



Marijuana Regulation in Denver

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Marijuana Business Licensing

State vs. Denver Responsibilities

State Licensing Authority + Marijuana Enforcement Division



Issues state marijuana licenses, issues employee and owner licenses, regulates matters of statewide concern such as packaging, labeling, testing, production management, etc.

Denver Department of Excise and Licenses



Issues corresponding local marijuana licenses, regulates time, place, and manner of marijuana businesses and regulates matters of local concern such as location requirements, public hearings, advertising, etc.

Denver Marijuana Business Licenses

Denver currently has **943** active marijuana business licenses.

That's **35%** of the state's marijuana licenses.

Denver is home to **12%** of the state's population.

Licensed Business	# of Licenses	# of Locations
Cultivation Facilities	395	235
Stores	333	205
Manufacturing Facilities	187	101
Testing Facilities	10	5
Transporters	18	12
Research & Development	1	1
Hospitality	1	1
Total	943	447*

*Some locations have several licenses and license types at one location. E.g., one location could have both medical and retail grow licenses, a MIP license and a retail and medical store license. Therefore, the total number of locations will not be a sum of the various location types.



Economic Impact

Marijuana Sales – Colorado & Denver

DENVER	2014	2015	2016	2017	2018	2019	2020
RETAIL SALES	\$149.7M	\$219.3M	\$291.5M	\$377.5M	\$392.5M	\$434.9M	\$514.4M
MEDICAL SALES	\$180.1M	\$191.4M	\$212M	\$206.4M	\$155.5M	\$153.6M	\$200.5M
TOTAL	\$329.8M	\$410.7M	\$503.5M	\$584M	\$548M	\$588.5M	\$714.9M
TOTAL YOY% CHANGE	-	25%	23%	16%	-6%	7%	21%

COLORADO	2014	2015	2016	2017	2018	2019	2020
RETAIL SALES	\$303.2M	\$577.5M	\$861.6M	\$1.1B	\$1.2B	\$1.4B	\$1.7B
MEDICAL SALES	\$380.3M	\$418.1M	\$445.6M	\$416.5M	\$332.2M	\$338.5M	\$442.5M
TOTAL	\$683.5M	\$995.6M	\$1.3B	\$1.5B	\$1.5B	\$1.7B	\$2.2B
TOTAL YOY% CHANGE	-	46%	31%	15%	3%	13%	25%

Denver:

- Retail Marijuana sales in Denver in 2020 increased 18% year over year from 2019.
- Medical Marijuana sales in Denver in 2020 increased 31% year over year from 2019 sales.

Colorado:

- Retail Marijuana Sales in Colorado in 2020 increased by 25% from 2019 to 2020.
- Medical Marijuana Sales for the State of Colorado in 2020 increased 31% from 2019 sales.

HOW IS MARIJUANA TAXED IN DENVER?

Medical marijuana is subject to standard state and local sales taxes:

Denver Standard Sales Tax*:	4.81%
State Standard Sales Tax:**	2.90%
Other local taxes: (Regional Transportation District and Scientific and Cultural Facilities District)	1.10%
Medical Marijuana Sales Tax:	8.81%

In November 2013, Denver voters approved adding a special sales tax on retail marijuana that could vary from 3.5 to 15.0%. The tax is in addition to standard sales tax and all other applicable state taxes. Since 7/1/17, retail marijuana is exempt from the state standard sales tax, but is subject to both state and local special sales taxes:

Denver Standard Sales Tax*:	4.81%
Denver Special Sales Tax on Retail Marijuana**:	5.50%
State Special Sales Tax on Retail Marijuana:**	15.0%
Other local taxes: (Regional Transportation District and Scientific and Cultural Facilities District)	1.10%
Retail Marijuana Sales Tax:	26.41%

*Within the 4.81% Standard Sales Tax for Denver, there are several dedicated uses. This includes .15% for the Denver Preschool Fund, .25% for Parks, .25% for Mental Health, .08% for College Affordability, .08% for Healthy Food Access, .25% for Climate and .25% for Homelessness. The remaining 3.5% goes in the City General Fund.

