

ORDINANCE NO. 2022-11  
CHAPTER 20  
ARTICLE VI

AN ORDINANCE to amend Chapter 20 of the 2019 Detroit City Code, *Health: Article VI, Medical Marijuana Facilities and Adult-Use Marijuana Establishments*:

(1) By amending Division 1, *Generally*, Section 20-6-1, *Purpose*, to clarify that a purpose of this article is to positively impact the Detroit community; to recognize that residents of Detroit constitute a disproportionately-impacted community that has been excluded from ownership opportunities in the legal marijuana industry; to remove veterans from the target of 50 percent of employees in the legal marijuana industry who are Detroit residents; and to provide that the City use good faith efforts to transfer eligible City-owned real property to individuals who have obtained Detroit legacy status; Section 20-6-2, *Definitions*, to define the terms “disproportionately-impacted community”, “equity applicant”, and “limited license”; to change the defined term “Detroit legacy applicant or licensee” to “Detroit legacy status”; and to clarify that the definition of a “social equity program or SEP” means a State of Michigan Program designed to promote and encourage participation in the marijuana industry by people who live in disproportionately-impacted Michigan communities and to positively impact those communities; and to delete the terms “common ownership” and “provisional certificate”; and Section 20-6-3, *Opt-in provision; severability*, to change the name of the “Michigan Marijuana Regulatory Agency” to the “Michigan Cannabis Regulatory Agency”; to provide that the City is required to notify the Agency if any applicant for a state operating license is not in compliance with this article or this Code; and to provide that, where provisions of limited license adult-use marijuana establishments are enjoined, future limited license adult-use marijuana establishments for retailers, designated consumption establishments, and microbusinesses will be prohibited but current limited license adult-use marijuana establishments will remain in effect until their expiration date and will not be renewed;

(2) By amending Division 2, *Mari-*

*juana License Review Committee*, Section 20-6-22, *Personnel*, to remove the representatives of the Assessor’s Office, the Treasurer’s Office and the Office of Sustainability from the Marijuana License Review Committee; and to remove a requirement that the Marijuana License Review Committee make recommendations for adult-use license applications that are to be approved by the City Council; and Section 20-6-23, *Management*, to remove the provision that the City Council must approve the standard of review for making recommendations regarding adult-use license applications that are developed by the Marijuana License Review Committee prior to its review of such applications; and Section 20-6-24, *Duties and functions*, to change the status of a temporary marijuana event permit to a license;

(3) By amending Division 3, *Licensing*, Section 20-6-31, *License required*, to clarify that a licensee must obtain a separate City license as a multiple grower in one building and for stacked licenses; to remove the requirement that 50 percent of licenses for adult-use retailers, adult-use processors, designated-consumption establishments, microbusinesses and marijuana event organizers are required to be granted to Detroit legacy applicants; and to remove the prohibition against issuing licenses for adult-use retailers, adult-use processors, designated-consumption establishments, microbusinesses, and marijuana event organizers where the number of licenses held by Detroit legacy licensees would be less than 50 percent in each category; Section 20-6-32, *Detroit legacy status*, to remove the requirement that, after certification by the Human Rights Department as a Detroit legacy applicant, the licensee must receive an annual certification prior to renewal of a City license; Section 20-6-34, *Number of licenses*, to revamp the numerical cap of City licenses that may be issued to medical marijuana facilities and to adult-use marijuana establishments while delineating them as “unlimited” and “limited”; and to provide that the numerical cap on adult-use retailer establishments does not apply to limited licenses; Section 20-6-35, *Detroit legacy certification; application periods*, to change the dates for accep-

tance of applications for City licenses from specific periods to the type of license; to provide for the establishment and posting of non-refundable fees for the application and renewal of licenses; and to provide for the establishment of a non-refundable fee for the processing and certification of individuals for Detroit legacy status; Section 20-6-36, *License application*, to require that applications for a medical marijuana facility license or an adult-use marijuana establishment license, except for a marijuana event organizer license, a temporary marijuana event license or a co-location license, include a home address, a copy of the applicant's government-issued identification, and documents to establish one as an equity applicant or social equity scoring as a non-equity applicant; to require that an email address of direct and indirect owners be provided when applying for a limited license; to require that a copy of the entity's bylaws, operating agreement, or other organizational documents depicting the ownership structure be provided; to require that a signed release authorizing the Police Department to perform a background check on the applicant or the indirect and indirect owners for an equity applicant be provided; to require that a deed, lease, or other document evidencing site control of the proposed location be provided; to remove the requirement for a copy of the state operating license when renewing a City license; to remove the requirement for a copy of last three years of City income tax returns for individual owners and, if applicable, corporate tax returns; to remove the requirement that the comprehensive business plan contain testing, environmentally sustainable practices, community relations, protocol for employee and customer safety, and number of Detroit residents employed; to remove a requirement for providing financial documentation demonstrating sufficient resources to meet capitalization required by the State of Michigan; to require that applicant and direct and indirect owners, directors, members, managers, officers, partners, shareholders, and registered agents obtain a City income tax clearance; to require that a copy of the unexpired conditional land use approval be provided; to require that a copy of an unexpired

building permit be provided and that a Certificate of Occupancy be obtained before receiving a license; to clarify that direct and indirect owners must pay any outstanding taxes, fines, or fees prior to issuance of a City license for a medical marijuana facility or an adult-use marijuana establishment; to clarify that an applicant for a license for an adult-use marijuana establishment must provide an annual commitment in its "Good Neighbor Plan", including a community outreach report and plan, to the community where the business will be located; to change the requirement in the "Good Neighbor Plan" from purchasing at least 50 percent of necessary goods and services from licensed medical marijuana facilities, adult-use marijuana establishments, and Detroit legacy businesses to business located in the City; to remove a requirement of providing 750 annual service hours to a Detroit-based tax-exempt charitable organization, community organization, religious institution, pre-K-12 public or charter school, or block club in the community where the facility of establishment is located; to require that an applicant for a limited license provide a statement detailing their current and past community leadership roles, volunteer activities, and business operation history in the City over the past five years; to provide that an applicant for marijuana event organizer license or for a temporary marijuana event license must provide home and business addresses, permit the Police Department to perform a criminal background check on direct and indirect owners of the entity, provide a home address for all direct and indirect owners, directors, members, managers, officers, partners, shareholders, and registered agents, and provide a copy of the entity's bylaws, operating agreement, or other organizational documents depicting the ownership structure; to provide that the City Council may add conditions of approval for a temporary marijuana event license; to require that an applicant seeking a co-location license provide a deed, lease, or other document evidencing site control of the proposed location and a City income tax clearance for each individual who has whole or partial ownership; and to remove the requirement for a copy of last three

