

**NORTHFIELD TOWNSHIP PLANNING COMMISSION  
NOTICE OF REGULAR MEETING  
May 6, 2020 at 7:00 p.m.  
Second Floor, Public Safety Building  
8350 Main Street, Whitmore Lake, MI 48189**

In an effort to practice social distancing and in accordance with Governor Whitmer's *Stay Home, Stay Safe, Save Lives* Executive Order, the Northfield Township Planning Commission will hold a virtual meeting on

Wednesday, May 6, 2020 at 7:00 p.m.

Join the virtual board meeting by visiting  
<https://mcka.zoom.us/j/96757019494?pwd=NUZmdzdjSS83MTdCRVZvY0tiOHFNQT09> or  
dialing (646) 876-9923 Webinar ID: 967 5701 9494 Password No: 826167 Public  
participants will be able to address the board virtually during the public comment periods  
on the agenda.

Visit

[http://www.twp-northfield.org/government/how\\_to\\_join\\_a\\_virtual\\_meeting.php](http://www.twp-northfield.org/government/how_to_join_a_virtual_meeting.php)  
for more information.

**AGENDA**

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. ADOPTION OF AGENDA**
- 5. CALL TO THE PUBLIC**
- 6. CLARIFICATIONS FROM COMMISSION**
- 7. CORRESPONDENCE:**
  - A. Discussion: Marihuana Facility Update**
  - B. Discussion: Marihuana Facility Evaluation Report**
  - C. Discussion: Marihuana Application Combined Score**
- 8. PUBLIC HEARINGS**
- 9. REPORTS OF COMMITTEES**
  - A. Board of Trustees**
  - B. ZBA**
  - C. Staff**
  - D. Planning Consultant**
  - E. Parks and Recreation**
  - F. Downtown Planning Group**

This notice is posted in compliance with PA 267 Of 1976 as amended (open meetings act) MCLA 41.7 2A (2) (3) and the Americans with Disabilities Act. (ADA) Individuals with disabilities requiring auxiliary aids or services should contact the Northfield Township Office, (734) 449-5000 seven days in advance.

**10. UNFINISHED BUSINESS:**

**11. NEW BUSINESS:**

A. Discussion: Marihuana New Uses

**12. APPROVAL OF PRECEDING MINUTES:** February 19, 2020 Regular Meeting

**13. FINAL CALL TO THE PUBLIC**

**14. COMMENTS FROM THE COMMISSIONERS**

**15. ANNOUNCEMENT:** Next Regular Meeting – May 20, 2020

**16. ADJOURNMENT**

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8350 Main Street, Whitmore Lake, MI 48189-0576  
[www.twp.northfield.mi.us](http://www.twp.northfield.mi.us)

Telephone: (734) 449-5000

Fax: (734) 449 –0123

Website:

# How-To Guide

## Rules for Planning Commission Meeting Participation and Conducting the Virtual PC Meeting

AGENDA ITEM / APPROACH	RESPONSIBLE PERSON(S)
<b>1. CALL MEETING TO ORDER</b> a. Give “floor” to Paul Lippens, planning consultant, to describe the meeting organization and participation rules	Chair Roman Paul Lippens
<b>2. ROLL CALL</b> a. Verify quorum of Planning Commission	Chair Roman
<b>3. PLEDGE OF ALLEGIANCE</b>	Chair Roman
<b>4. ADOPTION OF AGENDA</b> a. Chair Roman ask for a motion and second and facilitate a Roll Call vote	Chair Roman
<b>5. CALL TO PUBLIC</b> a. Give “floor” to Paul Lippens to facilitate comments by members of the public*	Chair Roman Paul Lippens
<b>6. CORRESPONDENCE</b> a. Chair Roman will note correspondences received	Chair Roman
<b>7. PUBLIC HEARINGS</b>	None
<b>8. REPORTS OF COMMITTEES</b>  A. Board of Trustees B. ZBA C. Staff D. Planning Consultant E. Parks and Recreation F. Downtown Planning Group	Char Roman  Trustee Chick  Commissioner Cousino Ms. Bird  Paul Lippens  Commissioner Iaquinto  Commissioner Infante
<b>9. UNFINISHED BUSINESS</b>	None.

<b>10. NEW BUSINESS – Emergency Marihuana Uses - Discussion</b> <ol style="list-style-type: none"> <li>Give “floor” to Paul Lippens to walk through packet items and facilitate the comments and discussion by Planning Commission members by calling on individuals</li> <li>Chair Roman then will ask if any more discussion by Planning Commission</li> <li>Chair Roman will summarize comments and provide Planner with direction for next steps</li> </ol>	Chair Roman Paul Lippens
<b>11. APPROVAL OF PRECEDING MINUTES</b>	Chair Roman
<b>12. FINAL CALL TO THE PUBLIC</b> <ol style="list-style-type: none"> <li>Give “floor” to Paul Lippens to facilitate comments on items not on the agenda by members of the public*</li> </ol>	Chair Roman Paul Lippens
<b>13. COMMENTS FROM COMMISSIONERS</b>	Chair Roman
<b>14. ANNOUNCEMENT</b> <ol style="list-style-type: none"> <li>Next Regular Meeting, May 20, 2020</li> </ol>	Chair Roman
<b>15. ADJOURNMENT</b> <ol style="list-style-type: none"> <li>Chair Roman ask for motion and second to adjourn the meeting, noting time</li> </ol>	Chair Roman

*\* Paul Lippens will call on members of public based on the last four digits of their phone number, or name using the conference call technology we are using for the meeting*



# Memorandum

**TO:** Planning Commission, Township of Northfield

**FROM:** Paul Lippens, Senior Principal Planner, AICP, NCI, Director of Urban Design & Mobility  
Natalie Bond, Assistant Planner

**SUBJECT:** **Marihuana Facilities Emergency Use Regulations**

**DATE:** May 1, 2020

Dear Commission Members,

At the request of Township administration, we have reviewed best practices and standards for Marihuana Facilities Emergency Use Regulations for Planning Commission discussion. Following the State of Michigan's enactment of Emergency Rules to facilitate the implementation of Adult Use Licenses on July 3, 2019, new rules were created for four new Marihuana Use categories including:

- **Designated consumption establishment license.** Allows the license holder, with local approval, to operate a commercial space that is licensed by the MRA and authorized to permit adults 21 years of age and older to consume marijuana and marijuana products on premises. A Designated Consumption Establishment license does not allow for sales or distribution of marijuana or marijuana product, unless the license holder also possesses a Retailer or Microbusiness license.
- **Excess marihuana grower license.** Grower allows a license who already hold five adult Class C growers Licenses to expand their allowable marihuana plant count.
- **Marihuana event organizer license.** The license holder may apply for Temporary Marihuana Event Licenses.
- **Temporary marihuana event license.** Allows a marihuana event organizer to run an event which has been approved by the local municipality where the onsite sale or consumption of marihuana products, or both, are authorized at a specific location for a limited time. Licensed Retailers and Microbusinesses may participate. The Marihuana Event Organizer required to hire security and ensure that all rules and requirements for onsite consumption of marihuana products are followed.