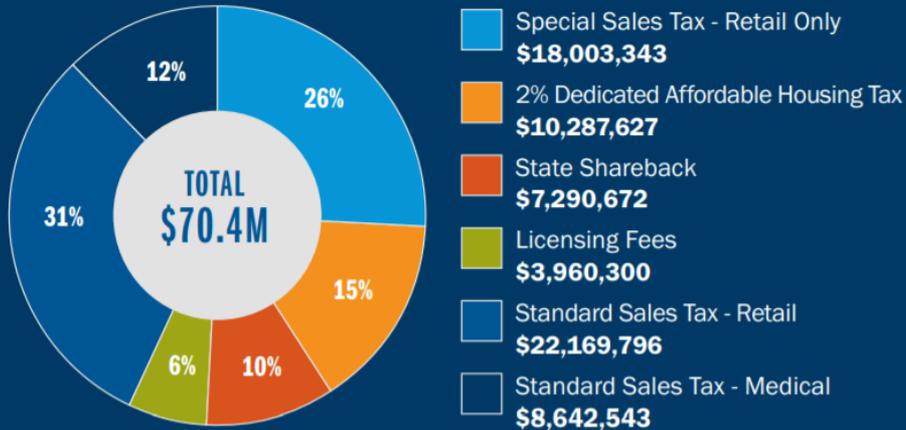
**The Denver Special Sales Tax can increase from 3.5 to 15% when authorized by City Council. In October 2018, there was an increase on the special sales tax from 3.5 to 5.5% to contribute funds towards the city's affordable housing project.