years of City income tax returns for each individual who has whole or partial ownership in the entity, or a sworn statement that no income was made in the City, which required the filing of a City income tax return; Section 20-6-39, *Inspections, investigations, review of materials submitted*, to clarify the applicants temporary marijuana events are excluded from applicants for adult-use marijuana establishments which have met zoning requirements where the property has a conditional land use approval grant; to require that a holder of a limited license notify the Human Rights Department within 30 days if the licensee does not maintain the social equity criteria for which the licensee received points on its application; Section 20-6-40, *Operating requirements*, to provide that, if a state operating license lapses, is revoked, or is terminated by the state, the related City business granted under this article is automatically suspended and the licensee may not operate until the state operating license is active; and to remove language concerning the requirement that signage identifying the location as a certified Detroit legacy establishment may only be posted if the owner is certified as a Detroit legacy licensee; Section 20-6-41, *License issuance*, to clarify that a temporary marijuana event license expires at the time stated on the state operating license; and to provide that a holder of a limited license, which desires to relocate its operation, is required to submit documents described in Section 20-6-36(a) of this Code to the Buildings, Safety Engineering, and Environmental Department for submission of the complete file to the Marijuana License Review Committee, which, upon its favorable recommendation, requires the holder to surrender the existing license to the Department for issuance of a replacement license for the new location; Section 20-6-42, *Renewal of license; notification of deficiency or violation*, to require that the renewal application include a written statement depicting the ownership structure, provide the names and addresses of all individuals having a direct or indirect ownership interest, provide documentation, if a limited licensee, of the licensee's continued satisfaction of the social equity scoring criteria for which the licensee

received points in its license application, and provide a copy of the licensee's annual financial statement to the Michigan Cannabis Regulatory Agency for the licensing year proceeding the year for which the licensee is seeking renewal, except that, if the licensee has not been operating long enough, the licensee is required to submit an accounting of its gross revenue for the period of time operated as a state licensed marijuana business as attested to by a certified public accounting firm that is acceptable to the City; Section 20-6-43, *License suspension, revocation, or denial of renewal*, to clarify that the Buildings, Safety Engineering, and Environmental Department may suspend, revoke, or deny renewal of a license for the failure of a licensee to submit a timely renewal application in accordance with this article; Section 20-6-44, *Penalty*, to provide that, when operating without the required licenses, a person who violates this article may subject the business to immediate closure; Section 20-6-45, *Appeals*, to provide that licensees may file an appeal from an adverse determination under this article with the City of Detroit Administrative Appeals Bureau; Section 20-6-46, *Inspection by authorized local officials*, to provide that, where entry is refused or not obtained for an inspection, the City is authorized to obtain a search warrant and to pursue penalties set forth in Section 20-6-44 of this Code; and Section 20-6-47, *Social equity initiatives and substance use prevention appropriations*, to remove the authorization for the Office of Budget to appropriate \$2,000,000 from the prior year fund balance of the Human Rights Department to support initial social equity initiatives and activities performed by the City under this article; and

(4) By repealing Division 3, *Licensing*, Section 20-6-33, *Provisional certificate*, and adding substitute Section 20-6-33, *Supportive program*, to require that the Human Rights Department establish a program to provide mentoring, business education and networking opportunities for individuals who obtain Detroit legacy status; Section 20-6-37, *Fees*, and adding substitute Section 20-6-37, *License process for unlimited licenses*, to provide requirements for

unlimited licenses; and to require that the Marijuana License Review Committee provide a recommendation regarding an applicant for an unlimited license to the Buildings, Safety Engineering, and Environmental Department or, for a temporary marijuana event license, to the City Council; and Section 20-6-38, *Application review process*, and adding substitute Section 20-6-38, *Licensing process for limited licenses*, to provide requirements for limited licenses; to provide numerical caps for each type of limited license; to establish certain 30-day periods for taking applications; and to provide General Scoring Criteria for each category or subcategory completed by an applicant.

IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT THAT:

**Section 1.** Chapter 20 of the 2019 Detroit City Code, *Health*, Article VI, *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, be amended by amending Division 1, *Generally*, Section 20-6-1, *Purpose*, Section 20-6-2, *Definitions*, and Section 20-6-3, *Opt-in provision; severability*; by amending Division 2, *Marijuana License Review Committee*, Section 20-6-22, *Personnel*, Section 20-6-23, *Management*, and Section 20-6-24, *Duties and functions*; by amending Division 3, *Licensing*, Section 20-6-31, *License required*, Section 20-6-32, *Detroit legacy status*, Section 20-6-34, *Number of licenses*, Section 20-6-35, *Detroit legacy certification; application periods*, Section 20-6-36, *License application*, Section 20-6-39, *Inspections, investigations, review of materials submitted*, Section 20-6-40, *Operating requirements*, Section 20-6-41, *License issuance*, Section 20-6-42, *Renewal of license; notification of deficiency or 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 Section 20-6-47, *Social equity initiatives and substance use prevention appropriations*; and by repealing Division 3, *Licensing*, Section 20-6-33, *Provisional certificate*, and adding substitute Section 20-6-33, *Supportive program*, Section 20-6-37, *Fees*, and adding substitute Section 20-6-37, *License process for unlimited licenses*, and Section 20-6-38, *Application review process*, and adding substitute Section 20-6-38, *Licensing process for limited licenses*, to read as follows:

**CHAPTER 20. HEALTH  
ARTICLE VI. MEDICAL MARIJUANA  
FACILITIES AND ADULT-USE  
MARIJUANA ESTABLISHMENTS  
DIVISION 1. GENERALLY**

**Sec. 20-6-1. Purpose.**

The purpose of this article is to establish standards and procedures for the issuance, renewal, suspension, and revocation of business licenses for medical marijuana facilities and adult-use marijuana establishments consistent with the Michigan Medical Marijuana Facilities Licensing Act, being MCL 333.27101 *et seq.*, and the Michigan Regulation and Taxation of Marijuana Act, being MCL 333.27951 *et seq.*, respectively:

(1) To serve and protect the health, safety, and welfare of the general public through reasonable regulation of marijuana business operations including noise, odor, air and water quality, food safety, and public safety;

(2) To establish an application fee and a licensing fee for medical marijuana facilities and adult-use marijuana establishments to cover the City's costs in administering this article;

(3) To establish procedures for application, renewal, suspension, and revocation of a business license for medical marijuana facilities, and for adult-use marijuana establishments;

(4) To minimize adverse effects, if any, from the cultivation, processing, dispensing and storage of marijuana;

(5) To adopt reasonable regulations as needed pursuant to the City's general police power granted to cities by the 1963 Michigan Constitution and by the Michigan Home Rule City Act, being MCL 117.1 *et seq.*;

(6) To recognize that social equity in the marijuana industry is required to address the historical disproportionate impact of marijuana prohibition and enforcement on Detroiters and to positively impact the Detroit community, and that the City of Detroit has been expressly named by the State of Michigan's Social Equity Program as a community, which has been disproportionately impacted by marijuana prohibition and enforcement;

(7) To recognize that residents of disproportionately impacted communities have historically been excluded from ownership opportunities in the legal marijuana industry due to the disproportionate impact of marijuana prohibition, enforcement, and the lack of access to capital, land, and resources;

(8) To recognize that residents of the

City of Detroit are uniquely invested, personally and financially, in the success of the City's marijuana programs, that at least 20 percent of Detroiters live below the federal poverty level, and that Detroit has a marijuana-related criminal conviction rate, which exceeds the average marijuana-related criminal conviction rate in the State of Michigan;

(9) To 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 percent of its employees are Detroit residents, specifically those Detroit residents who are low income, or have a prior controlled substance record, as such terms are defined in Section 20-6-2 of this Code, and that the jobs provided pay at least \$15 an hour;

(10) To 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 individuals who have obtained Detroit legacy status, as defined in Section 20-6-2 of this Code, at the property's lowest justifiable fair value. Such a transfer would be subject to applicable approvals by the City of Detroit 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;

(11) To recommend that, subject to appropriation, amounts equal to \$1,000,000 of the fees generated from the licenses issued pursuant to this article, and \$1,000,000 from an allocation to the City of Detroit pursuant to Section 14 of the MRTMA, being MCL 333.27964 be used annually to further social equity goals, including, but not limited to, addressing the challenges set forth in Subsections (6), (7), (8), (9), and (10) of this section; and

(12) To clarify that licensure of either a medical marijuana facility or an adult-use marijuana establishment is a revocable privilege and not a right in the City. There is no property right for an individual or business to have a medical marijuana facility business license or an adult-use marijuana establishment business license in the City.

