

#### LAW DEPARTMENT

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November 23, 2020

Detroit City Council 1340 Coleman A. Young Municipal Center Detroit, Michigan 48226

RE: Proposed ordinance to amend Chapter 20 of the 2019 Detroit City Code, Health, Article VI Medical Marihuana Facilities

Honorable City Council:

Council Member Tate has requested that the Law Department prepare an ordinance to amend Chapter 20 of the 2019 Detroit City Code, Health, Article VI, Medical Marihuana Facilities, to add regulations to allow adult-use marijuana establishments in accordance with the Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951, et seq. A copy of the ordinance, which has been approved as to form, is attached for your consideration.

Respectfully submitted,

Kimberly A. James

Kimberly A. James Chief Administrative Corporation Counsel

# SUMMARY

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 Marijuana Facilities and Adult-
4	Use Marijuana Establishments, and amending such article to consist of Division 1, Generally,
5	Section 20-6-1, Purpose, Section 20-6-2, Definitions, Section 20-6-3, Opt-in provisions,
6	severability; Division 2, Marijuana license review committee, Section 20-6-21, Creation, Section
7	20-6-22, Personnel, Section 20-6-23, Management, Section 20-6-24, Duties and functions
8	Division 3, Licensing, Section 20-6-31, License required, Section 20-6-32, Detroit legacy status,
9	Section 20-6-33, Provisional licenses, Section 20-6-34, Number of licenses, Section 20-6-35,
10	Detroit legacy certification; application periods, Section 20-6-36, License application, Section
11	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 marijuana facilities; add regulations for adult-use marijuana
18	establishments; and authorize business licenses for co-location, and adult-use marijuana
19	establishments including grower, processor, retailer, secure transporter, safety compliance facility,
20	microbusiness, marijuana event organizer, temporary marijuana event, and designated
21	consumption establishment.

#### BY COUNCIL MEMBER

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AN ORDINANCE to amend Chapter 20 of the 2019 Detroit City Code, Health, Article 2 VI, Medical Marihuana Facilities, by renaming the Article to Medical Marijuana Facilities and 3 Adult-Use Marijuana Establishments, and amending such article to consist of Division 1, 4 5 Generally, Section 20-6-1, Purpose, Section 20-6-2, Definitions, Section 20-6-3, Opt-in provisions; severability; Division 2. Marijuana license review committee, Section 20-6-21, 6 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, Penalty, Section 20-6-45, Appeals, Section 20-6-46, Inspection by authorized local officials, and 15 16 Section 20-6-47, Social equity initiatives and substance use prevention appropriations; to amend 17 regulations for medical marijuana facilities; add regulations for adult-use marijuana 18 establishments; and authorize business licenses for co-location, and adult-use marijuana 19 establishments including grower, processor, retailer, secure transporter, safety compliance facility, 20 microbusiness, marijuana event organizer, temporary marijuana event, and designated 21 consumption establishment.

1	IT IS	S HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT
2	THAT:	
3	Section 1. C	hapter 20 of the 2019 Detroit City Code, Health, Article VI, Medical Marihuana
4	Facilities, be	renamed Medical Marijuana Facilities and Adult-Use Marijuana Establishments,
5	and amended	as follows:
6		CHAPTER 20. HEALTH
7	ART	ICLE VI. MEDICAL MARIHJUANA FACILITIES <u>AND ADULT-USE</u>
8		MARIJUANA ESTABLISHMENTS
9		DIVISION 1 GENERALLY
10	Sec. 20-6-1. l	Purpose.
11	(a)	The purpose of this article is to establish standards and procedures for the issuance,
12	renewal, susp	pension, and revocation of business licenses for medical marijuana facilities and
13	adult-use ma	rijuana establishments consistent with the Michigan Medical Marihuana Facilities
14	Licensing Ac	et, being MCL 333.27101, et seq., and the Michigan Regulation and Taxation of
15	Marihuana A	ct, being MCL 333.27951, et seq., respectively, to:
16	(1)	To provide qualifying patients access to medical marijuana-Serve and protect the
17		health, safety, and welfare of the general public through reasonable regulation of
18		marijuana business operations including noise, odor, air and water quality, food
19		safety and public safety;
20	(2)	To-ensure the safety of qualifying patients, primary caregivers, and the-general
21		public Establish an application fee and a licensing fee for medical marijuana
22		facilities and adult-use marijuana establishments to cover the City's costs in
23		administering this ordinance;

1	(3)	To ensure that a portion of the City's costs in accommodating medical marijuana
2		facilities are supplemented Establish procedures for application, renewal,
3		suspension, and revocation of a business license for medical marijuana facilities.
4		and for adult-use marijuana establishments;
5	(4)	To-Minimize adverse effects, if any, from the cultivation, processing, dispensing
6		and storage of medical marijuana; and
7	(5)	To comply with the Michigan Medical Marijuana 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	<u>(6)</u>	Recognize that social equity in the marijuana industry is required to address the
13		historical disproportionate impact of marijuana 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	<u>(7)</u>	Recognize that long term residents of the City of Detroit have historically been
18		excluded from ownership opportunities in the legal marijuana industry due to the
19		disproportionate impact of marijuana 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 marijuana-related criminal conviction
22		rate that exceeds the average marijuana-related criminal conviction rate in the State
23		of Michigan; and that long term Detroit residents have substantially contributed to

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

- (8) Recognize that employment opportunities in the legal marijuana industry are essential for Detroiters, and to strongly encourage and incentivize licensees under this article to ensure that at least 50% of its employees are Detroit residents, specifically those Detroit residents who are veterans, low income, or have a prior controlled substance record, as such terms are defined in Section 20-6-2, and that the jobs provided pay at least \$15 an hour;
- (9) Facilitate real property ownership opportunities for Detroit residents, for the purpose of operating adult-use marijuana establishments licensed under this article and MRTMA; the City of Detroit shall use good faith efforts to transfer eligible City-owned real property to one of the City's economic development agencies or authorities, for the specific purpose of transferring the property to Detroit legacy applicants or licensees, as defined in Section 20-6-2, at 25% of the property's fair market value. Such a transfer would be subject to applicable approvals by the City of Detroit and the economic development agency or authority board, as well as certain program rules that may be developed. The development and use of the transferred property would be subject to all requirements of this Code and MRTMA;

1	(10) Recommend that, subject to appropriation, amounts equal to \$500,000 of the fees
2	generated from the licenses issued pursuant to this article, and \$500,000 from an
3	allocation to the City of Detroit pursuant to M.C.L. 333.27964 be used annually to
4	further social equity goals, including, but not limited to, addressing the challenges
5	set forth in Subsections (6), (7), (8), and (9) of this section; and to
6	(11) Clarify that licensure of either a medical marijuana facility or an adult-use
7	marijuana establishment is a revocable privilege and not a right in the City. There is
8	no property right for an individual or business to have a medical marijuana facility
9	business license or an adult-use marijuana establishment business license in the
10	City of Detroit.
11	(b) Nothing contained within this article, or within any license issued by the City, shall
12	be construed to relieve a person of the duties and obligations imposed under state law.
13	Notwithstanding the foregoing, it is not the intent of this article to diminish, abrogate or restrict
14	protections for the medical-use of marijuana provided in the Michigan Medical Marijuana Act,
15	being MCL 333.26421 et seq. Nothing in this Article, or in any other provision of this Code, is
16	intended to grant, nor shall it be construed as granting, immunity from criminal prosecution for:
17	(1) The cultivation, sale, consumption, use, distribution, manufacture or possession of
18	marijuana in any form not in compliance with the MMMA, the MMFLA, and the
19	MRTMA, as applicable; or
20	(2) any criminal prosecutions under federal laws including seizure of property under
21	the Federal Controlled Substances Act, being 21 USC 801, et seq.
22	(c) Nothing contained within this Article, or within any license issued by the City,
23	shall be construed to relieve a person of the duties and obligations imposed under state or

