

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

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

1 **BY COUNCIL MEMBER _____** :

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

22

1 **IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT**

2 **THAT:**

3 **Section 1.** Chapter 20 of the 2019 Detroit City Code, *Health*, Article VI, *Medical Marihuana*
4 *Facilities*, be renamed *Medical Marihuana Facilities and Adult-Use Marihuana Establishments*,
5 and amended as follows:

6 **CHAPTER 20. HEALTH**

7 **ARTICLE VI. MEDICAL MARIHUANA FACILITIES AND ADULT-USE**

8 **MARIHUANA ESTABLISHMENTS**

9 **DIVISION 1. - GENERALLY**

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

11 (a) The purpose of this article is to establish standards and procedures for the issuance,
12 renewal, suspension, and revocation of business licenses for medical marihuana facilities and
13 adult-use marihuana establishments consistent with the Michigan Medical Marihuana Facilities
14 Licensing Act, being MCL 333.27101, *et seq.*, and the Michigan Regulation and Taxation of
15 Marihuana Act, being MCL 333.27951, et seq., respectively, to:

16 (1) ~~To provide qualifying patients access to medical marihuana~~ serve and protect the
17 health, safety, and welfare of the general public through reasonable regulation of
18 marihuana business operations including noise, odor, air and water quality, food
19 safety and public safety;

20 (2) ~~To ensure the safety of qualifying patients, primary caregivers, and the general~~
21 public establish an application fee and a licensing fee for medical marihuana
22 facilities and adult-use marihuana establishments to cover the City's costs in
23 administering this ordinance;

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

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

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

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

21 (10) direct that at least 50% of the fees generated from the licenses issued pursuant to
22 this article, and any allocations to the City of Detroit pursuant to M.C.L. 333.27964
23 and M.C.L. 333.27602, shall be used to further social equity goals, including, but

1 not limited to, addressing the challenges set forth in Subsections (6), (7), (8), and
2 (9) of this section; and to

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

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

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

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

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

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

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

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

14 The following words, terms and phrases, when used in this article, shall have the meanings
15 provided in this section:

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

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

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

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

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

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

14 Cultivation or cultivate means:

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

18 Department means the City of Detroit Buildings, Safety Engineering, and Environmental
19 Department.

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

1 Detroit legacy applicant or licensee means an individual who has, or an entity that is at least
2 51% owned and controlled by one or more individuals who has been a City of Detroit resident at the time
3 of application for at least one year, and additionally has been:

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

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

9 (3) a City of Detroit resident for the 10 of the past 30 years preceding the date of application,
10 and continues to so reside throughout the period of licensure, and has a prior controlled
11 substance record, as defined in this Section;

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

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

15 (2) A marihuana processor license issued under the MRTMA and a processor license
16 under the MMFLA;

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

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

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

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

3 Grower means a ~~state operating license holder that is a commercial entity located in this~~
4 ~~state that cultivates, dries, trims, or cures and packages marihuana for sale to a processor or~~
5 ~~provisioning center~~ business licensed under the MMFLA or MRTMA and this article, located in
6 this state, which cultivates, dries, trims, or cures and packages marihuana for sale or transfer
7 to a medical marihuana facility or an adult-use marihuana establishment, and is licensed as
8 follows:

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

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

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

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

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

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

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

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

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

6 Medical marihuana facility means any facility, entity, establishment, or center that is
7 required to be licensed under the ~~Michigan Medical Marihuana Facilities Licensing Act, being~~
8 ~~MCL 333.27101 et seq~~ MMFLA~~r~~, and this article, including a grower, processor, provisioning
9 center, safety compliance facility, or a secure transporter.

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

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

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

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

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

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

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

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

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

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

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

1 whether the requirements of Section 20-6-31(d) and (e) are met, until it has been converted to a
2 full license.

