

THE DENVER

COLLABORATIVE APPROACH

LEADING THE WAY IN
Municipal Marijuana Management

2024



DENVER
THE MILE HIGH CITY

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I. LETTER FROM MAYOR MIKE JOHNSTON



On January 1, 2024, Denver hit the 10-year anniversary of becoming the first city in America with legalized recreational marijuana sales. Over the last 10 years, Denver has created and executed America's first local recreational marijuana legalization plan to address public safety, youth usage, and public health concerns. Cities across America have looked to Denver as a national model and duplicated many aspects of our plan as marijuana legalization spread across the nation. Even with these successes, Denver continues to work tirelessly to accomplish the vision of voters who supported Amendment 64, the state constitutional amendment that legalized recreational marijuana in Colorado.

As we enter the second decade of legalization, Denver will continue to lead the nation in local marijuana regulation. As more of our national lawmakers consider proposals for national legalization, decriminalization and rescheduling of marijuana, Denver is standing by to share our lessons learned and recommendations in how the federal government can build on what Denver created.

Our city formed a legalized cannabis market with access for medical patients, strong public safety regulations, a focus on public health and a plan to not overtax the industry. The city plan has included measures such as requirements for overnight safe storage of product and cash, as well as regulations tackling concerns about contaminants in the cultivation process. Finally, tax revenue generated from marijuana sales and licensing fees has contributed to affordable housing, free education programs for youth and many other benefits to our city.

Good government must continue to innovate in order to succeed. Denver has a lot to be proud of for what we accomplished as the first legalized recreational cannabis market in America, and over the past decade, we've found ways to continue to improve. Recognizing the need to prioritize social equity in our market, Denver now offers exclusive licensing opportunities and reduced licensing fees to applicants who have been disproportionately impacted by cannabis prohibition until July 2027. More than 50 licenses have been issued to qualified applicants through this program. While this is a major accomplishment, we will continue to evaluate our social equity efforts and make changes in our regulations when it can make a difference in truly accomplishing the full promise of legalization.

Denver is committed to supporting homegrown cannabis businesses in our community, and we're proud of the strides we've made in this space. We will continue to provide training through our technical assistance program administered by the Department of Economic Development and Opportunity (DEDO). The city also provides license navigation services for entrepreneurs going through the process to ensure compliance with state and city laws and successfully apply for a license. We will also continue our push to help businesses get licensed to provide legal and safe places for consumption. And we will encourage the industry to offer delivery opportunities for transporter businesses that have permanent licensing exclusivity for social equity qualified individuals.

To understand where we must go to further our goals in cannabis equity, regulation, enforcement, and youth education and prevention, we must also understand the past. This annual report is a transparent look at the results and impact since the beginning of legalization. This report provides valuable information such as the amount of city marijuana tax revenue collected and spent; where the money is allocated; what we are doing to address public health concerns and youth education and prevention; crime data from law enforcement and a look at our efforts to create a cannabis marketplace that provides equitable access. We hope this report better informs people in Denver and across the nation of the work we are doing in the Mile High City to continue to lead the nation in cannabis regulation and to achieve the promise of legalization.

A handwritten signature in black ink that reads "Mike Johnston". The signature is fluid and cursive.

MIKE JOHNSTON | Mayor

TIMELINE OF MARIJUANA LEGALIZATION AND IMPLEMENTATION IN DENVER

2000	Colorado voters approved Amendment 20 legalizing medical marijuana.
2005	Denver voters approved an initiated ordinance to allow possession of up to one ounce of marijuana.
2007	Denver voters approved an initiated ordinance making enforcement of laws against private marijuana use and possession by adults the city's lowest law enforcement priority.
2010	Denver adopted the Medical Marijuana Code governing the regulation and licensure of medical marijuana businesses.
2012	Colorado voters approved Amendment 64 legalizing marijuana for adult use.
2013	Denver adopted the Retail Marijuana Code governing the regulation and licensure of retail marijuana businesses. Denver voters approved a special sales tax on retail marijuana between 3.5% and 15%.
2014	Retail sales of marijuana started on Jan. 1.
2016	City Council adopted a cap on retail marijuana stores and retail marijuana cultivation facilities and prohibited new medical marijuana stores and medical marijuana cultivation facilities.
2019	The state legislature adopted new licenses for marijuana hospitality businesses and marijuana delivery businesses.
2020	The state legislature adopted criteria for qualifying as a marijuana social equity licensee.
2021	Denver passed comprehensive changes to the city's marijuana laws, including a marijuana social equity program and creation of a local license for marijuana hospitality businesses and marijuana delivery businesses.
2023	Denver revamped its social impact plan that measures a business' impact in community engagement, contracting, diversity and inclusion, social equity and sustainability. The Cannabis Cares program was launched as part of the changes to the social impact plan.

II. DENVER'S MARIJUANA INDUSTRY

The City issues the following marijuana business licenses and permits.

LICENSE OR PERMIT TYPE	DESCRIPTION
Marijuana cultivation facility license	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>
Marijuana products manufacturer license	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>
Marijuana products manufacturer license	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>
Marijuana hospitality business license	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>
Marijuana hospitality and sales business license	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>
Marijuana transporter license	Marijuana transporter licensees transport marijuana between marijuana businesses. <i>Retail and medical.</i>
Marijuana delivery permit	Marijuana delivery permits are issued to marijuana transporter businesses, allowing them to deliver marijuana to private residences. <i>Retail and medical.</i>
Marijuana off-premises storage facility permit	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.
Marijuana research and development license	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>
Marijuana testing facility license	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 2024, the ratio of licenses to locations is down 31% from its peak in 2018 when there were 2.3 marijuana licenses per location to 2 in 2024. 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. More recently, the number of marijuana licenses decreased 7% from January 2023 to January 2024.

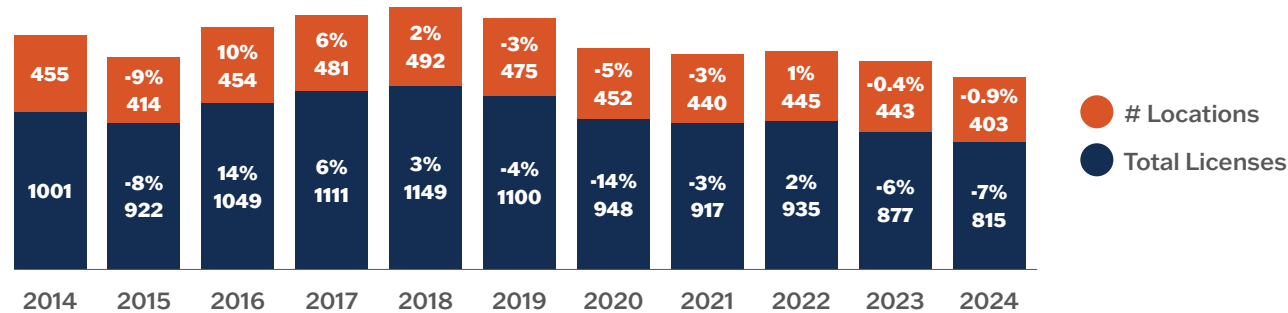
Medical marijuana licenses account for most of the decrease. The number of medical marijuana licenses fell 12% from 385 licenses in January 2023 to 340 licenses in January 2024. This is likely associated with the decline in medical marijuana sales, which are the lowest they have been since 2011.

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 have remained mostly flat over the past five years. The 3% decrease from 2023 to 2024 reduced retail licenses to 475.