- 1 federal law. Notwithstanding the foregoing, it is not the intent of this Article to diminish, abrogate
- 2 or restrict protections for the use of marijuana provided in the MMMA, the MMFLA, and the
- 3 MRTMA, as applicable.
- 4 (d) By accepting a license issued pursuant to this Article, the licensee waives and
- 5 releases the City, its officers, elected officials, and employees from any liability for injuries,
- 6 damages, or claim of any kind that results from any arrest or prosecution of owners, operators,
- 7 <u>clients or customers of medical marijuana facilities or adult use marijuana establishment for</u>
- 8 <u>violation of local, state, or federal laws, rules or regulations.</u>
- 9 (e) By accepting a license issued pursuant to this Article, the licensee agrees to
- indemnify, defend and hold harmless the City, its officers, elected officials, employees, and agents
- against all liability, claims or demands arising on account of any claim of diminution of property
- value arising out of the operation of a medical marijuana facility or an adult use marijuana
- establishment, or any claim based on an alleged injury to business or property by reason of a
- 14 <u>claimed violation of the federal Racketeer Influenced and Corrupt Organizations Act (RICO)</u>,
- 15 being 18 USC 1961, et seq.
- 16 Sec. 20-6-2. Definitions.
- 17 (a) The following words, terms and phrases, when used in this article, shall have the
- meanings provided in this section:
- 19 <u>Adult-use marijuana establishment means a business licensed under the MRTMA and this</u>
- 20 <u>article to operate as a grower, processor, retailer, secure transporter, safety compliance facility,</u>
- 21 <u>microbusiness, excess marijuana grower, marijuana event organizer, temporary marijuana event,</u>
- 22 or designated consumption establishment, or any other type of marijuana-related business licensed
- 23 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 marijuana facility or adult-use marijuana 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 marijuana facility or adult-use marijuana 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 marijuana from seed to harvest; or
5	(2) preparing, packaging or repackaging, labeling, or relabeling of any form of
6	marijuana.
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 marijuana products
11	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) the parent is named on the applicant's birth certificate, and the parent's conviction
took place before the applicant's 18th birthday; or
(ii) the parent has claimed the applicant as a dependent regularly on federal income
tax filings, and the parent's conviction took place before the applicant's 18th
birthday.
Digital notification means any form of electronic communication.
Equivalent licenses means any of the following held by a single licensee:
(1) A marijuana grower license, of any class, issued under MRTMA and a grower
license, of any class, issued under the MMFLA;
(2) A marijuana processor license issued under the MRTMA and a processor license
under the MMFLA;
(3) A marijuana retailer license issued under the MRTMA and a provisioning center
license issued under the MMFLA;
(4) A secure transporter license issued under the MRTMA and a secure transporter
license issued under the MMFLA; or
(5) A safety compliance facility license issued under the MRTMA and a safety
compliance facility license issued under the MMFLA.
Excess marijuana grower means a state operating license holder holding five class C
marijuana grower licenses under the MRTMA.
Grower means a state operating license-holder that is a commercial entity-located in this
state that cultivates, dries, trims, or cures and packages marijuana for sale to a processor or
provisioning center business licensed under the MMFLA or MRTMA and this article, located in

this state, which cultivates, dries, trims, or cures and packages marijuana for sale or transfer
to a medical marijuana facility or an adult-use marijuana establishment, and is licensed as follows:
(1) class A adult-use marijuana grower means a state operating license holder who is
authorized to grow 100 marijuana plants;
(2) class B adult-use marijuana grower means a state operating license holder who is
authorized to grow 500 marijuana plants;
(3) class C adult-use marijuana grower means a state operating license holder who
is authorized to grow 2000 marijuana plants;
(4) class A medical marijuana grower means a state operating license holder who
is licensed to grow 500 medical marijuana plants;
(5) class B medical marijuana grower means a state operating license holder who
is licensed to grow 1000 medical marijuana plants; or
(6) class C medical marijuana grower means a state operating license holder who is
licensed to grow 1500 medical marijuana plants.
Licensee means an individual or entity that holds a state operating license and a business
license under this article.
Low income applicant means an individual who, at the time of licensing, lives in a
household with household income that is less than 80% of the existing Detroit median household
income.
Marijuana event organizer means a state license holder authorized to apply for a temporary
marijuana event license in accordance with the MRTMA.
Medical marijuana facility means any facility, entity, establishment, or center that is
required to be licensed under the Michigan Medical Marijuana Facilities Licensing Act, being

- 1 MCL 333.27101 et seg MMFLA-, and this article, including a grower, processor, provisioning
- 2 center, safety compliance facility, or a secure transporter.
- 3 Marijuana-infused product means a topical formulation, tincture, beverage, edible
- 4 substance, or similar product containing any usable marijuana that is intended for human
- 5 consumption in a manner other than smoke inhalation.
- 6 <u>Microbusiness means a business licensed under MRTMA and this article that cultivates up</u>
- 7 to 150 marijuana plants or more as allowed by the State of Michigan, processes, and packages
- 8 marijuana, and sells or otherwise transfers marijuana to individuals who are 21 years of age or
- 9 older or to a safety compliance facility, but not to other adult-use marijuana establishments or
- 10 <u>medical marijuana facilities.</u>
- 11 <u>MMFLA</u> means the Michigan Medical Marihuana Facilities Licensing Act, Public Act 281
- 12 of 2016, being MCL 333.27101, et seq.
- 13 <u>MMMA</u> means the Michigan Medical Marihuana Act, means Initiated Law 1 of 2008.
- 14 <u>being MCL 333.26421</u>, 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 <u>Outreach alert means any form of one way communication that informs a community or</u>
- 18 <u>neighborhood of an issue, problem, opportunity or decision.</u>
- 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
- 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 Marijuana
2 Act, being MCL 333.26421 et seq.

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

<u>Process or Processing</u> means to separate or otherwise prepare parts of the marijuana plant and to compound, blend, extract, infuse or otherwise make or prepare marijuana concentrate or marijuana-infused products.

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

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

Provisioning center means a state operating license holder business licensed under the MMFLA that is a commercial entity located in this state that purchases marijuana from a grower or processor and sells, supplies, or provides marijuana to qualifying patients, directly or through the registered primary caregivers of patients. Provisioning center includes any commercial property where marijuana is sold at retail to qualifying patients or primary caregivers. A noncommercial location used by a primary caregiver to assist a qualifying patient connected to the caregiver through the state's marijuana registration process in accordance with the MMMA Michigan Medical Marijuana Act, being MCL 333.26421 et seq., is not a provisioning center for purposes of this article. Qualifying patient means the term as defined by the MMMA. Michigan Medical Marijuana Act, being MCL 333.26421 et seq. Registered user means any person or entity that has submitted their email address of telephone number of the purpose of receiving digital notifications. Retailer means a business licensed under the MRTMA and this article that may obtain marijuana from adult-use marijuana establishments and sell or transfer marijuana to individuals who are 21 years of age or older and to other adult-use marijuana establishments. Safety compliance facility means a state operating license holder that is a commercial entity that receives marijuana from a medical marijuana facility or primary caregiver, tests it for contaminants and for tetrahydro cannabinol and other cannabinoids, returns the test results, and may return the marijuana to the medical marijuana facility business licensed under the MRTMA or the MMFLA and this article that tests marijuana for contaminants and potency or as required by the MRTMA or the MMFLA for a primary caregiver, medical marijuana facility, or adult-use marijuana establishment.