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

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

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

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

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

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

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

13 Temporary marihuana event license means a state operating license held by a marihuana
14 event organizer authorizing an event where the onsite sale or consumption of marihuana
15 products, or both, are authorized at the location and on the dates indicated on the state operating
16 license.

17 **~~Sec. 20-6-3. Penalty. REPEALED~~**

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

20 (b) ~~In addition to the penalties provided by this section, the district court shall have equitable~~
21 ~~jurisdiction to enforce any judgment, writ, or order necessary to enforce any provision of this~~
22 ~~article, including, but not limited to, abatement of the violating condition or the granting of~~
23 ~~injunctive relief.~~

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

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

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

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

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

- 15 (1) Growers;
- 16 (2) Retailers;
- 17 (3) Processors;
- 18 (4) Safety compliance;
- 19 (5) Secure transporters;
- 20 (6) Temporary marihuana events;
- 21 (7) Marihuana event organizers;
- 22 (8) Designated consumption establishments; and
- 23 (9) Microbusinesses.

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

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

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

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

17 ~~(1) — Compliance with the requirements of this article, this Code, and applicable state~~
18 ~~law;~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 (d) Health Department;

8 (e) Law Department;

9 (f) Police Department;

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

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

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

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

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

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

20 (a) New or renewal applications for a medical marihuana facility license or an adult-
21 use marihuana establishment license shall be reviewed by the MLRC and a recommendation
22 provided to the Department director before a license may be issued or renewed by the Department,
23 in accordance with the applicable review criteria set forth in this article. For temporary marihuana

1 events, the MLRC shall make its recommendation to the Detroit City Council, which must approve
2 the temporary marihuana event, before a license is issued by the Department.

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

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

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

14 **Secs. ~~20-6-7~~ 20-6-25—20-6-30. Reserved.**

15 **DIVISION 23. - LICENSE LICENSING**

16 **Sec. ~~20-6-21~~20-6-31. License Required.**

17 (a) No person may operate a medical marihuana facility or an adult-use marihuana
18 establishment in the City without first obtaining a license from the City and a state operating
19 license in accordance with the provisions of this article. A separate license under this article is
20 required for each ~~medical marihuana facility~~ business with a state operating license operating in
21 one building. A co-location license is required for a property owner that maintains more than one
22 medical marihuana facility or adult-use marihuana establishment in one building.

1 (b) ~~A provisioning center in operation on the effective date of this article may continue~~
2 ~~to operate provided it: (1) has applied to obtain a license from the City within 21 days of the~~
3 ~~effective date of this article; and (2) complies with the license requirements imposed by Section~~
4 ~~20-6-5 of this Code, as determined by the Buildings, Safety Engineering and Environmental~~
5 ~~Department, within 120 days of the effective date of this article~~ No more than one medical
6 marihuana provisioning center and one marihuana retailer establishment may be licensed in any
7 single building.

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

10 (d) No less than 50% of licenses for adult-use retailers, adult-use processors, adult-use
11 growers, designated consumption establishments, microbusinesses, and marihuana event
12 organizers shall be granted to Detroit legacy applicants as defined in Section 20-6-2.

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

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

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

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

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

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

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

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

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

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

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

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

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

21

<u>Medical Marihuana Provisioning Center</u>	<u>75</u>
<u>Adult-Use Retailer Establishment</u>	<u>75</u>
<u>Grower</u>	<u>unlimited</u>
<u>Processor</u>	<u>unlimited</u>
<u>Secured Transporter</u>	<u>unlimited</u>

<u>Safety Compliance Facility</u>	<u>unlimited</u>
<u>Designated Consumption Lounge</u>	<u>35</u>
<u>Microbusiness</u>	<u>35</u>
<u>Marihuana Event Organizer</u>	<u>unlimited</u>
<u>Temporary Marihuana Event</u>	<u>unlimited</u>

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

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

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

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

(d) From May 1, 2021 through June 15, 2021 there will be a reserved review period wherein the City will review and may approve applications for adult-use marihuana establishment licenses from Detroit legacy applicants only. A Detroit legacy applicant that wishes to be considered during this time period must submit a complete application by April 30, 2021. The chronological order of reviewing license applications under this subsection shall be determined by an independent, transparent, and random selection process.