## REVIEW OF EXISTING REGULATIONS

We have reviewed several Michigan communities for the purpose of gathering of rules, regulations, and ordinances regarding the above four new Marihuana Use categories in the State of Michigan. In conjunction with



Northfield Township's existing process for non-marihuana related events, we have gathered examples, and drafted recommendations for regulating the above new Marihuana uses.

The table below shows Michigan Municipalities with Regulations for the New Uses

NEW AUTHORIZED EMERGENCY USES	GRAND RAPIDS	CITY OF WESTLAND	CITY OF BUCHANAN	CITY OF CADILLAC
Excess Grower	P	P		
Designated Consumption Establishment	P		P	
Marihuana Related Event Coordinator	P		P	
Marihuana Related Temporary Event License	P		P	
<i>General Ordinance Regulations</i>	<i>P</i>	<i>P</i>		<i>P</i>
<i>Zoning Regulations</i>			<i>P</i>	

P=Permitted Use

**I. GRAND RAPIDS**

*Types of New Uses Permitted:* All new uses specified under General Ordinance Regulations.

**II. CITY OF WESTLAND**

*Types of New Uses Permitted:* Excess Grower specified under General Ordinance Regulations.

**III. CITY OF BUCHANAN**

*Types of New Uses Permitted:* Designated Consumption Establishment, Marihuana Related Event Coordinator, and Marihuana Related Temporary Event License under Zoning Regulations.

**IV. CITY OF CADILLAC**

*Types of New Uses Permitted:* No new uses permitted, however, still permits the other marihuana uses authorized before Emergency Uses.

**OTHER ORDINANCE APPLICABLE SECTIONS**

Currently, the Northfield Township Ordinance has requirements for related temporary uses and events that could apply to the new uses. Below, we have included applicable sections of the existing Ordinance. The applicable sections listed below are sections that could need to be amended, should the Planning Commission decide to permit the new uses.

***Current Ordinance Standards that may need to be updated for these uses:***



## **Sec. 36-62 Temporary Structures**

- (a) *Temporary dwelling.* A mobile home may be used as a temporary dwelling by a family while repairing or replacing its single-family residence rendered uninhabitable by a disaster such as fire, flood, or windstorm. Such temporary dwelling shall be permitted only in RC or AR zoning districts. Only a mobile home may be used as a temporary dwelling; a camper, travel trailer, motor home, recreation vehicle, cabin, tent, basement, garage or similar unit shall not be used as a temporary dwelling in any zoning district.
- (b) *Nonresidential temporary structure.*
  - (1) A nonresidential temporary structure designed as a general sales office, sales/rental office or financial institution may be used exclusively for such purposes during construction of a permanent structure designed for any such purpose. Such temporary structure shall be permitted only in a commercial, office, or industrial zoning district, and only if such permanent structure and use is permitted in said zoning district.
  - (2) A nonresidential temporary structure designed as a sales/rental office may be used in a residential development exclusively for the purpose of selling, leasing or renting new dwelling units within said residential development.
- (c) *Required approval.* A temporary structure shall not be occupied until a certificate of occupancy has been issued by the township building inspector. The building inspector shall notify the township board and planning commission in writing of each such permission granted under this section. A performance guarantee may be required.
- (d) *Application.* An application for such a permit shall be filed with the building inspector including the following information:
  - (1) Name and address of the applicant and property owner.
  - (2) Accurate legal description of the lot which the temporary structure is to be located.
  - (3) Information showing the necessity of use of the temporary structure in meeting the construction schedule of the permanent structures on the lot.
  - (4) An estimate, with supporting information, of the reasonable cost of removal of the temporary structure and temporary site improvements, and of site cleanup, upon expiration of the permit.
- (e) *Regulations.*
  - (1) A temporary structure shall comply with all use, yard, and parking requirements of the zoning district in which located. A certificate of zoning compliance shall be obtained from the zoning administrator.
  - (2) A temporary structure shall be connected to public water and sanitary sewer lines, where available, in which case a connection permit shall be obtained from the township utilities department. If public water and sanitary lines are not available to the lot, the temporary structure shall be connected to a well and septic tank, in which case the applicant shall obtain a permit therefor from the county health department.



- (3) A temporary structure shall be permitted only on the same lot as the permanent structure, except that a temporary sales/rental office in a residential development may be located within the boundary lines of said residential development.
- (4) The term of the permit shall not exceed one year; however, the term may be extended for one period not exceeding six months. Extension shall only be made on written application filed with the township clerk 20 days or more prior to such expiration, setting forth facts showing due diligence in construction of the permanent structure. An extension shall not be approved unless construction of the permanent building has commenced within 180 days of the date of approval of the conditional use permit, and diligently pursued.
- (5) A driveway permit shall be obtained from the county road commission or the state department of transportation, whichever is applicable.
- (6) The permittee shall cause the temporary structure to be removed within 14 days of the date of issuance of a certificate of occupancy for the permanent structure, or of the date of expiration of the temporary structure permit, whichever is the earlier.
- (7) A temporary structure permit and the certificate of occupancy issued thereon shall not be transferable to any other person, company, use, structure or lot.

**Sec. 36-974. - Certificate of occupancy.**

*Accessory structures.* An accessory structure shall require a separate certificate of occupancy, unless Included in the certificate of occupancy issued for the principal structure, when such accessory structure is completed under the same building permit as the principal structure.

*Temporary certificates.* Where permitted under the state construction code, a temporary certificate of occupancy may be issued provided that the temporary certificate is signed by the zoning administrator.

**Sec. 36-734. - Temporary outdoor sales.**

Temporary outdoor sales are allowed subject to the following requirements:

- (1) No part of such sales operation shall be located within any required setback or transitional strip.
- (2) The sales operation shall not impede or adversely affect vehicular and pedestrian traffic flow or parking maneuvers.
- (3) One sign not to exceed eight square feet may announce such sales. Such sign shall not be located in a required yard or transition strip. Such a sign shall be contemporary in nature, nonilluminated and approved as to safety and stability by the building inspector.
- (4) The sign, merchandise, and all equipment used in such sales and all debris and waste resulting therefrom shall be removed from the premises within three days of termination of the sale.
- (5) A cash bond of \$100.00 shall be provided to the township prior to the start of an approved sale to guarantee site clean-up as required in subsection (4) of this section.
- (6) A scaled site plan shall be provided with the application for conditional use permit showing thereon the location and extent of such sales.





#### **Sec. 36-724. - Temporary Holiday Sales**

- (7) Temporary sales of products only at certain time of year and associated with seasonal holidays, including Christmas, Halloween, Thanksgiving, Fourth of July, and similar holidays, may take place on individual lots or structures subject to the following regulations:
- (8) Temporary holiday sales may be conducted in AR, LC, WLD-DD, WLD-NV, WLD-W, and GC districts. Temporary holiday sales shall not be permitted in any other residentially zoned districts.