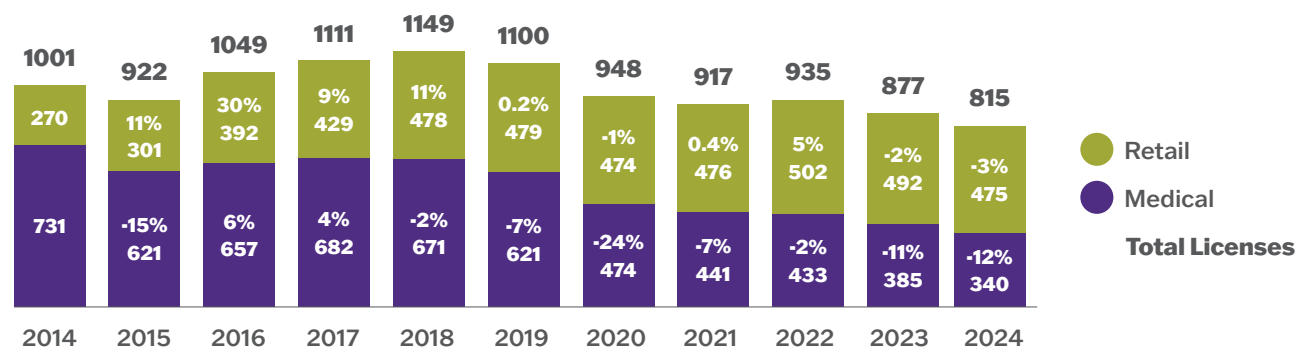
Cannabis – Locations and Licenses

With % Change from Prior Year



Cannabis – Active Licenses by Type

With % Change from Prior Year

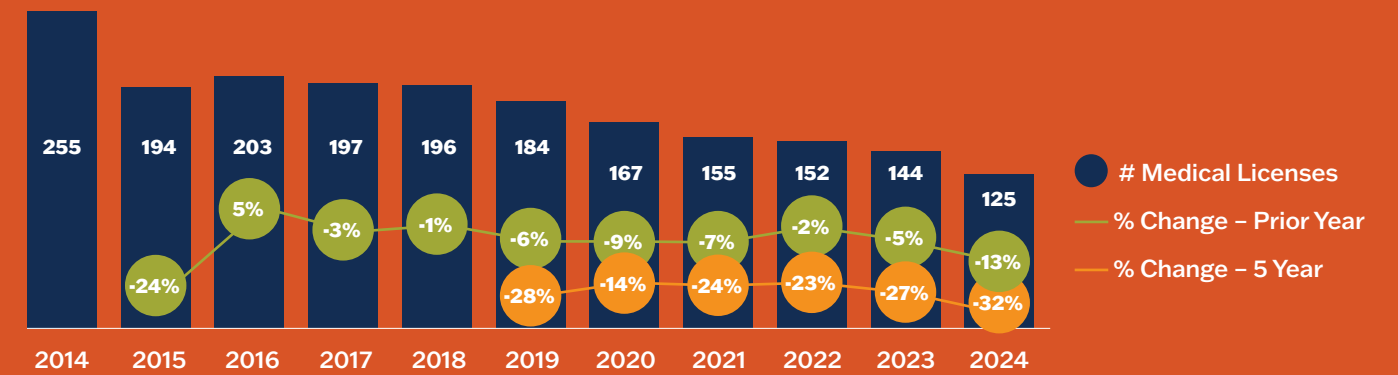


STORE LICENSES BY YEAR

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 32%, down 59 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

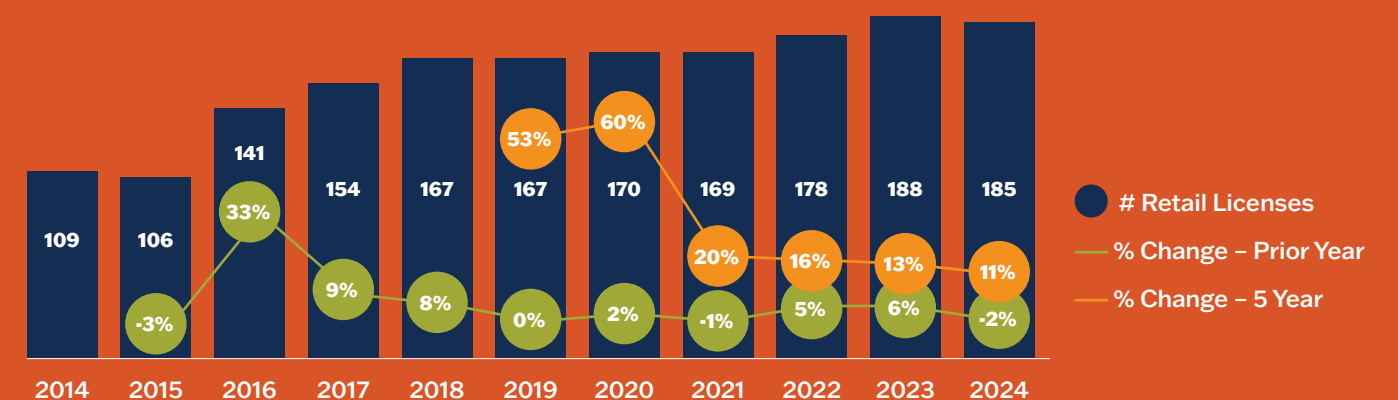
With % Change from Prior Year and from 5 Years Prior



In contrast, over the past five years, retail marijuana store licenses in Denver have increased 11%, up 18 licenses. However, during the preceding year, retail marijuana store licenses declined slightly, down three licenses from January 2023. New retail marijuana store licenses in Denver are exclusively available only to social equity applicants until July 2027, 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 11% in 2024 compared to 2023. Retail marijuana cultivation licenses decreased 8%, down 15 licenses. Medical marijuana cultivation licenses declined 14%, down 21 licenses.

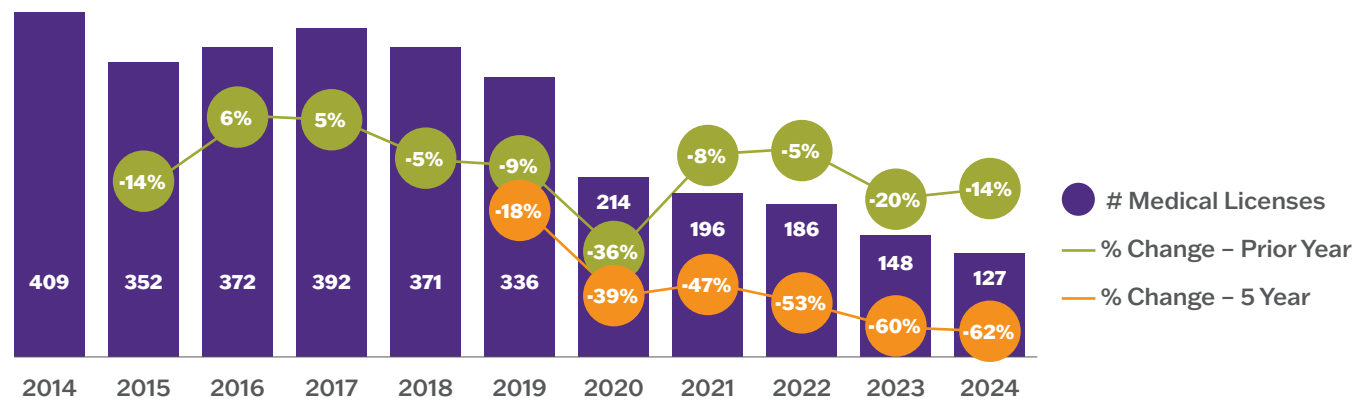
Over the past five years, the number of medical marijuana licenses is down 62%, which equates to 209 licenses. This includes 122 licenses that were eliminated from 2019 to 2020 when a change in state rules consolidated commonly owned licenses to one medical marijuana cultivation license per location.

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 \$2.01 in 2023. In 2014, the average price of retail marijuana flower in Denver was \$11.17 per gram, compared to \$3.48 per gram in 2023. (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. New retail marijuana cultivation licenses in Denver are exclusively available to social equity applicants until July 2027, with no cap on the number that can be issued.

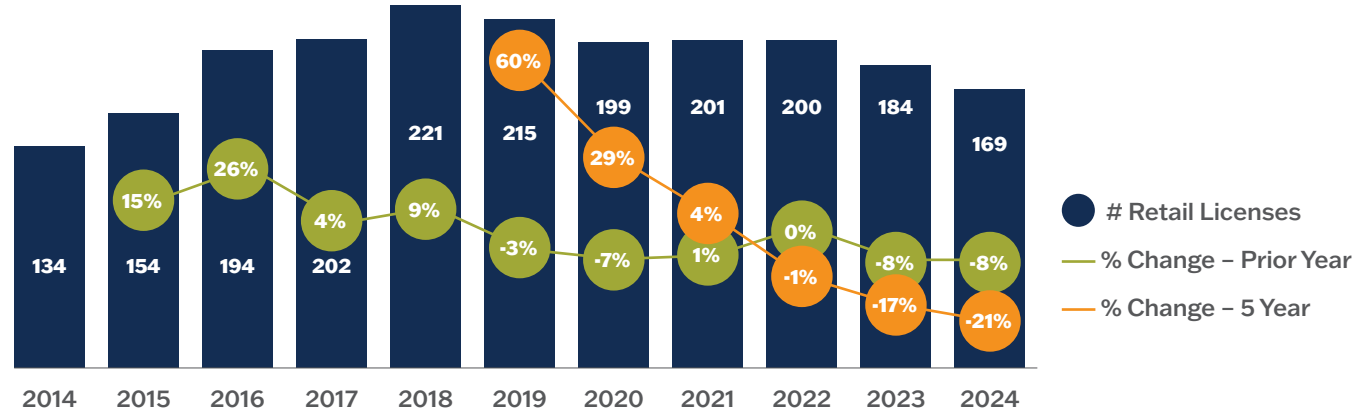
Medical Cannabis Cultivation Licenses by Year

