
ORDINANCE NO. 2020-05

AN ORDINANCE OF THE CITY OF JACKSON, MICHIGAN TO AMEND THE REQUIREMENTS FOR MEDICAL MARIHUANA FACILITIES AND ADULT-USE MARIHUANA ESTABLISHMENTS, TO PROTECT THE PUBLIC HEALTH, SAFETY, AND WELFARE OF THE CITY OF JACKSON.

THE PEOPLE OF THE CITY OF JACKSON ORDAIN:

Section 1. Purpose.

The purpose of this Ordinance is to exercise the police, regulatory, and land use powers of the City by licensing and regulating marihuana provisioning centers, retail centers, marihuana grower facilities, marihuana safety compliance facilities and marihuana secure transporters to the extent permissible under State law to protect the public health, safety, and welfare of the residents of the City.

The City finds that the licensing of medical marihuana facilities and adult-use marihuana establishments is helpful to the public health and welfare of its citizens and it is therefore necessary to regulate and enforce safety and health practices related to such facilities.

Section 2. That Article XVIII of Chapter 16 of the City of Jackson Code of Ordinances be amended as follows:

ARTICLE XVIII. MARIHUANA USES.

Sec. 16-510. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning. In addition, any term defined by the Michigan Medical Marihuana Act, Initiated Law 1 of 2008, MCL §333.26421 et seq., as amended (“MMMA”), the Medical Marihuana Facilities Licensing Act 2016 PA 281, MCL §333.27101, et seq. (“MMFLA”), and/or the Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1 of 2018, MCL §333.27951 et seq. (“MRTMA”), shall have the definition given in the MMMA, as amended, the MMFLA, as amended or the MRTMA as amended. If the definition of a word or phrase set forth in this Chapter conflicts with the definition in the MMMA, the MMFLA, or the MRTMA or if a term is not defined but is defined in the MMMA, the MMFLA or the MRTMA, then the definition in the MMMA, the MMFLA and/or the MRTMA shall apply. Also, any term defined by 21 USC 860(E) referenced in this Chapter shall have the definition given by 21 USC 860(E).

Adult-use marihuana facility means a grower, retail center, safety compliance facility or secured transporter as defined herein and as defined in the Michigan Medical Marihuana Facilities Licensing Act and its rules and regulations, as amended that has a current license to operate from both the State of Michigan and the City of Jackson. This term does not include an industrial hemp growing or processing facility.

Advisory bulletin means an Advisory Bulletin for the Michigan Marihuana Regulatory Agency posted by the Michigan Department of Licensing and Regulatory Affairs.

Agency means the Michigan Marijuana Regulatory Agency, a division of the Michigan Department of Licensing and Regulatory Affairs.

Applicant means a person who applies for a state medical marihuana facility operating license, or an adult use marihuana establishment license. Applicant includes a managerial employee of the applicant, a person holding an indirect ownership interest of ten percent (10%) or more in the applicant, and the following for each type of applicant:

- (i) For an individual or sole proprietorship: the proprietor and spouse.
- (ii) For a partnership and limited liability partnership: all partners and their spouses. For a limited partnership and limited liability limited partnership: all general and limited partners, not including a limited partner holding a direct or indirect ownership interest of less than ten percent (10%) and who does not exercise control over or participate in the management of the partnership, and their spouses. For a limited liability company: all members and managers, not including a member holding a direct or indirect ownership interest of less than ten percent (10%) and who does not exercise control over or participate in the management of the company, and their spouses.
- (iii) For a privately held corporation: all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, and all stockholders, not including those holding a direct or indirect ownership interest of less than ten percent (10%), and their spouses.
- (iv) For a publicly held corporation: all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, and all stockholders, not including those holding a direct or indirect ownership interest of less than ten percent (10%), and their spouses.
- (v) For a multilevel ownership enterprise: any entity or person that receives or has the right to receive ten percent (10%) or more of the gross or net profit from the enterprise during any full or partial calendar or fiscal year.
- (vi) For a nonprofit corporation: all individuals and entities with membership or shareholder rights in accordance with the articles of incorporation or the bylaws and their spouses.

Bureau means the Bureau of Medical Marihuana Regulation, a division of the Department of Licensing and Regulatory Affairs.

Chapter means chapter 16 of the Code of the City of Jackson, as amended

City means the City of Jackson, Michigan.

Code means the Code of Ordinances of the City of Jackson, as amended.