Further research following Planning Commission feedback and recommendation is needed to amend specific sections of the Township Ordinance for these events and uses. We welcome direction and feedback from Planning Commission.

#### **NEXT STEPS AND CONSIDERATIONS**

Next steps, following Planning Commission guidance, include further research to amend specific sections of the Township General Ordinance and Zoning Ordinance regarding the four new uses.

Respectfully submitted,

**McKENNA ASSOCIATES**

Paul Lippens, AICP  
Director of Transportation and Urban Design

Natalie Bond,  
Assistant Planner



# Memorandum

**TO:** Planning Commission, Township of Northfield

**FROM:** Paul Lippens, Senior Principal Planner, AICP, NCI, Director of Urban Design & Mobility  
Natalie Bond, Assistant Planner

**SUBJECT:** **Marihuana Facilities Emergency Use Regulation—Zoning Regulation**

**DATE:** May 1, 2020

Dear Commission Members,

At the request of Township administration, we have prepared the following Zoning Ordinance regulations to accommodate the new set of rules for four new Marihuana Use categories via the State of Michigan's enactment of Emergency Rules to facilitate the implementation of Adult Use Licenses on July 3, 2019.

~~Strike-through~~ text shall be deleted and text that is underlined shall be added.

Draft recommendations for discussion are as follows:

**A: Article II, Definitions – to amend Section 36-29 Definitions:**

*Marihuana Establishments and Facilities:* The term Marihuana Facilities, shall encompass all use classes specifically defined and authorized by the State of Michigan Medical Marihuana Act, MCL333.26421, et seq; the Marihuana facilities Licensing Act, MCL 333.27101 et seq; and the Marihuana Tracking Act, MCL 333.27901 et seq; and Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951 et seq, and all other applicable rules promulgated by the state of Michigan as may be amended. Marihuana establishments and facilities include the following use classes:

- (1) **Marihuana grower** means a person licensed to cultivate marihuana and sell or otherwise transfer marihuana to marihuana establishments. Growers shall be subdivided into six classes based on State licensing standards.
- a. Medical Class A – 500 marihuana plants.
  - b. Medical Class B – 1,000 marihuana plants.
  - c. Medical Class C – 1,500 marihuana plants.
  - d. Recreational Class A – 100 marihuana plants.
  - e. Recreational Class B – 500 marihuana plants
  - f. Recreational Class C – 2,000 marihuana plants
  - g. Excess Marihuana Grower, increments of 2,000 plants are allowed per license

- (2) **Marihuana microbusiness** means a person licensed to cultivate not more than 150 marihuana plants; process and package marihuana; and sell or otherwise transfer marihuana to individuals who are 21 years of age or older or to a marihuana safety compliance facility, but not to other marihuana establishments.
- (3) **Marihuana processor** means a person licensed to obtain marihuana from marihuana establishments; process and package marihuana; and sell or otherwise transfer marihuana to marihuana establishments.
- (4) **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 21 years of age or older.
- (5) **Marihuana secure transporter** means a person licensed to obtain marihuana from marihuana establishments in order to transport marihuana to marihuana establishments.
- (6) **Marihuana safety compliance facility** means a person licensed to test marihuana, including certification for potency and the presence of contaminants.
- (7) **Provisioning center** means a licensee that is a commercial entity located in this state that purchases marihuana from a grower or processor and sells, supplies, or provides marihuana to registered qualifying patients, directly or through the patients' registered primary caregivers. Provisioning center includes any commercial property where marihuana is sold at retail to registered qualifying patients or registered primary caregivers. A noncommercial location used by a primary caregiver to assist a qualifying patient connected to the caregiver through the department's marihuana registration process in accordance with the Michigan medical marihuana act is not a provisioning center for purposes of this act.
- (8) **Registered primary caregiver** means a primary caregiver who has been issued a current registry identification card under the Michigan medical marihuana act
- (9) **Marihuana Event Organizer** means the license holder may apply for Temporary Marihuana Event Licenses.
- (10) **Temporary Marihuana Event** this license allows a marihuana event organizer to run an event which has been approved by the local municipality where the onsite sale or consumption of marihuana products, or both, are authorized at a specific location for a limited time. Licensed Retailers and Microbusinesses may participate. The Marihuana Event Organizer required to hire security and ensure that all rules and requirements for onsite consumption of marihuana products are followed.
- (11) **Excess Marihuana Grower** allows a license who already hold five adult Class C growers Licenses to expand their allowable marihuana plant count.
- (12) **Designated Consumption Establishment** – allows the license holder, with local approval, to operate a commercial space that is licensed by the MRA and authorized to permit adults 21 years of age and older to consume marijuana and marijuana products on premises. A Designated Consumption Establishment license does not allow for sales or distribution of marijuana or marijuana product, unless the license holder also possesses a Retailer or Microbusiness license.

**C: Article VI, AR Agriculture District, to amend Section 36-157 Conditional Uses:**

- (24) Marihuana Establishments and Facilities, subject to the standards of Section 36-761, including:
- Growers (Including Excess Grower), excluding Medical Class C, Recreational Class C, and Medical Class B.



- b. Temporary Marihuana Events, with event permit.

**D: Article XIII, LC Local Commercial District, to amend Section 36-364 Conditional Uses:**

- (12) Marihuana Establishments and Facilities, subject to the standards of Section 36-761, including:
- a. Retail Marihuana and Provisioning Centers
  - b. Designated Consumption Establishment.

**E: ARTICLE XII. - WLD—WHITMORE LAKE DISTRICT**  
**Sec. 36-340. - Uses permitted.**

Permitted Uses

Uses which are permitted by right (P); uses subject to conditional use approval (C); not permitted uses (NP); or uses permitted on upper floors only (UP)

	WLD-D	WLD-W	WLD-NV
Retail Marihuana and Provisioning Centers, subject to the standards of Section 36-761	C	C	NP
<u>Designated Consumption Establishment</u>	<u>C</u>	<u>C</u>	<u>NP</u>
<u>Temporary Marihuana Events, with event permit.</u>	<u>C</u>	<u>NP</u>	<u>C</u>

**F: Article XIV, GC General Commercial District, to amend Section 36-391**  
**Conditional Uses:**

- 21) Marihuana Establishments and Facilities, subject to the standards of Section 36-761, including:
- a. Retail Marihuana and Provisioning Centers
  - b. Secure Transporters
  - c. Safety Compliance Facilities
  - d. Designated Consumption Establishment

**G: Article XVIII, LI- Limited Industrial District, to amend Section 36-510**  
**Conditional Uses:**

- 11) Marihuana Establishments and Facilities, subject to the standards of Section 36-761, including:
- a. Growers, all licenses permitted.
  - b. Processors
  - c. Secure Transporters
  - d. Safety Compliance Facilities
  - e. Microbusinesses
  - f. Temporary Marihuana Event, with permit

