



## MEMORANDUM

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**MEETING TYPE:** Planning Commission  
**MEETING DATE:** September 12  
**ITEM NAME:** Marijuana Licensing Second Reading  
**SUBMITTED BY:** Sky Tallman  
**SUMMARY:** Marijuana licensing ordinance to regulate medical and commercial marijuana in the Unincorporated County. This change would replace the use of Section 18.00 of the Land Use Code, which regulates marijuana cultivation using conditional use permits.

The proposed ordinance would cover the following license types, expanding the scope of marijuana operations that can do business in the County (currently limited to cultivation).

- (1) medical marijuana store;
- (2) medical marijuana cultivation operation;
- (3) medical marijuana-infused products manufacturer; and
- (4) medical marijuana testing facility.
- (5) retail marijuana store;
- (6) retail marijuana cultivation facility;
- (7) retail marijuana products manufacturing facility; and
- (8) retail marijuana testing facility.
- (9) Storage warehouse
- (10) Retail Marijuana Hospitality and Sales Business
- (11) Marijuana Hospitality Business

Issuance of a license would require a public hearing.

Licenses are connected to a specific operator and to a specific parcel. Moving a license to a new parcel would require a new public hearing.

Marijuana stores would be prohibited within 3-miles of Town or City boundaries.

License caps: There would be no absolute caps on number of licenses issued; to prevent a flooding of the market, a cap of three new licenses per year is proposed for medical and retail marijuana stores.

Licenses would be valid for one year. Annual renewal and payment of operating fees required.

**RECOMMENDATION:** Following the adoption of this ordinance, Commissioners should consider amending Section 18.00 of the Land Use Code to resolve any potential conflict between the two. The Planning Commission’s recommendation is to add the following statement to the beginning of Section 18:

**18.0 AUTHORITY AND PURPOSE OF THESE REGULATIONS:**  
After the effective date of the Huerfano County Licensing Ordinance, all applications for marijuana-related uses shall be made according to the provisions of the Marijuana Ordinance and not this Section. This section will remain in effect for one year after the effective date of the Marijuana Ordinance to govern marijuana operations holding conditional use permits at the time of the effective date of the Marijuana Ordinance.

**BACKGROUND:** The proposed licensing ordinance is modeled off of Clear Creek County’s marijuana licensing regulations, with influence and language borrowed from Pueblo, Pitkin, and La Plata Counties and from Section 18.00 of Huerfano County’s land use code.

Huerfano County currently has five active licensed marijuana cultivation facilities and three inactive facilities. Those facilities that have gone out of business have experienced challenges in finding new operators or repurposing their facilities for other types of crops. By switching to a licensing system rather than a CUP system, it is hoped that it will lend greater flexibility to land owners to keep their properties producing crops. It will also help the County engage directly with any business or license holder in violation of any terms of their agreement. Under the CUP system, the land owner and operator are often different people or companies, and suspending or terminating a CUP has drawbacks that would not apply to a license.

By expanding the range of types of marijuana-related businesses that can receive licenses, it is hoped that the County can support more successful marijuana businesses and maintain more stable employment and revenues in this sector, and that a strengthened marijuana sector will stimulate tourism in the County.

**BOARD ACTION TAKEN:**

APPROVED

DENIED

OTHER

SIGNATURE OF THE CHAIR: \_\_\_\_\_

**NOTES:**