Co-location of one (1) medical and one (1) adult-use marihuana facilities means the comparable medical and adult-uses may be combined in the same suite and not considered a secondary license as regulated in Sec. 28-140 of the Code.

Council, or city council means the City Council of Jackson, Michigan.

Cultivate means to propagate, breed, grow, harvest, dry, cure, or separate parts of the marihuana plant by manual or mechanical means.

Cyber School means a full time instructional program of virtual courses for pupils that may or may not require attendance at a physical school location.

Enclosed locked facility means a closet, room, or other comparable, stationary, and fully enclosed are equipped with secured locks or other functioning security devices. Marihuana plants grown outdoors are considered to be in an enclosed, locked facility if they are not visible to the unaided eye from an adjacent property when viewed by an individual at ground level or from a permanent structure and are grown within a stationary structure that is enclosed on all sides, except for the base, by chain-link fencing, wooden slats, or a similar material that prevents access by the general public and that is anchored, attached, or affixed to the ground and as defined in the by state law. If this definition is amended by Michigan law, the amended definition shall apply.

Grower means a licensee that is a commercial entity located in this state that cultivates, dries, trims, and/or cures and packages marihuana for sale to a provisioning center, or another grower.

Industrial hemp means the plant *Cannabis sativa* L. and any part of that plant, including the viable seeds of that plant and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9-tetrahydrocannabinol concentration of not more than three-tenths of one percent (0.3%) on a dry weight basis. Industrial hemp includes industrial hemp commodities and products and topical or ingestible animal and consumer products derived from the plant *Cannabis sativa* L. with a delta-9-tetrahydrocannabinol concentration of not more than zero percent (0%) on a dry weight basis.

Industrial Hemp Research and Development Act means the act of the same name, Public Act 547 of 2014 as amended.

LARA means the State of Michigan Licensing and Regulatory Affairs division which is charged with administration and enforcement of the Michigan Medical Marihuana Act, the Michigan Medical Marihuana Facilities Licensing Act and the Michigan Regulation and Taxation of Marihuana Act.

License application refers to the requirements and procedures set forth in this article.

Licensee means a person holding a State of Michigan operating license and a City of Jackson license to operate a medical marihuana facility, and/or an adult-use marihuana establishment.

Marihuana means all parts of the plant of the genus *cannabis*, growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds or resin, including marihuana concentrate and marihuana-infused products. For purposes of this act, marihuana does not include:

- (1) The mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, except the resin extracted from those stalks, fiber, oil, or cake, or any sterilized seed of the plant that is incapable of germination;
- (2) Industrial hemp; or

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- (3) Any other ingredient combined with marihuana to prepare topical or oral administrations, food, drink, or other products.

Marihuana accessories means any equipment, product, material, or combination of equipment, products, or materials, which is specifically designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, ingesting, inhaling, or otherwise introducing marihuana into the human body.

Marihuana concentrate means the resin extracted from any part of the plant of the genus *cannabis*.

Marihuana establishments means a marihuana grower, marihuana safety compliance facility, marihuana microbusiness, marihuana retailer, marihuana secure transporter, or any other type of marihuana-related business licensed by the agency pursuant to MRTMA. This term does not include an industrial hemp grower or processor-handler.

Marihuana grower means a person licensed to cultivate marihuana and sell or otherwise transfer marihuana to marihuana establishments.

Marihuana-infused product means a topical formulation, tincture, beverage, edible substance, or similar product containing marihuana and other ingredients and that is intended for human consumption.

Marihuana microbusiness means a combined operation including the cultivation of up to one hundred fifty (150) plants, processing and packaging of on-site grown marihuana, retail sale or transfer of said marihuana to individuals over twenty-one (21) years of age, and transfer of marihuana to a safety compliance facility for testing, but not to other adult-use marihuana establishments.

Marihuana plant means any plant of the species *Cannabis sativa* L.

Marihuana retailer means a person licensed to obtain marihuana from marihuana establishments and to sell or otherwise transfer marihuana to marihuana establishments and to individuals who are twenty-one (21) years of age or older.

Marihuana secure transporter means a person licensed to obtain marihuana from marihuana establishments in order to transport marihuana to marihuana establishments.

Marihuana safety compliance facility means a person licensed to test marihuana, including certification for potency and the presence of contaminants.

Medical marihuana facility means a grower, provisioning center, safety compliance facility or secured transporter as defined herein and as defined in the Michigan Medical Marihuana Facilities Licensing Act and its rules and regulations, as amended that has a current license to operate from both the State of Michigan and the City of Jackson. This term does not include an industrial hemp growing or processing facility.