***10% of the State Special Sales Tax is shared with local jurisdictions.

2020 Marijuana Revenue Breakdown

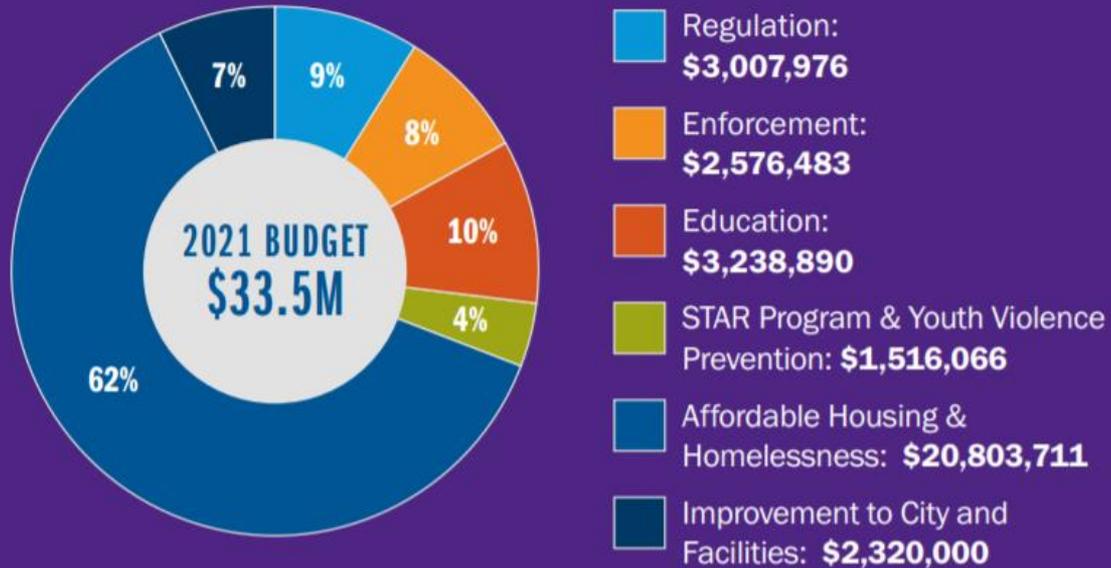
2020 Total Revenue = \$70.4 million

MARIJUANA REVENUE SOURCES FOR 2020

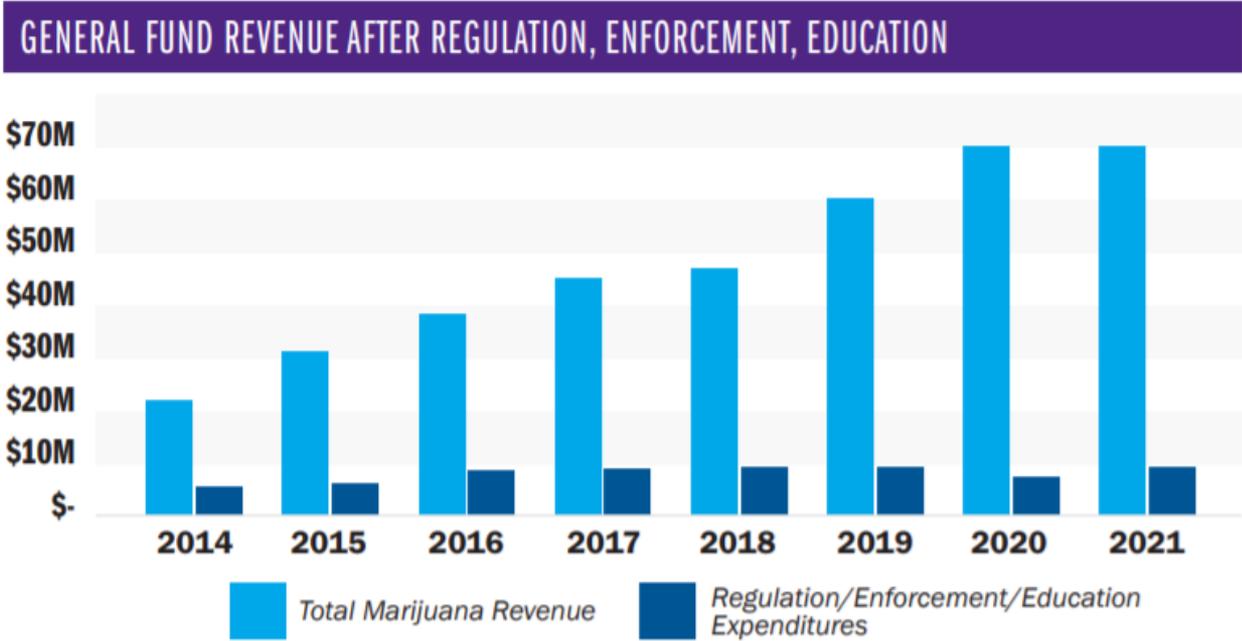


- All revenues go to the general fund (about 5% of general fund).
- The special retail sales tax and the state shareback are allocated toward Denver's immediate needs for marijuana regulation, enforcement and education.
- As of 2018, 2% of the special sales tax for retail marijuana is dedicated to affordable housing programs.
- The licensing fees and retail standard sales are used for city services, as is the case with medical marijuana taxes collected.

