

**City of Grant
Ordinance No. 60**

Marihuana Establishments Ordinance

THE CITY OF GRANT ORDAINS:

Ordinance No. 55 – Section 7 “Recreational Marihuana” is hereby repealed.

Ordinance No. 60 “Marihuana Establishments Ordinance” is hereby established as follows:

Section I. Definitions. For the purpose of this ordinance, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

- (a) Words or phrases used herein shall have the definitions as provided for in Initiated Law 1 of 2018, MCL 333.27953 (hereafter, the “Act”) as the same may be amended from time to time, which words and phrases are incorporated herein by reference.
- (b) “City Commission” shall mean the Grant City Commission
- (c) “City Clerk” shall mean the City of Grant Clerk
- (d) “City Manager” shall mean the City of Grant Manager
- (e) “LARA” shall mean the Michigan Department of Licensing and Regulatory Affairs.
- (f) “Person” shall mean and individual, corporation, limited liability company, partnership of any type, trust or other legal entity.
- (g) “Stakeholder” shall mean a shareholder of a corporation, partner in a partnership, member of a limited liability company, or individual of a sole proprietorship.
- (h) “Zoning Ordinance” shall mean the City of Grant Zoning Ordinance.

Section II. Authorization of Marihuana Establishment and Fee

- (a) The City hereby authorizes, subject to the issuance of a municipal license by the City Clerk, the following marihuana establishments within the boundaries of the City, as are authorized pursuant to section 6.1 of the Act. The establishments are authorized pursuant to this Ordinance are relating to the Act and are not Marihuana Facilities that may be authorized pursuant to the Medical Marihuana Facilities Licensing Act, MCL 333.27101 et seq. and City of Grant Ordinance #55.
- (b) The marihuana establishments and the number authorized pursuant to this Ordinance are:

<u>Type of Establishment</u>	<u>Number Authorized</u>
Marihuana Retailer	1
Marihuana Safety Compliance Establishment	1
Marihuana Secure Transporter	1

Any type of Marihuana Establishment or License Type not explicitly listed in this section is prohibited.

- (c) A nonrefundable municipal license application fee shall be paid by each marihuana establishment applying to be licensed under this ordinance in an annual amount of not more than \$5,000.00 as set by resolution of the Grant City Commission. The municipal license fee is in addition to any other fees required, including, but not limited to, zoning fees.
- (d) Should the City grant a marihuana establishment a municipal license, the municipal license application fee shall be considered as the fee imposed for the first year the license is

granted. Prior to the expiration of the first year of the license, and as provided in this Ordinance, the licensee may apply for an extension/renewal of the municipal license for an additional one year period at a nonrefundable fee of not more than \$5,000 as set by resolution of the City Commission to defray the administrative and enforcement costs of the City associated with the operation of the licensed marihuana establishment.

Section III. Requirements and Procedure for Issuing Municipal License

- (a) An Application for a license for a Marihuana Establishment shall be submitted to the Grant City Manager, and shall contain the following information:
1. The name, address, phone number and email address of the proposed License Holder and the proposed Marihuana Establishment;
 2. The names, home addresses and personal phone numbers for all owners, directors, officers and managers of the License Holder and the Marihuana Establishment.
 3. One (1) copy of all the following:
 - i. All documentation showing the proposed License Holder's valid tenancy, ownership, or other legal interest in the proposed Permitted Property and Permitted Premises. If the Applicant is not the owner of the Permitted Property and Permitted Premises, a notarized statement from the owner of such property authorizing the use of the property for a Marihuana Establishment.
 - ii. If the proposed License Holder is a corporation, non-profit organization, limited liability company or any other entity other than a natural person, indicates its legal status, attach a copy of all company formation documents (including amendments), proof of registration with the State of Michigan, and a certificate of good standing.
 - iii. A valid, unexpired driver's license or state issued ID for all owners, directors, officers and managers of the proposed Establishment.
 - iv. Evidence of a valid sales tax license for the business if such a license is required by state law or local regulations,
 - v. Application for Sign Permit, if any sign is proposed.
 - vi. Application Fee.
 - vii. Business and Operations Plan, showing in detail the Marihuana Establishment proposed plan of operation, including without limitation, the following:
 1. A description of the type of Establishment proposed and the anticipated or actual number of employees.
 2. A security plan, which shall include a general description of the security system(s), current centrally alarmed and monitored security system service agreement for the proposed Permitted Premises, and confirmation that those systems will meet State requirements and be approved by the State prior to commencing operations.
 3. A description by category of all products to be sold.
 4. A list of Material Safety Data Sheets for all nutrients, pesticides, and other chemical proposed for use in the Marihuana Establishment.

