

1 **S U M M A R Y**

2 This ordinance amends Chapter 20 of the 2019 Detroit City Code, *Health*, Article VI,
3 *Medical Marihuana Facilities*, by renaming the Article to *Medical Marihuana Facilities and*
4 *Adult-Use Marihuana Establishments*, and amending such article to consist of Division 1,
5 *Generally*, Section 20-6-1, *Purpose*, Section 20-6-2, *Definitions*, Section 20-6-3, *Opt-in*
6 *provisions; severability*; Division 2, *Marihuana license review committee*, Section 20-6-21,
7 *Creation*, Section 20-6-22, *Personnel*, Section 20-6-23, *Management*, Section 20-6-24, *Duties and*
8 *functions*; Division 3, *Licensing*, Section 20-6-31, *License required*, Section 20-6-32, *Detroit*
9 *legacy status*, Section 20-6-33, *Provisional licenses*, Section 20-6-34, *Number of licenses*, Section
10 20-6-35, *Detroit legacy certification; application periods*, Section 20-6-36, *License application*,
11 Section 20-6-37, *Fees*, Section 20-6-38, *Application review process*, Section 20-6-39, *Inspections*,
12 *investigations, review of materials submitted*, Section 20-6-40, *Operating requirements*, Section
13 20-6-41, *License issuance*, Section 20-6-42, *Renewal of license; notification of deficiency or*
14 *violation*, Section 20-6-43, *License suspension, revocation, or denial of renewal*, Section 20-6-44,
15 *Penalty*, Section 20-6-45, *Appeals*, Section 20-6-46, *Inspection by authorized local officials*, and
16 Section 20-6-47, *Social equity initiatives and substance use prevention appropriations*; to amend
17 regulations for medical marihuana facilities; add regulations for adult-use marihuana
18 establishments; and authorize business licenses for co-location, and adult-use marihuana
19 establishments including grower, processor, retailer, secure transporter, safety compliance facility,
20 microbusiness, marihuana event organizer, temporary marihuana event, and designated
21 consumption establishment.

1 **BY COUNCIL MEMBER _____** :

2 **AN ORDINANCE** to amend Chapter 20 of the 2019 Detroit City Code, *Health*, Article
3 *VI, Medical Marihuana Facilities*, by renaming the Article to *Medical Marihuana Facilities and*
4 *Adult-Use Marihuana Establishments*, and amending such article to consist of Division 1,
5 *Generally*, Section 20-6-1, *Purpose*, Section 20-6-2, *Definitions*, Section 20-6-3, *Opt-in*
6 *provisions; severability*; Division 2, *Marihuana license review committee*, Section 20-6-21,
7 *Creation*, Section 20-6-22, *Personnel*, Section 20-6-23, *Management*, Section 20-6-24, *Duties and*
8 *functions*; Division 3, *Licensing*, Section 20-6-31, *License required*, Section 20-6-32, *Detroit*
9 *legacy status*, Section 20-6-33, *Provisional licenses*, Section 20-6-34, *Number of licenses*, Section
10 20-6-35, *Detroit legacy certification, application periods*, Section 20-6-36, *License application*,
11 Section 20-6-37, *Fees*, Section 20-6-38, *Application review process*, Section 20-6-39, *Inspections*,
12 *investigations, review of materials submitted*, Section 20-6-40, *Operating requirements*, Section
13 20-6-41, *License issuance*, Section 20-6-42, *Renewal of license; notification of deficiency or*
14 *violation*, Section 20-6-43, *License suspension, revocation, or denial of renewal*, Section 20-6-44,
15 *Penalty*, Section 20-6-45, *Appeals*, Section 20-6-46, *Inspection by authorized local officials*, and
16 Section 20-6-47, *Social equity initiatives and substance use prevention appropriations*; to amend
17 regulations for medical marihuana facilities; add regulations for adult-use marihuana
18 establishments; and authorize business licenses for co-location, and adult-use marihuana
19 establishments including grower, processor, retailer, secure transporter, safety compliance facility,
20 microbusiness, marihuana event organizer, temporary marihuana event, and designated
21 consumption establishment.

22

- 1 (3) ~~To ensure that a portion of the City's costs in accommodating medical marihuana~~
2 ~~facilities are supplemented~~ establish procedures for application, renewal,
3 suspension, and revocation of a business license for medical marihuana facilities,
4 and for adult-use marihuana establishments;
- 5 (4) ~~To minimize adverse effects, if any, from the cultivation, processing, dispensing~~
6 ~~and storage of medical marihuana; and~~
- 7 (5) ~~To comply with the Michigan Medical Marihuana Act, being MCL 333.26421 et~~
8 ~~seq., all in order to protect and enhance the public health, safety, and welfare~~ adopt
9 reasonable regulations as needed pursuant to the city's general police power
10 granted to cities by the Michigan Constitution of 1963 and the Home Rule City
11 Act, being MCL 117.1 et seq.;
- 12 (6) recognize that social equity in the marihuana industry is required to address the
13 historical disproportionate impact of marihuana prohibition and enforcement on
14 Detroiters, and that the City of Detroit has been expressly named by the State of
15 Michigan's Social Equity Program as a community that has been disproportionately
16 impacted by marijuana prohibition and enforcement;
- 17 (7) recognize that long term residents of the City of Detroit have historically been
18 excluded from ownership opportunities in the legal marihuana industry due to the
19 disproportionate impact of marihuana prohibition, enforcement, and the lack of
20 access to capital, land, and resources; that more than 30% of Detroiters live below
21 the federal poverty level; that Detroit has a marihuana-related criminal conviction
22 rate that exceeds the average marihuana-related criminal conviction rate in the
23 State of Michigan; and that long term Detroit residents have substantially contributed

1 to the economy in the form of taxes and fees to the extent that a reduction in
2 fees, and reservation of adult-use retailer, adult-use grower, adult-use processor,
3 designated consumption, marihuana event organizer, and microbusiness licenses
4 for long term Detroit residents under this article is appropriate as a form of social
5 equity;

6 (8) recognize that employment opportunities in the legal marihuana industry are
7 essential for Detroiters, and to strongly encourage and incentivize licensees under
8 this article to ensure that at least 50% of its employees are Detroit residents,
9 specifically those Detroit residents who are veterans, low income, or have a prior
10 controlled substance record, as such terms are defined in Section 20-6-2;

11 (9) facilitate real property ownership opportunities for Detroit residents, for the
12 purpose of operating adult-use marihuana establishments licensed under this article
13 and MRTMA; the City of Detroit shall use good faith efforts to transfer eligible
14 City-owned real property to one of the City's economic development agencies or
15 authorities, for the specific purpose of transferring the property to Detroit legacy
16 applicants or licensees, as defined in Section 20-6-2, at 25% of the property's fair
17 market value. Such a transfer would be subject to applicable approvals by the City
18 of Detroit and the economic development agency or authority board, as well as
19 certain program rules that may be developed. The development and use of the
20 transferred property would be subject to all requirements of this Code and
21 MRTMA; and to

22 (10) recommend that, subject to appropriation, amounts equal to \$500,000 of the fees
23 generated from the licenses issued pursuant to this article, and \$500,000 from an

1 allocation to the City of Detroit pursuant to M.C.L. 333.27964 be used annually to
2 further social equity goals, including, but not limited to, addressing the challenges
3 set forth in Subsections (6), (7), (8), and (9) of this section; and to

4 (11) clarify that licensure of either a medical marihuana facility or an adult-use
5 marihuana establishment is a revocable privilege and not a right in the City. There
6 is no property right for an individual or business to have a medical marihuana
7 facility business license or an adult-use marihuana establishment business license
8 in the City of Detroit.

9 ~~(b) Nothing contained within this article, or within any license issued by the City, shall~~
10 ~~be construed to relieve a person of the duties and obligations imposed under state law.~~
11 ~~Notwithstanding the foregoing, it is not the intent of this article to diminish, abrogate or restrict~~
12 ~~protections for the medical use of marihuana provided in the Michigan Medical Marihuana Act,~~
13 ~~being MCL 333.26421 et seq.~~ Nothing in this Article, or in any other provision of this Code, is
14 intended to grant, nor shall it be construed as granting, immunity from criminal prosecution for:

15 (1) The cultivation, sale, consumption, use, distribution, manufacture or possession of
16 marihuana in any form not in compliance with the MMMA, the MMFLA, and the
17 MRTMA, as applicable; or

18 (2) any criminal prosecutions under federal laws including seizure of property under
19 the Federal Controlled Substances Act, being 21 USC 801, et seq.