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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	marijuana and transports marijuana between medical marijuana facilities or adult-use marijuana
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 marijuana industry by people who live in certain
7	Michigan communities designated by the State of Michigan, who have been disproportionately
8	impacted by marijuana prohibition and enforcement.
9	State operating license means a license that is issued under the Michigan Medical
10	Marijuana Facilities Licensing Act, being MCL 333.27101 et seq., MMFLA or the MRTMA that
11	allows the licensee to operate as a medical marijuana facility or an adult-use marijuana
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 marijuana event permit means a permit held by a marijuana 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 marijuana 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

article, including, but not limited to, abatement of the violating condition or the granting of 1 2 injunctive relief. 3 (c) 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. Sec. 20-6-420-6-3. - Opt-in provision; severability. 6 7 (a) Pursuant to Section 205(1) of the MMFLA, Michigan Medical Marijuana-Facilities Licensing Act, being MCL 333.27205(1), the City shall authorize licenses in accordance with the 8 provisions of this article for the following types of medical marijuana facilities: 9 10 (1) Growers (Class A, Class B, and Class C); (2) Processors; 11 12 Provisioning centers; (3) Safety compliance facilities; and 13 (4) 14 (5) Secure transporters. Pursuant to Section 6(3) of the MRTMA, the City may authorize licenses in 15 (b) 16 accordance with the provisions of this article for the following types of marijuana establishments: 17 (1) Growers; 18 (2) Retailers; Processors; 19 (3) 20 (4) Safety compliance; 21 (5) Secure transporters; 22 (6)Temporary marijuana events;

Marijuana event organizers;

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**(7)** 

(8) Designated consumption establishments; and
(9) Microbusinesses.
(c) The City may sign attestations or other documents to evidence municipal approval
for a state operating license as required by the State of Michigan Marijuana Regulatory Agency
only upon issuance of a license under this article.
(d) Detroit City Council is exercising its discretion to permit adult-use marijuana
establishments in Detroit as supported by the legal opinion of the Corporation Counsel that the
ordinance is lawful, and on the condition that licenses for Detroit legacy applicants shall be
prioritized in accordance with the legislative purpose of this ordinance. Should any provision of
this ordinance governing adult-use marijuana establishments be ruled invalid, unconstitutional or
struck down by a court of law, Subsection (b) of this section will be thereto repealed, and future
adult-use marijuana establishments will be prohibited in accordance with Section 6(1) of the
MRTMA, excluding those adult-use marijuana establishments previously licensed under this
article, which licenses shall continue in effect until their expiration date, after which time they will
not be renewed.
Sec. 20-6-5 Requirements. REPEALED
A medical marijuana facility licensed under this article shall be subject to the following
conditions;
(1) Compliance with the requirements of this article, this Code, and applicable state
<del>law;</del>
(2) Compliance with the provisions of the Michigan Medical Marijuana-Facilities
Licensing Act, being MCL 333.27101, and the Michigan Medical Marijuana Act,
being MCL 333.26421 et seq.;

1	(3) Medical marijuana facilities must obtain all necessary state and local license/permit
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 medica
6	marijuana 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 marijuana
10	facility, unless the individual is a qualifying patient and accompanied by his/he
11	primary caregiver-parent or documented legal guardian;
12	(6) No medical marijuana facility shall permit the sale or dispensing of alcoholic liquo
13	or tobacco for consumption on the premises or offsite of the premises;
14	(7) No dried medical marijuana 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 or
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 marijuana nor shall any
23	sign contain marijuana leaves, or green crosses.

T	(10)—Consumption of use of marijuana is promotted on the premises.
2	(11) Public and common areas of a medical marijuana 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) Marijuana and marijuana 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 se
8	forth in this article.
9	Sec. 20-6-6. Police review. REPEALED
LO	For purposes of ensuring compliance with this article, owners and/or operators of licenses
l1	medical marijuana facilities shall permit members of the Police Department, or any employee of
12	agent of the City that is authorized by this Code, to inspect, during regular business hours, any
l3	portion of a medical marijuana facility, subject to constitutional restrictions on unreasonable
L4	searches and seizures. Where entry is refused or not obtained, the City is authorized to pursue
L5	recourse as provided by law.
<b>L</b> 6	Secs. <del>20-6-7</del> <u>20-6-4</u> —20-6-20. Reserved.
L7	<b>DIVISION 2. MARIJUANA LICENSE REVIEW COMMITTEE</b>
L8	Sec. 20-6-21. Creation.
19	There is hereby established a Marijuana 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
- 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;
- 11 (h) Office of Sustainability;
- 12 (i) Department of Neighborhoods; and
- 13 (j) Such other departments, agencies, or individuals as deemed appropriate by the
- chairperson, on a case by case basis.
- 15 <u>Sec. 20-6-23. Management.</u>
- 16 (a) The representative from the Civil Rights, Inclusion, and Opportunity Department
- 17 serves as chairperson of the MLRC and shall maintain a record of applications, licenses granted
- 18 <u>under this Article and other relevant files as needed.</u>
- 19 (b) The MLRC may meet in person or virtually at the call of the chairperson, and shall
- 20 receive all materials for review electronically.
- 21 (c) The MLRC shall develop a standard of review for making recommendations on
- 22 <u>license applications under this article that shall be approved by the Detroit City Council prior to</u>
- 23 <u>reviewing any applications.</u>

1	Sec. 20-6-24. Duties and functions.
2	(a) New or renewal applications for a medical marijuana facility license or an adult-
3	use marijuana establishment license shall be reviewed by the MLRC and a recommendation
4	provided to the Department director before a license may be issued or renewed by the Department,
5	in accordance with the applicable review criteria set forth in this article. For temporary marijuana
6	events, the MLRC shall make its recommendation to the Detroit City Council, which must approve
7	the temporary marijuana event, before a permit is issued by the Department.
8	(b) Each department representative shall be responsible for investigating the
9	application within its department's respective area of oversight, providing relevant information,
10	reports or data to the MLRC for review, including, but not limited to the information set forth in
11	Section 20-6-39.
12	(c) Through the Chair, the MLRC may communicate and meet with the applicant, visit
13	the proposed site to be licensed, and request certain conditions be met prior to recommending
14	approval of the issuance of a license.
15	(d) After December 31, 2021, and excluding temporary marijuana events,
16	applications shall be reviewed and a recommendation provided by the MLRC to the Department
17	within ninety (90) days of receipt of a complete application as determined by the MLRC, or the
18	application shall be forwarded to the Department without recommendation.
19	(e) Every six months after the effective date of this ordinance, the MLRC will
20	provide a report to the Detroit City Council including the following information:
21	(1) name of all applicants, date of application and application status;

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

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

22

- 1 (4) details of each applicant's Good Neighbor Plan.
- 2 (f) Members of the MLRC shall take ethics training two times per calendar year, as
- 3 provided by the City of Detroit.

4 Secs. <del>20-6-7</del> <del>20-6-25—20-6-30</del>. Reserved.

### DIVISION 23. - LICENSE LICENSING

- 6 Sec. <del>20-6-21</del><u>20-6-31</u>. <u>License</u> Required.
  - (a) No person may operate a medical marijuana facility or an adult-use marijuana establishment in the City without first obtaining a license from the City and a state operating license in accordance with the provisions of this article. A separate license under this article is required for each medical marijuana facility business with a state operating license operating in one building. A co-location license is required for a property owner that maintains more than one medical marijuana facility or adult-use marijuana establishment in one building.
  - (b) A provisioning center in operation on the effective date of this article may continue to operate provided it: (1) has applied to obtain a license from the City within 21 days of the effective date of this article; and (2) complies with the license requirements imposed by Section 20 6 5 of this Code, as determined by the Buildings, Safety Engineering and Environmental Department, within 120 days of the effective date of this article No more than one medical marijuana provisioning center and one marijuana retailer establishment may be licensed in any single building.
- (c) License applications shall be time and date stamped in order of submission in each
   category of licensure.

