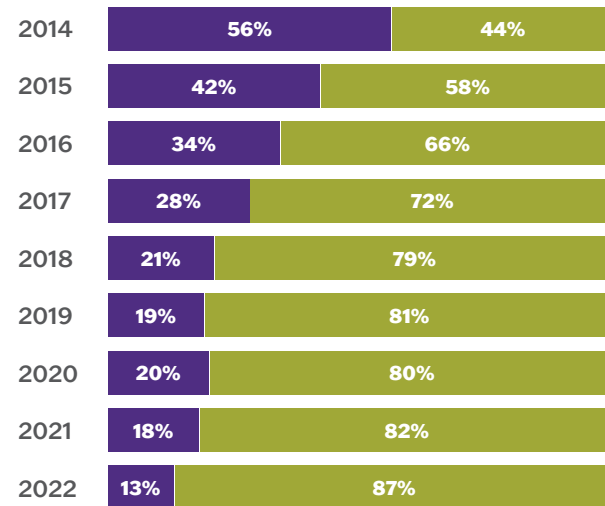


Though they started off similar in 2014 (with medical marijuana sales making up 55% of total sales in Denver compared to 56% of total sales in Colorado), Colorado medical marijuana sales have declined more rapidly than Denver medical marijuana sales. This indicates Denver could be home to a larger proportion of medical patients than Colorado at large.

#### Cannabis – % of Denver Sales by Type



#### Cannabis – % of Colorado Sales by Type

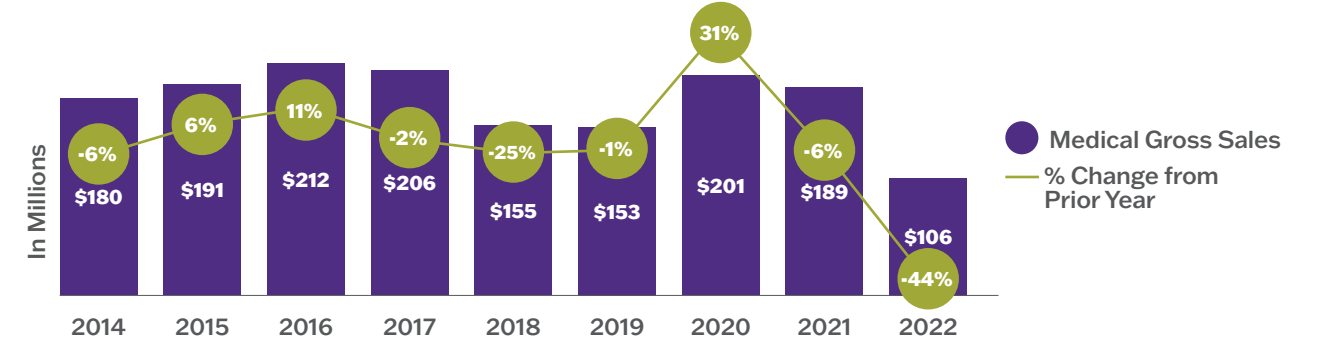


Since 2020, medical cultivation licenses issued by the Colorado Marijuana Enforcement Division (MED) have decreased 11%.

#### Gross sales in Denver for medical marijuana were down 44% (\$82.6 million) compared to 2021 (\$106.4 million vs. \$189 million).

- This is the lowest medical sales have been since 2011, when medical sales were \$93.9 million.
- Compared to pre-pandemic sales (2019), medical marijuana gross sales in 2022 have decreased 31% (\$106.4 million vs. \$153.2 million).

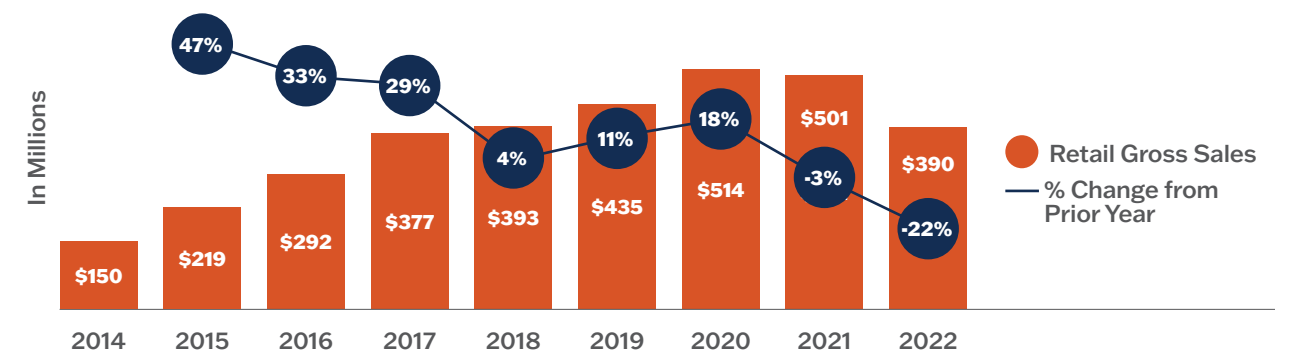
#### Medical Cannabis Sales – Denver



#### Gross retail sales were down 22% (\$110.4 million) compared to 2021 (\$390.2 million vs. \$500.6 million).

- 2022 was the first year since retail sales began that retail gross sales did not exceed that of the previous period.
- This is the lowest retail sales have been since 2017, when retail sales were \$377.4 million.
- Compared to pre-pandemic sales (2019), retail marijuana gross sales in 2022 are down 10% (\$435 million vs. \$390 million).

#### Retail Cannabis Sales – Denver



## REVENUE

- Total marijuana revenue (from standard and special sales taxes on retail and medical marijuana sales, the state shareback and Excise and Licenses licensing fees) was down 24% (\$17.7 million) compared to 2021 (\$54.8 million vs \$72.5 million).
- This is only the second decline (compared to a previous period) in marijuana revenue during the 13 years since medical marijuana launched in 2010. The other occurred in 2011.
- Compared to pre-pandemic revenue (2019), total revenue from marijuana in 2022 is down 9% (\$54.8 million vs. \$60 million).