**H: Article XIX, GI – General Industrial District, to amend Section 36-533**  
**Conditional Uses:**



- 11) Marihuana Establishments and Facilities, subject to the standards of Section 36-761, including:
- a. Growers, all licenses permitted. (Including Excess Growers)
  - b. Processors
  - c. Secure Transporters
  - d. Safety Compliance Facilities
  - e. Microbusinesses
  - f. Temporary Marihuana Event, with permit

**I: Article XXII, RTM- Research/Technology/Manufacturing District, to amend Section 36-638 Conditional Uses:**


- 2) Marihuana Establishments and Facilities, subject to the standards of Section 36-761, including:
- a. Growers (including Excess Growers), excluding Medical Class A, Recreational Class A, and Recreational Class B.
  - b. Processors
  - c. Safety Compliance Facilities
  - d. Temporary Marihuana Event, with permit

**I: ARTICLE XXV, SUPPLEMENTARY REGULATIONS AND STANDARDS  
SEC. 36-762. – STANDARDS FOR DESIGNATED MARIHUANA CONSUMPTION  
ESTABLISHMENTS AND FACILITIES.**

These standards shall apply to designated marihuana consumption establishments. The standards of section 36-761 shall also apply to designated marihuana consumption establishments.

1. All applicable regulations of each respective zoning ordinance shall apply, including but not limited to accessory buildings and structures, parking requirements, signs, visual screening requirements, building height regulations, and yard, setback and lot area requirements.
2. Designated Consumption Establishments shall only operate during the hours permitted on their approved Township Permit.
3. All transfers of marihuana shall be conducted within the establishment and out of public view. Designated consumption establishment shall not have a walk-up window or a drive thru window service.
4. The exterior appearance of the structure shall remain compatible with the exterior appearance of structures already constructed or under construction within the immediate area and shall be maintained so as to prevent blight or deterioration or substantial diminishment or impairment of property values within the zoning district.
5. Building and Site Amenities. Designated Consumption Establishments must meet the following amenity requirements:
  - a. Canopy. Buildings must have a canopy or decorative awning over the main entrance to the building.
  - b. Security shutters. The interior of all windows shall require security shutters that give the appearance of shutters or window shades. Metal bars and gates are prohibited.
  - c. Lighting. There shall be ornamental lighting on the exterior of the building at all ingress and egress doors. There shall also be at least one decorative street lamp with banner brackets every 30 feet of





lineal road frontage. The Zoning Administrator may require these lamps to be located off-site within the overlay district to create a cohesive look for the district.

- d. Landscaping plan. Decorative landscaping shall be provided with irrigation. All new construction projects shall require underground sprinkling.
- e. Street furniture/amenities. There shall be at least one bench, bike rack, trash can or bus shelter located on site. The Zoning Administrator may require any of these over another to keep a diversified look throughout the district. Properties that cannot meet these requirements because of site conditions may allow the Zoning Administrator to locate these amenities anywhere within the district or within 500 feet of its boundaries.
- f. Carbon filtration system. The building shall be equipped with an activated carbon filtration system for odor control and be maintained in working order.
- g. Indoor Activities. All activities of a provisioning center shall be conducted within the structure and out of public view. Walk-up and drive thru windows are not permitted.
- h. Security. There must be a security presence in place on the property at all times, either by licensed security guard(s) and/or security cameras. A floor plan with security details is required.





# Memorandum

**TO:** Planning Commission, Township of Northfield

**FROM:** Paul Lippens, Senior Principal Planner, AICP, NCI, Director of Urban Design & Mobility  
Natalie Bond, Assistant Planner

**SUBJECT:** **Marihuana Facilities Emergency Use Regulation—Permitting Regulations**

**DATE:** May 1, 2020

Dear Commission Members,

Per your request, we have prepared the following permitting regulations to accommodate the Marihuana Facilities Emergency Use Regulations. Please note that we are still to draft separate provisions on standards for Temporary Marihuana Events. As part of this we need to review the Township standards for all temporary events.

Underlined text is recommended for addition. ~~Strike through text~~ is recommended for deletion.

Summary of recommendations are as follows:

- **Sec 23-4. - Township Permit Required, Number of Permits Available.** Numbers of permits have been reduced to the following:
  - (a) Grower Facilities (15-permits in any of the following categories):
    - i. Medical Class A – 500 marihuana plants.
    - ii. Medical Class B – 1,000 marihuana plants.
    - iii. Medical Class C – 1,500 marihuana plants.
    - iv. Recreational Class A – 100 marihuana plants.
    - v. Recreational Class B – 500 marihuana plants
    - vi. Recreational Class C – 2,000 marihuana plants.
    - vii. Excess Grower – Increments of 2000 based on the number of licenses
  - (b) Processor Facilities (3 permits).
  - (c) Secure Transporters (3 permits).
  - (d) Safety Compliance Facilities (3 permits).
  - (e) Retail Facilities (3 permits).
  - (f) Provisioning Center Facilities (3 permits).
  - (g) Designated Consumption Establishment (1)
  - (h) Marihuana Related Event Coordinator (1)
  - (i) Marihuana Temporary Event (1)



- Where administrative application and processing tasks are noted for the Township Clerk, it has been noted that the Clerk may designate the task.

## **RECOMMENDED REVISIONS TO CODE OF ORDINANCES**

That the Code of Ordinances, Northfield Township, Washtenaw County, Michigan (or Northfield Township Code), is hereby amended by adding a Chapter, to be numbered 23, which such Chapter reads as follows.

### **Chapter 23 - MARIHUANA FACILITIES**

#### **SEC 23-1. - LEGISLATIVE INTENT.**

The Township intends to issue permits for and regulate marihuana facilities to the extent they are permitted under the State of Michigan Medical Marihuana Act, MCL333.26421, et seq; the Marihuana facilities Licensing Act, MCL 333.27101 et seq; and the Marihuana Tracking Act, MCL 333.27901 et seq; and Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951 et seq. The Township does not intend that permitting and regulation under this chapter be construed as a finding that such facilities comply with any law. By requiring a permit and compliance with the requirements of this chapter, the Township intends to protect the public health, safety and welfare.