20 (c) Nothing contained within this Article, or within any license issued by the City,
21 shall be construed to relieve a person of the duties and obligations imposed under state or
22 federal law. Notwithstanding the foregoing, it is not the intent of this Article to diminish, abrogate

1 or restrict protections for the use of marihuana provided in the MMMA, the MMFLA, and the
2 MRTMA, as applicable.

3 (d) By accepting a license issued pursuant to this Article, the licensee waives and
4 releases the City, its officers, elected officials, and employees from any liability for injuries,
5 damages, or claim of any kind that results from any arrest or prosecution of owners, operators,
6 clients or customers of medical marihuana facilities or adult use marihuana establishment for
7 violation of local, state, or federal laws, rules or regulations.

8 (e) By accepting a license issued pursuant to this Article, the licensee agrees to
9 indemnify, defend and hold harmless the City, its officers, elected officials, employees, and agents
10 against all liability, claims or demands arising on account of any claim of diminution of property
11 value arising out of the operation of a medical marihuana facility or an adult use marihuana
12 establishment, or any claim based on an alleged injury to business or property by reason of a
13 claimed violation of the federal Racketeer Influenced and Corrupt Organizations Act (RICO),
14 being 18 USC 1961, et seq.

15 **Sec. 20-6-2. Definitions.**

16 (a) The following words, terms and phrases, when used in this article, shall have the
17 meanings provided in this section:

18 *Adult-use marihuana establishment* means a business licensed under the MRTMA and this
19 article to operate as a grower, processor, retailer, secure transporter, safety compliance facility,
20 microbusiness, excess marihuana grower, marihuana event organizer, temporary marihuana
21 event, or designated consumption establishment, or any other type of marihuana-related business
22 licensed to operate in accordance with the MRTMA.

1 Applicant means the entity or individual making application for a license under this
2 article, and includes all members, partners, directors, shareholders, officers, and owners of the
3 entity applying for licensure.

4 Authorized local official means a Detroit police officer, or other City of Detroit employee
5 or agent designated by the director of the Department, who is authorized to issue violations and
6 perform inspections in accordance with this Code.

7 Co-location means a property that has been zoned to allow more than one type
8 of medical marihuana facility or adult-use marihuana establishment to operate on the same
9 premises, subject to the applicable rules promulgated in accordance with the MMFLA, the
10 MRTMA, and this Code.

11 Co-location license means a license required under this Article when a property has been
12 zoned to allow more than one medical marihuana facility or adult-use marihuana establishment to
13 operate on the same premises, and the property owner is not the licensee of all the businesses
14 operating on the premises.

15 Common ownership means two or more state operating licenses or two or more equivalent
16 licenses held by one individual or one entity.

17 Community outreach means any outreach meeting, technology aided outreach, or outreach
18 alert intended to ensure community awareness of licensing activities under this article.

19 Community outreach plan means a plan for ongoing efforts by a licensee under this article
20 to continually engage and inform the community that surrounds the licensee's business location of
21 employment and social equity opportunities at the licensee's place of business.

22 Community outreach report means a report of the efforts taken by a license applicant to
23 inform and engage the community that surrounds the applicant's proposed business location of the

1 applicant’s proposed business operation, and any employment or social equity opportunities that
2 the applicant intends to offer.

3 *Cultivation or cultivate* means:

- 4 (1) all phases of growth of marihuana from seed to harvest; or
- 5 (2) preparing, packaging or repackaging, labeling, or relabeling of any form of
6 marihuana.

7 Department means the City of Detroit Buildings, Safety Engineering, and Environmental
8 Department.

9 Designated consumption establishment means a business that is licensed under the
10 MRTMA and this Article to permit adults 21 years of age and older to consume marihuana
11 products at a commercial location designated by the state operating license.

12 Detroit legacy applicant or licensee means an individual who has, or an entity that is at least
13 51% owned and controlled by one or more individuals who has been a City of Detroit resident at the time
14 of application for at least one year, and additionally has been:

- 15 (1) a City of Detroit resident for 15 of the past 30 years preceding the date of application, and
16 continues to so reside throughout the period of licensure; or
- 17 (2) a City of Detroit resident for 13 of the past 30 years preceding the date of application, and
18 continues to so reside throughout the period of licensure, and is a low income applicant at
19 the time of application, as defined in this Section; or
- 20 (3) a City of Detroit resident for the 10 of the past 30 years preceding the date of application,
21 and continues to so reside throughout the period of licensure, and has a prior controlled
22 substance record, as defined in this section, or a parent with a prior controlled substance
23 record as defined in this section under the following circumstances:

1 (i) the parent is named on the applicant’s birth certificate, and the parent’s conviction
2 took place before the applicant’s 18th birthday; or

3 (ii) the parent has claimed the applicant as a dependent regularly on federal income
4 tax filings, and the parent’s conviction took place before the applicant’s 18th
5 birthday.

6 Digital notification means any form of electronic communication.

7 Equivalent licenses means any of the following held by a single licensee:

8 (1) A marihuana grower license, of any class, issued under MRTMA and a grower
9 license, of any class, issued under the MMFLA;

10 (2) A marihuana processor license issued under the MRTMA and a processor license
11 under the MMFLA;

12 (3) A marihuana retailer license issued under the MRTMA and a provisioning center
13 license issued under the MMFLA;

14 (4) A secure transporter license issued under the MRTMA and a secure transporter
15 license issued under the MMFLA; or

16 (5) A safety compliance facility license issued under the MRTMA and a safety
17 compliance facility license issued under the MMFLA.

18 Excess marihuana grower means a state operating license holder holding five class C
19 marihuana grower licenses under the MRTMA.

20 ~~Grower means a state operating license holder that is a commercial entity located in this~~
21 ~~state that cultivates, dries, trims, or cures and packages marihuana for sale to a processor or~~
22 ~~provisioning center~~ business licensed under the MMFLA or MRTMA and this article, located in
23 this state, which cultivates, dries, trims, or cures and packages marihuana for sale or transfer

1 to a medical marihuana facility or an adult-use marihuana establishment, and is licensed as
2 follows:

3 (1) class A adult-use marihuana grower means a state operating license holder who is
4 authorized to grow 100 marihuana plants;

5 (2) class B adult-use marihuana grower means a state operating license holder who is
6 authorized to grow 500 marihuana plants;

7 (3) class C adult-use marihuana grower means a state operating license holder who
8 is authorized to grow 2000 marihuana plants;

9 (4) class A medical marihuana grower means a state operating license holder who
10 is licensed to grow 500 medical marihuana plants;

11 (5) class B medical marihuana grower means a state operating license holder who
12 is licensed to grow 1000 medical marihuana plants; or

13 (6) class C medical marihuana grower means a state operating license holder who is
14 licensed to grow 1500 medical marihuana plants.

15 Licensee means an individual or entity that holds a state operating license and a business
16 license under this article.

17 Low income applicant means an individual who, at the time of licensing, lives in a
18 household with household income that is less than 80% of the existing Detroit median household
19 income.

20 Marihuana event organizer means a state license holder authorized to apply for a
21 temporary marihuana event license in accordance with the MRTMA.

22 Medical marihuana facility means any facility, entity, establishment, or center that is
23 required to be licensed under the Michigan Medical Marihuana Facilities Licensing Act, being

1 ~~MCL 333.27101 et seq~~ MMFLA, and this article, including a grower, processor, provisioning
2 center, safety compliance facility, or a secure transporter.

3 *Marihuana-infused product* means a topical formulation, tincture, beverage, edible
4 substance, or similar product containing any usable marihuana that is intended for human
5 consumption in a manner other than smoke inhalation.

6 *Microbusiness* means a business licensed under MRTMA and this article that cultivates up
7 to 150 marihuana plants or more as allowed by the State of Michigan, processes, and packages
8 marihuana, and sells or otherwise transfers marihuana to individuals who are 21 years of age or
9 older or to a safety compliance facility, but not to other adult-use marihuana establishments or
10 medical marihuana facilities.

11 *MMFLA* means the Michigan Medical Marihuana Facilities Licensing Act, Public Act 281
12 of 2016, being MCL 333.27101, et seq.

13 *MMMA* means the Michigan Medical Marihuana Act, means Initiated Law 1 of 2008,
14 being MCL 333.26421, et seq.

15 *MRTMA* means the Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1
16 of 2018, being MCL 333.27951 et seq.