### All revenue types in 2022 compared to 2021

Medical sales tax revenue decreased  
**43% (\$3.9 million)**  
 in 2022 vs. 2021  
 (\$5.1 million vs. \$9 million)

Retail sales tax revenue decreased  
**22% (\$5.3 million)**  
 in 2022 vs. 2021  
 (\$18.7 million vs. \$24 million)

Retail special tax revenue decreased  
**22% (\$3.9 million)**  
 in 2022 vs. 2021  
 (\$13.6 million vs. \$17.5 million)

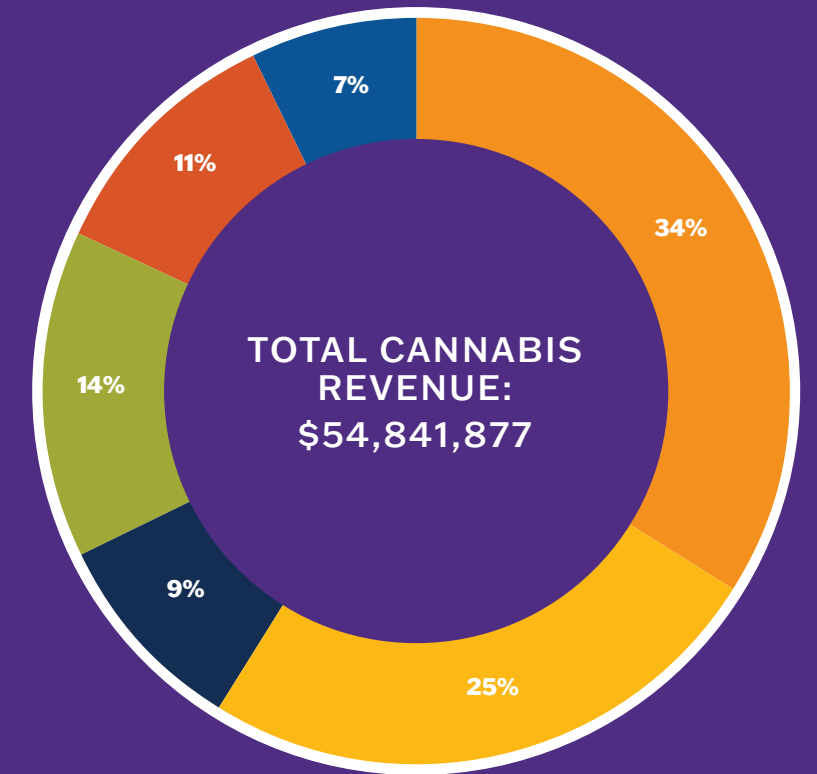
Affordable housing tax revenue decreased  
**22% (\$2.2 million)**  
 in 2022 vs. 2021  
 (\$7.8 million vs. \$10 million)

State shareback revenue decreased  
**23% (\$1.7 million)**  
 in 2022 vs. 2021  
 (\$5.8 million vs. \$7.5 million)

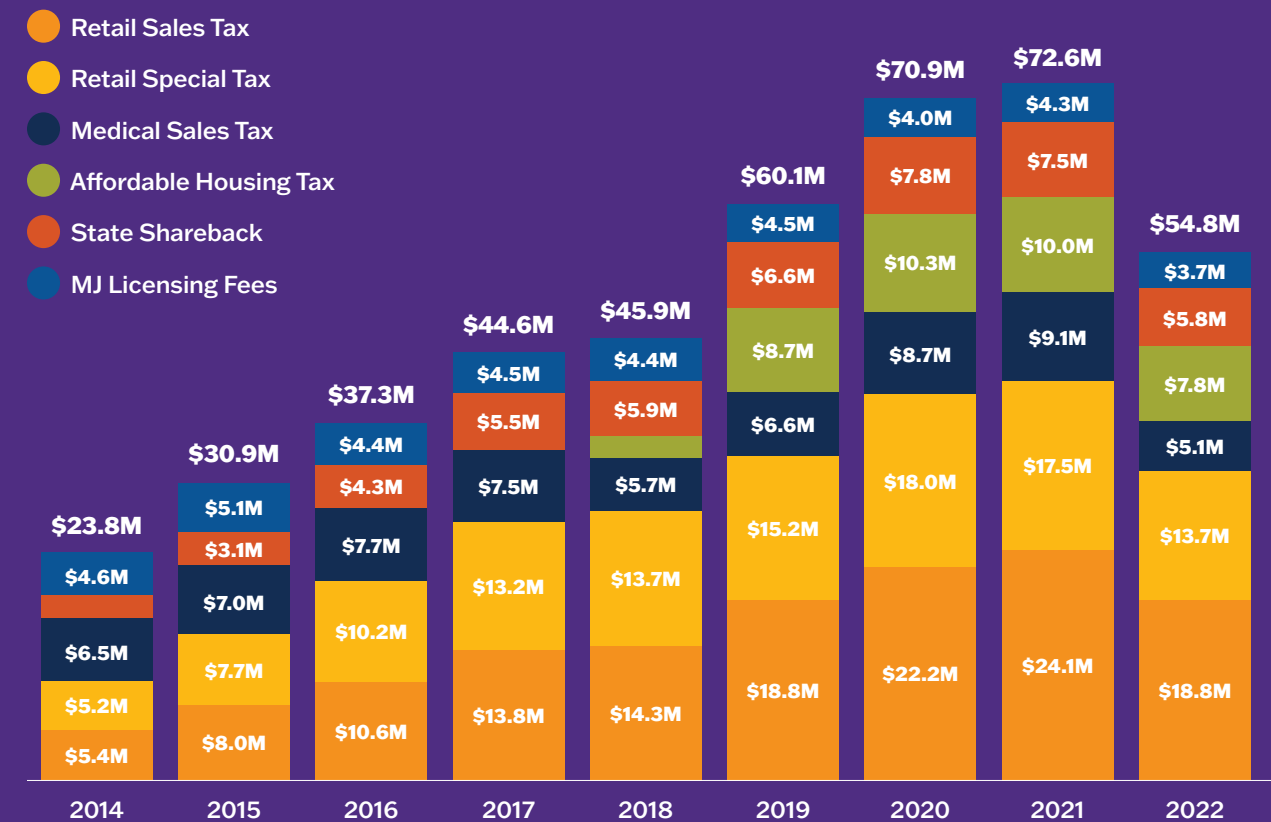
Licensing fees revenue decreased  
**16% (\$666,549)**  
 in 2022 vs. 2021  
 (\$3.6 million vs. \$4.3 million)