(b) Nothing in this article, or in any other provision of this Code, is intended to grant, or be construed as granting, immunity from criminal prosecution for:

(1) The cultivation, sale, consumption, use, distribution, manufacturing, or possession of marijuana in any form not in compliance with the MMMA, the MMFLA, and the MRTMA, as applicable; or

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

(c) Nothing contained within this article, or within any license issued by the City, shall be construed to relieve a person of the duties and obligations imposed under state or federal law. Notwithstanding the foregoing, it is not the intent of this article to diminish, abrogate or restrict protections for the use of marijuana provided in the MMMA, the MMFLA, and the MRTMA, as applicable.

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

(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 claimed violation of the federal Racketeer Influenced and Corrupt Organizations Act, being 18 USC 1961 *et seq.*

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

The following words, terms and phrases, when used in this article, shall have the meanings respectively ascribed to them by this section:

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

*Applicant* means the entity or individual making application for a license under this

article, and includes all members, partners, directors, shareholders, officers, and owners of the entity applying for licensure.

*Authorized local official* means a Detroit police officer, or other City of Detroit employee or agent designated by the Director of the Buildings, Safety Engineering, and Environmental Department, who is authorized to issue violations and perform inspections in accordance with this Code.

*Cap or numerical cap* means a limit on the number, within a category of license type, of adult-use marijuana establishments and medical marijuana facilities.

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

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

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

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

*Community outreach report* means a report of the efforts taken by a license applicant to inform and engage the community that surrounds the applicant's proposed business location of the applicant's proposed business operation, and any employment or social equity opportunities that the applicant intends to offer.

*Cultivation or cultivate* means:

(1) all phases of growth of marijuana from seed to harvest; or

(2) preparing, packaging or repackaging, labeling, or relabeling of any form of marijuana.

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

*Detroit legacy status* means a status obtained by an individual who has, or an entity that is at least 51 percent owned and controlled by one or more individuals who, as certified by the Human Rights Department as defined in this section, has been a City of Detroit resident at the time of application for at least one year, and additionally has been:

(1) A City of Detroit resident for 15 of the past 30 years preceding the date of application, and continues to so reside throughout the period of licensure; or

(2) A City of Detroit resident for 13 of the past 30 years preceding the date of application, continues to so reside throughout the period of licensure, and, at the time of application, is a low-income applicant as defined in this section; or

(3) A City of Detroit resident for the ten of the past 30 years preceding the date of application, continues to so reside throughout the period of licensure, and has a prior controlled substance record as defined in this section, or a parent with a prior controlled substance record as defined in this section under the following circumstances:

a. The parent is named on the applicant's birth certificate, and the parent's conviction took place before the applicant's 18th birthday; or

b. 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.

*Disproportionately-impacted community* means any community where marijuana-related convictions are greater than the State of Michigan median, and where 20 percent or more of the population is living below the federal poverty level according to 2019 American Community Survey 5-year estimates published by the United States Census Bureau.

*Equity applicant* means an individual whose primary residence is located within a disproportionately-impacted community as defined in this section, including individuals with certified Detroit legacy status as defined in this section, or an entity where one or more of the aforementioned individuals owns and controls at least 51 percent of the applicant entity.

*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 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 2,000 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 1,000 medical marijuana plants; or

(6) *Class C medical marijuana grower* means a state operating license holder who is licensed to grow 1,500 medical marijuana plants.

*Human Rights Department* means an Executive Branch department that was created under Chapter 10, Article 7, of the Charter and is referred to in the Executive Organization Plan as the "Department of Civil Rights, Inclusion, and Opportunity."

*License competition* means a competitive process to select applicants that are best suited to operate in compliance with the MRTMA.

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

*Limited license* means a license autho-

rized by this article that is subject to a numerical cap limiting the number of licenses to be issued. Licenses for medical marijuana provisioning centers, adult-use retailers, designated consumption lounges, and microbusinesses are all subject to a numerical cap under this article, and are considered limited licenses.

*Low-income applicant* means an individual who, at the time of licensing, lives in a household with household income that is less than 80 percent of the Detroit median household income at the time of application.

*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 MMFLA, and this article, including a grower, processor, provisioning center, safety compliance facility, or a secure transporter.

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

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

*MLRC* means the Marihuana License Review Committee.

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

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

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

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

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

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

*Primary caregiver* means the term as defined by the MMMA.

*Prior controlled substance record* means to have been convicted as an adult, 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.

*Process or processing* 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 business licensed under the MRTMA or the MMFLA and this article that is 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.

*Provisioning center* means a business licensed under the MMFLA that is a commercial entity located in this state, that purchases marijuana from a grower or processor, and that 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 non-commercial 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 is not a provisioning center for purposes of this article.

*Qualifying patient* means the term as defined by the MMMA.

*Registered user* means any person who, or entity that, has submitted their email address or telephone number for 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 that sells or transfers marijuana to individuals who are 21 years of age or older and to other adult-use marijuana establishments.

*Safety compliance facility* means a 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.

*Secure transporter* means a business licensed under the MRTMA or the MMFLA and this article that stores marijuana and that transports marijuana between medical marijuana facilities or adult-use marijuana establishments for a fee.

*Social equity program or SEP* means the State of Michigan certification program designed to promote and encourage participation in the marijuana industry by people who live in disproportionately-impacted communities in Michigan and to positively impact those communities in accordance with Section 8(j) of the MRTMA, being MCL 333.27958(1)(j).

*State operating license* means a license that is issued under the MMFLA or the MRTMA, which allows the licensee to operate as a medical marijuana facility or an adult-use marijuana establishment, respectively.

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

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

*Tiebreaking lottery* means a process, conducted under the observation of affected applicants, by which licensees are randomly selected from a pool of similarly situated applicants with identical scores.

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

(a) Pursuant to Section 205(1) of the MMFLA, being MCL 333.27205(1), the City shall authorize licenses in accordance with the provisions of this article for the following types of medical marijuana facilities:

- (1) Grower;
- (2) Processor;
- (3) Provisioning center;
- (4) Safety compliance facility; and
- (5) Secure transporter.