1	<u>(d</u>	) No less	than 50% of li	censes for adult-u	<u>ıse retailers, adult-ı</u>	use processors, ac	dult-use
2	growers,	designated	consumption	establishments,	microbusinesses,	and marijuana	event
3	organizer	s shall be gra	inted to Detroit	legacy applicants	s as defined in Sect	tion 20-6-2.	

- The City shall not issue a license for an adult-use retailer, adult-use processor, 4 designated consumption establishment, microbusiness, or a marijuana event organizer if such 5 6 issuance would cause the number of licenses held by Detroit legacy licensees to be less than 50% 7 of the total licenses held in each respective category.
- 8 (f) Excluding those applicants for marijuana event organizer licenses, all applicants must conduct community outreach, as defined in Section 20-6-2, and provide a community 9 10 outreach report and a community outreach plan with the application. The applicant must forward notice of the community outreach to the Department of Neighborhoods. The Department of 11 12 Neighborhoods shall send digital notification of the pending application to all registered users in 13 the Council district where the business is proposed to be located.

#### 14 Sec. 20-6-32. Detroit legacy status.

15 Applicants may seek Detroit legacy status by applying to the Civil Rights, Inclusion, and 16 Opportunity Department (CRIO) electronically on a form provided by CRIO, with documentation 17 required to establish Detroit legacy applicant status. Once certified by CRIO, applicants may 18 submit a license application under this article as a Detroit legacy applicant. A Detroit legacy 19 licensee must complete such certification annually prior to license renewal.

## Sec. 20-6-33. Provisional licenses.

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21 Detroit legacy applicants may apply for a provisional license for adult use 22 marijuana establishments, excluding temporary marijuana event permits and marijuana event organizer licenses, under the following circumstances:

1	(1) The applicant has been certified as a Detroit legacy applicant;
2	(2) The applicant does not yet have a location that is properly zoned to operate the
3	adult-use marijuana establishment for which the applicant seeks licensing; and
4	(3) The applicant meets all of the requirements of this article other than those related
5	to the location where the adult-use marijuana establishment will be licensed.
6	(b) A provisional license will be converted to a full license if the applicant establishes
7	a location that is properly zoned and meets the other requirements of this article within 12 months
8	from the date of the provisional license, subject to the numerical caps set forth in Section 20-6-34.
9	(c) A licensee may not commence operations until it has received a full license under
10	this article and a state operating license.
11	(d) A provisional license will not be counted as a full license for purposes of the
12	numerical caps established under Section 20-6-34 of this Code, nor in determining whether the
13	requirements of Section 20-6-31(d) and (e) are met until it has been converted to a full license.
14	Sec. 20-6-34. Number of Licenses.
15	The City hereby establishes the following numerical caps and may grant licenses for
16	medical marijuana facilities and adult-use marijuana establishments, subject to the requirements

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

of this article, in accordance with the chart below:

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

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Upon the effective date of this ordinance, the City may immediately accept 2 (a) applications for medical marijuana facility licenses under this article. Applications for medical 3 4 marijuana facility licenses that are under consideration by the City upon the effective date of this 5 article shall not be subject to the requirements of this article, except that the number of medical 6 marijuana provisioning center licenses is subject to the numerical cap set forth in Section 20-6-34. Upon the effective date of this ordinance, the Civil Rights, Inclusion, and 7 8 Opportunity Department will begin certifying Detroit legacy applicants. 9 The City will begin accepting applications for adult-use marijuana establishment (c) licenses on April 1, 2021, and shall review license applications submitted by April 30, 2021 within 10 11 the time periods set forth in Subsections (d) and (e), below. 12 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 marijuana establishment 14 licenses from Detroit legacy applicants, as well as applications for adult-use growers from current holders of a state operating license for a medical marijuana facility in the City of Detroit. An 15 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 marijuana establishment licenses, from holders of a state operating license for a medical marijuana facility in the City of 21

Detroit. An eligible applicant that wishes to be considered during this time period must submit a

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 April 1, 2021, and continuing thereafter, the City will accept
9	applications for temporary marijuana events. Applications must be submitted at least 90 days in
10	advance of the event.
11	(h) Beginning August 1, 2021, and continuing thereafter, the City will review and may
12	approve applications for adult-use marijuana establishment licenses from any applicant.
13	(i) The City may postpone or modify the timelines set forth in this section for
14	reviewing applications to later dates out of administrative necessity, and shall inform the public
15	forthwith.
16 17	Sec. <del>20-6-22</del> <u>20-6-36</u> . <u>License</u> application.
18	(a) Any person seeking to operate a medical marijuana facility or an adult-use
19	marijuana establishment, excluding marijuana event organizers, temporary marijuana events, and
20	co-location licenses, shall file an application electronically with the Buildings, Safety Engineering
21	and Environmental Department Business License Center upon a form provided by the Department.
22	The application shall include, or include as an attachment, the following information:
23	(1) The name, age, address, principal telephone number and email address of the
24	applicant;

1	(2)	The name, age, address, principal telephone number and email address of all business
2		partners of the applicant If applicable, Detroit legacy applicant certification;
3	(3)	If the applicant is an organized legal entity, the name, mailing address, telephone
4		number and email of all owners, directors, members, managers, officers, partners,
5		or shareholders, as well as the registered agent;
6	<u>(4)</u>	A signed release authorizing the Police Department to perform criminal background
7		checks on all individuals listed within the application identified as part of the
8		ownership entity;
9	(4)	If the applicant is a corporation, the names and addresses of all directors, officers
10		or shareholders as well as the name and address of the registered agent;
11	(5)	If the applicant is a partnership, the names and addresses of all general partners,
12		limited partners, or officers as well as the name and address of the registered agent;
13	<del>(6)</del> —	If the applicant is a limited liability company, the names and addresses of all
14		directors, managers, members, or officers as well as the name and address of the
15		registered-agent;
16	<del>(7)</del>	If the applicant is any other legal entity, the names and addresses of all directors,
17		members, officers, partners, or shareholders as well as the name and address of the
18		registered agent;
19	<u>(5)</u>	The address of the property/building proposed to be used as a medical marijuana
20		facility or adult-use marijuana establishment;
21	<u>(6)</u>	The type and class of medical marijuana facility or adult-use marijuana
22		establishment requested (grower, processor, provisioning center, safety compliance
23		facility or secure-transporter) proposed to be operated and a narrative describing

1		the applicant's experience with such an operation, including whether associated
2		permits, licenses or approvals had been denied, suspended or revoked;
3	<u>(7)</u>	For renewals, a copy of the required state operating licenses;
4	<u>(8)</u>	A copy of City of Detroit income tax returns for the previous three years for each
5		individual who has whole or partial ownership of the entity, and corporate tax
6		returns if applicable; or, a sworn statement attesting that no income was made in
7		the City of Detroit that would require the individual to file a city income tax return;
8	<u>(9)</u>	A comprehensive business plan detailing:
9		(i) <u>business operations</u>
10		(ii) security,
11		(iii) testing,
12		(iv) <u>nuisance mitigation</u>
13		(v) <u>waste handling and disposal</u>
14		(vi) <u>environmentally sustainable practices</u>
15		(vii) community relations
16		(viii) recruitment and training of employees
17		(ix) protocols for employee and customer safety
18		(x) <u>number of Detroit residents employed</u>
19	(10)	An applicant for a grower's license or a processor's license shall not be a registered
20		primary caregiver and shall not employ an individual who is simultaneously a
21		registered primary caregiver, and the applicant shall provide proof, until December
22		31, 2021, that the applicant has, or has an active employee who has, a minimum-of
23		two years' experience as a registered primary caregiver Financial documentation