#### **Sec 23-2. - Definitions.**

- (1) Words and phrases contained in the State of Michigan Medical Marihuana Act, MCL333.26421, et seq; the Marihuana facilities Licensing Act, MCL 333.27101 et seq; and the Marihuana Tracking Act, MCL 333.27901 et seq; and Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951 et seq.(State Marihuana Acts). This chapter contains some words and phrases that are defined in the State Marihuana Acts. As used in this chapter, they have the same meaning as provided in the State Marihuana Acts, except that if at any time the definition of a word or phrase set forth in this section conflicts with the definition in the State Marihuana Acts, then the definition the State Marihuana Acts shall apply. These words and phrases are as follows:
  - (a) *Grower* means a licensee that is a commercial entity located in this State that cultivates, dries, trims, or cures and packages marihuana for sale to a processor or provisioning center.
  - (b) Marijuana Event Organizer allows the license holder to apply for Temporary Marijuana Event licenses from the MRA.
  - (c) Temporary Marijuana Event – this license allows a Marijuana Event Organizer to run an event – which has been approved by the local municipality – where the onsite sale or consumption of marijuana products, or both, are authorized at a specific location for a limited time. Licensed Retailers and Microbusinesses may participate. The Marijuana Event Organizer is required to hire security and ensure that all rules and requirements for onsite consumption of marijuana products are followed.
  - (d) Designated Consumption Establishment – allows the license holder, with local approval, to operate a commercial space that is licensed by the MRA and authorized to permit adults 21 years of age and older to consume marijuana and marijuana products on premises. A Designated Consumption Establishment license does not allow for sales or distribution of marijuana or marijuana product, unless the license holder also possesses a Retailer or Microbusiness license.
  - (e) Excess Marijuana Grower – allows a licensee who already holds five adult-use Class C Grower licenses to expand their allowable marijuana plant count.





- (f) *Licensee* means a person holding a State operating license.
- (g) *Marihuana* means that term as defined in Section 7106 of the State of Michigan Public Health Code, 1978 PA 368, MCL 333.7106.
- (h) *Marihuana facility* means a location at which a license holder is licensed to operate under the State Marihuana Acts.
- (i) *Marihuana plant* means any plant of the species *Cannabis sativa* L.
- (j) *Marihuana-infused product* means a topical formulation, tincture, beverage, edible substance, or similar product containing any usable marihuana that is intended for human consumption in a manner other than smoke inhalation. Marihuana-infused product shall not be considered a food for purposes of the Food Law, 2000 PA 92, MCL 289.1101 to 289.8111.
- (k) *Microbusiness* means a person licensed to cultivate not more than 150 marihuana plants; process and package marihuana; and sell or otherwise transfer marihuana to individuals who are 21 years of age or older or to a marihuana safety compliance facility, but not to other marihuana establishments.
- (l) *Person* means an individual, corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited liability limited partnership, trust, or other legal entity.
- (m) *Plant* means any living organism that produces its own food through photosynthesis and has observable root formation or is in growth material.
- (n) *Processor* means a licensee that is a commercial entity located in this state that purchases marihuana from a grower and that extracts resin from the marihuana or creates a marihuana-infused product for sale and transfer in packaged form to a retailer or a provisioning center.
- (o) *Provisioning center* means a licensee that is a commercial entity located in this State that purchases marihuana from a grower or processor and sells, supplies, or provides marihuana to registered qualifying patients, directly or through the patients' registered primary caregivers. Provisioning center includes any commercial property where marihuana is sold at retail to registered qualifying patients or registered primary caregivers. A noncommercial location used by a primary caregiver to assist a qualifying patient connected to the caregiver through the department's marihuana registration process in accordance with the Michigan Medical Marihuana Act is not a provisioning center for purposes of this Act.
- (p) *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 21 years of age or older.
- (q) *Registered primary caregiver* means a primary caregiver who has been issued a current registry identification card under the Marihuana Act, MCL333.26421, et seq.



- (r) *Rules* means rules promulgated under the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 to 24.328, by the Department in consultation with the Board to implement this Act.
  - (s) *Safety compliance facility* means a licensee that is a commercial entity that receives marihuana from a marihuana facility or registered primary caregiver, tests it for contaminants and for tetrahydrocannabinol and other cannabinoids, returns the test results, and may return the marihuana to the marihuana facility.
  - (t) *Secure transporter* means a licensee that is a commercial entity located in this state that stores marihuana and transports marihuana between marihuana facilities for a fee.
  - (u) *State operating license* or, unless the context requires a different meaning, "license" means a license that is issued under this act that allows the licensee to operate as 1 of the following, specified in the license:
    - (i) A grower.
      - a. Medical Class A – 500 marihuana plants.
      - b. Medical Class B – 1,000 marihuana plants.
      - c. Medical Class C – 1,500 marihuana plants.
      - d. Recreational Class A – 100 marihuana plants.
      - e. Recreational Class B – 500 marihuana plants
      - f. Recreational Class C – 2,000 marihuana plants
    - g. Excess Grower – Increments of 2,000 based on the number of licenses
    - (ii) A processor.
    - (iii) A secure transporter.
    - (iv) A provisioning center.
    - (v) A safety compliance facility.
    - (vi) A microbusiness
    - (vii) A retailer
    - (viii) A registered primary caregiver
    - (ix) Designated Consumption Establishment
    - (x) Marihuana related Event Coordinator
  - (xi) Marihuana Temporary Event
- (2) *Other words and phrases.* The words and phrases in this chapter, as used in this chapter, shall have the following meanings:
- (a) *Applicant* means a person who applies for a Township permit.
  - (b) *Authorized person* means:
    - (i) An owner of a medical marihuana facility;
    - (ii) The directors, officers, members, partners, and individuals of a medical marihuana facility that is a corporation, limited liability company, partnership, or sole proprietorship;
    - (iii) Any person who is in charge of and on the premises of the medical marihuana facility during business hours.



- (c) *Marihuana* means "marihuana" as defined in the State Marihuana Acts.
- (d) *Medical marihuana home occupation* means an accessory use of a nonresidential nature that is conducted by a registered primary caregiver who resides in the dwelling and (A) is performed within a single-family dwelling or within an accessory building to that single-family dwelling; (B) is for the purpose of assisting 1 or more registered qualifying patients with the medical use of marihuana who do not reside in the dwelling and (C) complies with the MMMA. As used in this subsection, "accessory use" has the same meaning as it does in Chapter 36(Zoning) of the Northfield Township Code.
- (e) *State Marihuana Acts* mean the State of Michigan Medical Marihuana Act, MCL333.26421, et seq; the Marihuana facilities Licensing Act, MCL 333.27101 et seq; and the Marihuana Tracking Act, MCL 333.27901 et seq; and Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951 et seq.
- (f) *Permittee* means a person holding a Township permit under this chapter.
- (g) *Facility* means "marihuana facility" as defined in the State Marihuana Acts.
- (h) *Marihuana facility* means "marihuana facility" as defined in the State Marihuana Acts.
- (i) *Township permit* or, unless the context requires a different meaning, *permit* means a permit that is issued under this chapter that allows the permittee to operate as 1 of the following, specified in the permit:
- (i) A grower.
    - a. Medical Class A – 500 marihuana plants.
    - b. Medical Class B – 1,000 marihuana plants.
    - c. Medical Class C – 1,500 marihuana plants.
    - d. Recreational Class A – 100 marihuana plants.
    - e. Recreational Class B – 500 marihuana plants
    - f. Recreational Class C – 2,000 marihuana plants
    - g. Excess Grow Additional Plants allowed based on Increment per license
  - (ii) A processor.
  - (iii) A secure transporter.
  - (iv) A provisioning center.
  - (v) A safety compliance facility.
  - (vi) A microbusiness.
  - (vii) A retailer.
  - (viii) A registered primary caregiver.
  - (ix) A Designated Consumption Establishment
  - (x) Marihuana related Event Coordinator
  - (xi) Marihuana Temporary Event