(b) Pursuant to Section 6(3) of the MRTMA, being MCL 333.27956(3), the



City may authorize licenses in accordance with the provisions of this article for the following types of marijuana establishments:

- (1) Grower;
- (2) Retailer;
- (3) Processor;
- (4) Safety compliance facility;
- (5) Secure transporter;
- (6) Temporary marijuana event;
- (7) Marijuana event organizer;
- (8) Designated consumption establishment; and
- (9) Microbusiness.

(c) The City may sign attestations or other documents to evidence municipal approval for a state operating license as required by the Michigan Cannabis Regulatory Agency only upon issuance of a license under this article. The City shall notify the Michigan Cannabis Regulatory Agency if any applicant for a state operating license is not in compliance with this article or with any other section of this Code.

(d) City Council is exercising its discretion to permit adult-use marijuana establishments in the City of Detroit as supported by the legal opinion of the Corporation Counsel that this article is lawful. Should any provision of this article governing the limited license adult-use marijuana establishments be enjoined, ruled invalid or unconstitutional, or struck down by a court of law, Subsections (b)(2), (b)(8), and (b)(9) of this section will be repealed as to the adult-use establishment limited licenses authorized by this article, and future limited license adult-use marijuana establishments will be prohibited in accordance with Section 6(1) of the MRTMA, being MCL 333.27956(1), excluding those limited license 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.

**Secs. 20-6-4 – 20-6-20. Reserved.**

## **DIVISION 2. MARIJUANA LICENSE REVIEW COMMITTEE**

### **Sec. 20-6-22. Personnel.**

The MLRC shall consist of a staff member of each of the departments and agencies that are identified in this section. The directors of the respective departments and the heads of the respective agencies identified in this section shall each appoint a qualified representative or 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:

- (1) Office of the Chief Financial Officer;
- (2) Buildings, Safety Engineering, and Environmental Department;
- (3) Health Department;
- (4) Human Rights Department as defined in Section 20-6-2 of this Code;
- (5) Law Department;
- (6) Police Department;
- (7) Department of Neighborhoods; and
- (8) Such other departments, agencies, or individuals as deemed appropriate by the chairperson, on a case-by-case basis.

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

(a) The representative from the Human Rights Department, as defined in Section 20-6-2 of this Code, serves as chairperson of the MLRC and shall maintain a record of applications, licenses granted under this article, and other relevant files as needed.

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

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

(a) New or renewal applications for a medical marijuana facility license or an adult-use marijuana establishment license shall be reviewed by the MLRC and a recommendation provided to the Director of the Buildings, Safety Engineering, and Environmental Department before a license may be issued or renewed by the Department, in accordance with the applicable review criteria and processes set forth in this article. For temporary marijuana events, the MLRC shall make its recommendation to the City Council, which must approve the temporary marijuana event before a temporary marijuana event license is issued by the Department.

(b) Each department representative shall be responsible for investigating the application within their department's respective area of oversight and providing relevant information, reports, or data to the MLRC for review, including, but not limited to, the information set forth in Section 20-6-39 of this Code.

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

(d) Excluding temporary marijuana events, applications shall be reviewed and a recommendation provided by the MLRC to the Buildings, Safety Engineering, and Environmental Department within 90 days of receipt of a complete application as determined by the MLRC,

or the application shall be forwarded to the Department without recommendation.

(e) Every six months after the effective date of this article, which is January 11, 2021, the MLRC will provide a report to the City Council including the following information:

(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 under the license category; and

(4) Details of each applicant's Good Neighbor Plan.

(f) Members of the MLRC shall take ethics training two times each calendar year as provided by the City of Detroit.

**Secs. 20-6-25 – 20-6-30. Reserved.**

### DIVISION 3. LICENSING

#### **Sec. 20-6-31. License 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 pursuant to this article, and a state operating license. Licensees must obtain a separate license under this article from the City for each state operating license they hold, including multiple grower licenses in one building and stacked licenses. A co-location license is required for a property owner who maintains more than one medical marijuana facility or adult-use marijuana establishment in one building and is not the licensee for all of the establishments or facilities located in the building.

(b) No more than one medical marijuana provisioning center and one marijuana, retailer establishment may be licensed in any single building unless approved by the City Council through a planned development ("PD") zoning designation in accordance with Section 50-3-97 of this Code.

(c) License applications shall be time and date stamped in order of submission in each category of licensure.

(d) Excluding those applicants for marijuana event organizer licenses, all applicants must conduct community outreach, as defined in Section 20-6-2 of this Code, and provide a community 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 Neighborhoods shall send digital notification of the pending application to all registered users in the Council non at-large district where the business is proposed to be located.

#### **Sec. 20-6-32. Detroit legacy status; programming.**

Individuals may seek to obtain Detroit legacy status by applying electronically to the Human Rights Department, as defined in Section 20-6-2 of this Code, on a form provided by the Department with documentation required to establish Detroit legacy status.

#### **Sec. 20-6-33. Supportive program.**

The Human Rights Department, as defined in Section 20-6-2 of this Code, shall establish a program and shall provide mentoring, business education, and networking opportunities for individuals who have obtained Detroit legacy status.

#### **Sec. 20-6-34. Number of licenses.**

(a) The City establishes the following numerical caps and may grant licenses for medical marijuana facilities and adult-use marijuana establishments, subject to the requirements of this article, in accordance with the following charts:

##### **Unlimited Licenses**

Grower	Unlimited
Processor	Unlimited
Secured Transporter	Unlimited
Safety Compliance Facility	Unlimited
Temporary Marijuana Event Organizer	Unlimited
Temporary Marijuana Event	Unlimited

##### **Limited Licenses**

Medical Marijuana Provisioning Center License	75
Adult-Use Retailer Establishment License	50
Adult-Use Retailer Establishment-Equity License	50
Designated Consumption Lounge License	15
Designated Consumption Lounge-Equity License	15
Microbusiness License	15
Microbusiness-Equity License	15

(b) The cap on adult-use retailer establishments, as contained in Subsection (a) of this section, shall not apply to licenses issued in accordance with Section 20-6-38(e) of this Code.

#### **Sec. 20-6-35. License application acceptance date by license type; fees.**

(a) Upon the effective date of this article, which is January 11, 2021, the City may immediately accept license applications and may issue licenses for medical marijuana facilities, excluding medical marijuana provisioning centers, adult-use growers, processors, secured transporters, safety compliance facilities, marijuana event organizers, and temporary

marijuana events in accordance with Section 20-6-37 of this Code.

(b) The City will begin accepting license applications for adult-use marijuana retailers, microbusinesses, and designated consumption establishments during one or more 30-day period established in accordance with Section 20-6-38 of this Code. License applications under this subsection shall be evaluated and issued in accordance with Section 20-6-38 of this Code.

(c) A non-refundable application fee shall be paid by each applicant upon filing any license application. In accordance with Section 6-503(13) of the Charter, the application fee shall be in an amount established from time to time by the Director of the Buildings Safety Engineering, and Environmental Department and shall be approved by resolution of the City Council. The fee shall be intended to defray direct and indirect costs incurred by the City in processing the license application and may be different for each license type. The fee shall be posted on a schedule in the Department.