17 *Outreach alert* means any form of one way communication that informs a community or
18 neighborhood of an issue, problem, opportunity or decision.

19 *Outreach meeting* means any in person or virtual meeting that provides for public
20 discussion of a topic.

21 *Person* means an individual, partnership, firm, company, corporation, association, sole
22 proprietorship, limited liability company, joint venture, estate, trust, or any other legal entity.

1 *Primary caregiver* means the term as defined by the MMMA. ~~Michigan Medical~~
2 ~~Marihuana Act, being MCL 333.26421 et seq.~~

3 *Prior controlled substance record* means to have been convicted, or adjudged to be a ward
4 of the juvenile court, for any crime relating to the sale, possession, use, cultivation, processing, or
5 transport of marihuana prior to November 7, 2018.

6 *Process or Processing* means to separate or otherwise prepare parts of the marihuana plant
7 and to compound, blend, extract, infuse or otherwise make or prepare marihuana concentrate or
8 marihuana-infused products.

9 ~~*Processor* means a state operating license holder that is a commercial entity located in this~~
10 ~~state that purchases marihuana from a grower and that extracts resin from the marihuana or creates~~
11 ~~a marihuana-infused product for sale and transfer in packaged form to a provisioning center~~
12 business licensed under the MRTMA or the MMFLA and this article, located in this state, that
13 obtains marihuana from a medical marihuana facility or an adult-use marihuana establishment
14 and that processes marihuana for sale and transfer in packaged form to a medical marihuana
15 facility or an adult-use marihuana establishment.

16 *Provisional license* means a placeholder license granted under this article to a Detroit
17 legacy applicant who does not yet have an approved location to operate the business for which the
18 applicant seeks a license, which will be converted to a full license if the applicant secures an
19 approved location and meets all the requirements of this article within twelve months of being
20 granted the provisional license. A provisional license will not be counted as a full license for
21 purposes of the numerical caps established under Section 20-6-34 of this Code, nor in determining
22 whether the requirements of Section 20-6-31(d) and (e) are met, until it has been converted to a
23 full license.

1 *Provisioning center* means a ~~state operating license holder~~ business licensed under the
2 MMFLA that is a commercial entity located in this state that purchases marihuana from a grower
3 or processor and sells, supplies, or provides marihuana to qualifying patients, directly or through
4 the registered primary caregivers of patients. Provisioning center includes any commercial
5 property where marihuana is sold at retail to qualifying patients or primary caregivers. A non-
6 commercial location used by a primary caregiver to assist a qualifying patient connected to the
7 caregiver through the state's marihuana registration process in accordance with the MMMA
8 ~~Michigan Medical Marihuana Act, being MCL 333.26421 et seq.~~, is not a provisioning center for
9 purposes of this article.

10 *Qualifying patient* means the term as defined by the MMMA. ~~Michigan Medical~~
11 ~~Marihuana Act, being MCL 333.26421 et seq.~~

12 *Registered user* means any person or entity that has submitted their email address of
13 telephone number of the purpose of receiving digital notifications.

14 *Retailer* means a business licensed under the MRTMA and this article that may obtain
15 marihuana from adult-use marihuana establishments and sell or transfer marihuana to individuals
16 who are 21 years of age or older and to other adult-use marihuana establishments.

17 *Safety compliance facility* means a ~~state operating license holder~~ that is a commercial entity
18 ~~that receives marihuana from a medical marihuana facility or primary caregiver, tests it for~~
19 ~~contaminants and for tetrahydrocannabinol and other cannabinoids, returns the test results, and~~
20 ~~may return the marihuana to the medical marihuana facility~~ business licensed under the MRTMA
21 or the MMFLA and this article that tests marihuana for contaminants and potency or as required
22 by the MRTMA or the MMFLA for a primary caregiver, medical marihuana facility, or adult-
23 use marihuana establishment.

1 ~~Secure transporter means state operating license holder that is a commercial entity located~~
2 ~~in this state~~ a business licensed under the MRTMA or the MMFLA and this article, that stores
3 marihuana and transports marihuana between medical marihuana facilities or adult-use marihuana
4 establishments for a fee.

5 Social equity program or SEP means a program authorized by the MRTMA, which is
6 designed to encourage participation in the marihuana industry by people who live in certain
7 Michigan communities designated by the State of Michigan, who have been disproportionately
8 impacted by marihuana prohibition and enforcement.

9 ~~State operating license~~ means a license that is issued under the ~~Michigan Medical~~
10 ~~Marihuana Facilities Licensing Act, being MCL 333.27101 et seq.~~, MMFLA or the MRTMA
11 that allows the licensee to operate as a medical marihuana facility or an adult-use marihuana
12 establishment, respectively.

13 Technology aided outreach means any form of electronic communication transmitted by
14 digital surveys or an online comment process that allows residents to provide comments.

15 Temporary marihuana event permit means a permit held by a marihuana event organizer
16 under this article and the MRTMA, which the state has approved, authorizing an
17 event where the onsite sale or consumption of marihuana products, or both, are authorized at the
18 location and on the dates indicated on the state operating license.

19 **Sec. 20-6-3. Penalty. REPEALED**

20 (a) ~~Any violation of this article shall be a civil infraction punishable by a fine in an amount set~~
21 ~~from time to time by resolution of the City Council.~~

22 (b) ~~In addition to the penalties provided by this section, the district court shall have equitable~~
23 ~~jurisdiction to enforce any judgment, writ, or order necessary to enforce any provision of this~~

1 article, including, but not limited to, abatement of the violating condition or the granting of
2 injunctive relief.

3 ~~(e) Contested hearings under this section before the district court may be conducted as an~~
4 ~~informal hearing and as a formal hearing, as may be applicable, as provided by the Michigan~~
5 ~~Revised Judicature Act of 1961, being MCL 600.101 et seq.~~

6 **Sec. ~~20-6-420-6-3~~. - Opt-in provision; severability.**

7 (a) Pursuant to Section 205(1) of the MMFLA, Michigan Medical Marihuana Facilities
8 Licensing Act, being MCL 333.27205(1), the City shall authorize licenses in accordance with the
9 provisions of this article for the following types of medical marihuana facilities:

- 10 (1) ~~Growers (Class A, Class B, and Class C);~~
- 11 (2) Processors;
- 12 (3) Provisioning centers;
- 13 (4) Safety compliance facilities; and
- 14 (5) Secure transporters.

15 (b) Pursuant to Section 6(3) of the MRTMA, the City may authorize licenses in
16 accordance with the provisions of this article for the following types of marihuana establishments:

- 17 (1) Growers;
- 18 (2) Retailers;
- 19 (3) Processors;
- 20 (4) Safety compliance;
- 21 (5) Secure transporters;
- 22 (6) Temporary marihuana events;
- 23 (7) Marihuana event organizers;

1 (8) Designated consumption establishments; and

2 (9) Microbusinesses.

3 (c) The City may sign attestations or other documents to evidence municipal approval
4 for a state operating license as required by the State of Michigan Marihuana Regulatory Agency
5 only upon issuance of a license under this article.

6 (d) Detroit City Council is exercising its discretion to permit adult-use marihuana
7 establishments in Detroit as supported by the legal opinion of the Corporation Counsel that the
8 ordinance is lawful, and on the condition that licenses for Detroit legacy applicants shall be
9 prioritized in accordance with the legislative purpose of this ordinance. Should any provision of
10 this ordinance governing adult-use marihuana establishments be ruled invalid, unconstitutional or
11 struck down by a court of law, Subsection (b) of this section will be thereto repealed, and future
12 adult-use marihuana establishments will be prohibited in accordance with Section 6(1) of the
13 MRTMA, excluding those adult-use marihuana establishments previously licensed under this
14 article, which licenses shall continue in effect until their expiration date, after which time they will
15 not be renewed.