### 2022 Marijuana Revenue Sources

- Retail Sales Tax | \$18,771,658
- Retail Special Tax | \$13,659,235
- Medical Sales Tax | \$5,118,988
- Affordable Housing Tax | \$7,805,278
- State Shareback | \$5,826,431
- MJ Licensing Fees | \$3,660,287



### Marijuana Revenue Sources: 2014-2022

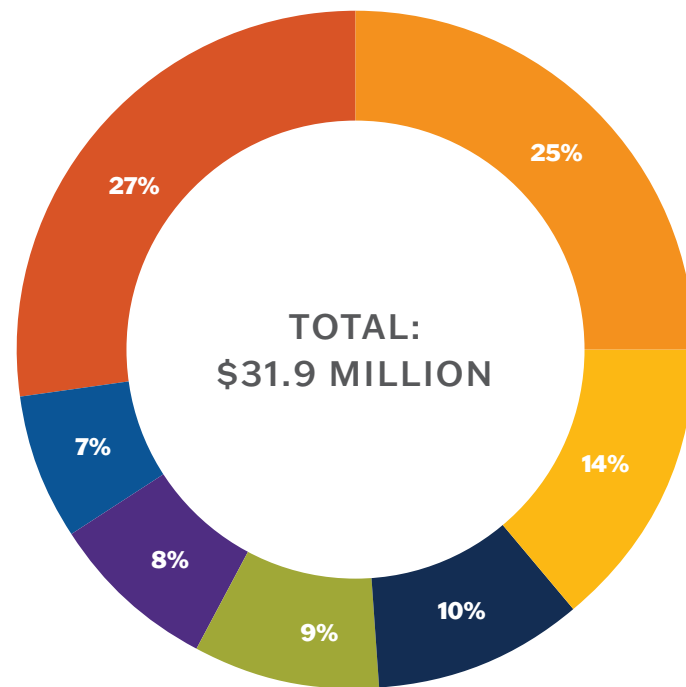




## IV. BUDGET AND EXPENDITURES

### 2023 Retail Special Sales Tax, State Shareback and Marijuana License Fee Allocation

- 48th St. Operating | \$8,000,000
- Small Business Investment | \$4,349,595
- Marijuana Education | \$3,279,257
- Early Intervention Team | \$2,759,600
- Marijuana Regulation | \$2,556,474
- Marijuana Enforcement | \$2,261,163
- Affordable Housing | \$8,715,025



Mayor Michael B. Hancock and other dignitaries celebrate the grand opening of 74 affordable housing units at the Pancratia Hall Lofts, located within the Loretto Heights redevelopment in southwest Denver on May 12, 2022.

- **Regulation:** Includes funds allocated to Excise and Licenses, Community Planning and Development, Department of Public Health and Environment, and Denver Fire Department to support marijuana policy development, process and issue marijuana licenses and inspect marijuana facilities to ensure safety and compliance with all existing regulations. Funds also support the Department of Finance to oversee city tax compliance.
- **Enforcement:** Includes funds allocated to the Denver Police Department, Parks and Recreation, and the City Attorney's Office to enforce the City's marijuana-related ordinances and policies and to limit illicit market marijuana activities.
- **Education:** Includes funds allocated to Excise and Licenses for a Denver youth education campaign and Parks and Recreation and Children's Affairs for programs to encourage healthy lifestyles for children. Also includes funds for the Office of Behavioral Health for drug education and diversion programs and activities.

- **Affordable housing:** Marijuana taxes have an impact in the push for more affordable housing in the City and County of Denver. In 2018, City Council increased the special sales tax for retail marijuana from 3.5% to 5.5%. This 2% increase dedicated marijuana tax revenue to affordable housing programs.

Year	Affordable housing tax
2018*	\$1,942,222
2019	\$8,706,176
2020	\$10,287,642
2021	\$10,013,808
2022	\$7,805,278
<b>Total</b>	<b>\$38,755,126</b>

\*Started in October

The increase went into effect in late 2018. The Affordable Housing Fund is administered by the Department of Housing Stability and supports land acquisitions, unit development and production, housing assistance and supportive housing services. In just more than four years, this tax has generated more than \$38.7 million for the Affordable Housing Fund.

- **Herman Malone Fund:** Starting in 2022, 1% of the existing special retail marijuana sales tax, up to \$50 million, was dedicated to establishing an investment fund to support businesses that have traditionally lacked access to capital and other resources for growth. The fund will focus on strengthening Denver's economic diversity while providing quality job opportunities, ensuring a pipeline of entrepreneurs and small business startups, and creating generational wealth for Denver's business owners who have historically lacked investment opportunities.
- **Homelessness services:** These funds support shelter operations and services for the 48th Street facility, including expanding operations to 24/7, and the Early Intervention Team (EIT), which provides encampment outreach, referral, and support services for individuals experiencing homelessness. Note that the expenditures reflected here match the 2022 budget. Any budget required to maintain these services beyond the amount reflected in this document will be supported by the General Fund.
- **City services:** The authorizing ordinance for the special tax rate for retail marijuana also allows these funds to be used for operating and improving the city. Based on the projected recreational marijuana revenue, and the expenditures reflected above, there is no additional capacity available for these services within the special tax revenue projection.



## V. MARIJUANA SOCIAL EQUITY

In many ways, the City and County of Denver and the state of Colorado pioneered the development of a regulatory framework for adult-use marijuana. But one of the shortcomings of this framework was its initial failure to address social equity for those most harmed by decades of marijuana prohibition.

Early efforts to implement the marijuana regulatory framework focused on the priorities outlined in U.S. Deputy Attorney General James Cole's 2013 memorandum on marijuana enforcement (known as the **Cole Memo**). The Cole Memo's enforcement priorities included preventing youth access to marijuana, preventing criminal enterprises from profiting from marijuana sales, and preventing diversion of marijuana to other states or to the illicit market.