### **Sec 23-3. - MARIHUANA FACILITIES AUTHORIZED**

Pursuant to the State Marihuana Acts, the Township of Northfield Township authorizes the operation in the Township of the following marihuana facilities, provided they possess a state operating license



issued under the State Marihuana Acts and they comply with the additional requirements of this Chapter 23, and Chapter 36 (Zoning), and all other applicable laws and ordinances:

- (i) A grower.
  - a. Medical Class A – 500 marihuana plants.
  - b. Medical Class B – 1,000 marihuana plants.
  - c. Medical Class C – 1,500 marihuana plants.
  - d. Recreational Class A – 100 marihuana plants.
  - e. Recreational Class B – 500 marihuana plants.
  - f. Recreational Class C – 2,000 marihuana plants.
  - g. Excess Grower – Additional plants allowed at increments of 2,000 per license
- (ii) A processor.
- (iii) A secure transporter.
- (iv) A provisioning center.
- (v) safety compliance facility.
- (vi) A microbusiness.
- (vii) A retailer.
- (viii) A registered primary caregiver.
- (xii) A Designated Consumption Establishment
- (xiii) Marihuana related Event Coordinator
- (xiv) Marihuana Temporary Event

**Sec 23-4. - TOWNSHIP PERMIT REQUIRED; NUMBER OF PERMITS AVAILABLE**

- (1) No person shall operate a facility for which an annual permit as provided for in this chapter has not been issued. The maximum number of permits available for each type of facility is as follows:
  - (a) Grower Facilities (a total of 15 permits limited to 6 permits for medical ~~and~~ 6 permits for recreational, and 3 for excess growers):
    - i. Medical Class A – 500 marihuana plants.
    - ii. Medical Class B – 1,000 marihuana plants.
    - iii. Medical Class C – 1,500 marihuana plants.
    - iv. Recreational Class A – 100 marihuana plants.
    - v. Recreational Class B – 500 marihuana plants
    - vi. Recreational Class C – 2,000 marihuana plants.
    - vii. Excess grow additional plants allowed at increments of 2,000 per license
  - (b) Processor Facilities (3 permits).
  - (c) Secure Transporters (3 permits).
  - (d) Safety Compliance Facilities (3 permits).
  - (e) Retail Facilities (3 permits).
  - (f) Provisioning Center Facilities (3 permits).
  - (g) Microbusiness Facilities (3 permits).
  - (h) Designated Consumption Establishment (3)
  - (i) Marihuana Related Event Coordinator (3)
  - (j) Marihuana Temporary Event (3 per year)



- (2) The permit requirement in this chapter applies to all facilities that exist on the effective date of this chapter or are established after the effective date of this chapter. This includes all persons who engage or have engaged in any of the activities that are included in the definitions in the State Marihuana Acts of the types of entities that may obtain a state operating license, without regard to whether they called or call their businesses "dispensaries," "cultivation facilities," "clubs," "cooperatives," or any other similar label. A person who engaged in any of the activities that are included in the definitions in the State Marihuana Acts of the types of entities that may obtain a state operating license before the effective date of the State Marihuana Acts or before obtaining a state operating license does not have a vested right to obtain a Township permit.
- (3) The permit requirement in this chapter applies to all facilities whether operated for profit or not for profit.
- (4) The permit requirement in this chapter shall be in addition to any other requirements imposed by any other state or local law, including but not limited to state or local laws applicable to commercial entities performing functions similar to the functions performed by marihuana facilities.
- (5) The issuance of any permit pursuant to this chapter does not create an exception, defense or immunity to any person with regard to any potential criminal or civil liability the person may have under any federal or state law or Township ordinance.
- (6) A permit issued under this chapter shall be valid for 1 year after the date of issuance. To renew an existing permit, the permittee shall submit an application in the same manner as is required to apply for a new permit no sooner than 90 days before the expiration date and no later than 60 days before the expiration date.
- (7) Medical marihuana home occupations do not require permits.

#### **Sec 23-5. - GENERAL PROVISIONS**

- (1) A permit issued under this chapter is valid only for the location of the facility and type of facility that is listed on the permit application and is valid only for the operation of the facility at that location by the permit applicant.
- (2) A permit issued under this chapter is valid only if the permit holder also holds a valid current state operating license and a copy of the valid current license and application for license has been provided to the Township Clerk, or designee, by the license holder and is in compliance with all other requirements in this chapter.
- (3) The revocation, suspension, and placement of restrictions by the state on a state operating license shall apply equally to a permit issued by the Township.
- (4) The expiration date of the State operating license that corresponds to a permit issued under this chapter constitutes the expiration date of the permit, however, operation of the facility under the



expired permit is permitted to the extent that operation under the expired State operating license is permitted under the State Marihuana Acts.

- (5) A permit issued by the Township under this chapter, shall be conspicuously posted in the facility where it is easily open to public view.
- (6) Acceptance of a permit from the Township under this chapter constitutes consent by the permittee, owners, managers and employees to permit the Township Manager, or designee, to conduct inspections of the facility to ensure compliance with this chapter.

**SEC 23-6. - APPLICATION REQUIREMENTS FOR AND ISSUANCE OF TOWNSHIP PERMIT.**

- (1) *Application for new annual permit.* An application for a new annual permit for a marihuana facility shall be submitted to the Township Clerk, or designee, on a form provided by the Township, which shall fulfill all of the requirements indicated on the form, including but not limited to:
  - (a) The name and address of the facility and any other contact information requested on the application form.
  - (b) The name and address of all owners of the real property where the facility is located.
  - (c) Name and address of all business managers of the facility.
  - (d) A statement with respect to each person named on the application whether the person has:
    - (i) Ever been convicted of a felony involving controlled substances as defined under the Michigan Public Health Code, MCL 333.1101 et seq., the federal law, or the law of any other state and, if so, the date of the conviction and the law under which the person was convicted;
    - (ii) Ever been convicted of any other type of felony under the law of Michigan, the United States, or another state, and, if so, the date of the conviction and the law under which the person was convicted.
  - (e) Proof of applicant's ownership or legal possession of the premises.
  - (f) A Township Zoning Compliance Permit.
  - (g) A Township Certificate of Occupancy or Temporary Certificate of Occupancy.
  - (h) If the application is for a grower's permit, the maximum number of plants that the applicant intends to grow. However, the application form for a grower's permit is the same regardless of whether the grower is applying for a state operating license for a recreational Class A, recreational Class B, or recreational Class C, medical Class A, medical Class B, or medical Class C license and 1 application fee for a grower's license shall apply without regard to the class of state operating license the permit application seeks.
  - (i) Payment of a non-refundable application fee of \$5,000.00.



