



CITY CLERK'S OFFICE MEMORANDUM
#15-2020

DATE: November 23, 2020

TO: Honorable Mayor Meredith Leighty and City Council Members

THROUGH: Heather Geyer, City Manager 

FROM: Johanna Small, City Clerk 
Lisa Andrews, Deputy City Clerk – Licensing Specialist

SUBJECT: CB-1958 – Allowing the Sale of Industrial Hemp Products at Marijuana Businesses

PURPOSE

To consider CB-1958, an ordinance on first reading amending the Municipal Code to allow the sale of industrial hemp products at marijuana businesses.

BACKGROUND

Current language in the Municipal Code prohibits the sale of hemp products at marijuana businesses. When marijuana regulations were initially adopted in Colorado, they followed the same approach as liquor licensing regulations, which limited the type of products that could be sold in a retail liquor store.

As of July 1, 2020, the State Marijuana Enforcement Division (MED) allows marijuana businesses to sell industrial hemp products that it receives from a Colorado Department of Public Health and Environment (CDPHE) Registrant and that has passed all required testing. Only manufactured food and storage facilities registered by the CDPHE can provide industrial hemp products to medical and retail marijuana stores. Hemp products sold at marijuana stores must be tested for potency and contaminants to ensure the products contain less than 0.3% THC (delta-9 tetrahydrocannabinol).

Marijuana businesses are highly regulated and have been operating successfully in Northglenn since 2009. Hemp products are currently being sold in other less-regulated retail outlets such as grocery stores, gas station convenience stores, and health food stores. Hemp products are commonly referred to and marketed as CBD (Cannabidiol) products. CBD is the dominant cannabinoid in hemp. Hemp does not contain psychoactive properties and was legalized by the federal 2018 Farm Bill.

City Council received information about industrial hemp products at the Nov. 2, 2020 study session and there was consensus to bring a draft ordinance forward for consideration regarding the sale of hemp products at marijuana businesses.

CB-1958 amends language in Article 14 of Chapter 18 regarding medical marijuana centers and Article 16 of Chapter 18 regarding retail marijuana stores to add definitions for industrial hemp and industrial hemp products and allow the sale of hemp products at medical and retail marijuana stores. The proposed change would align the City's regulations with State MED rules concerning the sale of hemp products at licensed marijuana businesses.

STAFF RECOMMENDATION

Staff recommends approval of CB-1958 on first reading. If CB-1958 is approved on first reading, a public hearing and second reading of the proposed ordinance will be scheduled for Dec. 14, 2020.

BUDGET/TIME IMPLICATIONS

There are no financial impacts to the City.

STAFF REFERENCE

If Council members have any questions they may contact City Clerk Johanna Small at jsmall@northglenn.org or 303.450.8757.

SPONSORED BY: MAYOR LEIGHTY

COUNCILMAN'S BILL

ORDINANCE NO.

No. CB-1958
Series of 2020

Series of 2020

A BILL FOR AN ORDINANCE AMENDING ARTICLE 14 AND ARTICLE 16 OF CHAPTER 18 OF THE NORTHGLENN MUNICIPAL CODE TO ALLOW FOR THE SALE OF INDUSTRIAL HEMP PRODUCTS BY LICENSED MEDICAL MARIJUANA CENTERS AND RETAIL MARIJUANA STORES

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. Section 18-14-5 of the Northglenn Municipal Code is amended by the addition thereto of the following defined terms, which shall appear in alphabetical order:

Industrial Hemp shall mean a plant of the genus cannabis and any part of the plant, whether growing or not, containing a delta-9 tetrahydrocannabinol concentration of no more than three-tenths of one percent (0.3%) on a dry weight basis.

Industrial Hemp Product shall mean a finished product containing industrial hemp that:

- (1) Is a cosmetic, food, food additive, or herb;
- (2) Is for human use or consumption;
- (3) Contains any part of the hemp plant, including naturally occurring cannabinoids, compounds, concentrates, extracts, isolates, resins, or derivatives; and
- (4) Contains a delta-9 tetrahydrocannabinol concentration of no more than three-tenths of one percent (0.3%).

Section 2. Section 18-14-8 of the Northglenn Municipal Code is amended by the addition thereto of a new subsection (e) to read as follows:

Section 18-14-8 Medical Marijuana Centers.

* * *

(e) A licensed medical marijuana center may sell or transfer industrial hemp products to a consumer only after the licensee has confirmed:

- (1) That the industrial hemp product has passed all required testing pursuant to the Colorado Retail Marijuana Code and the regulations promulgated in conformance therewith; and

(2) That the person transferring the industrial hemp product to the Licensee is registered with the Colorado Department of Public Health and Environment pursuant to C.R.S. § 25-5-426.

Section 3. Section 18-14-26, subsection (g) of the Northglenn Municipal Code is amended to read as follows:

Section 18-14-26 Prohibited acts.

* * *

(g) ~~permit the sale or consumption of alcohol beverages on the licensed premises;~~ SELL OR GIVE AWAY ANY CONSUMABLE PRODUCT THAT IS NOT MEDICAL MARIJUANA OR AN INDUSTRIAL HEMP PRODUCT, INCLUDING WITHOUT LIMITATION CIGARETTES OR TOBACCO PRODUCTS, ALCOHOL BEVERAGES, AND FOOD PRODUCTS OTHER THAN NON-ALCOHOL BEVERAGES THAT ARE NOT MEDICAL MARIJUANA OR INDUSTRIAL HEMP PRODUCTS.

Section 4. Section 18-16-5 of the Northglenn Municipal Code is amended by the addition thereto of the following defined term, which shall appear in alphabetical order:

Industrial Hemp Product means a finished product containing industrial hemp that:

- (1) Is a cosmetic, food, food additive, or herb;
- (2) Is for human use or consumption;
- (3) Contains any part of the hemp plant, including naturally occurring cannabinoids, compounds, concentrates, extracts, isolates, resins, or derivatives; and
- (4) Contains a delta-9 tetrahydrocannabinol concentration of no more than three-tenths of one percent (0.3%).

Section 5. Section 18-16-8 subsection (f) of the Northglenn Municipal Code is amended to read as follows:

Section 18-16-8 Retail marijuana stores.

* * *

(f) Retail marijuana store licensees are prohibited from selling or giving away any consumable product that is not a retail marijuana product OR INDUSTRIAL HEMP PRODUCT, ~~including but not limited to~~ INCLUDING WITHOUT LIMITATION cigarettes or tobacco products, alcohol beverages, and food products other than non-alcohol beverages that are not retail marijuana products OR INDUSTRIAL HEMP PRODUCTS.

Section 6. Section 18-16-8 of the Northglenn Municipal Code is amended by the addition thereto of a new subsection (g) to read as follows:

Section 18-16-8 Retail marijuana stores.

* * *

(g) A licensed retail marijuana store may sell or transfer industrial hemp products to a consumer only after the licensee has confirmed:

(1) That the industrial hemp product has passed all required testing pursuant to the Colorado Retail Marijuana Code and the regulations promulgated in conformance therewith; and

(2) That the person transferring the industrial hemp product to the licensed retail marijuana store is registered with the Colorado Department of Public Health and Environment pursuant to C.R.S. § 25-5-426.

INTRODUCED, READ AND ORDERED POSTED this ____ day of _____, 2020.

MEREDITH LEIGHTY
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

PASSED ON SECOND AND FINAL READING this ____ day of _____, 2020.

MEREDITH LEIGHTY
Mayor

ATTEST:

APPROVED AS TO FORM:

JOHANNA SMALL, CMC
City Clerk

COREY Y. HOFFMANN
City Attorney