16 **~~Sec. 20-6-5. -- Requirements. REPEALED~~**

17 ~~A medical marihuana facility licensed under this article shall be subject to the following~~
18 ~~conditions:~~

19 ~~(1) Compliance with the requirements of this article, this Code, and applicable state~~
20 ~~law;~~

21 ~~(2) Compliance with the provisions of the Michigan Medical Marihuana Facilities~~
22 ~~Licensing Act, being MCL 333.27101, and the Michigan Medical Marihuana Act,~~
23 ~~being MCL 333.26421 et seq.;~~

- 1 ~~(3) — Medical marihuana facilities must obtain all necessary state and local license/permits~~
2 ~~before commencing operations and shall maintain a valid license/permit during~~
3 ~~operation;~~
- 4 ~~(4) — No provisioning center may provide medical marijuana to any persons other than~~
5 ~~qualifying patients and primary caregivers whose status to possess medical~~
6 ~~marihuana pursuant to state law has been verified. A provisioning center may~~
7 ~~provide medical marijuana to a secure transporter for the purpose of transporting~~
8 ~~the material for testing;~~
- 9 ~~(5) — No persons under the age of 18 shall be allowed within any medical marihuana~~
10 ~~facility, unless the individual is a qualifying patient and accompanied by his/her~~
11 ~~primary caregiver parent or documented legal guardian;~~
- 12 ~~(6) — No medical marihuana facility shall permit the sale or dispensing of alcoholic liquor~~
13 ~~or tobacco for consumption on the premises or offsite of the premises;~~
- 14 ~~(7) — No dried medical marihuana shall be stored in structures without at least four walls~~
15 ~~and a roof, or stored in an unlocked vault or safe, or other unsecured storage~~
16 ~~structure; nor shall any dried medical marijuana be stored in a safe or vault that is~~
17 ~~not bolted to the floor or structure of the facility. This does not include items on~~
18 ~~display for retail sales;~~
- 19 ~~(8) — Operating hours for provisioning centers shall not exceed the hours between 9:00~~
20 ~~a.m. and 9:00 p.m. daily;~~
- 21 ~~(9) — Signs displayed on the exterior and interior of the property shall conform to the~~
22 ~~requirements of this Code. No signs shall contain the word marihuana nor shall any~~
23 ~~sign contain marihuana leaves, or green crosses.~~

1 ~~(10) Consumption or use of marihuana is prohibited on the premises.~~

2 ~~(11) Public and common areas of a medical marihuana facility must be separated from~~
3 ~~restricted and non-public areas by a permanent opaque barrier that cannot be~~
4 ~~accessed by individuals who are not approved to have access.~~

5 ~~(12) Marihuana and marihuana infused products may not be stored, displayed, or~~
6 ~~transferred in an area accessible to the general public, and may only be displayed~~
7 ~~for sale and transferred in sales areas approved as part of the licensing process set~~
8 ~~forth in this article.~~

9 **Sec. 20-6-6. -- Police review. REPEALED**

10 ~~For purposes of ensuring compliance with this article, owners and/or operators of licensed~~
11 ~~medical marihuana facilities shall permit members of the Police Department, or any employee or~~
12 ~~agent of the City that is authorized by this Code, to inspect, during regular business hours, any~~
13 ~~portion of a medical marihuana facility, subject to constitutional restrictions on unreasonable~~
14 ~~searches and seizures. Where entry is refused or not obtained, the City is authorized to pursue~~
15 ~~recourse as provided by law.~~

16 **Secs. ~~20-6-7~~ 20-6-4—20-6-20. Reserved.**

17 **DIVISION 2. MARIHUANA LICENSE REVIEW COMMITTEE**

18 **Sec. 20-6-21. Creation.**

19 There is hereby established a Marihuana License Review Committee (“MLRC”), which
20 shall perform its duties and exercise its powers in accordance with this article.

21 **Section 20-6-22. Personnel.**

22 The MLRC shall consist of a staff member of each of the departments and agencies that
23 are identified in this section. The directors of the respective departments and the heads of the

1 respective agencies identified in this section shall each appoint a qualified representative or
2 representatives from among their respective staffs to serve on the MLRC. The respective
3 departments and agencies that must appoint representatives to the MLRC are as follows:

4 (a) Office of the Chief Financial Officer, Assessor;

5 (b) Buildings, Safety Engineering, and Environmental Department;

6 (c) Office of the Chief Financial Officer, Treasury;

7 (d) Health Department;

8 (e) Law Department;

9 (f) Police Department;

10 (g) Civil Rights, Inclusion, and Opportunity Department, and

11 (h) Such other departments, agencies, or individuals as deemed appropriate by the
12 chairperson, on a case by case basis.

13 **Sec. 20-6-23. Management.**

14 (a) The representative from the Civil Rights, Inclusion, and Opportunity Department
15 serves as chairperson of the MLRC and shall maintain a record of applications, licenses granted
16 under this Article and other relevant files as needed.

17 (b) The MLRC may meet in person or virtually at the call of the chairperson, and shall
18 receive all materials for review electronically.

19 (c) The MLRC shall develop a standard of review for making recommendations on
20 license applications under this article that shall be approved by the Detroit City Council prior to
21 reviewing any applications.

22 **Sec. 20-6-24. Duties and functions.**

1 (a) New or renewal applications for a medical marihuana facility license or an adult-
2 use marihuana establishment license shall be reviewed by the MLRC and a recommendation
3 provided to the Department director before a license may be issued or renewed by the Department,
4 in accordance with the applicable review criteria set forth in this article. For temporary marihuana
5 events, the MLRC shall make its recommendation to the Detroit City Council, which must approve
6 the temporary marihuana event, before a permit is issued by the Department.

7 (b) Each department representative shall be responsible for investigating the
8 application within its department’s respective area of oversight, providing relevant information,
9 reports or data to the MLRC for review, including, but not limited to the information set forth in
10 Section 20-6-39.

11 (c) Through the Chair, the MLRC may communicate and meet with the applicant, visit
12 the proposed site to be licensed, and request certain conditions be met prior to recommending
13 approval of the issuance of a license.

14 (d) After December 31, 2021, and excluding temporary marihuana events,
15 applications shall be reviewed and a recommendation provided by the MLRC to the Department
16 within ninety (90) days of receipt of a complete application as determined by the MLRC, or the
17 application shall be forwarded to the Department without recommendation.

18 (e) Every six months after the effective date of this ordinance, the MLRC will
19 provide a report to the Detroit City Council including the following information:

20 (1) name of all applicants, date of application and application status;

21 (2) name of all licensees, locations, and license date;

22 (3) number of licenses issued by license category; and

23 (4) details of each applicant’s Good Neighbor Plan.

1 (e) The City shall not issue a license for an adult-use retailer, adult-use processor,
2 designated consumption establishment, microbusiness, or a marihuana event organizer if such
3 issuance would cause the number of licenses held by Detroit legacy licensees to be less than 50%
4 of the total licenses held in each respective category.

5 (f) Excluding those applicants for temporary marihuana event permits and marihuana
6 event organizer licenses, all applicants must conduct community outreach, as defined in Section
7 20-6-2, and provide a community outreach report and a community outreach plan with the
8 application. The applicant must forward notice of the community outreach to the Department of
9 Neighborhoods. The Department of Neighborhoods shall send digital notification of the pending
10 application to all registered users in the Council district where the business is proposed to be
11 located.

12 **Sec. 20-6-32. Detroit legacy status.**

13 Applicants may seek Detroit legacy status by applying to the Civil Rights, Inclusion, and
14 Opportunity Department (CRIO) electronically on a form provided by CRIO, with documentation
15 required to establish Detroit legacy applicant status. Once certified by CRIO, applicants may
16 submit a license application under this article as a Detroit legacy applicant. A Detroit legacy
17 licensee must complete such certification annually prior to license renewal.

18 **Sec. 20-6-33. Provisional licenses.**

19 (a) Detroit legacy applicants may apply for a provisional license for adult use
20 marihuana establishments, excluding temporary marihuana event permits and marihuana event
21 organizer licenses, under the following circumstances:

22 (1) The applicant has been certified as a Detroit legacy applicant;

1 (2) The applicant does not yet have a location that is properly zoned to operate the
2 adult-use marihuana establishment for which the applicant seeks licensing; and

3 (3) The applicant meets all of the requirements of this article other than those related
4 to the location where the adult-use marihuana establishment will be licensed.

5 (b) A provisional license will be converted to a full license if the applicant establishes
6 a location that is properly zoned and meets the other requirements of this article within 12 months
7 from the date of the provisional license, subject to the numerical caps set forth in Section 20-6-34.

8 (c) A licensee may not commence operations until it has received a full license under
9 this article and a state operating license.

10 (d) A provisional license will not be counted as a full license for purposes of the
11 numerical caps established under Section 20-6-34 of this Code, nor in determining whether the
12 requirements of Section 20-6-31(d) and (e) are met until it has been converted to a full license.