1 (e) From June 16, 2021 through July 31, 2021 there will be a reserved review period
2 wherein the City will review and may approve applications for adult-use marihuana establishment
3 licenses, from holders of a state operating license for a medical marihuana facility in the City of
4 Detroit. An applicant that wishes to be considered during this time period must submit a complete
5 application by April 30, 2021. The chronological order of reviewing license applications under
6 this subsection shall be determined by an independent, transparent, and random selection process.

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

9
10 **Sec. ~~20-6-2220-6-36~~. License application.**

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

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

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

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

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

3 (9) A comprehensive business plan detailing:

4 (i) business operations

5 (ii) security,

6 (iii) testing,

7 (iv) nuisance mitigation

8 (v) waste handling and disposal

9 (vi) environmentally sustainable practices

10 (vii) community relations

11 (viii) recruitment and training of employees

12 (ix) protocols for employee and customer safety

13 (x) number of Detroit residents employed

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

- 1 (11) ~~A description of the security plan for the medical marihuana facility, including,~~
2 ~~security precautions, recording/monitoring devices, barriers and lighting~~ Property
3 ~~tax clearance for the proposed location;~~
- 4 (12) ~~A description of the storage facilities and related equipment for all medical~~
5 ~~marihuana, regardless of its form~~ Blight clearance for the proposed location;
- 6 (13) ~~A description of the process for tracking quantities and inventory controls for~~
7 ~~medical marihuana, regardless of its form, including cultivation and disposal~~ A
8 ~~copy of the conditional land use approval for the intended use or the intended use~~
9 ~~of an equivalent license;~~
- 10 (14) ~~A description of the products and services to be provided by the medical marihuana~~
11 ~~facility, including retail items~~ Applicants for a designated consumption
12 ~~establishment must submit land use approval for a private club;~~
- 13 (15) ~~A description of the procedures for testing of contaminants and the labeling of~~
14 ~~medical marihuana products, regardless of form~~ Applicants for a microbusiness
15 ~~must submit a conditional land use approval for a grower;~~
- 16 (16) ~~Any other information the applicant believes is needed to fully and completely~~
17 ~~describe the services the applicant intends to provide and/or the benefits the~~
18 ~~applicant will provide to the City and the greater community~~ A copy of the
19 ~~temporary or final certificate of occupancy for the intended use permitted by~~
20 ~~Subsections (13), (14), or (15) of this section.~~
- 21 (17) A signed release acknowledging that the City will investigate the income and
22 property tax status of the applicant, its owners, directors, officers, members,
23 managers, partners, shareholders, employees and any medical marihuana facilities

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

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

9 (19) Applicant’s Social Equity Plan to be submitted to the State of Michigan Marihuana
10 Regulatory Agency in accordance with Rule 4(16) of the Marihuana Licenses Rule
11 Set (R 420.4(16), or, a “good neighbor plan” indicating the applicant’s commitment
12 to its community, including, but not limited to:

- 13 i. Hiring at least 50% of full time employees who are Detroit residents;
- 14 ii. Purchasing at least 50% of necessary goods and services from licensed
15 medical marihuana facilities, adult-use marihuana establishments, Detroit
16 legacy licensees, or other businesses located in the City of Detroit;
- 17 iii. A minimum of 750 annual volunteer hours serving a duly organized Detroit-
18 based charitable organization, community organization, religious
19 institution, school, or block club that operates within the community where
20 the applicant’s facility or establishment is located; or
- 21 iv. Annually donate a minimum of 1% of the applicant’s gross revenue to a
22 duly organized Detroit-based charitable organization that operates within
23 the community where the applicant’s facility or establishment is located, or

1 a fund that may be established by the City of Detroit for the purpose of
2 funding social equity initiatives.