(2) *Renewal or amendment of existing permits.*

- (a) The same procedures that apply to applying for a new permit shall apply to the renewal or amendment of existing permits.
- (b) An application for renewal of an existing permit shall be submitted no sooner than 90 days before the existing permit expires.
- (c) An amended application shall be submitted under either or both of the following circumstances:
  - (i) When there is a change in any information the permit applicant was required to provide in the most recent application on file with the Township; and,
  - (ii) When there is a change in any information the permit applicant was required to provide in the most recent application for a state operating license on file with the state of Michigan.
- (d) An application to amend an existing permit to change the location of the facility shall be submitted no later than 90 days before the existing permit expires. All site plan approvals and conditional use permit approvals shall be required.
- (e) An application to amend an existing permit to change any other information on the most recent application on file with the Township may be submitted at any time.
- (f) Applications for renewal or amendment of existing permits shall be reviewed and granted or denied before applications for new permits are considered.

**Sec 23-7. - ISSUANCE OF PERMIT AND AUTHORIZATION TO OPERATE FACILITY UNDER PERMIT.**

- (1) If the permit applicant has successfully demonstrated compliance with all requirements for issuance of a permit the Township Manager, or designee, shall issue a new permit to the permit applicant if a permit is available or grant renewal of an existing permit.
- (2) The issuance of a permit under this chapter authorizes operation of the facility only after the following additional requirements are met:
  - (a) The applicant has provided the Township Clerk, or designee, with copies of the applicant's application for a State operating license and the issued license, and a non-refundable fee of \$5,000.00
  - (b) The applicant has installed the following security measures on the premises:
    - (i) Security cameras, to meet State requirements, and to monitor all areas of the premises where persons may gain or attempt to gain access to marihuana or cash. Recordings from security cameras shall be maintained for a minimum of 120 hours and shall be made available to the Township Police Department personnel upon request.
    - (ii) A monitored alarm system.



- (iii) A storage room for overnight storage of any marihuana product and cash on the premises. The storage room shall have only 1 door for entry and no other potential means of entry, lawful or unlawful, such as a window or crawl space, the door shall be equipped with a secure locking mechanism. Plant materials in grow facilities shall also be secured, as required by State Acts.
- (c) The applicant has provided the Township Clerk, or designee, with a certificate signed by a qualified agent of an insurance company evidencing the existence of valid and effective policies of the following types of insurance, as well as a copy of an endorsement placed on each policy requiring 10 days' notice by mail to the Township before the insurer may cancel the policy for any reason:
  - (i) Workers' compensation insurance in accordance with Michigan statutory limits and Employers Liability Insurance with a minimum limit of \$100,000.00 each accident for any employee.
  - (ii) Public liability and personal injury insurance with minimum limits of \$500,000.00 for each occurrence as respect to bodily injury liability or property damage liability, or both combined.

Documentation must explicitly state the following:

- (a) the policy number;
- (b) name of insurance company;
- (c) name and address of the agent or authorized representative;
- (d) name and address of the insured;
- (e) location of coverage;
- (f) policy expiration dates; and
- (g) specific coverage amounts. An original certificate of insurance may be provided as an initial indication of the required insurance. Applicant shall be required to continue without interruption during the term of the permit the above named insurance coverages. If any of the above coverages expire by their terms during the term of a permit, the applicant shall deliver proof of renewal and/or new policies to the Township Clerk, or designee, at least 10 days prior to the expiration date.
- (d) Insurance companies, named insureds and policy forms shall be provided to the Township Clerk, or designee, as defined in Sec. 23-7 (2)(c). The Township Clerk, or designee, may request approval of documentation by the Township Attorney. Insurance policies shall not contain endorsements or policy
- (3) No person shall operate a marihuana establishment or hold a marihuana event in the Township of Northfield without first obtaining a municipal license and/or permit to do so as required by this Chapter.
- (4) For co-located marihuana establishments, as authorized by this Code and state law, a separate Marihuana Related Municipal Permit is required for each type of establishment operated.





- (5) For marihuana establishments with stacked and/or excess grow operations as authorized by this Code and state law, a Permit is required for each stacked and excess marihuana grower permit.
- (6) For Marihuana Events organized by state licensed Marihuana Event Organizers, a Temporary Event Permit and/or temporary use permit shall first be issued by the Township prior to events being held.
- (7) The permit requirement in this Chapter shall be in addition to any other requirements imposed by any other state or local law, including but not limited to state or local laws applicable to commercial entities performing functions similar to the functions performed by marihuana establishments.

**SEC 23-8. - CONDUCT OF BUSINESS AT A FACILITY.**

- (1) A facility shall be conducted in compliance with the State Marihuana Acts, the rules promulgated pursuant to the State Marihuana Acts, and all other laws, rules, and regulations of the state of Michigan and the Township of Northfield Township.
- (2) All marihuana in any form kept at the location of the marihuana facility shall be kept within an enclosed, secured building and shall not be visible from any location outside of the building.
- (3) Marihuana facilities shall be closed for business, and no sale or other distribution of marihuana in any form shall occur upon the premises or be delivered to or from the premises, between the hours of 9:00 p.m. and 7:00 a.m.
- (4) An authorized person shall consent to the entry into a marihuana facility by the Building Official and/or designees and the Zoning Administrator and/or designees for the purpose of inspection to determine compliance with this chapter pursuant to a notice posted in a conspicuous place on the premises 2 or more days before the date of the inspection or sent by registered mail to the address of the premises 4 or more calendar days before the date of the inspection.
- (5) All security measures required in this chapter shall be maintained in good working order. The premises shall be monitored and secured 24 hours per day.
- (6) All marihuana in any form on the premises of a marihuana facility shall be marihuana cultivated, manufactured, and packaged in the State of Michigan.

**SEC 23-9. - PROHIBITED ACTS.**

It shall be unlawful for any person to:

- (1) Violate any provision of this chapter or any condition of any permit granted pursuant to this chapter.
- (2) Produce, distribute or possess more marihuana than allowed by any applicable state or local law.
- (3) Produce, distribute or possess marihuana in violation of this chapter or any other applicable state or local law.



- (4) Make any changes or allow any changes to be made in the operation of the marihuana facility as represented in the permit application, without first notifying the Township by amending its application.

**SEC 23-10. - PERMIT REVOCATION.**

A permit issued under this chapter may be suspended or revoked for any of the following violations:

- (1) Any person required to be named on the permit application is convicted of or found responsible for violating any provision of this chapter;
- (2) A permit application contains any misrepresentation or omission of any material fact, or false or misleading information, or the applicant has provided the Township with any other false or misleading information related to the facility;
- (3) Any person required to be named on the permit application is convicted of a crime which, if it had occurred prior to submittal of the application, could have been cause for denial of the permit application;
- (4) Marihuana is dispensed on the business premises in violation of this chapter or any other applicable state or local law, rule or regulation;
- (5) The facility is operated or is operating in violation of the specifications of the permit application, any conditions of approval by the Township or any other applicable state or local law, rule or regulation
- (6) The Township, the county, or any other governmental entity with jurisdiction, has closed the facility temporarily or permanently or has issued any sanction for failure to comply with health and safety provisions of this chapter or other applicable state or local laws related to public health and safety.
- (7) The facility is determined by the Township to have become a public nuisance.
- (8) The facility's state operating license has been suspended or revoked.