13 **Sec. 20-6-34. Number of Licenses.**

14 The City hereby establishes the following numerical caps and may grant licenses for
15 medical marihuana facilities and adult-use marihuana establishments, subject to the requirements
16 of this article, in accordance with the chart below:

17

<u>Medical Marihuana Provisioning Center</u>	<u>75</u>
<u>Adult-Use Retailer Establishment</u>	<u>75</u>
<u>Grower</u>	<u>unlimited</u>
<u>Processor</u>	<u>unlimited</u>
<u>Secured Transporter</u>	<u>unlimited</u>
<u>Safety Compliance Facility</u>	<u>unlimited</u>
<u>Designated Consumption Lounge</u>	<u>35</u>
<u>Microbusiness</u>	<u>35</u>
<u>Marihuana Event Organizer</u>	<u>unlimited</u>
<u>Temporary Marihuana Event</u>	<u>unlimited</u>

18

19 **Sec. 20-6-35. Detroit legacy certification; application periods.**

1 (a) Upon the effective date of this ordinance, the City may immediately accept
2 applications for medical marihuana facility licenses under this article. Applications for medical
3 marihuana facility licenses that are under consideration by the City upon the effective date of this
4 article shall not be subject to the requirements of this article, except that the number of medical
5 marihuana provisioning center licenses is subject to the numerical cap set forth in Section 20-6-
6 34.

7 (b) Upon the effective date of this ordinance, the Civil Rights, Inclusion, and
8 Opportunity Department will begin certifying Detroit legacy applicants.

9 (c) The City will begin accepting applications for adult-use marihuana establishment
10 licenses on April 1, 2021, and shall review license applications submitted by April 30, 2021 within
11 the time periods set forth in Subsections (d) and (e), below.

12 (d) From May 1, 2021 through June 15, 2021 there will be a reserved review period
13 wherein the City will review and may approve applications for adult-use marihuana establishment
14 licenses from Detroit legacy applicants, as well as applications for adult-use growers from current
15 holders of a state operating license for a medical marihuana facility in the City of Detroit. An
16 eligible applicant that wishes to be considered during this time period must submit a complete
17 application by April 30, 2021. The chronological order of reviewing license applications under
18 this subsection shall be determined by an independent, transparent, and random selection process.

19 (e) From June 16, 2021 through July 31, 2021 there will be a reserved review period
20 wherein the City will review and may approve applications for adult-use marihuana establishment
21 licenses, from holders of a state operating license for a medical marihuana facility in the City of
22 Detroit. An eligible applicant that wishes to be considered during this time period must submit a
23 complete application by April 30, 2021. The chronological order of reviewing license applications

1 under this subsection shall be determined by an independent, transparent, and random selection
2 process.

3 (f) After both review periods forth in Subsections (d) and (e) are completed, the City
4 will determine whether no less than 50% of adult-use grower licenses have been issued to Detroit
5 legacy applicants in accordance with Section 20-6-31(d), and if not, shall not issue any more adult-
6 use grower licenses to applicants other than Detroit legacy applicants until this requirement has
7 been met.

8 (g) Beginning August 1, 2021, and continuing thereafter, the City will review and may
9 approve applications for adult-use marihuana establishment licenses from any applicant.

10
11 **Sec. ~~20-6-22~~20-6-36. License application.**

12 (a) Any person seeking to operate a medical marihuana facility or an adult-use
13 marihuana establishment, excluding marihuana event organizers, temporary marihuana events, and
14 co-location licenses, shall file an application electronically with the Buildings, Safety Engineering
15 and Environmental Department Business License Center upon a form provided by the Department.

16 The application shall include, or include as an attachment, the following information:

- 17 (1) The name, age, address, principal telephone number and email address of the
18 applicant;
- 19 (2) ~~The name, age, address, principal telephone number and email address of all business~~
20 ~~partners of the applicant~~ If applicable, Detroit legacy applicant certification;
- 21 (3) If the applicant is an organized legal entity, the name, mailing address, telephone
22 number and email of all owners, directors, members, managers, officers, partners,
23 or shareholders, as well as the registered agent;

- 1 (4) A signed release authorizing the Police Department to perform criminal background
2 checks on all individuals ~~listed within the application~~ identified as part of the
3 ownership entity;
- 4 ~~(4) If the applicant is a corporation, the names and addresses of all directors, officers~~
5 ~~or shareholders as well as the name and address of the registered agent;~~
- 6 ~~(5) If the applicant is a partnership, the names and addresses of all general partners,~~
7 ~~limited partners, or officers as well as the name and address of the registered agent;~~
- 8 ~~(6) If the applicant is a limited liability company, the names and addresses of all~~
9 ~~directors, managers, members, or officers as well as the name and address of the~~
10 ~~registered agent;~~
- 11 ~~(7) If the applicant is any other legal entity, the names and addresses of all directors,~~
12 ~~members, officers, partners, or shareholders as well as the name and address of the~~
13 ~~registered agent;~~
- 14 (5) The address of the property/building proposed to be used as a medical marihuana
15 facility or adult-use marihuana establishment;
- 16 (6) The type and class of medical marihuana facility or adult-use marihuana
17 establishment requested ~~(grower, processor, provisioning center, safety compliance~~
18 ~~facility or secure transporter) proposed to be operated and a narrative describing~~
19 ~~the applicant's experience with such an operation, including whether associated~~
20 ~~permits, licenses or approvals had been denied, suspended or revoked;~~
- 21 (7) For renewals, a copy of the required state operating licenses;
- 22 (8) A copy of City of Detroit income tax returns for the previous three years for each
23 individual who has whole or partial ownership of the entity, and corporate tax

1 returns if applicable; or, a sworn statement attesting that no income was made in
2 the City of Detroit that would require the individual to file a city income tax return;

3 (9) A comprehensive business plan detailing:

4 (i) business operations

5 (ii) security,

6 (iii) testing,

7 (iv) nuisance mitigation

8 (v) waste handling and disposal

9 (vi) environmentally sustainable practices

10 (vii) community relations

11 (viii) recruitment and training of employees

12 (ix) protocols for employee and customer safety

13 (x) number of Detroit residents employed

14 ~~(10) An applicant for a grower's license or a processor's license shall not be a registered~~
15 ~~primary caregiver and shall not employ an individual who is simultaneously a~~
16 ~~registered primary caregiver, and the applicant shall provide proof, until December~~
17 ~~31, 2021, that the applicant has, or has an active employee who has, a minimum of~~
18 ~~two years' experience as a registered primary caregiver~~ Financial documentation
19 demonstrating resources sufficient to meet the capitalization required for the
20 facility or establishment by the State of Michigan pursuant to the MMFLA. A
21 certified statement from a CPA is sufficient;

1 or adult-use marihuana establishments related to any of the aforementioned
2 individuals, and that any outstanding taxes, fines, or fees will be paid prior to a
3 license being issued under this article.

4 (18) Whether the applicant is seeking provisional license status in accordance with
5 Section 20-6-33 of this Code, in such case, submission of the information required
6 under Subsections (5), (11), (12), (13), (14), (15), (16), and (19) of this section shall
7 be suspended until such time within 12 months of the provisional license that the
8 applicant can provide such information;

9 (19) A “Good Neighbor Plan” indicating the applicant’s commitment to its community,
10 including a community outreach report and a community outreach plan as defined
11 in Section 20-6-2 to ensure awareness of the application and potential employment
12 opportunities in the neighborhoods surrounding the proposed business, as well as
13 one or more of the following:

- 14 i. Hiring at least 50% of full time employees who are Detroit residents; or
- 15 ii. Hiring at least 30% of full time employees who have a prior controlled
16 substance record, as defined in Section 20-6-2; or
- 17 iii. Purchasing at least 50% of necessary goods and services from licensed
18 medical marihuana facilities, adult-use marihuana establishments, Detroit
19 legacy licensees, or other businesses located in the City of Detroit; or
- 20 iv. A minimum of 750 annual volunteer hours serving a duly organized Detroit-
21 based charitable organization, community organization, religious
22 institution, school, or block club that operates within the community where
23 the applicant’s facility or establishment is located; or

1 v. Annually donate a minimum of 1% of the applicant's gross revenue to a
2 duly organized Detroit-based charitable organization that operates within
3 the community where the applicant's facility or establishment is located, or
4 to a fund that may be established by the City of Detroit for the purpose of
5 funding social equity initiatives, and substance use prevention programs.