Failure to uphold these priorities carried the threat of federal intervention. This led to strict regulations that excluded people with a criminal history from licensure and made it very expensive to own and operate a marijuana business.

As a result, those who suffered most from marijuana prohibition were least likely to benefit from the legalization and commercialization of adult-use marijuana.

However, under the leadership of Mayor Michael B. Hancock, the City and County of Denver has made social equity a top priority for the modern era of marijuana regulation. At the 86th annual meeting of the U.S. Conference of Mayors in 2018, Mayor Hancock met with the Government for Responsible U.S. Cannabis Policy Coalition. The coalition advocated for federal reforms and discussed the importance of social equity in marijuana policy. Mayor Hancock directed his Office of Marijuana Policy and Department of Excise and Licenses to explore ways to promote social equity in Denver's marijuana regulatory system.



The Denver Department of Excise and Licenses hosted a free social equity resource fair on Oct. 16, 2021, to provide information and networking opportunities for potential social equity-qualified marijuana license applicants.

## TIMELINE OF SOCIAL EQUITY IN DENVER

2019

- The Office of Marijuana Policy convened a Community Equity Committee to solicit input on marijuana social equity.
- The city commissioned a study to evaluate diversity and opportunity in Denver's marijuana industry.
- The Colorado state legislature passed bills creating new marijuana license types: Delivery, hospitality, and hospitality and sales.

2020

- The **Cannabis Business and Employment Opportunity Report** was released. It highlighted racial and ethnic differences in ownership and employment and identified barriers to employment and ownership in Denver's marijuana industry.
- The Colorado state legislature passed a bill adopting criteria for a person to qualify as a marijuana social equity licensee.
- The Office of Marijuana Policy convened the Marijuana Licensing Work Group to gather input on the adoption of delivery and hospitality licenses and the creation of a social equity program. The work group included representatives from the marijuana industry, public health organizations, social equity advocacy groups, Denver Public Schools, City Council, the City Attorney's Office, and the Governor's Office.

2021

- The Department of Excise and Licenses developed a proposal to overhaul Denver's marijuana code. Council bill 21-0216 and Council bill 21-0217 passed unanimously and without amendments. The bills:
  - Eliminated the cap on marijuana stores and cultivations.
  - Eliminated the lottery system for distributing licenses.
  - Adopted a marijuana hospitality licensing program.
  - Adopted a marijuana delivery program granting social equity applicants exclusive delivery rights until July 1, 2023.
  - Reserved new store, cultivation, manufacturing, transporter, and hospitality licenses exclusively for social equity applicants until July 1, 2027.
- The Department of Excise and Licenses began issuing licenses to social equity applicants.

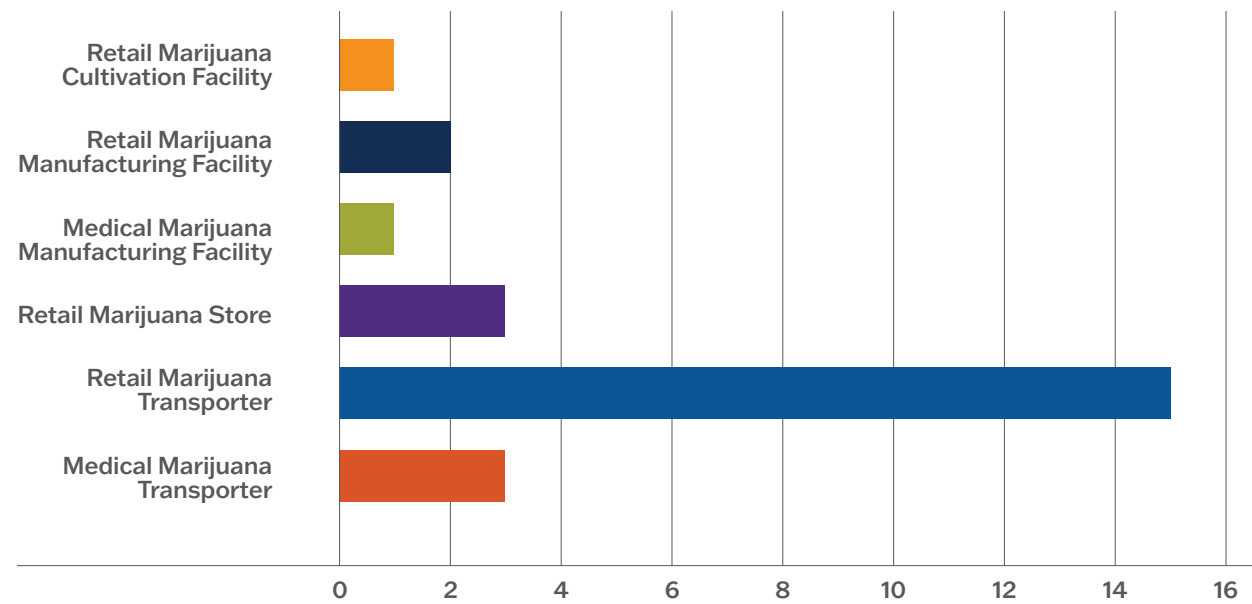
2022

- The Office of Economic Development and Opportunity launched a **technical assistance program** to provide training and technical assistance to marijuana social equity entrepreneurs. The technical assistance program is funded by \$500,000 of marijuana tax revenue.
- The Department of Excise and Licenses brought a proposal to City Council to permanently afford exclusive delivery rights to social equity applicants and reduce fees for social equity delivery businesses.
- The Department of Excise and Licenses hosted a marijuana social equity opportunities conference to provide knowledge and connections to social equity entrepreneurs.



## SOCIAL EQUITY LICENSING DATA

### Licenses Issued to Social Equity Applicants 2021 - 2022



The transporter license is the most-issued license type to social equity applicants. This is because transporter businesses are not required to have a licensed premises, which reduces the startup costs and time required to get licensed.



The Department of Excise and Licenses hosted a social equity opportunities conference in November 2022 with the Colorado Cannabis Business Office and the Colorado Marijuana Enforcement Division.