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

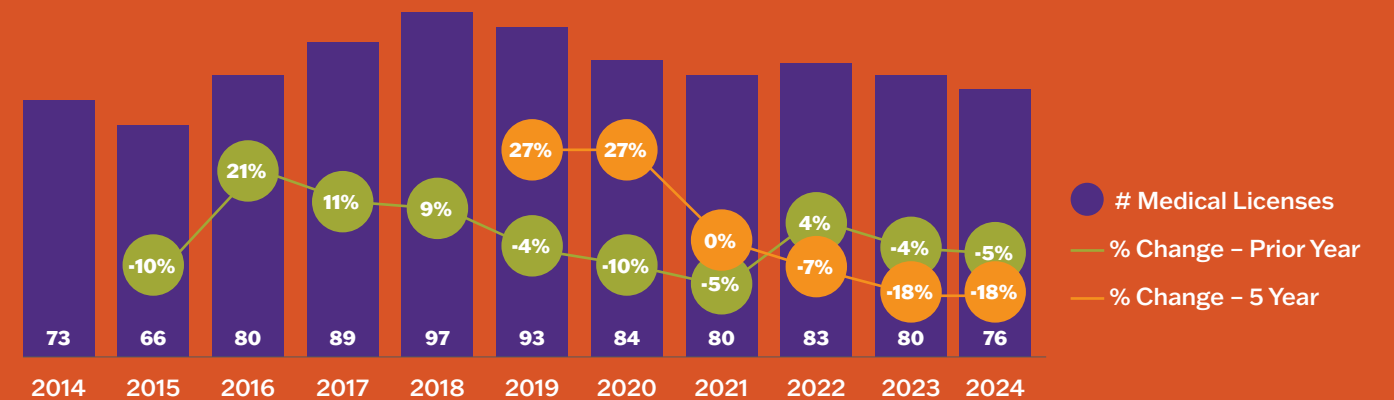
The number of marijuana product manufacturer licenses is down 4% from 2023 to 2024. Over the past five years, the number of marijuana product manufacturers decreased by 5%, as medical marijuana product manufacturer licenses in Denver declined 18% and retail marijuana product manufacturer licenses increased 9%.

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.

New medical and retail marijuana products manufacturer licenses in Denver are exclusively available to social equity applicants until July 2027, with no cap on the number that can be issued.

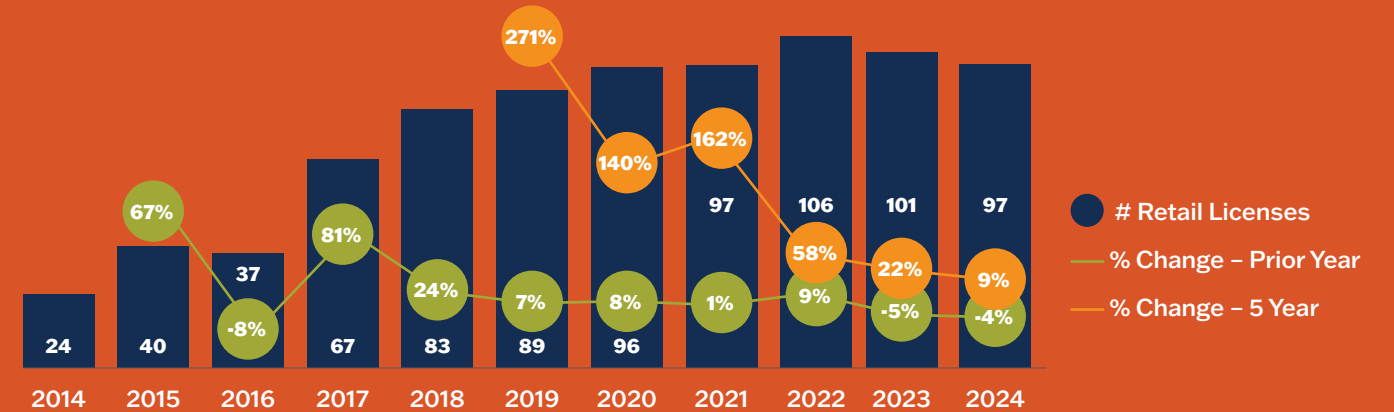
Medical Cannabis Manufacturer Licenses by Year

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. Transporters can also transport marijuana from a cultivation facility to a store.

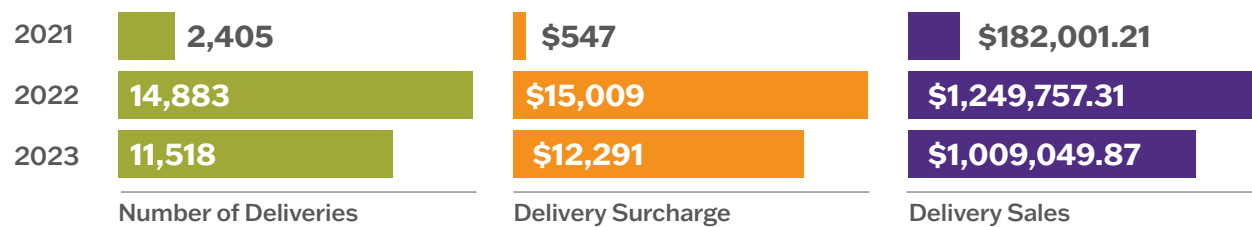
In Denver, marijuana transporter licenses are exclusively available to social equity applicants until July 2027. Only social equity transporters with a marijuana delivery permit can deliver marijuana to customers on behalf of stores in perpetuity.

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 get contracts with marijuana stores and fewer social equity applicants saw marijuana delivery as a viable business opportunity. From 2023 to 2024, retail transporter licenses maintained at 14, while medical transporter licenses declined 14% (one license).

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.

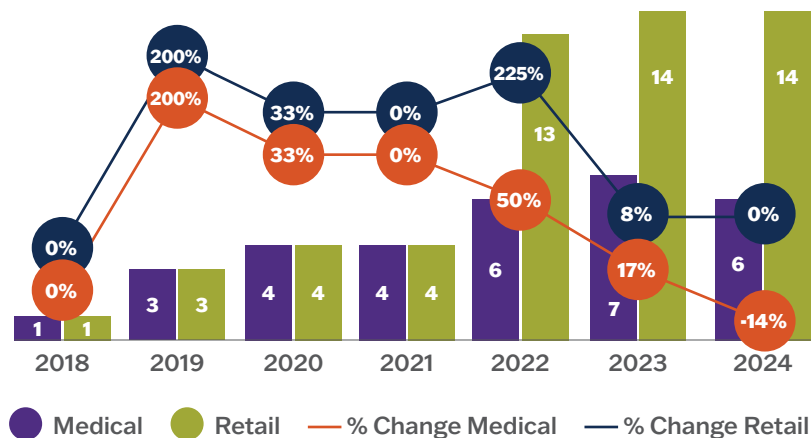
In 2024, delivery permits associated with stores increased 17% from 2023, from 24 to 28. Marijuana delivery permits associated with transporter licenses decreased from 15 to 14 from 2023 to 2024. Note that some stores and transporters have two delivery permits — one medical and one retail.

Denver tracks the amount of deliveries by licensed transporters, tax revenue for required fees per delivery and delivery revenue generated.



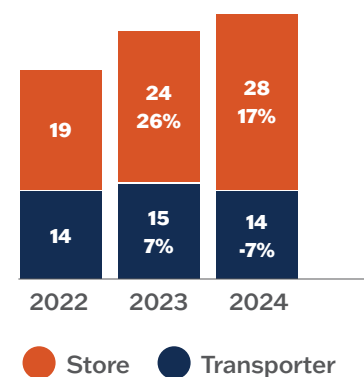
Cannabis Transporter Licenses by Year

With % Change from Prior Year

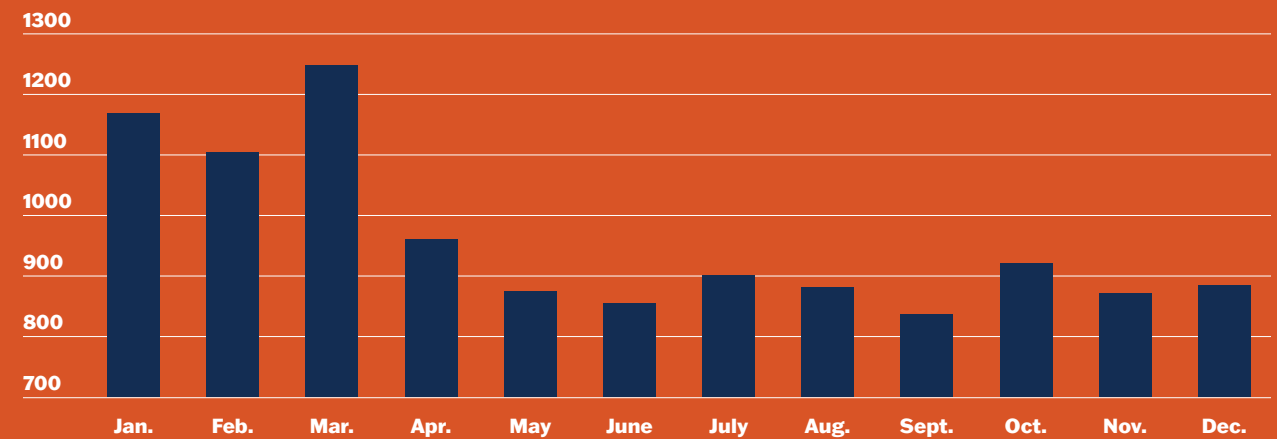


Cannabis Delivery Permits by Type

With % Change from Prior Year



Marijuana Deliveries by Month (2023)



In 2023, deliveries accounted for less than one-half of 1% of marijuana sales in Denver. In 2023, the average number of deliveries per month was 960.