Medical marihuana home use means either:

- (a) A dwelling where a qualifying patient grows or uses medical marihuana for his or her personal consumption in the privacy of the patient's primary residence, or

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- (b) A dwelling or accessory structure to a dwelling where a registered primary caregiver grows medical marijuana in or at his primary residence for registered qualifying patients with whom the primary caregiver is registered to through the Michigan Licensing and Regulatory Affairs Division (LARA) or its successor.

Michigan Medical Marijuana Act means the Michigan Medical Marijuana Act, MCL §333.26421 to §333.26430.

Michigan Medical Marijuana Facilities Licensing Act means the Michigan Medical Marijuana Act, MCL §333.27101 to §333.27801.

Michigan Regulation and Taxation of Marijuana Act or *MRTMA* means the Michigan Regulation and Taxation of Marijuana Act, MCL §333.27951 to §333.27967.

Municipal license means a license issued by the city pursuant to this chapter that allows a person to operate a medical marijuana facility or marijuana establishment in the city.

Ordinance means this Ordinance.

Outdoor grow means a fully enclosed outdoor area that is shielded from public view and is not visible without the use of binoculars, aircraft, or other optical aids, and is equipped with secure locks and other functioning security devices to prevent entry into the area by unauthorized persons.

Person means an individual, corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited liability limited partnership, trust, or other legal entity.

Primary caregiver means an individual as defined by the MMMA and as authorized by and registered through LARA to grow and distribute medical marijuana for up to five (5) qualifying patients.

Primary residence means the one (1) place where a person has his or her true, fixed and permanent home to which, whenever absent, he or she intends to return and that shall continue as a principal residence until another principal residence is established.

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.

Rules means any rules promulgated by the Department of Licensing and Regulatory Affairs regarding marijuana.

Qualifying patient means an individual, as defined by the MMMA, that has been diagnosed by a physician as having a medical condition alleviated by the use of medical marijuana, and who is registered through LARA to grow and/or consume medical marijuana.

School means a public or private licensed pre-school, or a public, private, or charter elementary, middle, junior high, or high school, vocational school, secondary school, community college, or other institution of higher education.

Stakeholder means, with respect to a trust, the beneficiaries; with respect to a limited liability company, the managers or members; with respect to a corporation, whether profit or non-profit, the officers, directors, or shareholders; and with respect to a partnership or limited liability partnership, the partners, both general and limited.

State means the State of Michigan.

State license means a license issued by the department that allows a person to operate a marihuana establishment.

Unreasonably impracticable means that the measures necessary to comply with the rules or ordinances adopted pursuant to this act subject licensees to unreasonable risk or require such a high investment of money, time, or any other resource or asset that a reasonably prudent businessperson would not operate the marihuana establishment.

Virtual course means a course of study that is capable of generating a credit or a grade and that is provided in an interactive learning environment in which the majority of the curriculum is delivered using the internet and in which pupils are separated from their instructor or teacher of record by time or location, or both.

Sec. 16-514. License Allocation and Fees.

- (a) No person shall operate a Provisioning Center, Retail Establishment, Grower Facility, Safety Compliance Facility, Secure Transporter Facility, Microbusiness or Designated Consumption Establishment in the City of Jackson without first obtaining a license to do so from the City Clerk and the State of Michigan.
- (b) The City Clerk, after the approval from City Council, shall issue no more than the following numbers and types of facility licenses. The term of each license shall be one (1) year. The following are the numbers and types of licenses:
 - 1. Two (2) Grower Licenses of Class A (maximum of 100 marihuana plants) or Class B (maximum of 500 marihuana plants) as defined in the MRTMA or Class A (maximum of 500 marihuana plants) as defined in the MMFLA, which are not stackable;
 - 2. Three (3) Provisioning Center or Retailer Licenses;
 - 3. Two (2) Safety Compliance Facility Licenses;
 - 4. Two (2) Secure Transporter Licenses; and,
 - 5. Two (2) Marihuana Microbusinesses.

Up to two (2) comparable medical and adult-uses may co-locate under one (1) City license provided they are located within the same suite, are under the same ownership structure, and each complies with the respective zoning and licensing requirements as outlined in the applicable City and State laws/rules.

A non-refundable fee for the application and license shall be submitted concurrent with the application. The non-refundable fee for a license shall be established by Resolution of the City Council and shall only license one (1) type of facility.