(d) A non-refundable license fee shall be paid by each awardee of a license prior to issuance of a license and upon applying for renewal of a license. In accordance with Section 6-503(13) of this Charter, the license fee shall be in an amount established from time-to-time by the Director of the Buildings, Safety Engineering, and Environmental Department and shall be approved by resolution of the City Council. The fee shall be intended to defray direct and indirect costs incurred by the City to process and monitor licensed facilities and establishments and may be different for each license type. The fee shall be posted on a schedule in the Department.

(e) A non-refundable application fee shall be charged for the processing and certification of Detroit legacy status in accordance with Section 20-6-32 of this Code. The fee shall defray direct and indirect costs incurred by the City in processing the certification application. In accordance with Section 9-507 of the Charter, the certification fee shall be in an amount established from time-to-time by the Director of Human Rights Department, as defined in Section 20-6-2 of this Code, and shall be approved by resolution of the City Council. The fee shall be posted on a schedule in the Department.

(f) The City Council may approve a fee schedule that incorporates a sliding scale fee structure to accommodate any low-income applicant, as defined by Section 20-6-2 of this Code.

#### **Sec. 20-6-36. License application.**

(a) Any person seeking to operate a medical marijuana facility or an adult-use marijuana establishment, excluding marijuana event organizers, temporary marijuana events, and co-location licenses, shall file an application electronically upon a form provided by the Buildings, Safety Engineering, and Environmental Department. The application shall include, or include as an attachment, the following information:

(1) The name, age, home address, principal telephone number and email address of the applicant, and a copy of the applicant's government-issued identification;

(2) For license applications submitted pursuant to Section 20-6-38 of this Code, documentation to establish an applicant's status as an equity applicant if applicable, or the satisfaction of the social equity scoring criteria as a non-equity applicant;

(3) If the applicant is an organized legal entity, the name, home address, telephone number, and email address of all direct and indirect owners, directors, members, managers, officers, partners, shareholders, and the registered agent along with a copy of the entity's bylaws, operating agreement, or other organizational documents depicting the ownership structure;

(4) A signed release authorizing the Police Department to perform criminal background checks on the applicant, or, in the case of an entity applicant, all individuals identified as direct or indirect owners of the entity;

(5) The address of the property/building proposed to be used as a medical marijuana facility or adult-use marijuana establishment along with a copy of a deed, lease, or other document evidencing site control of the proposed location;

(6) The type and class of medical marijuana facility or adult-use marijuana establishment license requested;

(7) A comprehensive business plan detailing:

- a. Business operations;
- b. Security/customer and employee safety;
- c. Nuisance mitigation;
- d. Waste management; and
- e. Recruitment and training of employees;

(8) Income tax clearances for the applicant and for all individuals described in Subsection (a)(3) of this section, or a sworn statement from each of such individual attesting that no income was made in the City of Detroit from any source, which would require the individual to file a City income tax return;

(9) A property tax clearance for the proposed location;

(10) A blight clearance for the proposed location;

(11) A copy of the unexpired conditional land use approval for the intended use or the intended use of an equivalent license;

(12) A copy of an unexpired building permit or the certificate of occupancy for the intended use permitted by Subsection (a)(11) of this section. A certificate of occupancy is required before receiving a license;

(13) A signed release acknowledging that the City will investigate the income and property tax status of the applicant, its direct or indirect owners, directors, officers, members, managers, partners, shareholders, employees, and any medical marijuana facilities or adult-use marijuana establishments related to any of the aforementioned individuals, and that any outstanding taxes, fines, or fees will be paid prior to a license being issued under this division;

(14) For adult-use license applicants only, a "Good Neighbor Plan" indicating the applicant's annual commitment to the community where the adult-use marijuana establishment will be located, its community, including a community outreach report and a community outreach plan, as defined in Section 20-6-2 of this Code, to ensure awareness of the application and potential employment opportunities in the neighborhoods surrounding the proposed business as well as completing one or more of the following during the term of the license:

a. Hiring at least 50 percent of full-time employees who are Detroit residents for jobs paying at least \$15 an hour; or

b. Hiring at least 30 percent of full-time employees who have a prior controlled substance record, as defined in Section 20-6-2 of this Code, for jobs paying at least \$15 an hour; or

c. Purchasing at least 50 percent of necessary goods and services from businesses located in the City of Detroit; or

d. If a grower or processor, selling at least 25 percent of available harvest or products to equity licensees at the current market rate in Detroit, or less; or

e. Donating annually a minimum of .0025 percent of the applicant's gross revenue to a duly organized Detroit-based tax-exempt charitable organization that operates within the community where the applicant's facility or establishment is located, or to the fund established by the City for the purpose of funding social

equity initiatives and substance use prevention programs;

(15) For limited license applications pursuant to Section 20-6-38 of this Code, a statement detailing the applicant's current and past community leadership roles, volunteer activities, and business operation history in the City during the past five years; and

(16) A copy of the applicant's prequalification received from the Michigan Cannabis Regulatory Agency;

(b) An applicant for a marijuana event organizer license or a temporary marijuana event license shall electronically file an application with the Buildings, Safety Engineering, and Environmental Department upon a form provided by the Department. An application for a temporary marijuana event must be submitted at least 90 days prior to the event. The application shall include the following information, as applicable:

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

(2) A signed release authorizing the Police Department to perform criminal background checks on the applicant and, in the case of an entity applicant, all individuals identified as direct or indirect owners of the entity;

(3) A copy of the applicant's government-issued identification;

(4) If the applicant is an organized legal entity, the name, home address, telephone number and email address of all direct and indirect owners, directors, members, managers, officers, partners, shareholders, and the registered agent, and the entity's bylaws, operating agreement, or other organizational documents indicating the ownership structure;

(5) The address of the privately-owned property and/or building proposed to be used for the temporary marijuana event;

(6) A Certificate of Occupancy and Certificate of Compliance for the building, or drawing of the outdoor site proposed to be used for the temporary marijuana event;

(7) A description of the temporary marijuana event, including dates and proposed hours of operation;

(8) An income tax clearance for the applicant and for each individual individuals described in Subsection (b)(4) of this section, or a sworn statement from each of such individuals attesting that no income was made in the City of Detroit, from any source, which would require the individual to file a City income tax return;

(9) A property tax clearance for the proposed location;

(10) A blight clearance for the proposed location;

(11) A deed, lease, or other document evidencing site control of the proposed location;

(12) A signed release acknowledging that the City will investigate the income and property tax status of the applicant, its owners, directors, officers, members, managers, partners, shareholders, employees, and any medical marijuana facilities or adult-use marijuana establishments related to any of the individuals, and that any outstanding taxes, fines, or fees will be paid prior to a license being issued under this division;

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

(14) For a marijuana event organizer, a copy of the applicant's prequalification from the Michigan Cannabis Regulatory Agency.

(c) The MLRC shall provide a recommendation of approval or denial of a temporary marijuana event and all submitted materials to the City Council. The City Council must approve a temporary marijuana event before a temporary marijuana event license is issued by the Department and may add conditions of approval.