1		demonstrating resources sufficient to meet the capitalization required for the
2		facility or establishment by the State of Michigan pursuant to the MMFLA. A
3		certified statement from a CPA is sufficient;
4	(11)	A description of the security plan for the medical-marijuana facility, including,
5		security precautions, recording/monitoring devices, barriers and lighting Property
6		tax clearance for the proposed location;
7	(12)	A description of the storage facilities and related equipment for all medical
8		marijuana, regardless of its form Blight clearance for the proposed location;
9	(13)	A description of the process for tracking quantities and inventory controls for
10		medical marijuana, regardless of its form, including cultivation and disposal A copy
11		of the conditional land use approval for the intended use or the intended use of an
12		equivalent license;
13	(14)	A description of the products and services to be provided by the medical marijuana
14		facility, including retail items Applicants for a designated consumption
15		establishment must submit a conditional land use approval for a private club that
16		references the use of marijuana;
17	(15)	A description of the procedures for testing of contaminants and the labeling of
18		medical marijuana products, regardless of form Applicants for a microbusiness
19		must submit a conditional land use approval for either a grower, a processor, a
20		provisioning center or retailer, or, a co-located site that includes one of the
21		aforementioned uses;
22	(16)	Any other information the applicant believes is needed to fully and completely
23		describe the services the applicant intends to provide and/or the benefits the

1		applicant will provide to the City and the greater community A copy of the
2		temporary or final certificate of occupancy for the intended use permitted by
3		Subsections (13), (14), or (15) of this section.
4	(17)	A signed release acknowledging that the City will investigate the income and
5		property tax status of the applicant, its owners, directors, officers, members,
6		managers, partners, shareholders, employees and any medical marijuana facilities
7		or adult-use marijuana establishments related to any of the aforementioned
8		individuals, and that any outstanding taxes, fines, or fees will be paid prior to a
9		license being issued under this article.
10	(18)	Whether the applicant is seeking provisional license status in accordance with
11		Section 20-6-33 of this Code, in such case, submission of the information required
12		under Subsections (5), (11), (12), (13), (14), (15), (16), and (19) of this section shall
13		be suspended until such time within 12 months of the provisional license that the
14		applicant can provide such information;
15	(19)	A "Good Neighbor Plan" signed by the applicant, indicating the applicant's
16		commitment to its community, including a community outreach report and a
17		community outreach plan as defined in Section 20-6-2 to ensure awareness of the
18		application and potential employment opportunities in the neighborhoods
19		surrounding the proposed business, as well as one or more of the following:
20		i. <u>Hiring at least 50% of full time employees who are Detroit residents for</u>
21		jobs paying at least \$15 an hour; or
22		ii. Hiring at least 30% of full time employees who have a prior controlled
23		substance record, as defined in Section 20-6-2, for jobs paying at least \$15

1			an hour; or
2		iii.	Purchasing at least 50% of necessary goods and services from licensed
3			medical marijuana facilities, adult-use marijuana establishments, Detroit
4			legacy licensees, or other businesses located in the City of Detroit; or
5		iv.	If a grower or processor, selling at least 25% of available harvest or products
6			to Detroit legacy licensees at a price that is at least 25% lower than the
7			current market rate in Detroit; or
8		v.	A minimum of 750 annual volunteer hours serving a duly organized Detroit-
9			based charitable organization, community organization, religious
LO			institution, school, or block club that operates within the community where
11			the applicant's facility or establishment is located; or
12		vi.	Annually donate a minimum of 1% of the applicant's gross revenue to a
13			duly organized Detroit-based charitable organization that operates within
<b>L</b> 4			the community where the applicant's facility or establishment is located, or
15			to a fund that may be established by the City of Detroit for the purpose of
16			funding social equity initiatives, and substance use prevention programs.
<b>L</b> 7	(20)	Wheth	ner the applicant is a current or former medical marijuana facility or adult-use
18		establi	ishment state operating license holder, licensing history, and any violation
19		histor	y pertaining to operation of the medical marijuana facility or adult-use
20		establi	shment:
21	<u>(21)</u>	A cop	y of the applicant's Prequalification received from the State of Michigan
22		<u>Marijı</u>	ana Regulatory Agency;

1	(b)	Except as may be required by state or lederal law, the buildings, safety Engineering
2	and Environn	nental Department will keep all application materials confidential. An applicant for
3	marijuana ev	vent organizer license or a temporary marijuana event permit shall file an
4	application w	vith the Department electronically upon a form provided by the Department. An
5	application	for a temporary marijuana event must be submitted at least 90 days
6	prior to the	event. The application shall include the following information, as applicable:
7	(1)	The name, age, address, principal telephone number and email address of the
8		applicant;
9	(2)	A signed release authorizing the Detroit Police Department to perform criminal
10		background checks on all individuals identified as part of the ownership entity;
11	<u>(3)</u>	For marijuana event organizers, a copy of a driver's license or government
12		identification, and verification of Detroit legacy applicant status if applicable;
13	<u>(4)</u>	If the applicant is an organized legal entity, the name, mailing address, telephone
14		number, and email of all owners, directors, members, managers, officers, partners,
15		or shareholders, as well as the registered agent;
16	<u>(5)</u>	The address of the privately owned property and/or building proposed to be used
17		for the temporary marijuana event;
18	<u>(6)</u>	A certificate of occupancy and certificate of compliance for the building, or
19		drawing of outdoor site proposed to be used for the temporary marijuana event;
20	<u>(7)</u>	A description of the temporary marijuana event including dates and proposed hours
21		of operation;
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, an affidavit attesting that no income was made in the City
2		of Detroit requiring the individual to file a city income tax return;
3	<u>(9)</u>	Property tax clearance for the proposed location;
4	(10)	Blight clearance for the proposed location;
5	<u>(11)</u>	A deed, lease, or other document evidencing site control of the proposed location;
6	(12)	A signed release acknowledging that the City will investigate the income and
7		property tax status of the applicant, its owners, directors, officers, members,
8		managers, partners, shareholders, employees and any medical marijuana facilities
9		or adult-use marijuana establishments related to any of the aforementioned
10		individuals, and that any outstanding taxes, fines, or fees will be paid prior to a
11		license being issued under this article.
12	<u>(13)</u>	A statement attesting that the applicant will cooperate with law enforcement during
13		the temporary marijuana event, and, in any enforcement action taken as a result of
14		the temporary marijuana event; and
15	(14)	For a marijuana event organizer, a copy of the applicant's Prequalification from the
16		State of Michigan Marijuana Regulatory Agency.
17	<u>(c)</u>	The MLRC shall provide a recommendation of approval or denial of a temporary
18	marijuana eve	ent and all submitted materials to the Detroit City Council. The Detroit City Council
19	must approve	a temporary marijuana event before a permit is issued by the Department.
20	<u>(d)</u>	Property owners seeking a co-location license for a building where more than
21	one medical n	narijuana facility or adult-use marijuana establishment is located, and at least one is
22	operated by a	licensee other than the property owner, shall file an application with the Department