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- (c) A licensee may only hold one license for each of the types of medical marihuana facilities, although a licensee may hold licenses for different types of medical marihuana facilities if all of the facilities are co-located in one structure. For example, a licensee may not hold two (2) City provisioning center licenses but may hold one (1) City provisioning center license and one (1) City grower license if the provisioning center and the grow operation are located in the same structure. The fact that the licensee may have been issued two (2) State licenses for the same type of facility is irrelevant to the City's licensing process.

Sec. 16-516. License Applications Process and Submissions.

The medical marihuana facility and adult-use marihuana establishment licensing process shall consist of three (3) phases. The first phase shall be review of the location of the facility and the building plan for the structure that will contain the facility. The second phase shall be review of the entity that is applying. The third phase will be approval of licenses by the city council.

(a) *Phase one—Facility review.*

- (1) An applicant that has already received a Step One Pre-licensure from the State of Michigan to operate a medical marihuana facility or adult-use marihuana establishment may begin the process for approval of the structure and location of the facility. If the applicant does not have a Phase One Pre-licensure from the State of Michigan, the applicant may not begin the city application process.
- (2) The applicant shall submit the following as a site and structure application to the neighborhood and economic operations department for approval of the site and structure that will contain the medical marihuana facility or adult-use marihuana establishment:
 - a. A complete application for building and site plan review;
 - b. A complete site plan signed and sealed by a licensed engineer or architect;
 - c. A boundary and ALTA survey at a standardized engineering scale;
 - d. A complete set of building drawings signed and sealed by a licensed engineer or architect; and
 - e. A copy of the applicant's pre-licensure application to the State of Michigan and a copy of the Step One Pre-licensure from the State of Michigan.
- (3) Medical marihuana establishments: Applications for medical marihuana establishments are due no later than September 3, 2019. The director of NEO or designee shall have until September 6, 2019 to review the site and structure application to determine if all applicable information has been submitted for the medical marihuana facility. If the site and structure application is not complete, the director of NEO shall notify the applicant in writing and the applicant shall have until October 7, 2019 to resubmit the required information.

If the application is complete, the director of NEO and staff shall review and coordinate any requested changes to verify compliance with the City of Jackson Code of Ordinances between October 7, 2019 and January 20, 2020 for a medical marihuana facility.

Once the applicant receives approval of the medical marihuana facility site plan and building drawings from the director of NEO and the chief building official, the marihuana licensing committee shall evaluate each application based upon the previously established point system. Only those with the highest points shall be recommended to the city council for a conditional license. Upon approval by city council on January 28, 2019, the chief building shall issue building permits beginning on January 31, 2020 to applicants to begin construction of the structure containing the medical marihuana facility. Building permits are valid for one (1) year pursuant to the Stille-Derossett-Hale Single State Construction Act. No building permits for medical marihuana facilities shall be issued to any applicant under any circumstances prior to January 31, 2020.

- (4) Adult-use marihuana establishments: Applications for adult-use marihuana establishments are due on December 2, 2019. The director of NEO or designee shall have until December 13, 2019 to review the site and structure application to determine if all applicable information has been submitted for the adult-use marihuana establishment. If the site and structure application is not complete, the director of NEO or designee shall notify the applicant in writing and the applicant shall have until January 10, 2020 to resubmit the required information.

If the application is complete, the director of NEO and staff shall review and coordinate any requested changes to verify compliance with the City of Jackson Code of Ordinances between January 13, 2020 and April 17, 2020 for an adult-use marihuana establishment.

Provided that the applicant receives approval of the adult-use marihuana establishment site plan and building drawings from the director of NEO and the chief building official, the marihuana licensing committee shall evaluate each application based upon the previously established point system. Only those with the highest points shall be recommended to the city council for a conditional license. Upon approval by city council on April 28, 2020, the chief building shall issue building permits beginning on April 30, 2020 to applicants to begin construction of the structure containing the adult-use marihuana facility. Building permits are valid for one (1) year pursuant to the Stille-Derossett-Hale Single State Construction Act. No building permits shall be issued to any applicant under any circumstances prior to April 30, 2020.