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

(1) A deed, lease, or other document evidencing site control of the proposed location;

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

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

(4) A property tax clearance for the proposed location;

(5) An income tax clearance for each person who has whole or partial ownership of the proposed location;

(6) A blight clearance for the proposed location;

(7) A Certificate of Occupancy or Certificate of Compliance for all permitted uses;

(8) A sworn statement attesting that the property owner will ensure all permitted uses at the site and hold a state operating license and a license under this article before commencing operation; and

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

**Sec. 20-6-37. Licensing process for unlimited licenses.**

(a) Upon receipt of a new license application for a medical or adult-use grower, medical or adult-use processor, medical or adult use secured transporter, and medical or adult-use safety compliance facility; adult-use marijuana event organizer; or adult-use temporary marijuana event submitted under this article, the Buildings, Safety Engineering, and Environmental Department will confirm that the application is complete and that the application fee has been paid. The Department may reject any application that contains insufficient information and may deny an application for failure to pay the application fee.

(b) Upon receipt of a complete application of the materials required under Section 20-6-36 of this Code, the Department will forward the application materials to the MLRC for review and a recommendation.

(c) The MLRC shall consider the information submitted by the applicant and the requisite departments before providing a recommendation to the Department or, in the case of a temporary marijuana event license, to the City Council.

(d) Upon receipt of a recommendation from the MLRC or, in the case of a temporary marijuana event license, the approval of the City Council, the Department may issue the license in the manner required by this article.

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

**Sec. 20-6-38. Licensing process for limited licenses.**

(a) The City may award up to 50 adult-use retailer licenses, 50 adult-use retailer equity licenses, 15 microbusiness licenses, 15 microbusiness equity licenses, 15 designated consumption establishment licenses, and 15 designated consumption establishment equity licenses in the following manner:

(1) The City shall establish three 30-day periods for taking applications for limited licenses, other than medical marijuana provisioning center licenses, under this section. Each of such three 30-day periods shall be separated by a period of at least 120 days. The Human Rights Department, as defined in Section 20-6-2 of this Code,

shall make its recommendation for the timing of each of such three 30-day application periods to the City Council, whose approval shall be required prior to the commencement of such application periods. Following each of such three application periods, the City may issue up to the following number of licenses to qualified applicants who applied for the corresponding licenses during such period:

(i) 20 adult-use retailer licenses following the first application period, and 15 adult-use retailer licenses following each of the second and third application periods;

(ii) 20 adult-use equity retailer licenses following the first application period, and 15 adult-use retailer equity licenses following each of the second and third application periods;

(iii) 5 microbusiness licenses;

(iv) 5 microbusiness equity licenses;

(v) 5 designated consumption establishment licenses; and

(vi) 5 designated consumption establishment equity licenses.

After the conclusion of the foregoing initial three 30-day application periods, as one of more limited licenses may be or become available, the City may thereafter establish one or more 30-day periods for taking applications for limited licenses other than medical marijuana provisioning center licenses under this section. The Human Rights Department, as defined in Section 20-6-2 of

this Code, shall make its recommendation for the timing of each of such 30-day application period and the number and type of limited licenses to be issued following such application period to the City Council, whose approval shall be required prior to the commencement of such application period.

(2) Applicants shall submit a license application with the required materials as set forth in Section 20-6-36 of this Code;

(3) A license may not be awarded to an applicant if such applicant or any direct or indirect owner of such applicant is also a direct or indirect owner of:

(i) Any other applicant applying for a license of the same type under this section; or

(ii) Any licensee that is the holder of a license of the same type under this section.

(4) A non-equity license may not be awarded to an applicant if such applicant or any direct or indirect owner of such applicant is also a direct or indirect owner of any other applicant applying for an equity license or any licensee that is the holder of an equity license.

(5) After the application period, the MLRC shall evaluate submitted applications in accordance with the following criteria and shall award the applicant the number of points listed below for each category or sub-category satisfactorily completed by the applicant, as applicable:

Non-Equity License Application		Equity License Application	
<b>Eligibility</b>			
Anyone		Equity Applicants	
<b>General Scoring Criteria (100 points)</b>			
<b>Business Plan</b>			
Operations	5	Operations	
Waste Management	5	Waste Management	
Safety and Nuisance Mitigation	5	Safety and Nuisance Mitigation	
Training	5	Training	
Security Plan	5	Security Plan	
<b>Site Control</b>			
Unexpired conditional land use approval	5	Unexpired conditional land use approval	
Obtained all building permits	5	Obtained all building permits	
Obtained Certificate of Occupancy or Certificate of Compliance for permitted use	15	Obtained Certificate of Occupancy or Certificate of Compliance for permitted use	
<b>Due Diligence</b>			
MRTMA Entity Prequalification	5	MRTMA Entity Prequalification	
Income Tax Clearance	5	Income Tax Clearance	
Property tax Clearance	5	Property Tax Clearance	
Blight Clearance	5	Blight Clearance	
No history of illegal operation or existing violations	5	No history of illegal operation or existing violations	
<b>Community Investment</b>			
Complete a "Good Neighbor Plan"	10	Complete a "Good Neighbor Plan"	
Leadership roles in duly established and licensed (if applicable) Detroit-based businesses, non-profits, religious organizations, educational institutions, philanthropic organizations, community block clubs or neighborhood association during the previous five years	15	Leadership roles in duly established and licensed (if applicable) Detroit-based businesses, non-profits, religious organizations, educational institutions, philanthropic organizations, community block clubs or neighborhood association during the previous five years	

<b>Social Equity Scoring Criteria (27 points Maximum)</b>			
Sell real property that is properly zoned and licensable for an adult-use marijuana establishment to an equity applicant within two years prior to applying for licensure for less than 50 percent of the real property's appraised fair market value;	OR, form a joint venture with an equity applicant where the equity applicant owns and controls 41-50 percent applicant equity	25	According to the 2019 American Community Survey 5-year estimates published by the United States Census Bureau, equity applicant's primary residence is in a disproportionately-impacted community where at least 35 percent of the population lives below the federal poverty level
Lease licensable, habitable space to an equity applicant at a properly zoned property (does not have to be the same property for which the non-equity applicant is seeking licensure) for at least 20 years and at a rate not exceeding 50 percent of the average market rent for similar commercial or industrial properties in the City of Detroit;	OR, form a joint venture with an equity applicant where the equity applicant owns and controls 31-40 percent applicant equity	15	According to the 2019 American Community Survey 5-year estimates published by the United States Census Bureau, equity applicant's primary residence is in a disproportionately-impacted community where at least 30 percent of the population lives below the federal poverty level
Lease licensable, habitable space to an equity applicant at a properly zoned property (does not have to be the same property for which the non-equity applicant is seeking licensure) for at least ten years and at a rate not exceeding 60 percent of the average market rent for similar commercial or industrial properties in the City of Detroit;	OR, form a joint venture with an equity applicant where the equity applicant owns and controls 20-30 percent applicant equity	5	According to the 2019 American Community Survey 5-year estimates published by the United States Census Bureau, equity applicant's primary residence is in a disproportionately-impacted community where at least 20 percent of the population lives below the federal poverty level
Joined the Michigan Joint Ventures Pathway Program		1	Joined the Michigan Joint Ventures Pathway Program
Commit to publishing applicant's Social Equity Plan on State's website		1	Commit to publishing applicant's Social Equity Plan on State's website
<b>Qualified Applicant Lottery:</b> Licenses shall be granted in order of applicant scores, with a tiebreaking lottery used for applicants who 1) have received the same score and 2) have earned a minimum of 100 points of the General Scoring Criteria and a minimum of five points of the Social Equity Scoring Criteria.			