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, 2024, there are five licensed marijuana hospitality businesses in Denver, up from one on Jan. 1, 2023. Four of the licensed marijuana hospitality businesses are mobile. Hospitality businesses are places where people can consume marijuana legally outside their home.
- 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, 2024, retail marijuana testing facilities grew by one, bringing the total to five again. Testing facilities test medical and retail marijuana.
- Research and development license:** There was one licensed research and development facility in Denver as of Jan. 1, 2024. This number is unchanged since Jan. 1, 2023. Research and development facilities allow for the research and development of medical and retail marijuana.
- Off-premises storage:** There were four off-premises storage facilities licensed in Denver as of Jan. 1, 2024. Off-premises permits allow for the storage of marijuana away from a main facility.



Inside the bus of Canna CabanaBus, a licensed mobile hospitality business in Denver.

III. TAX, SALES, REVENUE

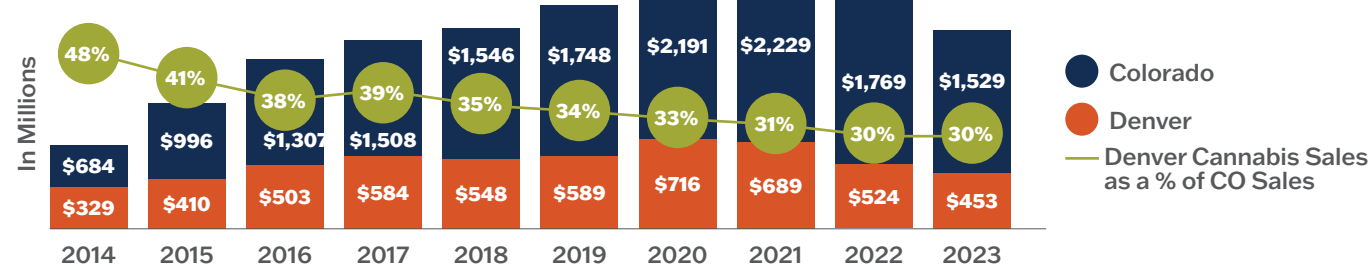
Denver percentage of Colorado sales

In recent years as more cities in Colorado have opted in to allow marijuana sales, Denver marijuana sales (retail and medical) have made up a diminishing portion of Colorado's overall marijuana sales (retail and medical) though the decrease slowed last year. In 2023, the overall rate was unchanged from 2022, with Denver marijuana sales accounting for 30% of Colorado's marijuana sales in both years.

Both Colorado and Denver marijuana sales were down 14% in 2023 when compared to 2022. Sales totals in Denver may be impacted by more cities and states across the United States adopting marijuana legalization, possibly resulting in less people coming to Denver to purchase marijuana.

Cannabis Sales – Denver and Colorado

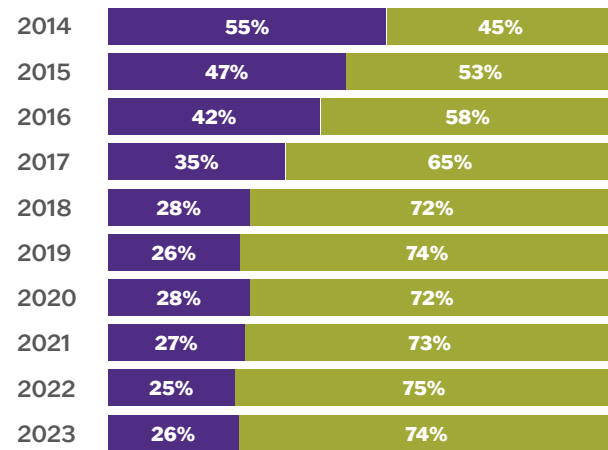
With Denver Sales as a % of Colorado Sales



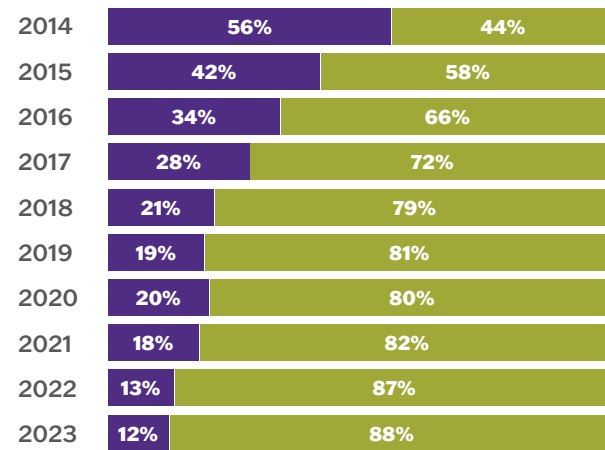
Though they started off similar in 2014 (with medical marijuana sales making up 55% of total sales in Denver compared to 56% of total sales in Colorado), Colorado medical marijuana sales have declined more rapidly than Denver medical marijuana sales. This indicates a larger proportion of medical patients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

- In 2023, the percentage of Denver marijuana sales that were medical increased to 26%, up from 25% in 2022.
- Only 12% of Colorado marijuana sales were medical in 2023, down from 13% in 2022.
- Since 2021, medical cultivation licenses issued by the Colorado Marijuana Enforcement Division (MED) have decreased 32%.

Cannabis – % of Denver Sales by Type



Cannabis – % of Colorado Sales by Type

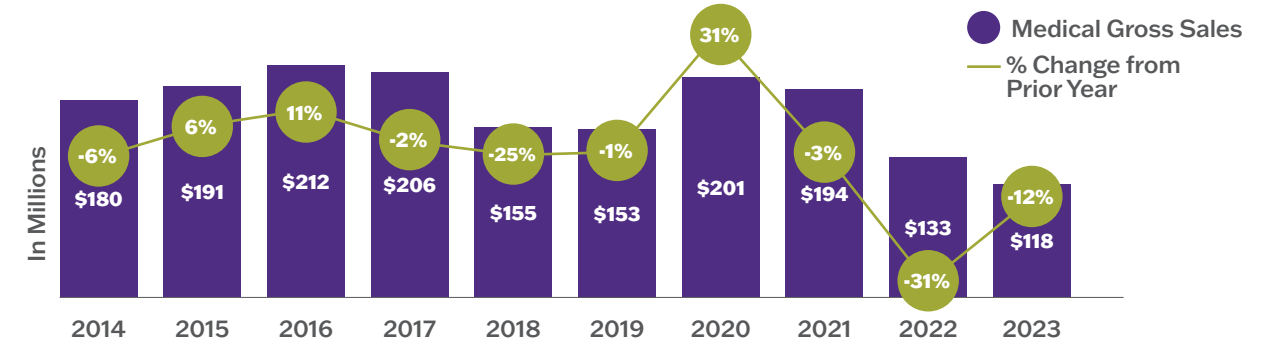


● Colorado Medical ● Colorado Retail

Gross sales in Denver for medical marijuana were down 12% (\$15.7 million) compared to 2022 (\$117.7 million vs. \$133.4 million)

- The medical sales in 2023 were the lowest seen since 2011, when medical sales were \$94.9 million.
- Compared to pre-pandemic sales (2019), medical marijuana gross sales in 2023 have decreased 23% (\$117.7 million vs. \$153.2 million).