- (5) Unissued Phase One Conditional Medical and/or Adult-Use Marihuana Establishment Licenses: In the event that City Council has NOT issued the full number of phase one (1) conditional licenses before April 30, 2020, the Director of NEO or designee shall authorize the resubmission of previously submitted and unapproved phase one conditional medical and/or adult use establishment plans to be resubmitted no later than July 31, 2020. Provided that the applicant receives approval of their establishment site plan and building drawings from the Director of NEO and the Chief Building Official, the Marihuana Licensing Committee shall evaluate each application based upon the previously established point system. Only those with the highest points shall be recommended to the City Council for a conditional license. Upon approval by City Council, the Chief Building shall issue

building permits beginning no earlier than 30 days after the Council meeting. Building permits are valid for one (1) year pursuant to the Stille-Derossett-Hale Single State Construction Act.

- (6) Conversion of a Phase One Conditional License from Medical to Adult-Use: At any point after receiving a building permit, a medical marihuana applicant with a phase one conditional license from the City Council can choose to convert the approved Medical Use into a comparable Adult-Use operation provided all State informational requirements are submitted to the City as a part of said request.

(b) *Phase two—Entity review.*

- (1) Once the applicant has received a building permit, the applicant may submit a final application for a full marihuana license to the City Clerk no less than 90 days after receiving conditional phase one (1) license approval. Additional complete copies of the application must also be provided to the City Clerk to distribute to the following City staff:
 - a. The City Attorney;
 - b. The City Engineer;
 - c. The City Manager;
 - d. The Director of Neighborhood and Economic Operations;
 - e. The Director of Police and Fire Services; and
 - f. The City Treasurer.
- (2) Licensees shall report any other change in the information required to the City Clerk within ten (10) days of the change. Fees shall be set by council resolution for any applicant or employee background check and review added after the original application is filed.
- (3) Comments from the staff listed in subsection (B)(1) shall be given to the Clerk on or before September 25, 2020 for medical or adult-use marihuana establishments. Once comments are given by staff, the City Clerk shall then submit the final application to the Marihuana Licensing Review Committee and the Director of NEO shall submit the site and structure application to the Marihuana Licensing Review Committee.
- (4) The Marihuana Licensing Review Committee shall have until July 30, 2021, or the date that the applicant has received a certificate of occupancy for the applicant's proposed medical or adult-use marihuana establishment, whichever occurs earlier, to make a recommendation to the city council for final license approval.

(c) *Phase three—Approval of city council and issuance of licenses.*

- (1) The final, full license to operate the applicant's proposed medical marihuana facility or adult-use marihuana establishment will not be issued by the City Council to the applicant and applicants will not be permitted to operate the medical marihuana facility or adult use marihuana establishment until the following occur:

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- a. The City Manager has certified to the City Council that the structure is complete, that a certificate of occupancy for the structure containing the facility has been issued to the applicant, and that a zoning compliance certificate for the structure containing the facility has been issued to the applicant;
 - b. The City Treasurer certifies to the City Council that the applicant, nor any person or entity considered an applicant under the MMFLA or the MRTMA, is in default to the city;
 - c. The City Attorney certifies that there are no criminal or civil actions pending against the applicant or any person or entity considered an applicant under the MMFLA or the MRTMA that were not disclosed by the applicant in the application; and
 - d. The applicant has filed a copy with the Clerk of the final, Step Two State of Michigan license to operate the proposed facility.
- (2) City Council shall make its final decision regarding the granting of licenses to medical and/or adult-use marijuana establishment applicants no later than October 29, 2021. An applicant must have received its Phase Two final license from the State of Michigan on or before July 30, 2021, and provided a copy to the City Clerk, in order for the City Council to consider granting a license to the applicant.
- (d) License renewal and subsequent applications. Application and other licensing deadlines for subsequent years will be determined by the city council by resolution. Upon the expiration of an existing license, a license will be automatically renewed by the City of Jackson for one (1) year if:
- (1) There are no uncured administrative violations in the prior year;
 - (2) The applicant has paid the annual licensing fee for the renewal period;
 - (3) Any changes of any person or entity considered an applicant under the MMFLA or the MRTMA have been fully disclosed to the City of Jackson;
 - (4) Neither the applicant nor any person or entity considered an applicant under the MMFLA or the MRTMA are in violation of any provision of the Code;
 - (5) The property where the facility will be located has been certified by the director of neighborhood and economic operations to be in compliance with the City of Jackson's building design standards and the approved site plan for the property;
 - (6) The applicant has no unpaid delinquent taxes, special assessments, fees or charges of any type owed to the city; and
 - (7) The applicant has paid and received the renewal of its State license.
- (e) Contents of final city application. A final application for a medical marijuana facility or adult-use marijuana establishment license required by this chapter shall contain the following:
- (1) The appropriate non-refundable application and licensee fee per resolution of the city council;