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

7 (21) A copy of the applicant's Prequalification received from the State of Michigan
8 Marihuana Regulatory Agency.

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

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

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

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

20 (4) If the applicant is an organized legal entity, the name, mailing address, telephone
21 number, and email of all owners, directors, members, managers, officers, partners,
22 or shareholders, as well as the registered agent;

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

1 (14) For a marihuana event organizer, a copy of the applicant’s Prequalification from
2 the State of Michigan Marihuana Regulatory Agency.

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

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

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

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

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

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

18 (5) Blight clearance for the proposed location;

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

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

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

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

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

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

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

18 (d) The license fee for a Detroit legacy applicant shall be 1% of the fee established
19 in accordance with Subsection (c) of this section.

20 (e) As set forth in Section 20-6-1(a)(9), 50% of the fees collected in accordance with
21 this article shall be allocated to the Civil Rights, Inclusion, and Opportunity Department for
22 development of social equity initiatives in accordance with the legislative purposes set forth in
23 Section 20-6-1 of this Code.

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

2 (a) ~~The Buildings, Safety Engineering and Environmental Department shall review~~
3 ~~each application to ensure that it is complete, that the information required by this article has been~~
4 ~~submitted, and that the application fee has been paid.~~ For each new application or renewal
5 of a medical marihuana facility or adult-use marihuana establishment license submitted under this
6 article, the Department will confirm whether the application is complete and that the application
7 fee has been paid. The Department may reject any application that contains insufficient
8 information and may deny an application for failure to pay the application fee. If the Department
9 determines that an application contains insufficient information the applicant shall be notified and
10 will have 14-15 business days after the notification is sent to supplement the information in the
11 application, after which time the application will be dismissed, and a new application and
12 application fee will be required.

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

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

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

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

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

21 (a) Upon application and before ~~any~~ license under this article is issued for a medical
22 marihuana facility or an adult-use marihuana establishment, the application shall be referred to
23 appropriate departments of the City, ~~including, divisions of the Buildings, Safety Engineering and~~

1 ~~Environmental Department and the Fire Department~~, for respective reports to be provided to the
2 MLRC on compliance with this Code and state law, rules and regulations, including the following:

3 (1) *Zoning*. The medical marihuana facility or adult-use marihuana establishment shall
4 meet applicable requirements of the Detroit Zoning Ordinance, being Chapter 50
5 of this Code. For purposes of this article, license applicants for adult-use marihuana
6 establishments shall be deemed to have appropriate zoning if the property is zoned
7 properly for an equivalent license under the MMFLA or as set forth in Subsections
8 (13), (14) and (15) of Section 20-6-36;

9 (2) *Building and Property Maintenance Codes*. The medical marihuana facility or
10 adult-use marihuana establishment shall meet applicable requirements of the Stille-
11 DeRossett-Hale Single State Construction Code Act, being MCL 125.1501 *et seq.*,
12 and the Property Maintenance Code, being Chapter 8, Article XV of this Code;

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

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

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

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

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

9 (8) *Health and sanitation.* All rooms within a medical marihuana facility or adult-use
10 marihuana establishment housing toilet facilities shall be equipped with sanitary
11 towels of a type acceptable to the Health Department. All rooms within the
12 premises shall meet the requirements of the Michigan Public Health Code, being
13 MCL 333.1101 *et seq.*, including those concerning food preparation and sanitation.

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

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

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

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

6 (d) A license shall not be issued or renewed under this article until satisfactory
7 inspections and reviews are completed by the departments delineated in Subsection (c) of this
8 section. A license shall not be issued or renewed by the Department until both of the following
9 have occurred: (1) the Police Department provides written confirmation that all individuals who
10 are part of the ownership entity do not have any felony convictions related to violent crimes, fraud,
11 embezzlement or dishonesty; and (2) the Finance Department provides written confirmation that
12 all individuals making up the ownership entity are not in arrears for any property or income taxes,
13 special assessments, fines, fees or other financial obligations to the City.