5. A description and plan of all equipment and methods that will be employed to stop any impact to adjacent uses, including enforceable assurances that no odor will be detectable from outside of the Permitted Premises.
 6. A plan for the disposal of Marihuana and related byproducts that will be used at the Facility.
- viii. An identification of any business that is directly or indirectly involved in the growing, processing, testing, transporting or sale of Marihuana for the Establishment.
 - ix. Whether any Applicant has ever applied for or has been granted any commercial license or certificate issued by a licensing authority in Michigan or any other jurisdiction that has been denied, restricted, suspended, revoked, or not renewed and a statement describing the facts and circumstances concerning the application denial, restrictions, suspension, revocation, or nonrenewal, including the licensing authority, the date each action was taken, and the reason for each action.
 - x. Signed and sealed (by Michigan registered architect, surveyor or professional engineer) site plan and interior floor plan of the Permitted Premises and the Permitted Property.
 - xi. Information regarding any other Marihuana Establishment that the Licensee is authorized to operate in any other jurisdiction within the State, or another State, and the Applicant's involvement in each Facility.
4. Any other information reasonably requested by the City to be relevant to the processing or consideration of the Application.
 5. Information obtained from the Applicant or proposed License Holder is exempt from public disclosure under state law.
- (b) A license or a permit approved by the City for a Medical Marihuana Facility prior to April 20, 2020 may be converted into a general marihuana operating license for a Marihuana Establishment (as regulated by this ordinance) through approval by the City. The applicant need not repeat the application process. Instead, the City shall approve the conversion from medical to general operating if the following requirements are met:
1. The use is in compliance with all conditions of its ongoing Commercial Medical Marihuana Facility permit, and will continue to be in compliance with all conditions of its permit after the transition.
 2. The use is in compliance with all State requirements and is either licensed by the State or in the process of becoming licensed with the State.
 3. Any revisions to the original approvals for the use necessitated by the conversion from medical to recreational must be accomplished in the following fashion:
 - i. Revisions to the conditions of a permit may be approved through repeating the permit process (which may include a conversion to a recreational use), or during an annual renewal of a permit (at which time, the conversion approval may also take place).
 - ii. Revisions to the approved Site Plan may be approved through City Commission approval of a revised Site Plan. The conversion approval may happen in conjunction with the revised site plan approval.
- (c) Upon an applicant's completion of the above-described form and furnishing of all required information and documentation, the City shall file the same and assign it a sequential application number by establishment type based on the date and time of acceptance. The

City shall act to approve or deny an application not later than twenty-one (21) days from the date the completed application is filed. If approved, the City shall issue the applicant a provisional License and subsequently a final license after issuance by the state of Michigan of an operating license. If the application is denied, the City shall issue a written notice of denial to the Applicant and mail the same by first class mail to the address for the Applicant provided in the application.

Section IV. Location Marihuana Establishments

- (a) No license shall be issued under this Ordinance to any Marihuana Establishment that is:
 - 1. Proposed to be located in any zoning district other than the Commercial District, or Industrial District.
 - 2. Proposed to be located within one thousand (1,000) feet of any educational institution or school, college or university, with the minimum distance between uses measured horizontally between the nearest property lines.
 - 3. Proposed to be located within two hundred (200) feet of any church, house of worship or other religious facility, or public or private park, with the minimum distance between uses measured horizontally between the nearest property lines.
- (b) Multiple Establishments Licenses at a single location shall be permitted subject to the review and approval by the City and subject to the requirements of the state of Michigan.

Section V. Operational Standards for all Marihuana Establishments within the City of Grant