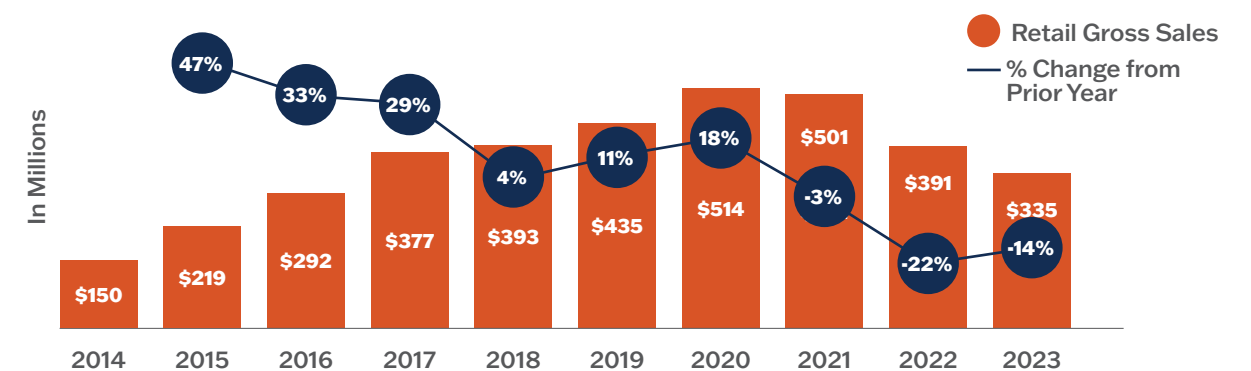
Medical Cannabis Sales – Denver



Gross retail sales were down 14% (\$56.1 million) compared to 2022 (\$334.7 vs. \$390.8 million).

- Retail sales were the lowest they have been since 2016 (\$334.7 million vs. \$291.5 million).
- Compared to pre-pandemic sales (2019), retail marijuana gross sales in 2023 are down 23% (\$334.7 million vs. \$435.3 million).

Retail Cannabis Sales – Denver



REVENUE

- Total 2023 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 14% (\$8 million) compared to 2022 (\$48 million vs. \$56.1 million).
- 2023, 2022 and 2011 are the only years where marijuana revenue decreased (compared to the previous year) during the 14 years since medical marijuana launched in 2010.
- This is the second consecutive year that revenue has declined.
- Compared to pre-pandemic revenue (2019), total revenue from marijuana in 2023 is down 20% (\$48 million vs. \$60 million).

All revenue types in 2023 compared to 2022

Medical sales tax revenue decreased
12% (\$753,062)
 in 2023 vs. 2022
 (\$5,664,026 vs \$6,417,088)

Retail sales tax revenue decreased
14% (\$2,696,041)
 in 2023 vs. 2022
 (\$16,103,760 vs \$18,799,801)

Retail special tax revenue decreased
14% (\$1,961,772)
 in 2023 vs. 2022
 (\$11,717,940 vs \$13,679,712)

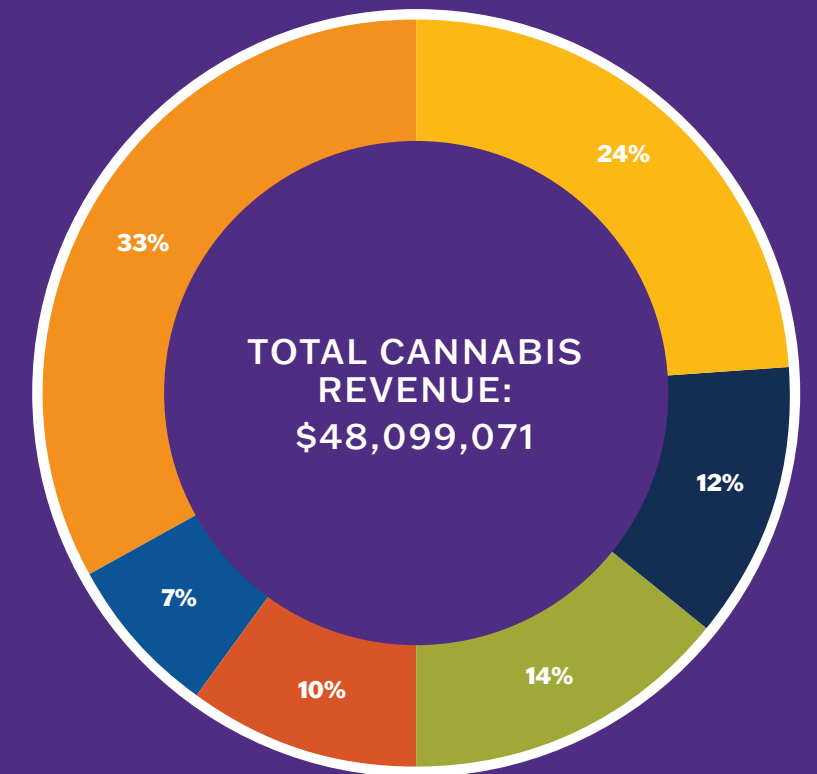
Marijuana tax revenue for affordable housing decreased
14% (\$1,121,014)
 in 2023 vs. 2022
 (\$6,695,965 vs \$7,816,979)

State shareback revenue decreased
21% (\$1,195,886)
 in 2023 vs. 2022
 (\$4,630,545 vs \$5,826,431)

Licensing fees revenue decreased
10% (\$371,452)
 in 2023 vs. 2022
 (\$3,286,835 vs \$3,658,287)

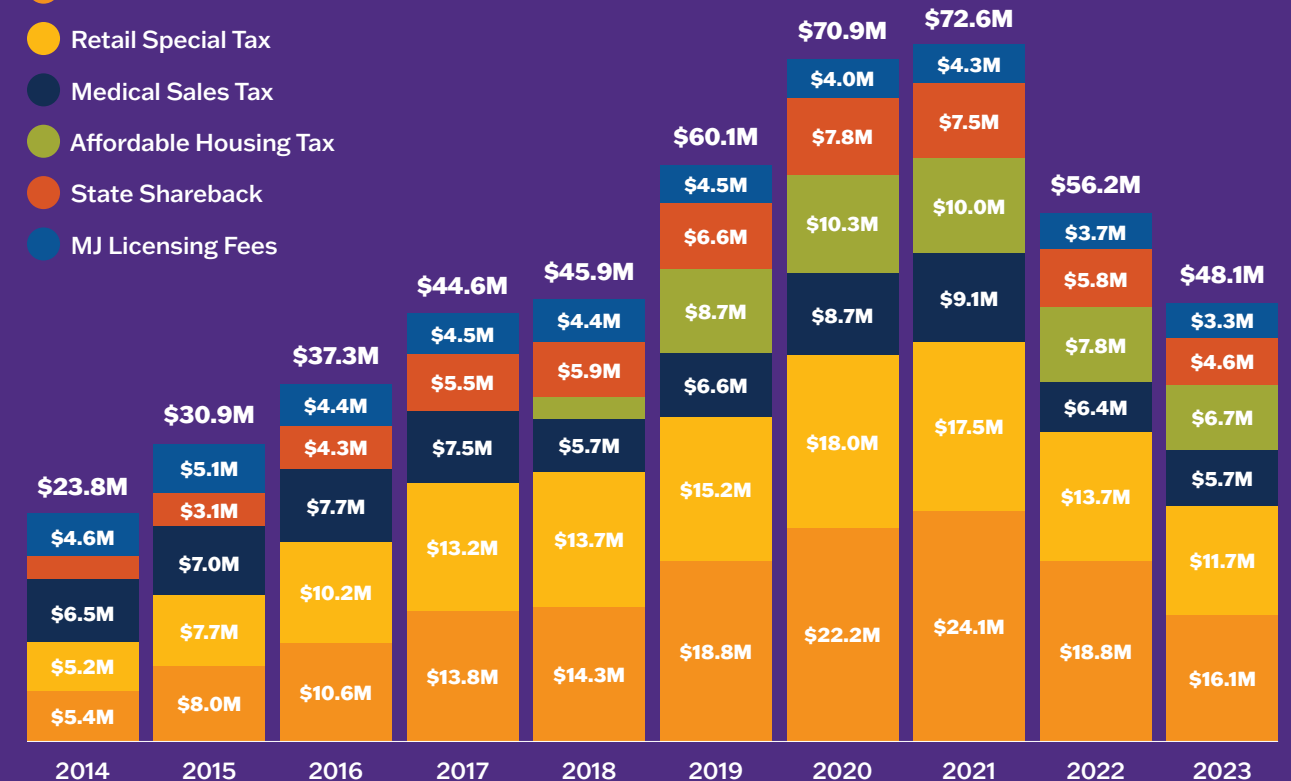
2023 Marijuana Revenue Sources

- Retail Sales Tax | \$16,103,760
- Retail Special Tax | \$11,717,940
- Medical Sales Tax | \$5,664,026
- Affordable Housing Tax | \$6,695,965
- State Shareback | \$4,630,545
- MJ Licensing Fees | \$3,286,835