1	electronically upon a form provided by the Department. The application shall include the										
2	following information:										
3	(1) A copy of the conditional land use grant or grants approving the co-located uses;										
4	(2) A copy of each state operating license associated with the site if available;										
5	(3) Property tax clearance for the proposed location;										
6	(4) A copy of City of Detroit income tax returns for the previous three years for each										
7	individual who has whole or partial ownership of the entity, and corporate tax										
8	returns if applicable; or, a sworn statement attesting that no income was made in										
9	the City of Detroit requiring the individual to file a city income tax return;										
10	(5) Blight clearance for the proposed location;										
11	(6) Certificate of occupancy or certificate of compliance for all permitted uses:										
12	(7) A sworn statement attesting that the property owner will ensure all permitted uses										
13	at the site hold a state operating license and a license under this article before										
14	commencing operation;										
15	(8) A sworn statement attesting that the property owner will cooperate with law										
16	enforcement in addressing alleged criminal activity at the site.										
17	Sec. 20-6-2320-6-37. Application fee-Fees.										
18	(a) A non-refundable application fee shall be paid upon filing the application. The										
19	application fee shall be in an amount established from time to time by the Director of the Buildings,										
20	Safety Engineering and Environmental-Department and shall be approved by resolution of the City										
21	Council. The fee shall be intended to defray costs incurred by the City to process the in processing										
22	the license application and may be different for each license type. The fee shall be posted on a										
23	schedule in the Department.										

1	<u>(b)</u>	The	application	fee	for	a	Detroit legacy	applicant	shall	<u>be</u>	1%	of	the	fee
2	established in accordance with Subsection (a) of this section													

- 3 (c) A nonrefundable license fee shall be paid prior to issuance of a license and upon
  4 applying for renewal. The license fee shall be in an amount established from time-to-time by the
  5 Director of the Department and shall be approved by resolution of the City Council. The fee shall
  6 be intended to defray costs incurred by the City to process and monitor licensed facilities and
  7 establishments, and may be different for each license type. The fee shall be posted on a schedule
  8 in the Department.
- 9 (d) For the first year of licensure, the license fee for a Detroit legacy applicant shall
  10 be 1% of the fee established in accordance with Subsection (c) of this section. For the second
  11 year of licensure, the license fee for a Detroit Legacy licensee shall be 25% of the fee established
  12 in accordance with Subsection (c) of this section, and for all subsequent years of licensure, the full
  13 fee shall apply.
- 15 The license fee shall be in an amount established from time-to-time by the Director of the
  16 Department, shall be no more than the fee for the first year of licensure of a Detroit Legacy
  17 applicant, and shall be approved by resolution of the City Council. The fee shall be intended to
  18 defray costs incurred by the City to process and monitor provisional licenses. The fee shall be
  19 posted on a schedule in the Department.
- 20 <u>(f) A nonrefundable application fee shall be charged for the processing and</u>
  21 <u>certification, or renewal of a Detroit legacy applicant or licensee in accordance with Section 20-6-</u>
  22 <u>32 of this Code. The certification fee shall be in an amount established from time-to-time by the</u>
  23 <u>Director of the Civil Rights, Inclusion, and Opportunity Department and shall be approved by</u>

- resolution of the City Council. The fee shall be posted on a schedule in the Civil Rights, Inclusion,
- 2 and Opportunity Department.

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- 3 Sec. 20-6-2420-6-38. Application review process.
- 4 (a) The Buildings, Safety Engineering and Environmental Department shall review 5 each application to ensure that it is complete, that the information required by this article has been 6 submitted, and that the application fee has been paid. For each new application or renewal of a 7 medical marijuana facility or adult-use marijuana establishment license submitted under this 8 article, the Department will confirm whether the application is complete and that the application 9 fee has been paid. The Department may reject any application that contains insufficient 10 information and may deny an application for failure to pay the application fee. If the Department 11 determines that an application contains insufficient information the applicant shall be notified and 12 will have 14-15 business days after the notification is sent to supplement the information in the application, after which time the application will be dismissed, and a new application and 13 application fee will be required. 14
  - (b) Upon receipt of a complete application, the Department will forward the application materials to the MLRC for review and a recommendation.
- 17 (c) The MLRC shall consider the information submitted by the applicant, and the
  18 requisite departments before providing a recommendation.
- (d) Upon receipt of a favorable recommendation from the MLRC, the Department may
   issue the license in the manner required by this article.
- 21 (e) The applicant shall pay the license fee prior to receiving a license.
- Sec. 20-6-2520-6-39. Inspections, investigations, review of materials submitted.
  - (a) Upon application and before any license under this article is issued for a medical marijuana facility or an adult-use marijuana establishment, the application shall be referred to

1	appropriate de	epartments of the City, including, divisions of the Buildings, Safety Engineering and
2	Environmenta	al Department and the Fire Department, for respective reports to be provided to the
3	MLRC on co	mpliance with this Code and state law, rules and regulations, including the following:
4	(1)	Zoning. The medical marijuana facility or adult-use marijuana establishment shall
5		meet applicable requirements of the Detroit Zoning Ordinance, being Chapter 50
6		of this Code. For purposes of this article, license applicants for adult-use marijuana
7		establishments shall be deemed to have appropriate zoning if the property is zoned
8		properly for an equivalent license under the MMFLA or as set forth in Subsections
9		(13), (14) and (15) of Section 20-6-36;
10	(2)	Building and Property Maintenance Codes. The medical marijuana facility or
11		adult-use marijuana establishment shall meet applicable requirements of the Stille-
12		DeRossett-Hale Single State Construction Code Act, being MCL 125.1501 et seq.,
13		and the Property Maintenance Code, being Chapter 8, Article XV of this Code;
14	(3)	A property that is the designated location and subject of an application for a
15		business license for a temporary marijuana event shall have a certificate of
16		occupancy, a certificate of compliance, and no outstanding blight violations,
17		inspection fees, or property taxes;
18	<u>(4)</u>	Fire protection and safety. The medical marijuana facility or adult-use marijuana
19		establishment shall meet applicable requirements of the Detroit Fire Prevention and
20		Protection Code, being Chapter 18, Article I of this Code;
21	<u>(5)</u>	Plumbing. The medical marijuana facility or adult-use marijuana establishment
22		shall meet applicable requirements of the Stille-DeRossett-Hale Single State
23		Construction Code Act, being MCL 125.1501 et seq., and the Michigan Plumbing

Code, being Chapter 8, Article V of this Code;

1	<u>(6)</u>	Ventilation. Proper ventilation, either natural or mechanical, shall be provided so
2		that each person within a medical marijuana facility or adult-use marijuana
3		establishment will be supplied with 1,200 cubic feet of air per hour, or as required
4		by applicable state code, whichever is greater;

- (7) Lighting. The medical marijuana facility or adult-use marijuana establishment shall have adequate lighting in every part of the premises in compliance with applicable requirements of the Michigan Electrical Code, being Chapter 8, Article III, of this Code;
- (8) Health and sanitation. All rooms within a medical marijuana facility or adult-use marijuana establishment housing toilet facilities shall be equipped with sanitary towels of a type acceptable to the Health Department. All rooms within the premises shall meet the requirements of the Michigan Public Health Code, being MCL 333.1101 et seq., including those concerning food preparation and sanitation.
- (b) A license shall not be issued or renewed until satisfactory inspections and reviews are completed by the departments delineated in Subsection (a) of this section, and written reports are issued indicating that the applicant complies with the requirements of this section.
- (c) In addition to the inspections required above, upon application and before any license under this article is issued for a medical marijuana facility or adult-use marijuana establishment, including provisional licenses and marijuana event organizer license applications, the application shall be referred to the City's Police Department and Finance Department for respective reports on compliance with the following:
- 22 (1) The Police Department shall complete criminal background checks on all individuals who are part of the ownership entity;