### WHO QUALIFIES AS A SOCIAL EQUITY APPLICANT?

- ✓ **Colorado resident.**
- ✓ **Has not owned a marijuana license that was revoked by the State Licensing Authority or Denver Department of Excise and Licenses.**
- ✓ **Meets one of three criteria:**
  - Lived for at least 15 years between 1980 and 2010 in a census tract designated as an Opportunity Zone or Disproportionate Impacted Area.
  - The applicant or the applicant's parent, legal guardian, sibling, spouse, child, or minor in the guardianship was arrested, convicted, or suffered civil asset forfeiture because of a marijuana offense.
  - The applicant's household income in the year before the application did not exceed 50% of the state median income.
- ✓ **Owns at least 51% of the marijuana business.**

### SOCIAL EQUITY OPPORTUNITIES CONFERENCE

The Department of Excise and Licenses held a social equity opportunities conference on Nov. 5, 2022. The purpose of this free conference was to help social equity entrepreneurs overcome barriers to owning a marijuana business. Conference information focused on marketing and branding, finding a location, and marijuana business financing.

Breakout sessions and panel discussions featured industry experts and regulators. Attendees connected with regulators, attorneys, industry associations, and other businesses. Approximately 200 people attended the conference. The Colorado Cannabis Business Office and the Colorado Marijuana Enforcement Division co-hosted the event.

## DEMOGRAPHIC DATA

Denver’s marijuana social equity criteria are not based on race, ethnicity, or gender. However, demographic data helps to evaluate how the program is impacting underrepresented groups in marijuana business ownership.

In November 2021, the Department of Excise and Licenses began allowing marijuana license applicants to voluntarily provide data on their race, ethnicity, and gender. By the end of 2022, the Department had a full year of baseline demographic data. The City and County of Denver is prohibited from requiring applicants to disclose their race, ethnicity, or gender.

**78%**  
of owners  
provided  
their gender.

**65%**  
of owners  
provided  
their ethnicity.

**64%**  
of owners  
provided  
their race.

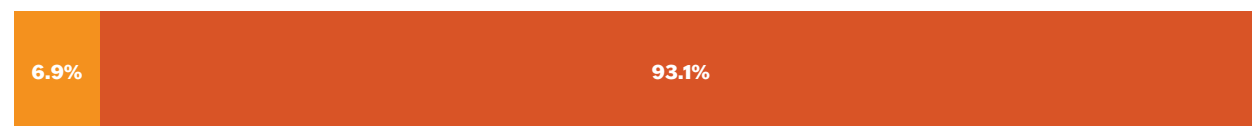
### Social Equity Ownership



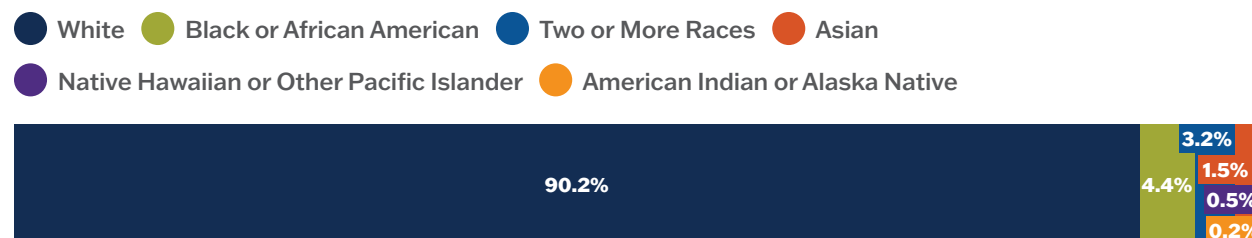
### Gender of Marijuana License Owners



### Ethnicity of Marijuana License Owners



### Race of Marijuana License Owners



## VI. PUBLIC SAFETY

### PATROLLING THE BOUNDARIES OF LAW

Since the legalization of recreational marijuana in 2012, the illegal production and sale of marijuana has continued in Denver. In the first few years, the city experienced a large increase in illicit-market marijuana. Through increased enforcement and collaboration among all city agencies, the City and County of Denver was able to mitigate many of the issues leading to the increase in illicit-market marijuana. The Denver Police Department remains committed to enforcing all state and local laws pertaining to the illegal production and sale of marijuana.

### WHAT DOES THE ILLICIT MARKET LOOK LIKE?

The market for Denver marijuana is very lucrative and extends across the United States. The market takes different forms. The most common:

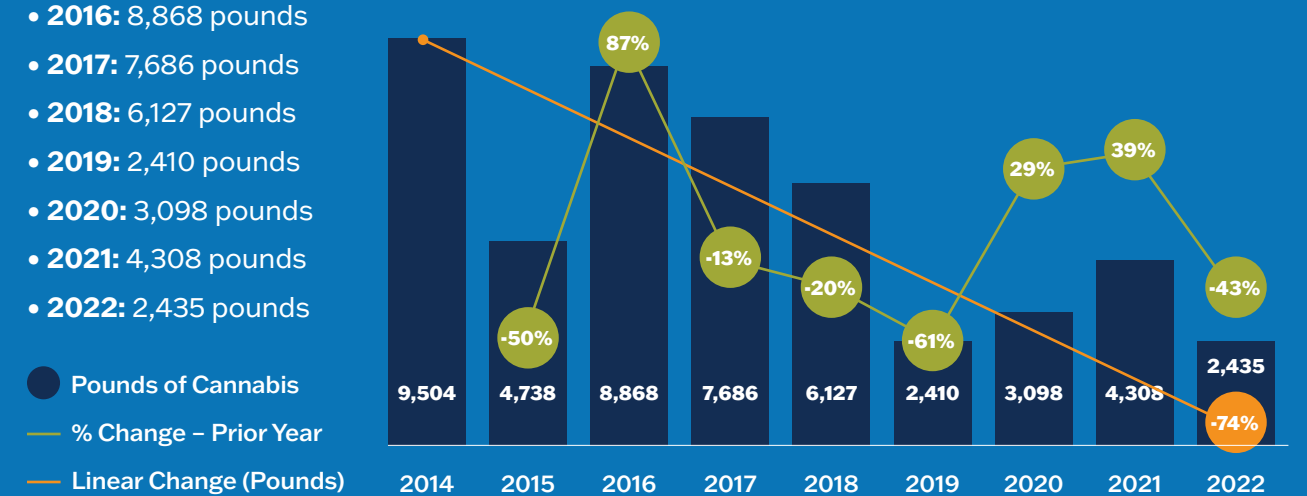
- Social media apps.
- Midlevel trading with a continuous market of people legally purchasing \$5,000 to \$10,000 of Colorado marijuana—typically through medical marijuana processes—and transporting and/or shipping it out of state for resale.
- Criminal organizations with illegal residential grows or homeowners growing beyond their limit allowed by law.
- Illegal marijuana concentrate labs and structure fires because of faulty electrical work.