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- (2) A complete copy of the application package submitted to the State of Michigan for the facility license;
 - (3) If the applicant is an individual, the applicant's name, date of birth, physical address, copy of government issued photo identification, email address, and one (1) or more phone numbers, including Bureau contact information;
 - (4) If the applicant is not an individual, the names, physical addresses, email addresses, and one (1) or more phone numbers of each person considered an applicant under the MMFLA or the MRTMA, including designation of the highest ranking member of the applicant entity, or the highest ranking managerial employee as a Bureau contact person and contact information for the Bureau contact person, articles of incorporation, articles of organization, or assumed name registration documents, Internal Revenue Service SS-4 EIN confirmation letter, and a copy of the operating agreement of the applicant, if a limited liability company, a copy of the partnership agreement, if a partnership, or a copy of the by-laws or shareholder agreement, if a corporation;
 - (5) The name and address of the proposed medical marihuana facility or adult-use marihuana establishment and any additional contact information deemed necessary by the city clerk;
 - (6) For the applicant and/or for each stakeholder of the applicant, an affirmation under oath that they are at least eighteen (18) years of age and have never been convicted of or pled guilty to any criminal offense under the laws of any jurisdiction for a controlled substance related crime. If convicted of such an offense, the applicant must provide information of the conviction, including the date, name and location of the court, arresting agency, and prosecuting agency, the case caption, the docket number, the offense, the disposition, and the location and length of incarceration.
 - (7) A signed release authorizing the department of police and fire services to perform a criminal background check to ascertain whether the applicant, each stakeholder of the applicant, each managerial employee (if known at the time of application) and employee (if known at the time of application) of the applicant meet the criteria set forth in this article. For any managerial or other employee hired after the date of the license application, this release must be provided within ten (10) days of the commencement of employment.
 - (8) A signed release consenting to and authorizing the department of police and fire services to inspect the premises of the facility for compliance with the provisions of this Code;
 - (9) The name, date of birth, physical address, copy of photo identification, and email address for any managerial employee or employee of the medical marihuana facility or adult-use marihuana establishment, if other than the applicant. For any managerial or other employee hired after the date of the license application, this information must be provided within ten (10) days of the commencement of employment.
 - (10) An affirmation under oath as to whether the 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,

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- revoked, or not renewed and a statement describing the facts and circumstances concerning the application, denial, restriction, suspension, revocation, or nonrenewal, including the licensing authority, the date each action was taken, and the reason for each action;
- (11) A copy of the proof of financial responsibility submitted to LARA with the state application.
 - (12) One of the following:
 - a. Proof of an ownership interest of the entire premises wherein the medical marihuana facility or adult-use marihuana establishment is to be operated. Co-ownership with a person or person who are not the owner, member or shareholder of the licensee is not permitted; or
 - b. Written consent from the property owner for use of the premises in a manner requiring licensure under this chapter along with a copy of the lease for the premises.
 - (13) Proof of an adequate premise liability and casualty insurance policy in the amount not less than one million dollars (\$1,000,000.00) per occurrence, covering the medical marihuana facility or adult-use marihuana establishment and naming the city as an additional insured party, available for the payment of any damages arising out of an act or omission of the applicant or any person or entity considered an applicant under the MMFLA or the MRTMA, agents, employees, or subcontractors;
 - (14) A description of the security plan meeting all requirements of the rules for the medical marihuana facility or adult-use marihuana establishment, including, but not limited to, any lighting alarms, and recording/monitoring devices. The security plan must contain the specification details of each piece of security equipment and must be approved by the director of police and fire services;
 - (15) A copy of the marihuana facility plan or marihuana establishment plan required by LARA as well as a floor plan of the medical marihuana facility or adult-use marihuana establishment, and a scale diagram illustrating the property upon which the medical marihuana facility is to be operated, including all available parking spaces, and specifying which parking spaces, if any, are handicapped-accessible;
 - (16) An affidavit that neither the applicant nor any person or entity considered an applicant under the MMFLA or the MRTMA is in default to the city. Specifically, that neither the applicant or any person or entity considered an applicant under the MMFLA or the MRTMA has not failed to file or pay any income taxes, property taxes, special assessments, fines, fee or other financial obligations to the city;
 - (17) An affidavit that the transfer of marihuana to and from medical marihuana facilities shall be in compliance with the MMA and the MMFLA or other applicable state laws;
 - (18) A staffing plan listing all employees expected to be hired and the titles of the employees as well as each employee's duties;