- (a) Marihuana Establishments shall comply at all times and in all circumstances with the Act, and applicable Michigan law, and the general rules of the Department of Licensing and Regulatory Affairs, as they may be amended from time to time. It is the responsibility of the owner to be aware of changes in the Act. The City bears no responsibility for failure of the owner to be unaware of changes in the Act.
- (b) Consumption and/or use of marihuana shall be prohibited at the establishment.
- (c) The establishment shall be open, during regular business hours, to any representative of LARA, state police officer, county sheriff deputy, or City of Grant Police Officer, and said individual(s) may enter the premises, offices, Establishments, or other places of business of a Licensee, for the following purposes:
 - 1. To inspect and examine all premises of Marihuana Establishment.
 - 2. To inspect, examine, and audit relevant records of the Licensee and, if the Licensee or any employee fails to cooperate with an investigation, impound, seize, assume physical control of, or summarily remove from the premises all books, ledgers, documents, writings, photocopies, correspondence, records, and videotapes, including electronically stored records, money receptacles, or equipment in which the records are stored.
 - 3. To investigate alleged violations of the Act, this ordinance and applicable Michigan law.
- (d) Marihuana Establishments shall at all times maintain a security system that meets State law requirements, and shall include the following:
 - 1. Security surveillance cameras installed to monitor all entrances, along with the interior and exterior of the premises. The video recordings shall be maintained in a secure location for a period of thirty (30) days and be available upon request of the City of Grant Police Department.

2. Robbery and burglary alarm system which are professionally monitored and operated 24 hours a day, 7 days a week;
 3. A locking safe permanently affixed to the premises that shall store all Marihuana and cash remaining in the Facility overnight;
 4. All Marihuana in whatever form stored at the premises shall be kept in a secure manner and shall not be visible from outside the premises, nor shall it be grown, processed, exchanged, displayed or dispensed outside the premises.
- (e) The marihuana establishment shall be maintained and operated so as to comply with all state and local rules, regulations and ordinances.
 - (f) All activities of the Marihuana Establishment, including without limitation, distribution, growth, cultivation, or the sale of Marihuana, and all other related activity permitted under the License or Permit must occur indoors. The Facility's operation and design shall minimize any impact to adjacent uses, including the control of any odor by maintaining and operating an air filtration system so that no odor is detectable outside the Permitted Premises.
 - (g) Litter and waste shall be properly removed and the operating systems for waste disposal shall be maintained in an adequate manner so that they do not constitute a source of contamination.
 - (h) There shall be adequate screening or other protection against the entry of pests. Rubbish shall be disposed of so as to minimize the development of odor and minimize the potential for the waste development of odor and minimize the potential for waste becoming attractant, harborage or breeding place for pests.
 - (i) The City Commission may impose such reasonable terms and conditions on a Marihuana Establishment as many be necessary to protect the public health, safety and welfare, and to obtain compliance with the requirements of this Ordinance and applicable law.

Section VI. Operational Standards for Safety Compliance Establishments

The following minimum standards for Safety Compliance Establishments shall apply:

- (a) Safety Compliance Establishments shall maintain a log book and/or database which complies with the Act or applicable Michigan law; and
- (b) There shall be no other accessory uses permitted within the same establishment other than those associated with testing marihuana.
- (c) A Stakeholder in a Safety Compliance Establishment shall not hold an ownership interest, directly or indirectly, in a Grower, Processor, Retailer or Microbusiness Establishment.

Section VII. Operational Standards for Secure Transporter Establishments

The following minimum standards for Secure Transporter Establishments shall apply:

- (a) Secure Transporters and each Secure Transporter Stakeholder shall not hold an ownership interest, directly or indirectly, in a Grower, Processor, Retailer or Microbusiness Establishment.
- (b) A Secure Transporter shall enter all transactions, current inventory, and other information as required by the state into the statewide monitoring system.
- (c) A Secure Transporter shall comply with all of the following:
 1. Each driver transporting marihuana shall have a chauffeur's license issued by the state.
 2. Each employee who has custody of marihuana or money that is related to a marihuana transaction shall not have been convicted of delivery of a controlled substance.
 3. Each vehicle shall be operated with a two-person crew with at least one individual remaining with the vehicle at all times during the transportation of marihuana.
 4. The marihuana shall be transported by one or more sealed containers and shall not be accessible while in transit.

5. A secure transporting vehicle shall not bear markings or other indication that it is carrying marihuana or a marihuana infused product.
- (d) A vehicle used by a Secure Transporter is subject to administrative inspection by a law enforcement officer at any point during the transportation of marihuana to determine compliance with all state and local laws, rules, regulations and ordinances.

Section VIII. Operational Standards for Marihuana Retailers

The following minimum standards for Marihuana Retailers shall apply:

- (a) Marihuana Retailers shall not sell edible marihuana-infused candy in shapes or packages that are attractive to children or that are easily confused with commercially sold candy that does not contain marihuana.
- (b) Marihuana Retailers and their agents shall ensure that all purchasers of recreational marihuana are over 21 years of age.
- (c) No Marihuana Retailer shall operate between the hours of 10:00 p.m. and 8:00 a.m.