**Illegal marijuana processed by the Denver Police Department crime lab.** Overall, the volume of illegal marijuana seized by the Denver Police Department by year has declined 74% from 2014 to 2022.

- **2014:** 9,504 pounds
- **2015:** 4,738 pounds
- **2016:** 8,868 pounds
- **2017:** 7,686 pounds
- **2018:** 6,127 pounds
- **2019:** 2,410 pounds
- **2020:** 3,098 pounds
- **2021:** 4,308 pounds
- **2022:** 2,435 pounds

### Illegal Marijuana Processed by DPD Crime Lab

With % Change from Prior Year and from 2014





## TOTAL MARIJUANA OFFENSES

### 1. Total marijuana offenses

**Definition:** Reported offenses to the Denver Police Department that, upon review, have a clear connection or relation to marijuana. Questions about this data should be directed to the Denver Police Department.

Total marijuana offenses account for less than 1% of overall reported offenses in Denver.

OFFENSE/ YEAR	2014	2015	2016	2017	2018	2019	2020	2021	2022
Marijuana Cultivation	19	25	43	52	59	32	20	17	4
Marijuana Possession	356	272	189	145	142	77	41	24	23
Marijuana Distribution	65	60	67	87	71	39	40	40	26
Industry-Related Crime	175	185	210	139	200	213	183	143	162
Other Non-Industry-Related Crime	107	81	64	62	24	25	88	83	48
<b>Total Marijuana Offenses</b>	<b>788</b>	<b>696</b>	<b>636</b>	<b>548</b>	<b>588</b>	<b>483</b>	<b>4355</b>	<b>307</b>	<b>263</b>
<b>Total Citywide Offenses (NIBRS)</b>	<b>61,276</b>	<b>64,317</b>	<b>65,368</b>	<b>66,354</b>	<b>66,023</b>	<b>65,470</b>	<b>72,973</b>	<b>83,074</b>	<b>87,791</b>

The offenses listed in the table above exclude public consumption of marijuana, marijuana prohibited in parks, and marijuana on the 16th Street Mall.

### 2. Marijuana industry-related offenses

**Definition:** The subset of marijuana-related offenses where licensed marijuana businesses were the victim or the perpetrator of a crime.

Marijuana industry-related offenses represent less than one-half of 1% of overall crime in Denver.

- **2014:** 175 (0.29%) • **2017:** 139 (0.20%) • **2020:** 183 (0.17%)
- **2015:** 185 (0.29%) • **2018:** 200 (0.30%) • **2021:** 143 (0.17%)
- **2016:** 210 (0.32%) • **2019:** 213 (0.30%) • **2022:** 162 (0.19%)

In 2022, burglary or attempted burglary accounted for 96% of marijuana industry-related offenses. Larceny (theft) accounted for another 4% of all marijuana industry-related offenses. In 2021, Denver intensified its focus on preventing burglaries at marijuana stores by requiring them to implement measures to store marijuana and cash securely during non-business hours.

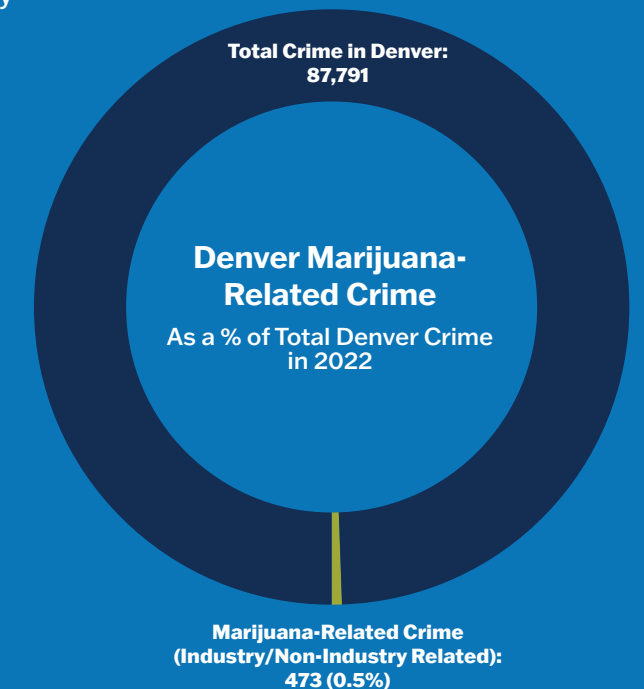
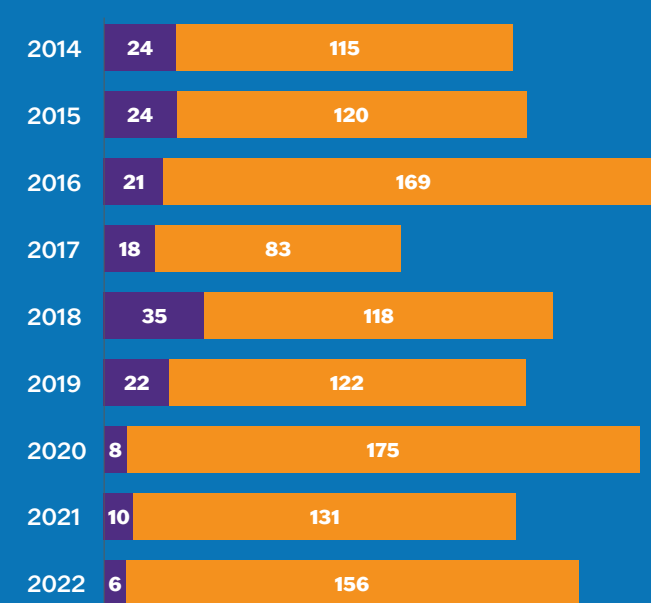
- Marijuana businesses make up less than 1% of all businesses in Denver but account for approximately 6% of all reported business burglaries.