1	(2) The Finance Department shall cause an investigation to be completed to determine
2	whether any property or income taxes, special assessments, fines, fees or other
3	financial obligations to the City are unpaid, outstanding and/or delinquent at the
4	licensed location or from the applicant, its owners, directors, officers, members,
5	managers, partners, and shareholders.
6	(d) A license shall not be issued or renewed under this article until satisfactory
7	inspections and reviews are completed by the departments delineated in Subsection (c) of this
8	section. A license shall not be issued or renewed by the Department until both of the following
9	have occurred: (1) the Police Department provides written confirmation that all individuals who
10	are part of the ownership entity do not have any felony convictions related to violent crimes, fraud,
11	embezzlement or dishonesty; and (2) the Finance Department provides written confirmation that
12	all individuals making up the ownership entity are not in arrears for any property or income taxes,
13	special assessments, fines, fees or other financial obligations to the City.
14	(e) If the applicant is a current or former medical marijuana facility licensee, the
15	MLRC shall consider the applicant's operational history, experience, and taxpaying history.
16	(f) The MLRC shall also take social equity considerations into account when
17	recommending approval or denial of a license, including, but not limited to:
18	(1) Whether the applicant intends to ensure that at least 50% of its employees are
19	Detroit residents, especially those Detroit residents who are veterans, low income
20	as defined in Section 20-6-2 of this Code, and/or have a prior controlled substance
21	record as defined in Section 20-6-2, and that the jobs provided pay at least \$15 an
22	hour;
23	(2) Whether an applicant for a grower or processor license intends to supply businesses
24	owned by Detroit legacy licensees; and

1	(3) The applicant's Good Neighbor Plan submitted in accordance with Section 20-6
2	36(a)(19).
3	Sec. 20-6-26 REPEALED
4	(a) In addition to the inspections required above, upon application and before any license under
5	this article is issued for a medical marijuana facility, the application shall be referred to the
6	Police Department and Office of Chief-Financial Officer for respective reports on compliance
7	with the following:
8	(1) The Police Department shall complete criminal background checks on all individuals
9	listed within the application; and
10	(2) The Office of Chief-Financial Officer shall cause an investigation to be completed to
11	determine whether any property or income taxes, special assessments, fines, fees or other
12	financial obligations to the City are unpaid, outstanding and/or delinquent.
13	(b) A license shall not be issued or renewed until satisfactory inspections and reviews are
14	completed by the departments delineated in Subsection (a) of this section. A license shall no
15	be issued or renewed by the Buildings, Safety Engineering and Environmental Department
16	for any medical marijuana facility until after both of the following have occurred:
17	(1) The Chief of Police provides written confirmation that all individuals listed within the
18	application do not have any felony convictions related to illegal narcotics, fraud
19	embezzlement or dis honesty; and
20	(2) The Chief Financial Officer provides written confirmation that the applicant is not in
21	arrears for any property-or income taxes, special-assessments, fines, fees, or other
22	financial obligations to the City.
23	Sec. 20-6-27. License fee. REPEALED

1	A license-fee	e shall be paid upon	the issuance of a	licence under th	is article. The	license fee
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- 2 shall be in an amount established from time to time by the Director of the Buildings, Safety
- 3 Engineering and Environmental Department and shall be approved by resolution of the City
- 4 Council. The fee shall be intended to defray the costs incurred by the City to process and monitor
- 5 licensed facilities. The fee shall be posted on a schedule in the Department.

## 6 Sec. 20-6-40. Operating requirements.

- 7 <u>A medical marijuana facility or adult-use marijuana establishment licensed under this article</u>
- 8 shall be subject to the following conditions:
- 9 (1) Compliance with the requirements of this Code, and all applicable state and federal
- 10 <u>laws;</u>
- 11 (2) Compliance with the provisions of the MMFLA or the MRTMA;
- 12 (3) Medical marijuana facilities and adult-use marijuana establishments must
- obtain all necessary state and local licenses before commencing operations and shall maintain a
- valid state operating license and business license under this article at all times during operation;
- 15 (4) No persons under the age of 18 may be allowed within any medical marijuana
- 16 facility or adult-use marijuana establishment, unless the individual is a qualifying patient or
- 17 <u>accompanied by his/her primary caregiver- parent or documented legal guardian;</u>
- 18 (5) No medical marijuana facility or adult-use marijuana establishment shall permit
- 19 the sale or dispensing of alcoholic liquor or tobacco for consumption on or off the premises;
- 20 (6) Operating hours for provisioning centers, retailer establishments, and
- 21 <u>microbusinesses shall not exceed the hours between 9:00 AM and 10:00 PM daily. Designated</u>
- 22 consumption establishments may operate between 9:00 AM and 2:00AM daily;
- 23 (7) Signs displayed on the exterior and interior of the property shall conform to this
- 24 <u>Code. No signs shall contain the words "marijuana," "marijuana" or "cannabis." nor shall any sign</u>

- 1 contain marijuana leaves, green crosses, or lighting that violates this Code. An adult-use
- 2 marijuana establishment may post signage identifying the location as being a certified Detroit
- 3 Legacy establishment only if the owner is certified as a Detroit legacy licensee. Signs displayed
- 4 on the exterior and interior of the property, shall conform to this Code and applicable state law
- 5 requirements.

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- 6 (8) Public and common areas must be separated from restricted and non-public areas
- by a permanent opaque barrier that cannot be accessed by individuals not approved as personnel.
- 8 Sec. <del>20-6-28</del>20-6-41. License issuance.
- 9 If the application and proposed medical marijuana facility meets all the requirements 10 of this article, the Buildings, Safety Engineering and Environmental Department shall issue a 11 license in writing. When the application and proposed medical marijuana facility or adult-use 12 marijuana establishment has been reviewed by the MLRC and a recommendation regarding the 13 license, or an approval for a temporary marijuana event permit by City Council, is provided to the 14 Department, the Department may issue a license in writing after the license fee is paid. A license 15 that is issued under this article shall be continually posted at all times inside the licensed medical 16 marijuana facility or adult-use marijuana establishment in a conspicuous location near the entrance. 17
  - (b) Except for a temporary marijuana event permit, which shall expire when the event concludes, the The term of a license shall be not more than one year and shall expire each year on September 30. Any application to renew a license shall be made using the procedure for an original license as specified herein as specified in Section 20-6-42.
- 22 (c) A license issued under this article is nontransferable, except for application for 23 transfer which shall be granted if the transferee is eligible to hold that license. A new owner or 24 operator of a licensed business under this article must obtain a new business license in accordance

1	with this article before the City will provide the attestation or other municipal approval required
2	for a transfer by the State of Michigan Marijuana Regulatory Agency.
3	(d) A renewal license shall be issued unless the license has not been renewed by the
4	Michigan Department of Licensing and Regulatory Affairs. A business owned by a Detroit legacy
5	applicant and licensed under this article shall not be transferred, sold, or conveyed to anyone other
6	than another Detroit legacy applicant for a period of five years from the date of the initial license
7	granted, or the licensee will lose its Detroit legacy status and must re-apply and be approved for a
8	license as a general applicant before operating.
9	Sec. 20-6-42. Renewal of license; notification of deficiency or violation.
10	(a) At least 120 days prior to the expiration of a license issued under this article,
11	licensees must submit a renewal application electronically on a form to be provided by the
12	Department. The renewal application shall include, but is not limited to:
13	(1) Changes to the ownership structure of the licensee, or an affidavit attesting that no
14	changes have occurred:
15	(2) A copy of the state operating license for the medical marijuana facility, adult-use
16	marijuana establishment or licensed activity;
17	(3) Confirmation that the licensee is still a Detroit legacy applicant, if applicable.
18	(b) The MLRC shall review and provide a recommendation for all applications for
19	renewal. A license under this article may be renewed by the Department after the MLRC has
20	confirmed the following:
21	(1) The licensee has paid all applicable City of Detroit income taxes and property taxes;
22	(2) All employees of the licensee and all natural persons who make up the ownership
23	entity have filed City of Detroit income tax returns for the preceding tax year;