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- (19) Any proposed text or graphical materials to be shown on the exterior of the proposed medical marijuana facility or adult-use marijuana establishment;
 - (20) A business plan containing the following: an executive summary, a market analysis, a description of the organization management of the applicant, the sales strategies to be used by the applicant, the funding requirements for the facility, and the financial projections of the applicant.
 - (21) A location area map of the medical marijuana facility or adult-use marijuana establishment and surrounding area that identifies the relative locations and the distances (closest property line to the subject building) to the subject medical marijuana facility or adult-use marijuana establishment to the closest real property types of property identified in section 28-140 of this article.
 - (22) A facility sanitation plan to protect against any marijuana being ingested by any person or animal, indicating how the waste will be stored and disposed of, and how any marijuana will be rendered unusable upon disposal. Disposal by on-site burning or introduction in the sewerage system is prohibited;
 - (23) Copies of the financial statement of assets, copies of documents submitted to LARA to meet LARA's capitalization requirements, and copies of the CPA-attested financial statements required by the MMFLA, the MRTMA, the Rules and Advisory Bulletins.
 - (24) An affidavit that the liquid assets identified in the documents submitted in response to subsection (23) above will still be in liquid form at the time the license is issued by the city;
 - (25) As it relates to a grower facility, the following additional items shall be required:
 - a. A grower plan that includes at a minimum a description of the grower methods to be used, including plans for the growing mediums, treatments and/or additives;
 - b. A production testing plan that includes at a minimum a description of how and when samples for laboratory testing by a state approved safety compliance facility will be selected, what type of testing will be requested, and how the test results will be used;
 - c. An affidavit that all operations will be conducted in conformance with the MMMA, the MMFLA, the MRTMA or other applicable State laws and such operations shall not be cultivated on the premises at any one (1) time more than the permitted number of marijuana plants per the MMMA, as amended, the MMFLA, as amended, and the MRTMA, as amended; and
 - d. A chemical and pesticide storage plan that states the names of pesticides to be used and where and how pesticides and chemicals will be stored in the facility, along with a plan for the disposal of unused pesticides.

Sec. 16-519. General Requirements for all Medical Marihuana Facilities and Adult-Use Marihuana Establishments.

- (a) All activities related to marihuana, including those related to a provisioning center, a retailer, a grower facility, a microbusiness, a secure transporter, or a safety compliance facility shall be in compliance with the MMMA, the MMFLA, the MRTMA, the Rules and advisory opinions of the Medical Marihuana Licensing Board, the Michigan Department of Licensing and Regulatory Affairs or any successor agency, and the Code of Ordinances, resolutions, rules and regulations of the City of Jackson.
- (b) Any prospective licensee who engaged in the cultivation or processing of marihuana into a usable form, or the distribution of marihuana, or the testing of marihuana either prior to or after enactment of this chapter but without obtaining the required licensing set forth in chapter 16 of the Code shall be deemed to not be a legally established use and therefore not entitled to legal nonconforming status under the provisions of this chapter, chapter 28 of the Code, any other provision of the city code, and/or under state law. The city finds and determines that at the time of adoption of this article, the city has not previously authorized or licensed the existence of any medical marihuana facility, as defined herein, in the city.
- (c) All facilities shall withhold City of Jackson income taxes from the pay of employees and timely submit all withholdings and documentation.
- (d) Before hiring a prospective employee of the applicant, the holder of a license shall conduct a background check of the prospective employee. If the background check indicates a conviction within the past ten (10) years for a controlled substance-related felony, the applicant shall not hire the prospective employee without written permission from the city clerk after approval from the committee;
- (e) No advertisements or packaging shall be targeted to appeal to minors. No packaging shall substantially resemble any form of candy, snack food, drink or other edible item not containing marihuana currently for sale to the general public. All edible marihuana product must be in child resistant packages or containers. All packaging of edible marihuana product shall conform to the MMFLA, the MRTMA, the Rules and all Advisory Bulletins.
- (f) No doctor shall be permitted to offer certifications or examinations at the facility.
- (g) No alcohol, cigarettes, or over the counter pharmaceuticals may be sold on the premises.
- (h) Consumption of marihuana shall be prohibited on the premises of a medical marihuana facility, and a sign shall be posted on the premises of each facility indicating that consumption is prohibited on the premises. This exclusion does not apply to adult use marihuana consumption establishments;
- (i) Upon license approval, all licensees must place five thousand dollars (\$5,000.00) in an escrow account to be held by the City to ensure payment of unpaid fines, costs and other fees owed to the City. If the City finds that a licensee has unpaid fines, fees or other costs, the City shall send the licensee a notice stating the unpaid amounts and giving the licensee ten (10) days to pay the unpaid amount. If the unpaid amount is not paid within the ten (10) day period, then the city may retain the funds to pay the unpaid amounts. The escrow account must be