### MARIJUANA INDUSTRY-RELATED OFFENSES

Violent offenses related to the licensed marijuana industry are rare and only include homicide, rape, robbery and aggravated assault.

- There were 22 violent offenses related to the marijuana industry in 2020, or one violent offense related to the marijuana industry for every 89 violent offenses overall.
- There were 14 violent offenses related to the marijuana industry in 2021, or one violent offense related to the marijuana industry for every 178 violent offenses overall.
- There were 14 violent offenses related to the marijuana industry in 2022, or one violent offense related to the marijuana industry for every 564 offenses overall.

#### Industry-Related Crime By Type and Year



## ARRESTS

**Definition:** City and County of Denver arrest data include citations and bookings for violations of marijuana laws in state of Colorado statute and/or City and County of Denver Municipal Code. There could be multiple arrests/citations per reported incident. A citation is a ticket to appear in court and an arrest is when someone is placed in custody.

### DPD Arrests/Citations for Marijuana Violations

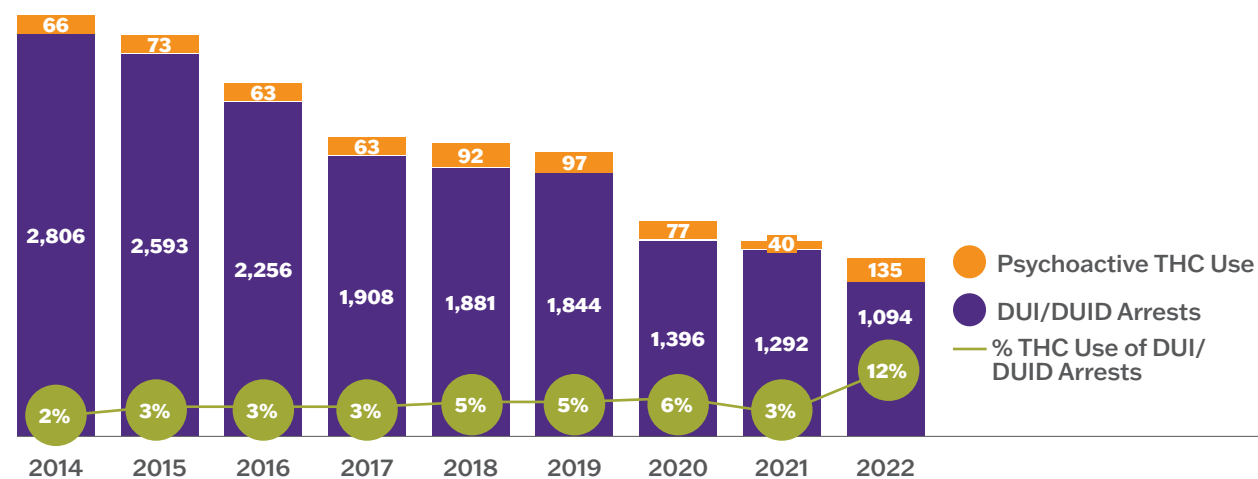
VIOLATION DESCRIPTION	2021	2022	# CHANGE	% CHANGE
Unlawful Distribution of Marijuana	116	53	-63	-54%
Unlawful Possession of Marijuana	113	36	-77	-68%
Unlawful Public Display/Consumption of Marijuana	33	26	-7	-21%
Unlawful Cultivation of Marijuana	24	4	-20	-83%
Marijuana Prohibited in Parks	0	2	2	200%
Unlawful Extraction of Marijuana Concentrate	4	0	-4	-100%
Marijuana Business License Violations	0	0	0	0%
<b>Grand Total</b>	<b>290</b>	<b>121</b>	<b>-169</b>	<b>-58%</b>
<b>Total Number of Arrestees Per Incident</b>	<b>202</b>	<b>103</b>	<b>-99</b>	<b>-49%</b>

## IMPAIRED DRIVING ARRESTS

Impaired driving creates a serious public safety hazard. Over the years, overall impaired driving arrests have been on the decline in Denver. This change can be attributed to several factors, including public education campaigns and the rising popularity of ride-sharing services.

Marijuana-related DUID (driving under the influence of drugs) arrests have remained consistent over the years, yet they remain a small portion of overall impaired driving arrests. It is important to note that the low volume of marijuana DUID arrests shown here is not indicative of the true frequency of impaired driving, but instead it reflects the difficulties of confirming marijuana-related impairment.

### DUI/DUID Arrests by Year With # and % of THC Use



## VII. PUBLIC EDUCATION

Youth education, prevention and diversion efforts are a hallmark of Denver successfully taking action to protect youth from any negative impacts of marijuana legalization. Through Denver's Office of Children's Affairs and Office of Behavioral Health Strategies, as well as the city's mass marketing youth education and prevention campaign called the High Costs, the city has devoted approximately \$23.7 million of marijuana tax revenue to protect and educate youth since 2014.