(3) The licensee has paid all fees, fines or any other financial obligations owing the

1		City of Detroit;
2	<u>(4)</u>	The licensee holds a valid state operating license for each use permitted at the site;
3	<u>(5)</u>	There are no outstanding licensing violations from the City of Detroit or State of
4		Michigan pertaining to the operation of the licensed business;
5	<u>(6)</u>	The licensed premises has a current certificate of compliance from the Department;
6	<u>(7)</u>	The police department has indicated that no criminal activity that would require a
7		nonrenewal has occurred pertaining to the operation of the licensed business during
8		the license period immediately preceding that for which the renewal license is
9		sought;
10	(8)	That the licensee has operated as a good corporate citizen with respect for its
11		surrounding environment, has kept its commitments in its Good Neighbor Plan and
12		community outreach plan, and has complied with the requirements of this article,
13		and the MMFLA or the MRTMA.
14	<u>(c)</u>	Where there is an existing deficiency of a requirement under this Code or a
15	violation of th	is article concerning the premises or licensee that can be cured, the licensee shall be
16	notified by the	e Department or the MLRC and must cure the deficiency before a renewal license is
17	issued. If the	deficiency is not cured within 30 days of the licensee being notified, the license and
18	renewal applie	cation will expire and a new license application will have to be filed with a new
19	associated fee	<u>.</u>
20	Sec. 24-6-29.	Denial, suspension, revocation.
21	<del>(a)</del>	The following shall constitute grounds for the Buildings, Safety Engineering and
22	Environmenta	l Department to deny issuance of a license or to suspend or revoke a license issued
23	pursuant to thi	<del>s article:</del>

1	(1) Any fraud, misrepresentation or false-statement in an application, any materials
2	filed with an application or related to a license, any materials provided in
3	conjunction with an application or license, or any statement related to an application
4	or license made to any City officials or agents; or
5	(2) Non compliance with, or a violation of, this article, this Code, or any violation of
6	state law relating to the operation of a medical marijuana facility.
7	(b) Written notice of suspension or revocation, stating the cause or causes of suspension
8	or revocation, shall be mailed to the licensee's address as shown in the application for a license.
9	(c) Any person aggrieved by the suspension or revocation of a license under this article
10	may appeal to the Building Authority Commission by filing with the office of the City Clerk a
11	written appeal within ten days after suspension or revocation. The Clerk shall set a time and place
12	for a hearing on such appeal, and notice of such hearing shall be given to the appellant in writing.
13	After said hearing, the decision and order of the Commission on any such appeal shall be final and
14	<del>conclusive.</del>
15	Sec. 20-6-43. License suspension, revocation, or denial of renewal.
16	(a) A license that is issued under this division may be suspended, revoked, or denied
17	renewal in accordance with this article and Chapter 28 of this Code.
18	(b) In addition to Subsection (a) of this section, the Department may also suspend,
19	revoke or deny renewal of a license in accordance with the procedures in Chapter 28 of this Code
20	based on any of the following:
21	(1) A failure to meet the conditions or maintain compliance with the standards
22	established by this article;
23	(2) One or more uncorrected violations of any City ordinance on the premises;
24	(3) Maintenance of a nuisance or criminal activity on the premises;

1	<u>(4)</u>	A demonstrated history of excessive complaints for public safety intervention,
2		which may include dispatches of police, fire, or emergency medical services,
3		relative to the licensed premises, being three or more runs in any 30-day period;
4	<del>(5)</del>	Failure to obtain or maintain proof of a criminal background check for each
5		employee confirming that they have not been convicted of any felony within the
6		past 10 years, and have never been convicted of a felony involving illegal drugs
7		other than marijuana, or a felony that is an assaultive crime as defined in Chapter X,
8		Section 9a of the code of criminal procedure, being MCL 770.9a;
9	<u>(65)</u>	Non-payment of any property or income taxes, special assessments, fines, fees or
10		other financial obligations to the City;
11	<u>(76)</u>	Any fraud, misrepresentation or false statement in an application, any materials filed
12		with an application or related to a license, any materials provided in conjunction
13		with and application or license, or any statement related to an application or license
14		made to any City officials or agents;
15	<u>(87)</u>	Any instance of operating a medical marijuana facility or adult-use marijuana
16		establishment without a license under this article and a state operating license; or
17	<u>(98)</u>	Any other grounds for suspension, revocation or non-renewal set forth in this Code.
18	Sec. 20-6-44.	Penalty.
19	<u>(a)</u>	A licensee who commits a violation of this article:
20	<u>(1)</u>	May be subject to a misdemeanor ordinance violation and a fine of not more than
21		\$500.00, in the discretion of the court, for each such offense;
22	(2)	May be subject to nonrenewal, revocation, or suspension of its business license
23		under this article and Section 28-1-7 of this Code; and

1	(3)	May be subject to any other sanctions or penalties under applicable laws, rules or
2		regulations.

- 3 (b) Each day of continued violation shall constitute a separate offense.
- 4 Sec. 20-6-45. Appeals.

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- Applicants may file appeals of adverse determinations under this article with the City of

  Detroit Administrative Appeals Bureau as set forth in Chapter 3, Article IV of this Code, in
- 7 <u>accordance with its published rules.</u>
- 8 Sec. 20-46. Inspection by authorized local officials.
- For purposes of ensuring compliance with this article, applicants and licensees shall

  permit authorized local officials to inspect, during regular business hours, any portion of a

  medical marijuana facility or adult-use marijuana establishment, subject to constitutional

  restrictions on unreasonable searches and seizures. Where entry is refused or not obtained, the City

  is authorized to pursue recourse as provided by law.
  - Sec. 20-6-47. Social equity initiatives and substance use prevention appropriations.
- 16 (a) The Office of Budget is hereby authorized to appropriate \$2,000,000 from prior

  17 year fund balance to the Civil Rights, Inclusion, and Opportunity Department to support the initial

  18 social equity initiatives and activities performed by the City in accordance with the legislative

  19 purposes of this article. Subject to the annual budget process, it is expected that the City's annual

  20 budget will contain a \$1,000,000 appropriation to the Civil Rights, Inclusion, and Opportunity

  21 Department to support the ongoing social equity initiatives and activities performed by the City in

  22 accordance with the legislative purposes of this article.
  - (b) Subject to the annual budget approval process, the City's annual budget will contain an appropriation, equal to two percent (2%) of the gross allocation received by the City of Detroit in the previous fiscal year pursuant to M.C.L. 333.27964, to the Detroit Health Department for

- 1 substance use prevention programming for youth.
- 2 Secs. 20-6-3020-6-48-20-6-80. Reserved.
- Section 2. This ordinance is hereby declared necessary to preserve the public peace, health, safety 3
- 4 and welfare of the People of the City of Detroit.
- Section 3. All ordinances, or parts of ordinances, that conflict with this ordinance are repealed. 5
- 6 Section 4. This ordinance shall become effective on January 11, 2021, after publication by the
- 7 City Clerk in accordance with Sec. 4-118 of the 2012 Charter of the City of Detroit.
- Approved as to form: 8
- 9 10
- Fausence J. Darria Lawrence T García
- 11
- Corporation Counsel 12