6 (20) Whether the applicant is a current or former medical marihuana facility or adult-
7 use establishment state operating license holder, licensing history, and any violation
8 history pertaining to operation of the medical marihuana facility or adult-use
9 establishment;

10 (21) A copy of the applicant's Prequalification received from the State of Michigan
11 Marihuana Regulatory Agency;

12 (b) ~~Except as may be required by state or federal law, the Buildings, Safety Engineering~~
13 ~~and Environmental Department will keep all application materials confidential.~~ An applicant for
14 marihuana event organizer license or a temporary marihuana event permit shall file an
15 application with the Department electronically upon a form provided by the Department. The
16 application shall include the following information, as applicable:

17 (1) The name, age, address, principal telephone number and email address of the
18 applicant;

19 (2) A signed release authorizing the Detroit Police Department to perform criminal
20 background checks on all individuals identified as part of the ownership entity;

21 (3) For marihuana event organizers, a copy of a driver's license or government
22 identification, and verification of Detroit legacy applicant status if applicable;

- 1 (4) If the applicant is an organized legal entity, the name, mailing address, telephone
2 number, and email of all owners, directors, members, managers, officers, partners,
3 or shareholders, as well as the registered agent;
- 4 (5) The address of the property/building proposed to be used for the temporary
5 marihuana event;
- 6 (6) A certificate of occupancy and certificate of compliance for the building, or
7 drawing of outdoor site proposed to be used for the temporary marihuana event;
- 8 (7) a description of the temporary marihuana event including dates and proposed hours
9 of operation;
- 10 (8) A copy of City of Detroit income tax returns for the previous three years for each
11 individual who has whole or partial ownership of the entity, and corporate tax
12 returns if applicable; or, an affidavit attesting that no income was made in the City
13 of Detroit requiring the individual to file a city income tax return;
- 14 (9) Property tax clearance for the proposed location;
- 15 (10) Blight clearance for the proposed location;
- 16 (11) A deed, lease, or other document evidencing site control of the proposed location;
- 17 (12) A signed release acknowledging that the City will investigate the income and
18 property tax status of the applicant, its owners, directors, officers, members,
19 managers, partners, shareholders, employees and any medical marihuana facilities
20 or adult-use marihuana establishments related to any of the aforementioned
21 individuals, and that any outstanding taxes, fines, or fees will be paid prior to a
22 license being issued under this article.

1 (13) A statement attesting that the applicant will cooperate with law enforcement during
2 the temporary marihuana event, and, in any enforcement action taken as a result of
3 the temporary marihuana event; and

4 (14) For a marihuana event organizer, a copy of the applicant's Prequalification from
5 the State of Michigan Marihuana Regulatory Agency.

6 (c) The MLRC shall provide a recommendation of approval or denial of a temporary
7 marihuana event and all submitted materials to the Detroit City Council. The Detroit City Council
8 must approve a temporary marihuana event before a permit is issued by the Department.

9 (d) Property owners seeking a co-location license for a building where more than
10 one medical marihuana facility or adult-use marihuana establishment is located, and at least one is
11 operated by a licensee other than the property owner, shall file an application with the Department
12 electronically upon a form provided by the Department. The application shall include the
13 following information:

14 (1) A copy of the conditional land use grant or grants approving the co-located uses;

15 (2) A copy of each state operating license associated with the site if available;

16 (3) Property tax clearance for the proposed location;

17 (4) A copy of City of Detroit income tax returns for the previous three years for each
18 individual who has whole or partial ownership of the entity, and corporate tax
19 returns if applicable; or, a sworn statement attesting that no income was made in
20 the City of Detroit requiring the individual to file a city income tax return;

21 (5) Blight clearance for the proposed location;

22 (6) Certificate of occupancy or certificate of compliance for all permitted uses;

23 (7) A sworn statement attesting that the property owner will ensure all permitted uses

1 at the site hold a state operating license and a license under this article before
2 commencing operation;

3 (8) A sworn statement attesting that the property owner will cooperate with law
4 enforcement in addressing alleged criminal activity at the site.

5 **Sec. ~~20-6-23~~20-6-37. Application fee Fees.**

6 (a) A non-refundable application fee shall be paid upon filing the application. The
7 application fee shall be in an amount established from time to time by the Director of the Buildings,
8 Safety Engineering and Environmental Department and shall be approved by resolution of the City
9 Council. The fee shall be intended to defray costs incurred by the City to process the in processing
10 the license application and may be different for each license type. The fee shall be posted on a
11 schedule in the Department.

12 (b) The application fee for a Detroit legacy applicant shall be 1% of the fee
13 established in accordance with Subsection (a) of this section.

14 (c) A nonrefundable license fee shall be paid prior to issuance of a license and upon
15 applying for renewal. The license fee shall be in an amount established from time-to-time by the
16 Director of the Department and shall be approved by resolution of the City Council. The fee shall
17 be intended to defray costs incurred by the City to process and monitor licensed facilities and
18 establishments, and may be different for each license type. The fee shall be posted on a schedule
19 in the Department.

20 (d) For the first year of licensure, the license fee for a Detroit legacy applicant shall
21 be 1% of the fee established in accordance with Subsection (c) of this section. For the second
22 year of licensure, the license fee for a Detroit Legacy licensee shall be 25% of the fee established

1 in accordance with Subsection (c) of this section, and for all subsequent years of licensure, the full
2 fee shall apply.

3 (e) A nonrefundable license fee shall be paid prior to issuance of a provisional license.
4 The license fee shall be in an amount established from time-to-time by the Director of the
5 Department, shall be no more than the fee for the first year of licensure of a Detroit Legacy
6 applicant, and shall be approved by resolution of the City Council. The fee shall be intended to
7 defray costs incurred by the City to process and monitor provisional licenses. The fee shall be
8 posted on a schedule in the Department.

9 (f) A nonrefundable application fee shall be charged for the processing and
10 certification, or renewal of a Detroit legacy applicant or licensee in accordance with Section 20-6-
11 32 of this Code. The certification fee shall be in an amount established from time-to-time by the
12 Director of the Civil Rights, Inclusion, and Opportunity Department and shall be approved by
13 resolution of the City Council. The fee shall be posted on a schedule in the Civil Rights, Inclusion,
14 and Opportunity Department.

15 **Sec. ~~20-6-24~~20-6-38. – Application review process.**

16 ~~(a) The Buildings, Safety Engineering and Environmental Department shall review~~
17 ~~each application to ensure that it is complete, that the information required by this article has been~~
18 ~~submitted, and that the application fee has been paid.~~ For each new application or renewal
19 of a medical marihuana facility or adult-use marihuana establishment license submitted under this
20 article, the Department will confirm whether the application is complete and that the application
21 fee has been paid. The Department may reject any application that contains insufficient
22 information and may deny an application for failure to pay the application fee. If the Department
23 determines that an application contains insufficient information the applicant shall be notified and
24 will have 14-15 business days after the notification is sent to supplement the information in the

1 application, after which time the application will be dismissed, and a new application and
2 application fee will be required.

3 (b) Upon receipt of a complete application, the Department will forward the application
4 materials to the MLRC for review and a recommendation.

5 (c) The MLRC shall consider the information submitted by the applicant, and the
6 requisite departments before providing a recommendation.

7 (d) Upon receipt of a favorable recommendation from the MLRC, the Department may
8 issue the license in the manner required by this article.

9 (e) The applicant shall pay the license fee prior to receiving a license.

10 **Sec. ~~20-6-25~~20-6-39. - Inspections, investigations, review of materials submitted.**

11 (a) Upon application and before ~~any~~ license under this article is issued for a medical
12 marihuana facility or an adult-use marihuana establishment, the application shall be referred to
13 appropriate departments of the City, ~~including, divisions of the Buildings, Safety Engineering and~~
14 ~~Environmental Department and the Fire Department~~, for respective reports to be provided to the
15 MLRC on compliance with this Code and state law, rules and regulations, including the following:

16 (1) *Zoning.* The medical marihuana facility or adult-use marihuana establishment shall
17 meet applicable requirements of the Detroit Zoning Ordinance, being Chapter 50
18 of this Code. For purposes of this article, license applicants for adult-use marihuana
19 establishments shall be deemed to have appropriate zoning if the property is zoned
20 properly for an equivalent license under the MMFLA or as set forth in Subsections
21 (13), (14) and (15) of Section 20-6-36;

22 (2) *Building and Property Maintenance Codes.* The medical marihuana facility or
23 adult-use marihuana establishment shall meet applicable requirements of the Stille-

1 DeRossett-Hale Single State Construction Code Act, being MCL 125.1501 *et seq.*,
2 and the Property Maintenance Code, being Chapter 8, Article XV of this Code;

3 (3) A property that is the designated location and subject of an application for a
4 business license for a temporary marihuana event shall have a certificate of
5 occupancy, a certificate of compliance, and no outstanding blight violations,
6 inspection fees, or property taxes;