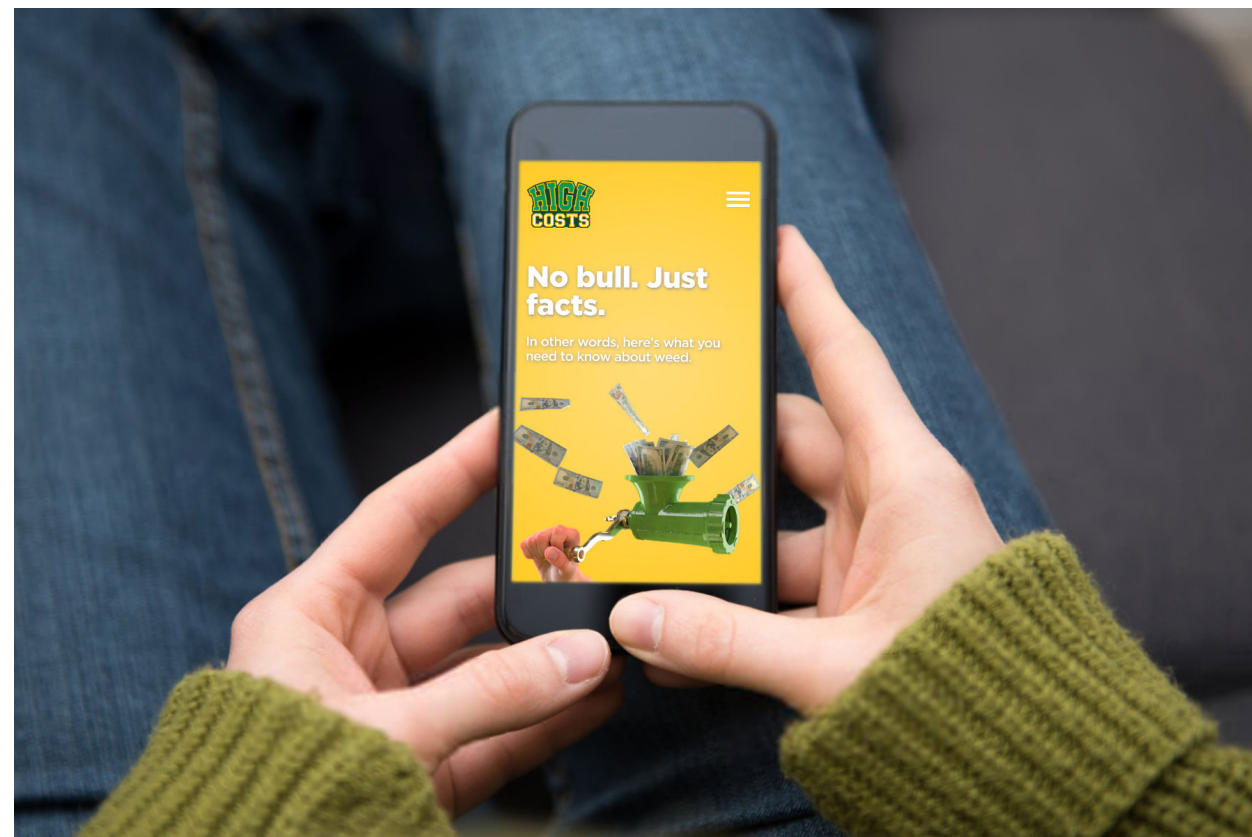
- The Healthy Lifestyles for Youth funds administered by the Denver Office of Children's Affairs support free after-school and summer programs for kids across Denver to keep them safe, inspire them to learn and help prepare them for the future. In 2022, this program had 8,633 youth participants, which is a 58% increasing from 2021.



Denver youth enjoy recreational activities as a result of marijuana tax revenue funds administered by the Denver Office of Children's Affairs.



- The Diversion Accountability and Behavioral Health funds administered by the Office of Behavioral Health Strategies provided three programs with funds for intervention, treatment, education and other alternatives for approximately 400 youth and young adults who have violated a city or state law or school code in 2021 and or 2022. This program creates alternative consequences for unlawful marijuana use or possession, including preventing further involvement of youth and young adults in the justice system, and improved outcomes for youth through coordinated services such as employment, restitution payment for victims, job readiness and work program projects. This program also reduced potential harm of substance abuse, promotes sharing of best practices and other networking opportunities for youth serving professionals.
- Since 2017, the City and County of Denver's High Costs campaign has targeted youth ages 12 to 18 on the internet, social media, digital radio and other areas where youth congregate to teach them the facts about underage marijuana consumption so they can be informed, have accurate peer-to-peer conversations and not let marijuana impact them from achieving their lifelong dreams or objectives. In total, the content, which is focused on facts instead of scare tactics, has been viewed 261 million times since late 2017 and 81% of Denver teens most recently surveyed about the campaign said it discouraged them from using marijuana. More information and campaign content can be found at [TheHighCosts.com](https://www.thighcosts.com).



## VIII. PUBLIC HEALTH

### PUBLIC HEALTH INVESTIGATIONS – MARIJUANA HEALTH AND SAFETY PROTECTION

Throughout 2022, the Denver Department of Public Health and Environment (DDPHE) continued to rely on partnerships with the Colorado Department of Public Health and Environment (CDPHE) and the Colorado Marijuana Enforcement Division (MED) to oversee and provide guidance for the growing marijuana industry.

DDPHE's marijuana team conducted routine inspections of dispensaries and marijuana product manufacturers throughout the City and County of Denver. Assessments of cultivation facilities to address public health concerns in response to complaints was also a primary function of the DDPHE marijuana team.

Additionally, DDPHE monitored ongoing state legislation progress and worked to identify public health concerns related to emerging trends in the marijuana industry with a focus on efficiency and innovation. DDPHE's marijuana team conducts a risk-based analysis and educational approach for marijuana consumers and industry with equity as a guiding principle.

DDPHE's marijuana team coordinated with other city agencies, as well as state government partners to respond to and conduct:

**319**  
regulatory inspections  
of marijuana-related  
businesses.

**31**  
complaint referrals from  
other agencies and the public  
resulting in 41 site visits.

**11**  
contamination  
investigations.

DDPHE also discontinued shelf stability evaluations and continues to evaluate products that could pose a public health concern. The collaboration with the **CDPHE's Science and Policy workgroup** in partnership with MED and other industry leaders give regulators and stakeholders the opportunity to review and evaluate potential rule changes and the subsequent impact to the marijuana industry.

Additionally, DDPHE was an active participant in the **CDPHE Intoxicating Hemp and Tetrahydrocannabinols task force** assisting the state of Colorado with recommendations regarding the regulation of intoxicating hemp products. DDPHE continues to evaluate and research intoxicating hemp cannabinoids and emerging marijuana industry trends.

Comments or questions about DDPHE's marijuana program can be emailed to [phicomments@denvergov.org](mailto:phicomments@denvergov.org).



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