Marijuana Revenue Sources: 2014-2023

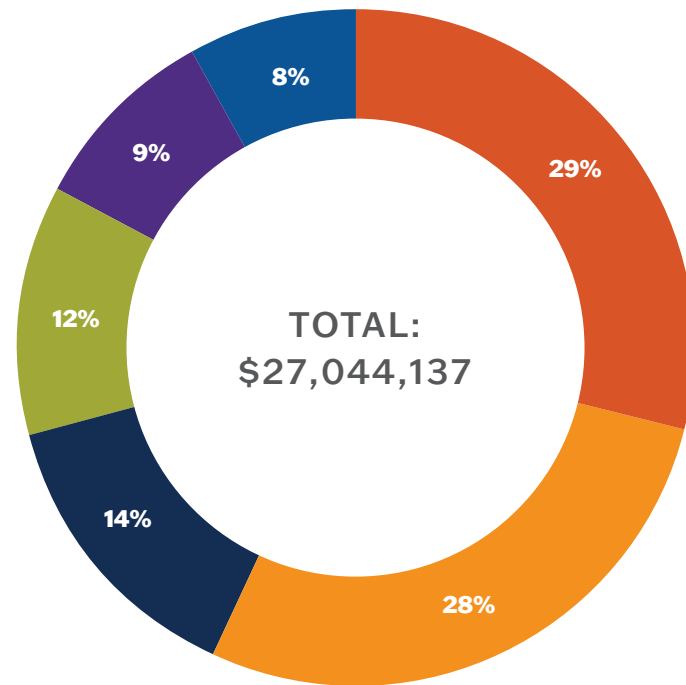
- Retail Sales Tax
- Retail Special Tax
- Medical Sales Tax
- Affordable Housing Tax
- State Shareback
- MJ Licensing Fees



IV. BUDGET AND EXPENDITURES

2024 Retail Special Sales Tax, State Shareback and Marijuana License Fee Allocation

- Homelessness Services | \$7,950,350
- Affordable Housing | \$7,533,272
- Malone Fund | \$3,737,674
- Education | \$3,320,871
- Regulation | \$2,360,672
- Enforcement | \$2,141,298



Dignitaries celebrate the grand opening of 72 income-restricted permanent supportive housing units for persons experiencing homelessness at Valor on the Fox on East Colfax Avenue in May 2023. The Department of Housing Stability provided \$1 million in Affordable Housing Fund dollars to fund supportive services at the property for 15 years as well as a \$1.44 million performance loan using federal funds.

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 executive director of Safety 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.

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 five years, this tax has generated more than \$45.5 million for the Affordable Housing Fund.

Year	Affordable housing tax
2018*	\$1,942,222
2019	\$8,706,176
2020	\$10,287,642
2021	\$10,013,808
2022	\$7,805,278
2023	\$6,810,251
Total	\$45,584,313

*Started in October

Herman Malone Fund: Starting in 2022, 1% of the existing special retail marijuana sales tax, up to \$50 million, is allocated to an investment fund to support businesses that have traditionally lacked access to capital and other resources for growth. The Fund focuses 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 2023 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 upon the projected recreational marijuana revenue, and the expenditures reflected above, there was no additional capacity available for these services within the special tax revenue projection in 2024.

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 financially from the legalization and commercialization of adult-use marijuana.

However, since 2021, the City and County of Denver has made social equity a top priority for the modern era of marijuana regulation with an overhaul in rules and regulations. This included exclusive licensing for most marijuana business licenses until 2027, reduced licensing fees, and funding for technical assistance programming for social equity applicants. Business licenses for marijuana transporters, the only business type in Denver authorized to conduct marijuana delivery, have permanent license exclusivity designated for people who qualify as a social equity applicant.



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.
- 2023**
 - The Department of Excise and Licenses launched the Cannabis Cares program in conjunction with a revamped social impact plan. The program recognizes cannabis businesses that go above and beyond to make a positive impact in the community and includes special recognition for social equity marijuana businesses and marijuana businesses that support social equity licensees.

SOCIAL EQUITY LICENSING DATA

Active Licenses Issued to Social Equity Applicants (as of that date)

LICENSE TYPE/ YEAR	FEB. 1, 2022	JAN. 1, 2023	JAN. 1, 2024
Retail marijuana cultivation facility	0	1	6
Medical marijuana cultivation facility	0	0	1
Retail marijuana manufacturing facility	0	2	4
Medical marijuana manufacturing facility	0	1	3
Retail marijuana store	0	3	8
Medical marijuana store	0	0	1
Retail marijuana transporter	10	15	14
Medical marijuana transporter	3	3	5
Mobile hospitality	0	0	4
Total active licenses issued to social equity applicants	13	25	46

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.

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.**

CANNABIS CARES PROGRAM

The Department of Excise and Licenses launched the Cannabis Cares program in 2023. It recognizes cannabis businesses that go above and beyond to make a positive impact in the community.

The program was launched in conjunction with a revamped social impact plan, which must be submitted with new and renewal applications each year. Businesses can earn badges that represent their commitment in five areas:

- Community engagement**
- Contracting with minority-owned businesses**
- Diversity and inclusion**
- Social equity**
- Sustainability**



If a business completes at least 10 tasks, it receives a badge in that area. Businesses that receive three or four of the badges are recognized as Cannabis Cares advocates. Businesses that receive all five of the badges are recognized as Cannabis Cares champions.

In May 2023, the Department of Excise and Licenses held a launch event for those to learn more about the program. It was an opportunity for cannabis businesses to connect with nonprofits and minority-owned businesses, for the public to celebrate the cannabis companies that care and to support cannabis businesses in completing the different tasks listed in the social impact plan. The first social equity badge recipients were also recognized at the event.



Excises and Licenses Executive Director Molly Duplechian hands out one of the first Cannabis Cares social equity badges at the launch event in May 2023.

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 collecting data on the race, ethnicity, and gender of marijuana license applicants that is voluntarily submitted. The City and County of Denver is prohibited from requiring applicants to disclose their race, ethnicity, or gender. Of those who chose to respond to the survey in 2023:

75.2%
of owners
provided
their gender.

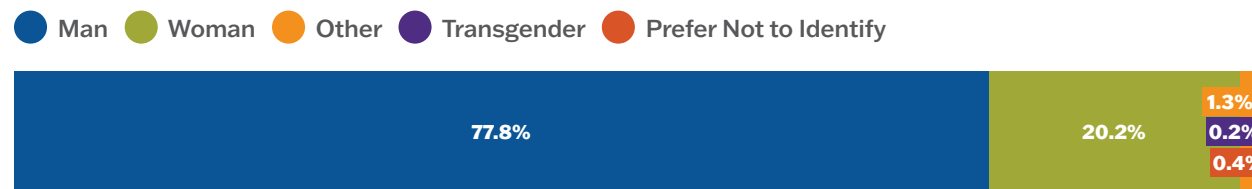
63.1%
of owners
provided
their ethnicity.

61.9%
of owners
provided
their race.

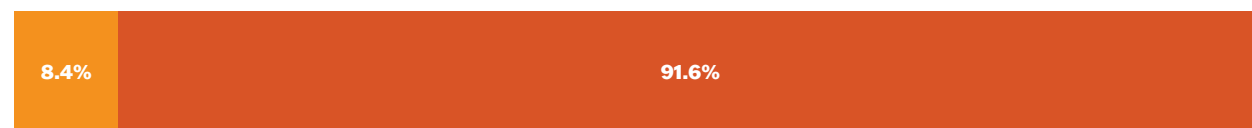
Social Equity Ownership



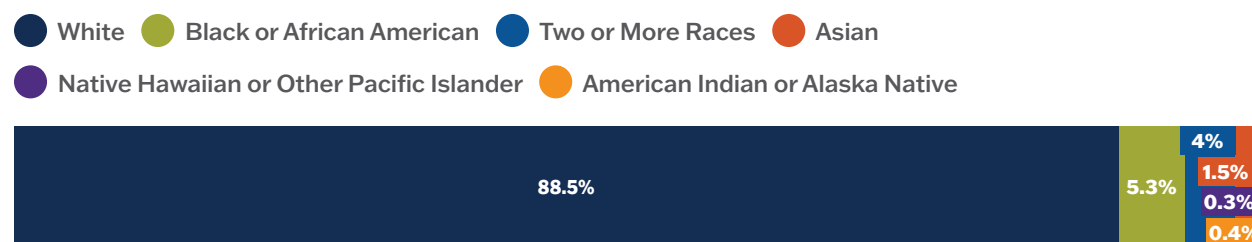
Gender of Marijuana License Owners



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:

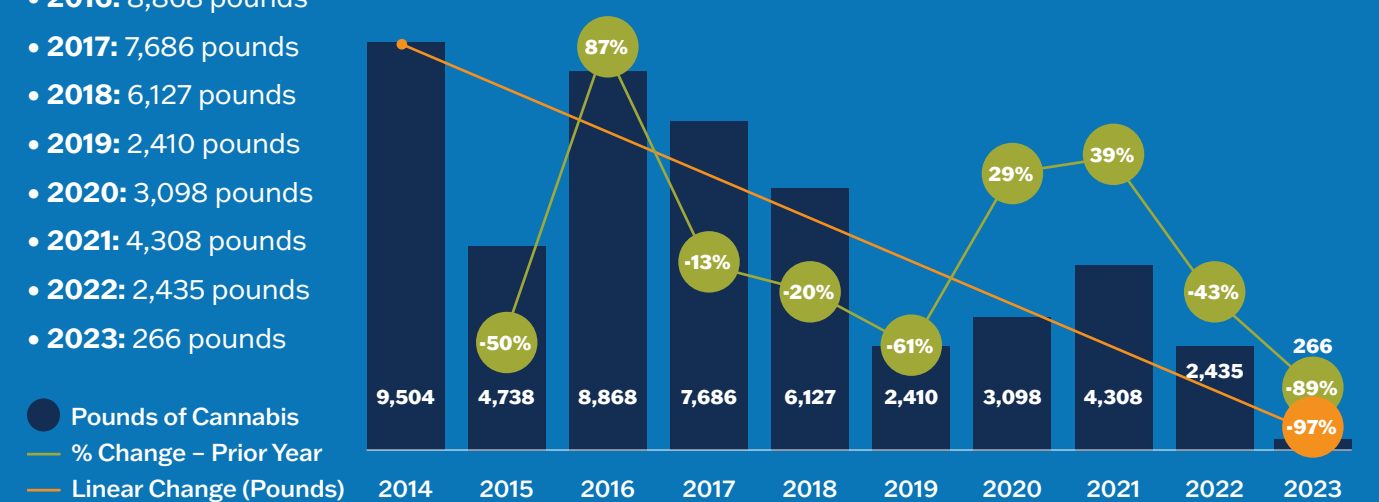
- Social media apps.
- Midlevel trading with a continuous market of people legally purchasing \$5,000 to \$10,000 of Colorado marijuana—typically through medical marijuana processes—and transporting and/or shipping it out of state for resale.
- Criminal organizations with illegal residential grows or 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 97% from 2014 to 2023.

- **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
- **2023:** 266 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	2023
Marijuana Cultivation	19	25	43	52	59	32	20	17	4	1
Marijuana Possession	356	272	189	145	142	77	41	24	23	25
Marijuana Distribution	65	60	67	87	71	39	40	40	26	15
Industry-Related Crime	175	185	210	139	200	213	183	143	162	108
Other Non-Industry-Related Crime	107	81	64	62	24	25	88	83	48	45
Total Marijuana Offenses	788	696	636	548	588	483	4355	307	263	187
Total Citywide Offenses (NIBRS)	61,276	64,317	65,368	66,354	66,023	65,470	72,973	83,074	87,791	86,439

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%) • **2016:** 210 (0.32%) • **2018:** 200 (0.30%) • **2020:** 183 (0.17%) • **2022:** 162 (0.19%)
- **2015:** 185 (0.29%) • **2017:** 139 (0.20%) • **2019:** 213 (0.30%) • **2021:** 143 (0.17%) • **2023:** 108 (0.12%)

In 2023, business burglary or attempted business burglary accounted for 91% of marijuana industry-related offenses. Larceny (theft) accounted for another 6% of all marijuana industry-related offenses.

- Marijuana businesses make up less than 1% of all businesses in Denver but accounted for approximately 4% of all reported business burglaries in 2023.

MARIJUANA INDUSTRY-RELATED OFFENSES

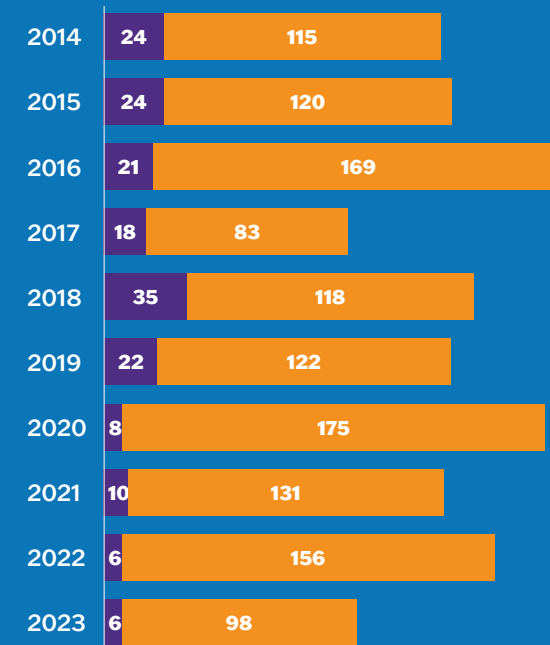
Violent offenses related to the licensed marijuana industry are rare and only include homicide, rape, robbery and aggravated assault.

- 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 violent offenses overall.
- There were 15 violent offenses related to the marijuana industry in 2023, or one violent offense related to the marijuana industry for every 513 violent offenses overall.

Industry-Related Crime

By Type and Year

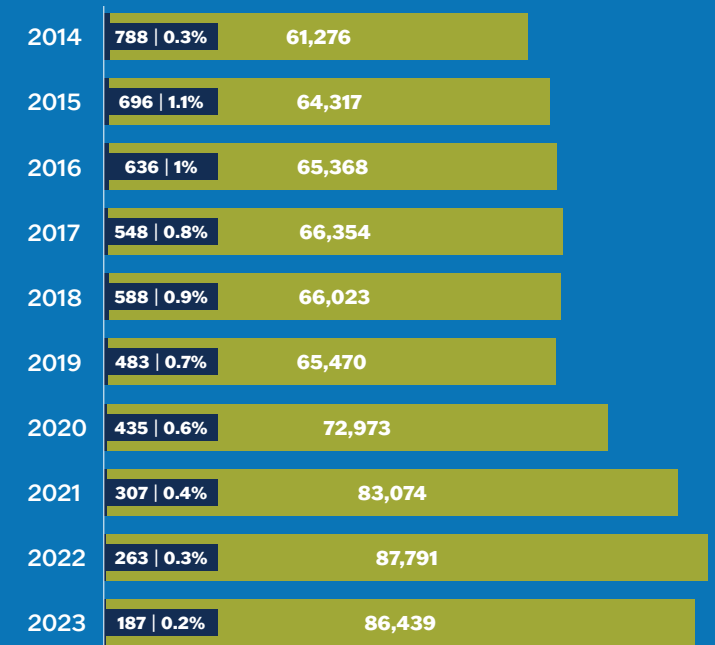
- Larceny
- Burglary



Marijuana Crime

As a Percentage of Total Denver Crime

- Marijuana-Related Crime
- Total Crime in Denver



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

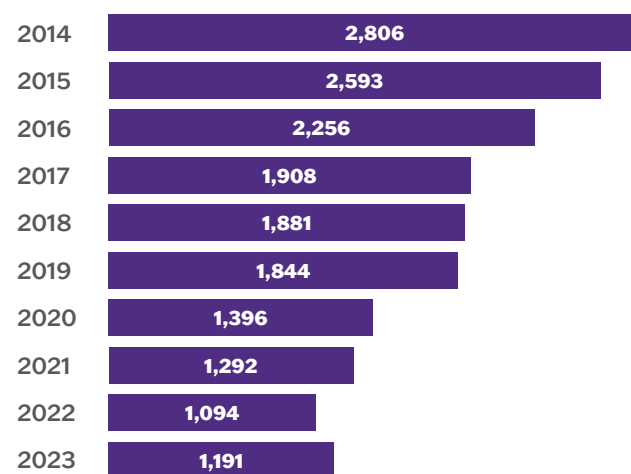
VIOLATION DESCRIPTION	2022	2023	# CHANGE	% CHANGE
Unlawful Distribution of Marijuana	53	59	6	11%
Unlawful Possession of Marijuana	36	63	27	75%
Unlawful Public Display/Consumption of Marijuana	26	89	63	242%
Unlawful Cultivation of Marijuana	4	4	0	0%
Marijuana Prohibited in Parks	2	3	1	50%
Unlawful Extraction of Marijuana Concentrate	0	0	-	-
Marijuana Business License Violations	0	0	-	-
Grand Total	121	218	97	80%
Total Number of Arrestees Per Incident	103	189	86	83%