Section IX. Denial and Revocation

- (a) A License issued under this Ordinance may be revoked after an administrative hearing at which the City determines that grounds for revocation under this Ordinance exist. Notice of the time and place of the hearing and the grounds for revocation must be given to the holder of a License at least five days prior to the date of the hearing, by first class mail to the address given on the license application; a licensee whose license is the subject of such hearing may present evidence and/or call witnesses at the hearing;
- (b) A License applied for or issued under this Ordinance may be denied or revoked on any of the following basis:
 1. Any violation of this Ordinance;
 2. Any conviction of delivery of a controlled substance to a minor;
 3. City finding of fraud, misrepresentation or the making of a false statement by the Applicant or any stakeholder of the Applicant while engaging in any Activity for which this Ordinance requires a License or in connection with the Application for a License or request to renew a License;
 4. Sufficient evidence that the Licensee lacks, or has failed to demonstrate, the requisite professionalism and/or business experience required to assure strict adherence to this ordinance, and the rules and regulations governing the Act;
 5. The License holder or any of its Stakeholders is in default to the City personally or in connection with any business in which they hold an ownership interest, for failure to pay property taxes, special assessments, fines, fees or other financial obligation;
 6. The marihuana establishment is determined by the City to have become a public nuisance; or
 7. LARA has denied, revoked or suspended the applicant's state operating license.
- (c) Should the City, acting through its City Clerk and/or City Manager revoke a License, the Licensee shall have fourteen (14) days from the mailing of the written notice of revocation to appeal the decision to the City Commission by filing a written notice of appeal. The City Commission shall hear the appeal at its next regularly scheduled meeting, but no sooner than 7 days from the receipt of the appeal. The City Commission may require additional information or Act upon the appeal based upon the information supplied. Should the City Commission reverse the previous decision, the City shall reinstate the license. Should the City Commission affirm the previous decision, the City shall mail by first class mail a written notice affirming the decision to the address for the Licensee.

Section X. License Renewal

- (a) A License shall be valid for one year from the date of issuance, unless revoked as provided by law, including this Ordinance.
- (b) A valid License may be renewed on an annual basis by submitting a renewal application upon a form provided by the City and payment of the annual license fee. Applications to renew a License shall be filed with the City at least thirty (30) days prior to the date of its expiration. As long as no changes to the Licensee have occurred and there is no pending request to revoke or suspend a License, and the Licensee has paid the License Renewal Fee, the City shall renew the License.

Section XI. Unlawful Activities

Any act which is a violation of MCL 333.27954, or any amendment thereto, shall also be considered a violation of this Ordinance. It shall be unlawful to consume marihuana in a public place in the city of Grant, except in a location designated by the act of the City Commission for consumption and only when not accessible to persons under 21 years of age.

Section XII. Applicability

The provisions of this Ordinance shall be applicable to all persons and Establishments described herein, including if the operations or Activities associated with a marihuana establishment were established without authorization before the effective date of this ordinance.

Section XIII. Penalties and Enforcement

- (a) Any person who violates any of the provisions of this Ordinance shall be responsible for a municipal civil infraction and subject to the payment of a civil fine of \$500, plus costs, except that a violation of Section X by consuming marihuana in a public place is a civil infraction and subject to the payment of a civil fine of up to \$100. Each day a violation of this Ordinance continues to exist constitutes a separate violation. A violator of this Ordinance shall also be subject to such additional sanctions, remedies and judicial orders as are authorized under Michigan law.
- (b) A violation of this Ordinance is deemed to be a nuisance per se. In addition to any other remedy available at law, the City may bring an Action for an injunction or other process against a Licensee to restrain, prevent, or abate any violation of this Ordinance.
- (c) This Ordinance may be enforced and administered by the City Clerk, any City of Grant Police Officer, City Manager or such other city official as may be designated from time to time by resolution of the City Commission.

Section XIV. Severability

In the event that any one or more sections, provisions, phrases or words of this Ordinance shall be found to be invalid by a court of competent jurisdiction, such holding shall not affect the validity or the enforceability of the remaining sections, provisions, phrases or words of this Ordinance.

Section XV. Effective Date

This ordinance shall take effect after its summary publication in a newspaper of general circulation, but no less than twenty (20) days from the date of its adoption as provided by the Grant City Charter.