(b) After the license applications have been reviewed and scored by an independent third party to be determined, the MLRC will recommend the highest scoring applications, subject to the numerical caps and to the potential lottery set forth in this article, to the Buildings, Safety Engineering, and Environmental Department, which may issue licenses in the manner required by this article.

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

(d) Notwithstanding the numerical cap set forth in Section 20-6-34 of this Code, from and after the effective date of this article, which is January 11, 2021, the City shall not issue any new medical marijuana provisioning center licenses under this article. The foregoing shall not prohibit renewal of any unexpired medical marijuana provisioning center licenses, or the approval of license applications for medical marijuana provisioning centers submitted to the Department as of the effective date of this article, which is January 11, 2021, subject to the numerical cap set forth in Section 20-6-34 of this Code.

(e) Commencing on January 1, 2027, any licensees who are holders of one or more licenses to operate a medical marijuana provisioning center in accordance with this article and have been the holder of such licenses since prior to the effective date of this article, which is January 11, 2021, may apply for an adult-use retailer license by submitting a license application with the required materials as set forth in Section 20-6-36 of this Code.

(1) Upon receipt of a complete application of the materials required under Section 20-6-36 of this Code, the Department will forward the application materials to the MLRC for review, independent third party scoring and a recommendation.

(2) The MLRC shall consider the information submitted by the applicant and the requisite departments before providing a recommendation to the Department.

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

(4) A license may not be issued to an applicant under this subsection if such applicant or any direct or indirect owner of such applicant is also a direct or indirect owner of any licensee that is the holder of an adult-use retailer license under this article.

(5) The applicant shall pay the license fee prior to receiving an adult-use retailer license.

(f) Notwithstanding the requirements of Section 20-6-26(a) of this Code, in any

application period after the first one authorized by Section 20-6-38(a)(1) of this Code, the Buildings, Safety Engineering, and Environmental Department may accept applications under this section from applicants who do not meet the requirements of Section 20-6-36(a)(5), (9), (10), (11), and (12) of this Code and consider them complete for the purpose of this subsection. The application shall provide for the applicant to designate that the application is submitted pursuant to this subsection and that the City may award provisional certificates as follows:

(1) If the number of applicants submitting complete applications for any type of limited licenses available in any application period following the first one provided by Section 20-6-38(a)(1) of this Code and who have obtained an unexpired conditional land use approval, a Certificate of Occupancy or a Certificate of Compliance for a proposed location, is less than the number of limited licenses of that type available in such application period, the City may issue a number of provisional certificates to applicants for such limited license type, equal to the number of licenses that are available in such application period minus the number of licenses to be awarded to applicants that have obtained an unexpired conditional land use approval, a Certificate of Occupancy or a Certificate of Compliance for a proposed location;

(2) Provisional certificates may only be awarded to applicants for limited licenses who meet all the requirements of this article, other than those set forth in Section 20-6-36(a)(5), (9), (10), (11), and (12) of this Code;

(3) Provisional certificates may be granted up to the number available pursuant to this section in order of applicant scores with tiebreaker lotteries used for applicants who a) have received the same score and b) have earned a minimum of 75 points of the General Scoring Criteria excluding the Site Control criteria, and a minimum of five points of the Social Equity Scoring Criteria;

(4) Upon receipt of a provisional certificate, a holder shall have a period of 18 months to meet the requirements of Section 20-6-36(a)(5), (9), (10), (11), and (12) of this Code for the adult-use marijuana establishment corresponding to the type of limited license for which the provisional certificate holder applied;

(5) The provisional certificate holder shall submit a complete application for a license, including the requirements of Section 20-6-36(a)(5), (9), (10), (11), and (12) of this Code to the Department within

18 months of being granted the provisional certificate;

(6) Upon receipt the Department will forward the application materials to the MLRC for review and a recommendation. Upon receipt of a recommendation from the MLRC, the Department may issue the license in the manner required by this article;

(7) The provisional certificate holder shall pay the license fee and surrender its provisional certificate prior to receiving a license;

(8) If the provisional certificate holder has not secured a license within 18 months of receipt, the provisional certificate shall expire and be of no further force or effect, and such applicant shall thereafter not be entitled to receive a license pursuant to this subsection;

(9) A provisional certificate awarded under this subsection is not a license and does not permit a holder to operate an adult-use marijuana establishment. A provisional certificate holder may not commence operations until receipt of a license under this article and a state operating license;

(10) A license may not be issued to an applicant under this subsection, if such applicant or any direct or indirect owner of such applicant is also a direct or indirect owner of any licensee that is the holder of a license or a provisional certificate of the same type under this article; and

(11) While any number of provisional certificates are outstanding and are in full force and effect, the City shall reserve and may not issue the number of limited licenses of the corresponding type for which provisional certificates are issued in accordance with the numerical cap contained in Section 20-6-34 of this Code and Subsection (a)(1) of this section.

#### **Sec. 20-6-39. Inspections and review of reports.**

(a) Upon application and before a license under this article is issued for a medical marijuana facility or an adult-use marijuana establishment, the application shall be referred to appropriate City departments for respective reports to be provided to the MLRC on compliance with this Code and with state law, rules and regulations, including the following:

(1) *Zoning*. The medical marijuana facility or adult-use marijuana establishment shall meet applicable requirements of Chapter 50 of this Code, *Zoning*. For purposes of this article, license applicants for adult-use marijuana establishments, excluding temporary marijuana events, shall be deemed to have met the applicable zoning requirements if the property has

a conditional land use approval grant for an equivalent license under the MMFLA;

(2) *Building Code*. The medical marijuana facility or adult-use marijuana establishment shall meet applicable requirements of Chapter 8, Article II, of this Code, *Building Code*. A property that is the designated location and subject of an application for a business license for a temporary marijuana event shall have a Certificate of Occupancy, a Certificate of Compliance, and no outstanding blight violations, inspection fees, or property taxes;

(3) *Electrical Code*. The medical marijuana facility or adult-use marijuana establishment shall have adequate lighting in every part of the premises in accordance with Chapter 8, Article III, of this Code, *Electrical Code*;

(4) *Mechanical Code*. The medical marijuana facility or adult-use marijuana establishment shall provide proper ventilation in accordance with Chapter 8, Article IV, of this Code, *Mechanical Code*;

(5) *Plumbing Code*. The medical marijuana facility or adult-use marijuana establishment shall meet applicable requirements of Chapter 8, Article V, of this Code, *Plumbing Code*;

(6) *Property Maintenance Code*. The medical marijuana facility or adult-use marijuana establishment shall meet the requirements of Chapter 8, Article XV, of this Code, *Property Maintenance Code*;

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

(8) *Food sanitation and health*. All rooms within a medical marijuana facility or adult-use marijuana establishment, which houses toilet facilities, shall be equipped with sanitary towels of a type acceptable to the Health Department. The business and the premises shall meet the requirements of Chapter 19 of this Code, *Food*, and Chapter 20 of this Code, *Health*.