2020 RETAIL MARIJUANA SPECIAL SALES TAX AND STATE SHAREBACK ALLOCATION



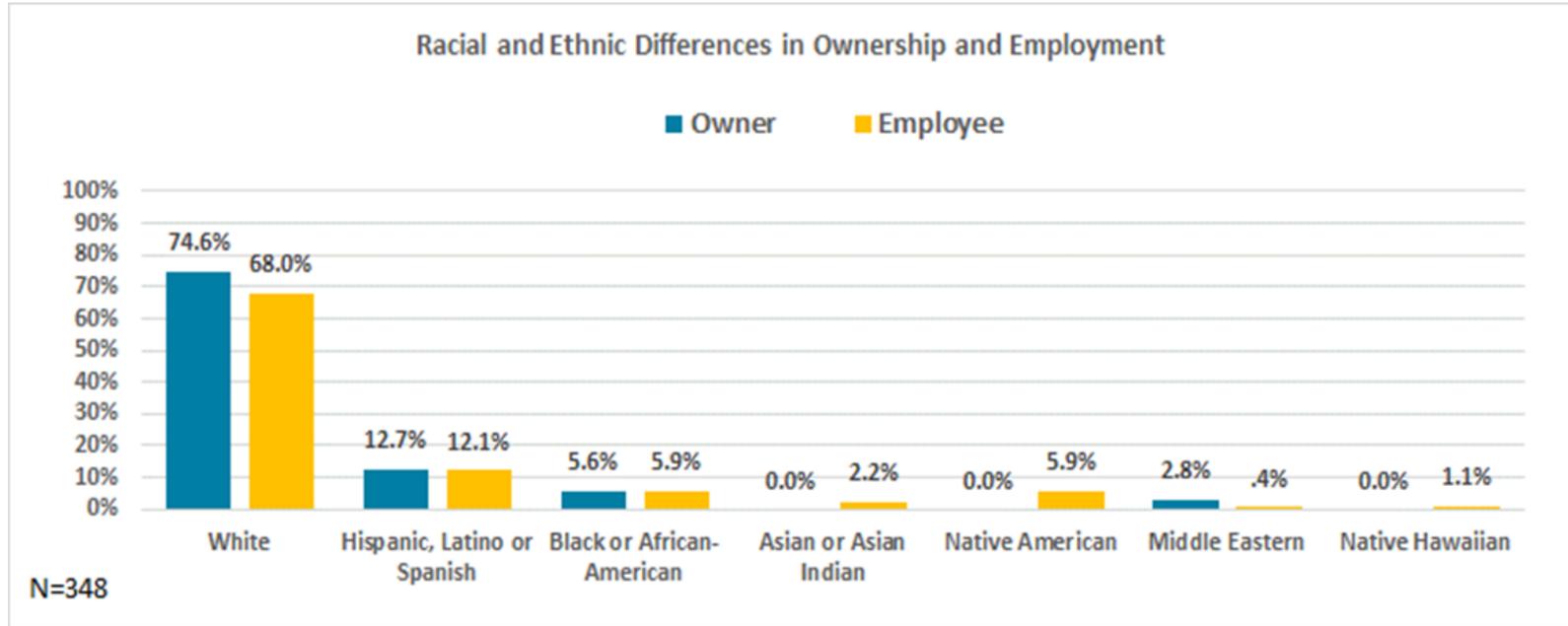
Denver – Marijuana Revenue vs Expenses



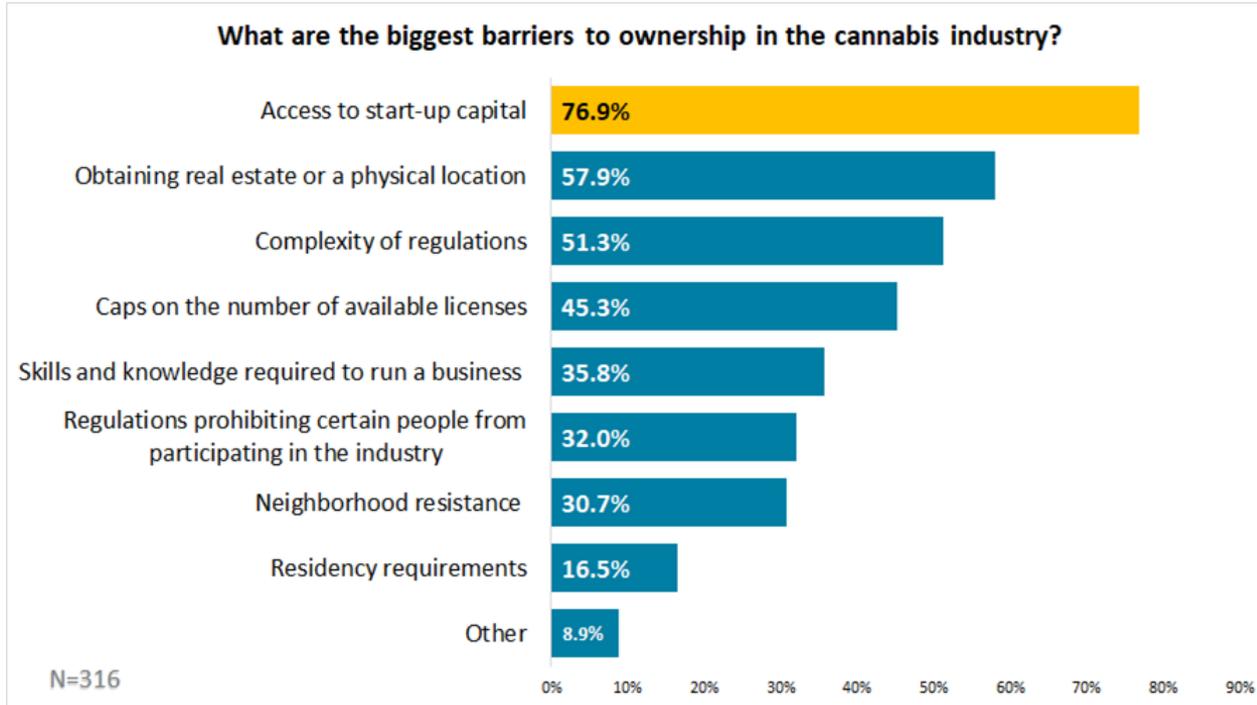


Social Equity

Cannabis Industry Demographics

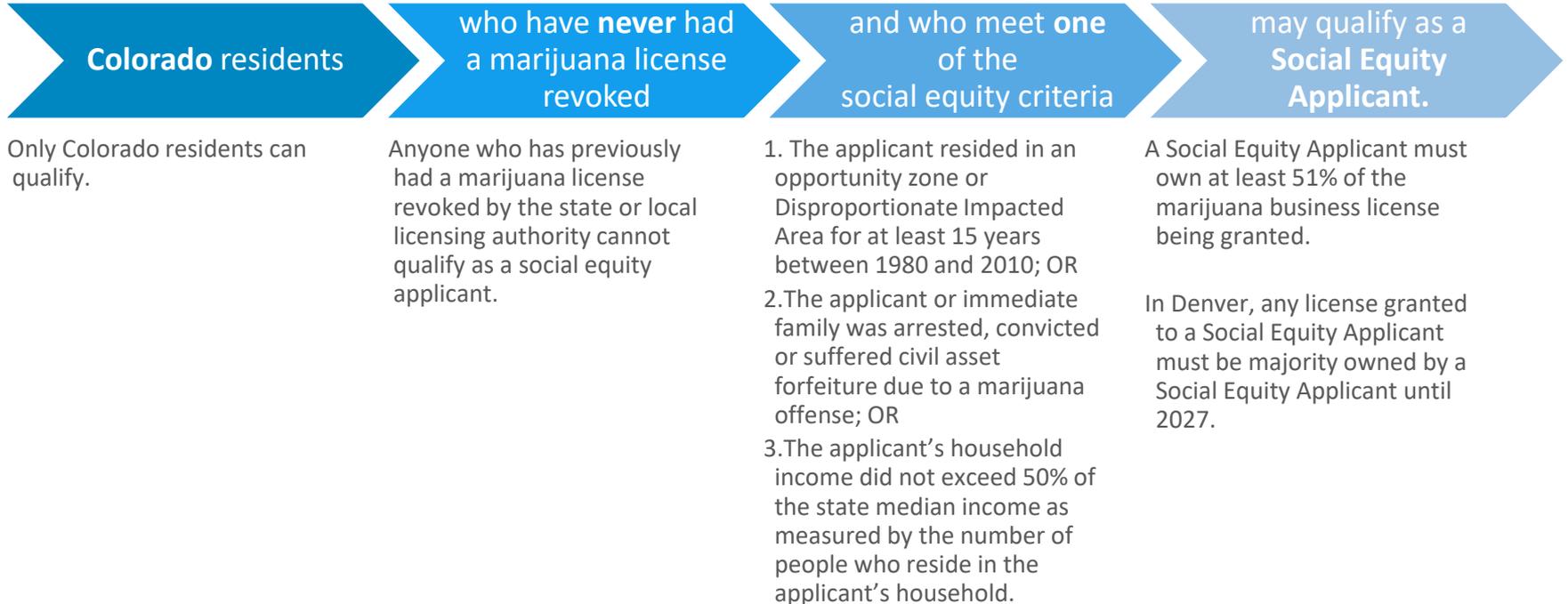


Barriers to Entry



Source: [2020 Cannabis Business and Employment Opportunity Study](#)

Who qualifies as a Social Equity Applicant?



Opportunities for Social Equity Applicants

Licensing Exclusivity

- Social equity applicants will have exclusive access to the following licenses until July 1, 2027:
 - Stores
 - Transporters
 - Cultivations
 - Manufacturing
 - Hospitality, Mobile Hospitality, Hospitality & Sales

Delivery Exclusivity

- Only transporters who qualify as social equity applicants will be granted transporter delivery permits until July 1, 2024.
- Stores will be required to use transporters to conduct deliveries until July 1, 2024.

Reduced Fees

- Waived application fees and reduced licensing fees for existing license types
- Lower than normal application and license fees for new license types



Thank You!

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