7 (4) *Fire protection and safety.* The medical marihuana facility or adult-use marihuana
8 establishment shall meet applicable requirements of the Detroit Fire Prevention and
9 Protection Code, being Chapter 18, Article I of this Code;

10 (5) *Plumbing.* The medical marihuana facility or adult-use marihuana establishment
11 shall meet applicable requirements of the Stille-DeRossett-Hale Single State
12 Construction Code Act, being MCL 125.1501 *et seq.*, and the Michigan Plumbing
13 Code, being Chapter 8, Article V of this Code;

14 (6) *Ventilation.* Proper ventilation, either natural or mechanical, shall be provided so
15 that each person within a medical marihuana facility or adult-use marihuana
16 establishment will be supplied with 1,200 cubic feet of air per hour, or as required
17 by applicable state code, whichever is greater;

18 (7) *Lighting.* The medical marihuana facility or adult-use marihuana establishment
19 shall have adequate lighting in every part of the premises in compliance with
20 applicable requirements of the Michigan Electrical Code, being Chapter 8, Article
21 III, of this Code;

22 (8) *Health and sanitation.* All rooms within a medical marihuana facility or adult-use
23 marihuana establishment housing toilet facilities shall be equipped with sanitary
24 towels of a type acceptable to the Health Department. All rooms within the

1 premises shall meet the requirements of the Michigan Public Health Code, being
2 MCL 333.1101 *et seq.*, including those concerning food preparation and sanitation.

3 (b) A license shall not be issued or renewed until satisfactory inspections and reviews
4 are completed by the departments delineated in Subsection (a) of this section, and written reports
5 are issued indicating that the applicant complies with the requirements of this section.

6 (c) In addition to the inspections required above, upon application and before any
7 license under this article is issued for a medical marihuana facility or adult-use marihuana
8 establishment, including provisional licenses and marihuana event organizer license
9 applications, the application shall be referred to the City's Police Department and Finance
10 Department for respective reports on compliance with the following:

11 (1) The Police Department shall complete criminal background checks on all
12 individuals who are part of the ownership entity;

13 (2) The Finance Department shall cause an investigation to be completed to determine
14 whether any property or income taxes, special assessments, fines, fees or other
15 financial obligations to the City are unpaid, outstanding and/or delinquent at the
16 licensed location or from the applicant, its owners, directors, officers, members,
17 managers, partners, and shareholders.

18 (d) A license shall not be issued or renewed under this article until satisfactory
19 inspections and reviews are completed by the departments delineated in Subsection (c) of this
20 section. A license shall not be issued or renewed by the Department until both of the following
21 have occurred: (1) the Police Department provides written confirmation that all individuals who
22 are part of the ownership entity do not have any felony convictions related to violent crimes, fraud,
23 embezzlement or dishonesty; and (2) the Finance Department provides written confirmation that

1 all individuals making up the ownership entity are not in arrears for any property or income taxes,
2 special assessments, fines, fees or other financial obligations to the City.

3 (e) If the applicant is a current or former medical marihuana facility licensee, the MLRC shall
4 consider the applicant’s operational history, experience, and taxpaying history.

5 (f) The MLRC shall also take social equity considerations into account when recommending
6 approval or denial of a license, including, but not limited to:

7 (1) whether the applicant intends to ensure that at least 50% of its employees are
8 Detroit residents, especially those Detroit residents who are veterans, low income
9 as defined in Section 20-6-2 of this Code, and/or have a prior controlled substance
10 record as defined in Section 20-6-2; and

11 (2) the applicant’s Good Neighbor Plan submitted in accordance with Section 20-6-
12 36(a)(19).

13 **~~Sec. 20-6-26.~~ REPEALED**

14 ~~(a) In addition to the inspections required above, upon application and before any license under~~
15 ~~this article is issued for a medical marihuana facility, the application shall be referred to the~~
16 ~~Police Department and Office of Chief Financial Officer for respective reports on compliance~~
17 ~~with the following:~~

18 ~~(1) The Police Department shall complete criminal background checks on all individuals~~
19 ~~listed within the application; and~~

20 ~~(2) The Office of Chief Financial Officer shall cause an investigation to be completed to~~
21 ~~determine whether any property or income taxes, special assessments, fines, fees or other~~
22 ~~financial obligations to the City are unpaid, outstanding and/or delinquent.~~

23 ~~(b) A license shall not be issued or renewed until satisfactory inspections and reviews are~~
24 ~~completed by the departments delineated in Subsection (a) of this section. A license shall not~~

1 ~~be issued or renewed by the Buildings, Safety Engineering and Environmental Department~~
2 ~~for any medical marihuana facility until after both of the following have occurred:~~

3 ~~(1) The Chief of Police provides written confirmation that all individuals listed within the~~
4 ~~application do not have any felony convictions related to illegal narcotics, fraud,~~
5 ~~embezzlement or dishonesty; and~~

6 ~~(2) The Chief Financial Officer provides written confirmation that the applicant is not in~~
7 ~~arrears for any property or income taxes, special assessments, fines, fees, or other~~
8 ~~financial obligations to the City.~~

9 **~~Sec. 20-6-27. -- License fee. REPEALED~~**

10 ~~A license fee shall be paid upon the issuance of a license under this article. The license fee~~
11 ~~shall be in an amount established from time to time by the Director of the Buildings, Safety~~
12 ~~Engineering and Environmental Department and shall be approved by resolution of the City~~
13 ~~Council. The fee shall be intended to defray the costs incurred by the City to process and monitor~~
14 ~~licensed facilities. The fee shall be posted on a schedule in the Department.~~

15 **Sec. 20-6-40. Operating requirements.**

16 A medical marihuana facility or adult-use marihuana establishment licensed under this
17 article shall be subject to the following conditions:

18 (1) Compliance with the requirements of this Code, and all applicable state and federal
19 laws;

20 (2) Compliance with the provisions of the MMFLA and the MRTMA;

21 (3) Medical marihuana facilities and adult-use marihuana establishments must
22 obtain all necessary state and local licenses before commencing operations and shall maintain a
23 valid state operating license and business license under this article at all times during operation;

1 (4) No persons under the age of 18 may be allowed within any medical marihuana
2 facility or adult-use marihuana establishment, unless the individual is a qualifying patient or
3 accompanied by his/her primary caregiver- parent or documented legal guardian;

4 (5) No medical marihuana facility or adult-use marihuana establishment shall permit
5 the sale or dispensing of alcoholic liquor or tobacco for consumption on or off the premises;

6 (6) Operating hours for provisioning centers, retailer establishments, and
7 microbusinesses shall not exceed the hours between 9:00 AM and 10:00 PM daily. Designated
8 consumption establishments may operate between 9:00 AM and 2:00AM daily;

9 (7) Signs displayed on the exterior and interior of the property shall conform to this
10 Code. No signs shall contain the words “marihuana,” “marijuana” or “cannabis,” nor shall any sign
11 contain marihuana leaves, green crosses, or lighting that violates this Code.

12 (8) Public and common areas must be separated from restricted and non-public areas
13 by a permanent opaque barrier that cannot be accessed by individuals not approved as personnel.

14 **Sec. ~~20-6-28~~20-6-41. License issuance.**

15 (a) ~~If the application and proposed medical marihuana facility meets all the requirements~~
16 ~~of this article, the Buildings, Safety Engineering and Environmental Department shall issue a~~
17 ~~license in writing. When the application and proposed medical marihuana facility or adult-use~~
18 ~~marihuana establishment has been reviewed by the MLRC and a recommendation regarding the~~
19 ~~license, or an approval for a temporary marihuana event by City Council, is provided to the~~
20 ~~Department, the Department may issue a license in writing after the license fee is paid. A license~~
21 ~~that is issued under this article shall be continually posted at all times inside the licensed medical~~
22 ~~marihuana facility or adult-use marihuana establishment in a conspicuous location near the~~
23 ~~entrance.~~

1 (b) Except for a temporary marihuana event, the ~~The~~ term of a license shall be not more
2 than one year and shall expire each year on September 30. Any application to renew a license
3 shall be made ~~using the procedure for an original license as specified herein~~ as specified in Section
4 20-6-42.

5 (c) A license issued under this article is nontransferable, ~~except for application for~~
6 ~~transfer which shall be granted if the transferee is eligible to hold that license.~~ A new owner or
7 operator of a licensed business under this article must obtain a new business license in accordance
8 with this article before the City will provide the attestation or other municipal approval required
9 for a transfer by the State of Michigan Marihuana Regulatory Agency.