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

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

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

22 (2) the applicant's Social Equity Plan or good neighbor plan submitted in accordance
23 with Section 20-6-36(a)(19).

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

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

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

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

10 ~~(b) A license shall not be issued or renewed until satisfactory inspections and reviews are~~
11 ~~completed by the departments delineated in Subsection (a) of this section. A license shall not~~
12 ~~be issued or renewed by the Buildings, Safety Engineering and Environmental Department~~
13 ~~for any medical marihuana facility until after both of the following have occurred:~~

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

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

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

21 ~~A license fee shall be paid upon the issuance of a license under this article. The license fee~~
22 ~~shall be in an amount established from time to time by the Director of the Buildings, Safety~~
23 ~~Engineering and Environmental Department and shall be approved by resolution of the City~~

1 ~~Council. The fee shall be intended to defray the costs incurred by the City to process and monitor~~
2 ~~licensed facilities. The fee shall be posted on a schedule in the Department.~~

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

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

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

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

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

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

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

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

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

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

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

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

11 (b) Except for a temporary marihuana event, the ~~The~~ term of a license shall be not more
12 than one year and shall expire each year on September 30. Any application to renew a license
13 shall be made ~~using the procedure for an original license as specified herein~~ as specified in Section
14 20-6-42.

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

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

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

2 (a) At least 30 days prior to the expiration of a license issued under this article,
3 licensees must submit a renewal application electronically on a form to be provided by the
4 Department. The renewal application shall include, but is not limited to:

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

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

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

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

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

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

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

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

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

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

22 (7) The police department has indicated that no criminal activity that would require a
23 nonrenewal has occurred pertaining to the operation of the licensed business during
24 the license period immediately preceding that for which the renewal license is

1 sought;

2 (8) That the licensee has operated as a good corporate citizen with respect for its
3 surrounding environment, has kept its commitments in its Social Equity Plan, or its
4 good neighbor plan, and has complied with the requirements of this article, the
5 MMFLA or the MRTMA.

6 (c) Where there is an existing deficiency of a requirement under this Code or a
7 violation of this article concerning the premises or licensee that can be cured, the licensee shall be
8 notified by the Department or the MLRC and must cure the deficiency before a renewal license is
9 issued. If the deficiency is not cured within 30 days of the licensee being notified, the license and
10 renewal application will expire and a new license application will have to be filed with a new
11 associated fee.

12 **~~Sec. 24-6-29. Denial, suspension, revocation.~~**

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

16 ~~(1) — Any fraud, misrepresentation or false statement in an application, any materials~~
17 ~~filed with an application or related to a license, any materials provided in~~
18 ~~conjunction with an application or license, or any statement related to an application~~
19 ~~or license made to any City officials or agents; or~~

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

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

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

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

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

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

13 ~~(1) A failure to meet the conditions or maintain compliance with the standards~~
14 ~~established by this article;~~

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

16 ~~(3) Maintenance of a nuisance on the premises;~~

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

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

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

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

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

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

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

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

12 (1) may be subject to a misdemeanor ordinance violation and a fine of not more than
13 \$500.00, or by imprisonment not to exceed 93 days, or by both such fine and
14 imprisonment in the discretion of the court, for each such offense;

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

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

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

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

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

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

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

6 **Sec. 20-6-47. Medical marihuana excise fund and marihuana regulation fund.**

7
8 Any allocations to the City of Detroit under the marihuana regulation fund created by
9 M.C.L. 333.27964, and the medical marihuana excise fund created by M.C.L. 333.27602, shall
10 not be directed to the general fund, but to the Civil Rights, Inclusion, and Opportunity
11 Department (CRIO) to pay for social equity initiatives and activities performed by CRIO or the
12 City in accordance with the legislative purposes of this article.

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

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

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

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

19 Approved as to form:

20 _____
21

22 Lawrence T García
23 Corporation Counsel