(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) A licensee that is the holder of a limited license shall notify the Human Rights Department, as defined in Section 20-6-2 of this Code, within 30 days where the licensee does not maintain the social equity criteria for which the licensee received points in its license application.

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

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

(1) Compliance with the requirements of this Code and within all applicable state laws;

(2) Compliance with the provisions of the MMFLA or the MRTMA;

(3) A medical marijuana facility and an adult-use marijuana establishment must obtain all necessary state and City licenses before commencing operations and shall always maintain a valid state operating license and business license under this article during operation. If a state operating license lapses, is revoked, or is otherwise terminated by the State of Michigan, the related business license granted under this article shall be automatically suspended, and the licensee may not operate until receipt of an active state operating license;

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

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

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

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

**Sec. 20-6-41. License issuance.**

(a) When the application and proposed medical marijuana facility or adult-use marijuana establishment has been reviewed by the MLRC and a recommendation regarding the license, or an approval for a temporary marijuana event license by City Council, is provided to the Buildings, Safety Engineering, and Environmental Department, the Department may issue a paper license after the license fee is paid. A license that is issued under this division shall be continually posted inside the licensed medical marijuana facility or adult-use marijuana establishment in a conspicuous location near the entrance.

(b) Except for a temporary marijuana event license, which shall expire at the time stated on the state operating license, the term of a license issued pursuant to this article shall be not more than one year and shall expire each year on September 30th. An application to renew a license shall be made as specified in Section 20-6-42 of this Code.

(c) A license issued under this division is non-transferable. A new owner or operator of a licensed business under this article must obtain a new business license in accordance with this article before the City will provide the attestation or other municipal approval required for a transfer by the Michigan Cannabis Regulatory Agency.

(d) If a holder of a limited license under this article desires to relocate its operations to real property other than the real property where the license was approved, prior to such relocation, the licensee shall submit the documents described in Section 20-6-36(a) of this Code to the Buildings, Safety Engineering, and Environmental Department, which shall provide the complete file to the MLRC for review. Upon receipt of a favorable recommendation from the MLRC, and the surrender of the existing limited license to the Department, the Department shall issue a replacement limited license of the same type for the new location.

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

(a) At least 120 days prior to the expiration of a licensee issued under this division, a licensee must electronically submit a renewal application on a form to be provided by the Buildings, Safety Engineering, and Environmental Department. The renewal application shall include, but is not limited to:

(1) A written statement depicting the ownership structure of the licensee, and the names and addresses of all individuals having a direct or indirect ownership interest in the licensee;

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

(3) For any limited license, documentation of the licensee's continued satisfaction of the social equity scoring criteria for which the licensee received points in its license application;

(4) A copy of the licensee's annual financial statement submitted to the Michigan Cannabis Regulatory Agency for the licensing year immediately preceding the year for which the licensee is seeking renewal. If the licensee has not been oper-

ating long enough to have filed an annual financial statement, the licensee must submit an accounting of its gross revenue for the period of time the licensee has operated a state licensed marijuana business as attested by a certified public accounting firm acceptable to the City.

(b) The MLRC shall review and provide a recommendation for all applications for renewal. A license that is issued under this division may be renewed by the Buildings, Safety Engineering, and Environmental Department after the MLRC has confirmed the following:

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

(2) All natural persons who make up the ownership entity have filed City income tax returns for the preceding tax year;

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

(4) The licensee holds a valid state operating license, and a current City business license for each use permitted at the site;

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

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

(7) The Police Department has indicated that no criminal activity, which would require a non-renewal, has occurred pertaining to the operation of the licensed business during the license period immediately preceding that for which the renewal license is sought;

(8) The licensee has operated as a good corporate citizen with respect for its surrounding environment, has kept its commitments in its "Good Neighbor Plan", as confirmed by financial statements approved by a certified public accounting firm acceptable to the City, and in its community outreach plan, and has complied with the requirements of this article, and the MMFLA or the MRTMA.

(9) The licensee continues to satisfy the social equity scoring criteria for which the licensee received points in its license application.

(c) Where there is an existing deficiency of a requirement under this Code or a violation of this article concerning the premises or licensee that can be cured, the licensee shall be notified by the Buildings, Safety Engineering, and Environmental Department or the MLRC and must cure the deficiency before a renewal license is

issued. If the deficiency is not cured within 30 days of the licensee being notified and the license expiration date has passed, the renewal application will expire and a new license application will have to be filed with a new associated fee.

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

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

(b) In addition to Subsection (a) of this section, the Buildings, Safety Engineering, and Environmental Department may also suspend, revoke or deny renewal of a license in accordance with the procedures in Chapter 28 of this Code, *Licenses*, based on any of the following:

(1) A failure to meet the conditions or maintain compliance with the standards established by this article, including, but not limited to failure to submit a timely renewal application in accordance with this article;

(2) One or more uncorrected violations of this Code on the premises;

(3) Maintenance of a nuisance or criminal activity on the premises;

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

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

(6) Any fraud, misrepresentation or false statement in an application, in my materials filed with an application or related to a license, in any materials provided in conjunction with an application or license, or in any statement related to an application or license made to any City officials or agents;

(7) Any instance of operating a medical marijuana facility or adult-use marijuana establishment without a license that is issued under this article and a state operating license; or

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

**Sec. 20-6-44. Penalties.**

(a) A person who commits a violation of this article;

(1) May be subject to a misdemeanor ordinance violation and a fine of not more than \$500,00, in the discretion of the court, for each such offense;

(2) May be subject to non-renewal, revocation, or suspension of its business license under this article and Section 28-1-7 of this Code; and

(3) May be subject to any other sanctions or penalties under applicable laws, rules or regulations, including immediate closure if operating without the required licenses;

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

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

An applicant or licensee under this article may file an appeal of an adverse determination under this article with the City of Detroit Administrative Appeals Bureau as set forth in Chapter 3, Article IV, of this Code, *Administrative Appeals*, in accordance with City of Detroit Administrative Rules R3.1101 *et seq.*

**Sec. 20-6-46. 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 proposed or operating 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, including obtaining a search warrant and the penalties set forth in Section 20-6-44 of this Code.

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

(a) Subject to the annual budget process, it is expected that the City's annual budget will contain a \$1,000,000 appropriation to the Human Rights Department, as defined in Section 20-6-2 of this Code, to support the ongoing social equity initiatives and activities performed by the City in 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 of the gross allocation received by the City in the previous fiscal year pursuant to Section 14 of the MRTMA, being MCL 333.27964, to the Detroit Health Department for substance use prevention programming for youth.

**Secs. 20-6-48 – 20-6-80. Reserved.**

**Section 2.** This ordinance is declared necessary to preserve the public peace, health, safety, 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.

**Section 4.** This ordinance shall become effective on April 20, 2022 after publication by the City Clerk in accordance with Section 4-118(3) of the 2012 Charter of the City of Detroit.

(J.C.C. Page ): February 22, 2022  
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Approved: April 6, 2022  
Published: April 11, 2022  
Effective: April 20, 2022

JANICE M. WINFREY  
City Clerk