10 (d) ~~A renewal license shall be issued unless the license has not been renewed by the~~
11 ~~Michigan Department of Licensing and Regulatory Affairs.~~ A business owned by a Detroit legacy
12 applicant and licensed under this article shall not be transferred, sold, or conveyed to anyone other
13 than another Detroit legacy applicant for a period of five years from the date of the initial license
14 granted, or the licensee will lose Detroit legacy status.

15 **Sec. 20-6-42. Renewal of license; notification of deficiency or violation.**

16 (a) At least 120 days prior to the expiration of a license issued under this article,
17 licensees must submit a renewal application electronically on a form to be provided by the
18 Department. The renewal application shall include, but is not limited to:

19 (1) Changes to the ownership structure of the licensee, or an affidavit attesting that no
20 changes have occurred;

21 (2) A copy of the state operating license for the medical marihuana facility, adult-use
22 marihuana establishment or licensed activity;

23 (3) Confirmation that the licensee is still a Detroit legacy applicant, if applicable.

1 (b) The MLRC shall review and provide a recommendation for all applications for
2 renewal. A license under this article may be renewed by the Department after the MLRC has
3 confirmed the following:

4 (1) The licensee has paid all applicable City of Detroit income taxes and property taxes;

5 (2) All employees of the licensee and all natural persons who make up the ownership
6 entity have filed City of Detroit income tax returns for the preceding tax year;

7 (3) The licensee has paid all fees, fines or any other financial obligations owing the
8 City of Detroit;

9 (4) The licensee holds a valid state operating license for each use permitted at the site;

10 (5) There are no outstanding licensing violations from the City of Detroit or State of
11 Michigan pertaining to the operation of the licensed business;

12 (6) The licensed premises has a current certificate of compliance from the Department;

13 (7) The police department has indicated that no criminal activity that would require a
14 nonrenewal has occurred pertaining to the operation of the licensed business during
15 the license period immediately preceding that for which the renewal license is
16 sought;

17 (8) That the licensee has operated as a good corporate citizen with respect for its
18 surrounding environment, has kept its commitments in its Good Neighbor Plan and
19 community outreach plan, and has complied with the requirements of this article,
20 and the MMFLA or the MRTMA.

21 (c) Where there is an existing deficiency of a requirement under this Code or a
22 violation of this article concerning the premises or licensee that can be cured, the licensee shall be
23 notified by the Department or the MLRC and must cure the deficiency before a renewal license is
24 issued. If the deficiency is not cured within 30 days of the licensee being notified, the license and

1 renewal application will expire and a new license application will have to be filed with a new
2 associated fee.

3 **Sec. 24-6-29. Denial, suspension, revocation.**

4 (a) ~~—The following shall constitute grounds for the Buildings, Safety Engineering and~~
5 ~~Environmental Department to deny issuance of a license or to suspend or revoke a license issued~~
6 ~~pursuant to this article:~~

7 (1) ~~—Any fraud, misrepresentation or false statement in an application, any materials~~
8 ~~filed with an application or related to a license, any materials provided in~~
9 ~~conjunction with an application or license, or any statement related to an application~~
10 ~~or license made to any City officials or agents; or~~

11 (2) ~~—Non-compliance with, or a violation of, this article, this Code, or any violation of~~
12 ~~state law relating to the operation of a medical marihuana facility.~~

13 (b) ~~—Written notice of suspension or revocation, stating the cause or causes of suspension~~
14 ~~or revocation, shall be mailed to the licensee's address as shown in the application for a license.~~

15 (c) ~~—Any person aggrieved by the suspension or revocation of a license under this article~~
16 ~~may appeal to the Building Authority Commission by filing with the office of the City Clerk a~~
17 ~~written appeal within ten days after suspension or revocation. The Clerk shall set a time and place~~
18 ~~for a hearing on such appeal, and notice of such hearing shall be given to the appellant in writing.~~
19 ~~After said hearing, the decision and order of the Commission on any such appeal shall be final and~~
20 ~~conclusive.~~

21 **Sec. 20-6-43. License suspension, revocation, or denial of renewal.**

22 (a) A license that is issued under this division may be suspended, revoked, or denied
23 renewal in accordance with this article and Chapter 28 of this Code.

1 (b) In addition to Subsection (a) of this section, the Department may also suspend,
2 revoke or deny renewal of a license in accordance with the procedures in Chapter 28 of this Code
3 based on any of the following:

4 (1) A failure to meet the conditions or maintain compliance with the standards
5 established by this article;

6 (2) One or more uncorrected violations of any City ordinance on the premises;

7 (3) Maintenance of a nuisance on the premises;

8 (4) A demonstrated history of excessive complaints for public safety intervention,
9 which may include dispatches of police, fire, or emergency medical services,
10 relative to the licensed premises, being three or more runs in any 30-day period;

11 (5) Failure to obtain or maintain proof of a criminal background check for each
12 employee confirming that they have not been convicted of any felony within the
13 past 10 years, and have never been convicted of a felony involving illegal drugs
14 other than marihuana, or a felony that is an assaultive crime as defined in Chapter X,
15 Section 9a of the code of criminal procedure, being MCL 770.9a;

16 (6) Non-payment of any property or income taxes, special assessments, fines, fees or
17 other financial obligations to the City;

18 (7) Any fraud, misrepresentation or false statement in an application, any materials filed
19 with an application or related to a license, any materials provided in conjunction
20 with and application or license, or any statement related to an application or license
21 made to any City officials or agents;

22 (8) Any instance of operating a medical marihuana facility or adult-use marihuana
23 establishment illegally; or

24 (9) Any other grounds for suspension, revocation or non-renewal set forth in this Code.

1 **Sec. 20-6-44. Penalty.**

2 (a) A licensee who commits a violation of this article:

3 (1) may be subject to a misdemeanor ordinance violation and a fine of not more than
4 \$500.00, in the discretion of the court, for each such offense;

5 (2) may be subject to nonrenewal, revocation, or suspension of its business license
6 under this article and Section 28-1-7 of this Code; and

7 (3) may be subject to any other sanctions or penalties under applicable laws, rules or
8 regulations.

9 (b) Each day of continued violation shall constitute a separate offense.

10 **Sec. 20-6-45. Appeals.**

11 Applicants may file appeals of adverse determinations under this article with the City of
12 Detroit Administrative Appeals Bureau as set forth in Chapter 3, Article IV of this Code, in
13 accordance with its published rules.

14 **Sec. 20-46. Inspection by authorized local officials.**

15 For purposes of ensuring compliance with this article, applicants and licensees shall
16 permit authorized local officials to inspect, during regular business hours, any portion of a
17 medical marihuana facility or adult-use marihuana establishment, subject to constitutional
18 restrictions on unreasonable searches and seizures. Where entry is refused or not obtained, the City
19 is authorized to pursue recourse as provided by law.

20 **Sec. 20-6-47. Social equity initiatives and substance use prevention appropriations.**

21
22 (a) The Office of Budget is hereby authorized to appropriate \$2,000,000 from prior
23 year fund balance to the Civil Rights, Inclusion, and Opportunity Department to support the initial
24 social equity initiatives and activities performed by the City in accordance with the legislative
25 purposes of this article. Subject to the annual budget process, it is expected that the City's annual

1 budget will contain a \$1,000,000 appropriation to the Civil Rights, Inclusion, and Opportunity
2 Department to support the ongoing social equity initiatives and activities performed by the City in
3 accordance with the legislative purposes of this article.

4 (b) Subject to the annual budget approval process, the City’s annual budget will contain
5 an appropriation, equal to two percent (2%) of the gross allocation received by the City of Detroit
6 in the previous fiscal year pursuant to M.C.L. 333.27964, to the Detroit Health Department for
7 substance use prevention programming for youth.

8 **Secs. ~~20-6-30~~20-6-48—20-6-80. Reserved.**

9 **Section 2.** This ordinance is hereby declared necessary to preserve the public peace, health, safety
10 and welfare of the People of the City of Detroit.

11 **Section 3.** All ordinances, or parts of ordinances, that conflict with this ordinance are repealed.

12 **Section 4.** This ordinance shall become effective on January 1, 2021, after publication by the
13 City Clerk in accordance with Sec. 4-118 of the 2012 Charter of the City of Detroit.

14 Approved as to form:

15

16

17 _____
Lawrence T García

18 Corporation Counsel