maintained annually. All unused escrow funds shall be returned to the licensee at the end of the license term.

- (j) All capitulation requirements of the MMFLA must be shown to be met.
- (k) All facilities must have an approved certificate of occupancy and zoning certificate at the time of application or the application will not be considered.
- (l) All notification and reporting requirements required by the rules, as amended, must be followed concerning reporting of theft or diversion of marihuana product.
- (m) The State of Michigan and city licenses must be prominently displayed at all times.
- (n) No noise, dust, odors or other nuisance conditions in violation of the Code are permitted on the premises.
- (o) No person is permitted to reside in a medical marihuana facility or adult-use marihuana establishment.
- (p) The premises shall be open, at all times, to fire fighters and police officers of the department of police and fire services, without a warrant and without notice to the licensee, to enter the premises, offices, facilities, or other places of business of a licensee, if there is probable cause of noncompliance with the MMMA, MMFLA, the MRTMA, the Code or applicable state laws will be found and consistent with constitutional limitations, for the following purposes:
 - (1) To inspect and examine all premises;
 - (2) To inspect, examine, and audit relevant records of the licensee and, if the licensee or any managerial employees or employees 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 inspect the person, and inspect or examine personal effects present in a medical marihuana facility or adult-use marihuana establishment, of any holder of state operating license while that person is present in a medical marihuana facility or adult-use marihuana establishment; and
 - (4) To investigate alleged violations of the MMMA, MMFLA, MRTMA or applicable state laws.
- (q) All marihuana shall be contained within an enclosed, locked facility in accordance with the MMMA, MMFLA, or MRTMA as amended.
- (r) There shall be no other accessory uses permitted within the facility.
- (s) Litter and waste shall be properly removed and the operating systems for waste disposal are maintained in an adequate manner so that they do not constitute a source of contamination in areas where marihuana is exposed;
- (t) Facilities shall be free from infestation by insects, rodents, birds, or vermin of any kind. There shall be adequate screening or other protection against the entry of pests.

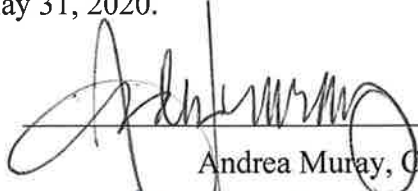
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- (u) Rubbish shall be disposed of so as to minimize the development of odor and minimize the potential for waste becoming an attractant, harborage or breeding places for pests.
 - (v) Disposal of marihuana shall be accomplished in a manner that prevents its acquisition by any person who may not lawfully possess it and otherwise in non-conformance with state laws;
 - (w) Marihuana that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms;
 - (x) Signage shall comply with the Code and with all state laws and rules and advisory bulletins of LARA.
 - (y) In addition to all security measures required by the State of Michigan, all medical marihuana facilities or adult-use marihuana establishments shall continuously monitor the entire premises on which they are operated with surveillance systems that include security cameras capable of recording with reasonable clarity at night. The video recordings shall be maintained in a secure, off-site location for a period of thirty (30) days.
 - (z) The dispensing of medical marihuana for consumption at the premises shall be prohibited.
 - (aa) Facilities shall not be operated in a manner creating noise, dust, vibration, glare, fumes, or odors detectable to normal senses beyond the boundaries of the property on which the facility is operated.
 - (bb) The public or common areas must be separated from restricted or non-public areas.
 - (cc) It shall be prohibited to use the symbol or image of a marihuana leaf in any exterior building signage.

Sec. 16-532.to 16-549. Reserved.


Section 3. Effective Date.

This Ordinance takes effect on the same date that a zoning ordinance amendments become effective.

The foregoing Ordinance 2020-05 was adopted by the Jackson City Council on the 26th day of May, 2020 and a summary was published on May 31, 2020.



Andrea Murray, City Clerk



Derek J. Dobies, Mayor