IMPAIRED DRIVING ARRESTS

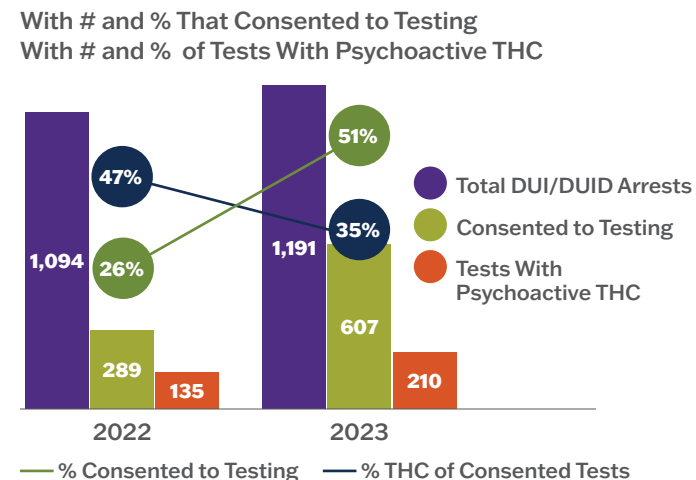
Impaired driving creates a serious public safety hazard. Over the years, overall impaired driving arrests have been on the decline in Denver. This change can be attributed to several factors, including public education campaigns and the rising popularity of ride-sharing services.

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.

Number of DUI/DUID Arrests by Year



Number of DUI/DUID Arrests 2022 vs. 2023



VII. PUBLIC EDUCATION

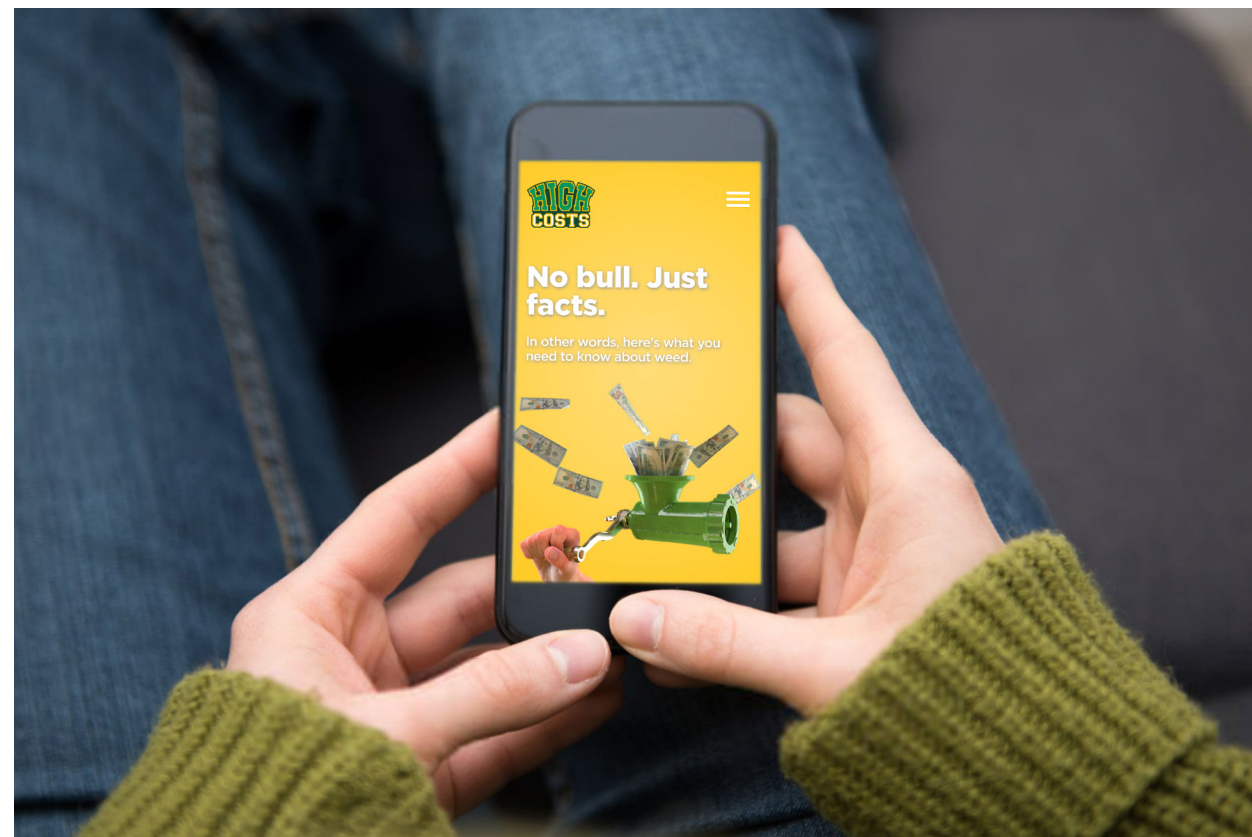
Youth education, prevention and diversion efforts are a hallmark of Denver successfully taking action to protect youth from any negative impacts of marijuana legalization. Through Denver's Office of Children's Affairs and Office of Behavioral Health Strategies, as well as the city's mass marketing youth education and prevention campaign called The High Costs, the city has devoted approximately \$30.3 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 2023, this program supported 30 partners serving nearly 15,000 youth across the city.



Denver youth enjoy after-school and summer programs as a result of marijuana tax revenue funds administered by the Office of Children's Affairs, including a comprehensive program through the YMCA of Metropolitan Denver.

- The Marijuana Youth Diversion Fund (MYDF) provides funding to support three programs that serve at-risk and justice-involved youth (ages 10 to 17) as well as justice-involved young adults (ages 18 to 25). Funded programs include the Youth and Family Treatment Court, the Helping Youth Pursue Excellence Program, and the DA Diversion program. These programs support individuals with a history of substance misuse and focus on enhancing protective factors to help reduce or prevent continued misuse and to provide additional supports to assist individuals with meeting the requirements of their supervision. MYDF programs helped participants pay out more than \$20,000 in restitution to victims, assisted youth and young adults with completing their required community service, and supported 40 youth with job readiness and career pathway exploration while paying out \$85,000 in wages to youth.



- 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 more than 287 million times since late 2017. In 2023, the High Costs campaign launched an enhanced and interactive digital quiz game for youth to learn about the history, laws, health impacts and other high costs associated with underage marijuana usage. The digital quiz game provided an interactive opportunity to enhance Denver’s education efforts and youth the opportunity to compete for the highest score among other youth. More information and campaign content can be found at [TheHighCosts.com](https://www.thighcosts.com).

VIII. PUBLIC HEALTH

PUBLIC HEALTH INVESTIGATIONS – 2023 CANNABIS HEALTH AND SAFETY PROTECTION REPORT

The Denver Department of Public Health and Environment (DDPHE) continued to adapt its regulatory approach to marijuana-related public health concerns in 2023. DDPHE’s cannabis team conducted regulatory inspections of retail stores, manufacturers, and grow operations to ensure compliance with health and safety regulations. Additionally, DDPHE is committed to learning about and reflecting upon major changes and innovations in the cultivation, production, and consumption of marijuana and cannabis-derived products. This commitment enabled the cannabis team to create and provide new sanitation guidance documents and inspection report forms that better align with industry progression. DDPHE continues to implement a risk-based approach to navigating public health concerns with a focus on consumer and industry education.

In 2023, DDPHE responded to complaints in a timely manner while prioritizing the health and safety of consumers. Through DDPHE’s engagement with state government partners, other city agencies, industry shareholders, and the general public, our investigatory team:

377
regulatory inspections
of marijuana-related
businesses.

30
complaint referrals from
other agencies and the public
resulting in 43 site visits.

14
contamination
investigations.

DDPHE’s cannabis team was involved in work groups with state partners, including the Colorado Department of Public Health and Environment (CDPHE) and the Department of Revenue Marijuana Enforcement Division (MED), which center around implementing regulations that promote efficiency, consistency, and public safety.

Additionally, DDPHE had representation on MED’s work group surrounding cultivation, manufacturing, and testing standards as a part of the state’s annual permanent rulemaking process. DDPHE’s cannabis team also strengthened partnerships with marijuana regulators from other states and assisted with navigating complex enforcement scenarios.

Through collaborations with other city agencies and state government partnerships, DDPHE promoted consistent, well thought-out regulatory practices and procedures that were utilized to help shape and inform internal DDPHE policies.

Comments or questions about DDPHE’s cannabis program can be emailed to phicomments@denvergov.org.

EMAIL
MarijuanaInfo@Denvergov.org

WEB
Denvergov.org/MarijuanaInfo

