



AGENDA ITEM SUMMARY

City Council

STAFF

Jim Lenderts, Marijuana Enforcement Officer
Ethan Doak, Assistant City Attorney

SUBJECT

Resolution 2023-107 Supporting a Grant Application for Gray and Black Market Marijuana Enforcement Funding for Fort Collins Police Services.

EXECUTIVE SUMMARY

The purpose of this item is to obtain support for the City to apply for grant money to support enforcement of gray and black market marijuana activity for Fort Collins Police Services.

STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

BACKGROUND / DISCUSSION

“Gray Market” is a term that refers to marijuana grown legally then sold in a way that would be illegal. An example would be where someone has a medical card with an “extended plant count” which may allow them to grow up to 99 plants, but instead of using the product for their own medical needs, they sell it on the black market either locally or more likely to someone in another state.

For the past four years, the State has made grant funding available to help address unlicensed and illegal marijuana activity in Colorado. In 2019, the Eighth Judicial District Attorney’s Office was awarded approximately \$120,000 in grant funds to which Police Services had access. In 2020, Police Services directly applied for and received \$345,227 to continue local neighborhood marijuana investigations and in 2022, Police Services again applied for this grant and received \$44,805 to continue the ongoing investigations noted above.

In 2021, Police Services began receiving and investigating complaints of the sale of unregulated Delta-8 THC to minors at local smoke shops (not licensed marijuana businesses). Black market grant money was used to fund those investigations and begin regulatory inspections of commercial establishments relative to recent code changes involving the sale of smoking and vaping products to minors.

Police Services received \$32,339 in 2023 and continue to investigate complaints in both smoke shops and residences. In one case, search warrants were served at two houses in the city and at a commercial building in Larimer County. A total of 970 marijuana plants, and over 28 lbs. of illegal marijuana were seized resulting in felony charges.

Use of this grant funding and investigations have not only addressed criminal activity but also improved neighborhood livability and provided insight into the level of unlicensed/illegal marijuana activity in the community. With additional insight and knowledge, Police Services can address community priorities and emerging trends in a proactive manner.

CITY FINANCIAL IMPACTS

Grant dollars helped provide additional resources to existing staff without having a direct impact on the City budget. Funds are used primarily for overtime, equipment, and storage expenses to support these investigations.

Support of this Resolution does not impact City finances and allows Police Services to apply to the State for these grant dollars. If the grant is awarded, the City will serve as the fiscal agent for the funds and will seek an appropriation at that time.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Resolution for Consideration