**SEC 23-11. - REVOCATION NOT EXCLUSIVE PENALTY.**

Nothing in this chapter shall be deemed to prohibit the Township Manager, or designee, from imposing other penalties authorized by the Northfield Township Code or other ordinance of the Township, including filing a public nuisance action or any other legal action in a court of competent jurisdiction.

## Chapter 105 - MARIHUANA RELATED MUNICIPAL LICENSING

### Sec. 7.361. - Purpose and Intent.

The City of Grand Rapids intends to license and regulate marihuana facilities and establishments as authorized under the Michigan Medical Marihuana Facilities Licensing Act (MMFLA), Public Act 281 of 2016, MCL 333.27101 et seq., and the Michigan Regulation & Taxation of Marijuana Act (MRTMA), Public Act 1 of 2018, MCL 333.27951 et seq., and to exercise authority as a home rule city to enforce ordinances under its police power in order to preserve the public health, safety, and welfare. By requiring a license and compliance with the requirements of this Chapter, the City intends to protect the public health, safety, and welfare by:

- (1) Promoting the safe, regulated manufacturing, production, and sale by state-licensed marihuana establishments and facilities;
- (2) Discouraging the sale of unsafe and unlicensed marihuana products;
- (3) Preserving and protecting the health, safety, and welfare of the residents of the City and the general public by minimizing unsafe and unregulated marihuana production and sale;
- (4) Minimizing the impact of the cannabis industry's intensive use of water and energy, particularly the growing process of cannabis plants. It is the City of Grand Rapids' intention to minimize the impact marihuana establishments have on public infrastructure and the environment by maximizing efficiency and reducing the need for the use of nonrenewable resources wherever possible.

(Ord. No. 2019-66, § 1, 10-8-19)

### Sec. 7.362. - Definitions.

The following terms shall have the definitions indicated for the purposes of this Chapter:

- (1) Terms contained in the Michigan Medical Marihuana Facilities Licensing Act (MMFLA), Public Act 281 of 2016, MCL 333.27101 et seq., and the Michigan Regulation and Taxation of Marijuana Act, Public Act 1 of 2018, MCL 333.27954 et seq., as amended (MRTMA), apply to the terms found herein. This Chapter contains some words and phrases that are defined in the MMFLA & the MRTMA. As used in this Chapter, they have the same meaning as provided in the MMFLA & MRTMA, unless the term is otherwise defined in this Chapter or the context requires a different meaning.
- (2) *"Applicant"* means a person who applies for a Marihuana Related Municipal License under this Chapter.
- (3) The words *"Establishments"* and *"Facilities"* are used interchangeably and refer to any marihuana related locations at which a licensee is licensed to operate under either MMFLA, MRTMA, or both.
- (4) *"Licensee"* means a person or entity issued a marihuana establishment or facility license under this Chapter or by the State, including safety compliance facilities, Marijuana Event Organizers, temporary events, and secure transporters.
- (5) *"Municipal Marihuana license"* or *"license"* means a required Marihuana Related Municipal License issued pursuant to this Chapter that allows the licensee to operate within the City as one of the following, as specified in the license:
  - (a) Grower, including Class A Grower, Class B Grower, Class C Grower, and Excess Grower;
  - (b) Processor;
  - (c) Provisioning Center;

- (d) Retailer;
- (e) Designated Consumption Establishment;
- (f) Microbusiness;
- (g) Safety Compliance Facility;
- (h) Secure Transporter;
- (i) Marihuana Related Event Coordinator;
- (j) Marihuana Related Temporary Event.

(Ord. No. 2019-66, § 1, 10-8-19)

Sec. 7.363. - Marihuana Establishments and Licensees Authorized to Operate within the City.

- (1) Pursuant to the MMFLA & MRTMA, the City of Grand Rapids authorizes the operation in the City of the following marihuana licensees, provided they possess a state operating license issued under the MMFLA, MRTMA, or both and they comply with the additional requirements of this Chapter, Chapter 61 (Zoning), and all other applicable laws and ordinances:
  - (a) Class A Grower, Class B Grower, Class C Grower, and Excess Marijuana Grower;
  - (b) Processor;
  - (c) Provisioning Center;
  - (d) Retailer;
  - (e) Designated Consumption Establishment;
  - (f) Microbusiness;
  - (g) Secure Transporter;
  - (h) Safety Compliance Facility;
  - (i) Marihuana Related Event Coordinator;
  - (j) Marihuana Related Temporary Event.

(Ord. No. 2019-66, § 1, 10-8-19)

Sec. 7.364. - Marihuana Related Municipal License Required.

- (1) No person shall operate a marihuana establishment or hold a marihuana event in the City of Grand Rapids without first obtaining a municipal license and/or permit to do so as required by this Chapter.
- (2) For co-located marihuana establishments, as authorized by this Code and state law, a separate Marihuana Related Municipal License is required for each type of establishment operated.
- (3) For marihuana establishments with stacked and/or excess grow operations as authorized by this Code and state law, a license is required for each stacked and excess marihuana grower license.
- (4) For Marihuana Events organized by state licensed Marihuana Event Organizers, a Temporary Event License and/or temporary use permit shall first be issued by the City to the licensee through the City prior to events being held.
- (5) The license requirement in this Chapter shall be in addition to any other requirements imposed by any other state or local law, including but not limited to state or local laws applicable to commercial entities performing functions similar to the functions performed by marihuana establishments.

- (6) A license issued under this Chapter shall be valid for one (1) year after the date of issuance. The expiration date of the state operating license that corresponds to a marihuana facility license issued under this Chapter constitutes the expiration date of the Marihuana Related Municipal License. Expiration of the Marihuana Related Municipal License does not affect a person's licensure under MMFLA or MMRTA but does affect the person's ability to operate a marihuana establishment in the City.
- (7) This Chapter does not apply to, or regulate, any patient or caregiver conduct protected by the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 et seq. (MMA).

(Ord. No. 2019-66, § 1, 10-8-19)

Sec. 7.365. - General Provisions.

- (a) A Marihuana Related Municipal License is a revocable privilege and not a right. Nothing in this Chapter may be held or construed to grant a vested right, license, permit or privilege to continued operations within the City.
- (b) A license issued under this Chapter is valid only for the applicant named on the license, the location of the establishment, and type of establishment identified on the license. Each license is personal and exclusive to the licensee.
- (c) The revocation, suspension, and placement of restrictions by the state on a state operating license apply equally to a license issued by the City.
- (d) An applicant or licensee has a continuing duty to provide information requested by the City and to cooperate in any investigation, inquiry, or hearing conducted by the City.
- (e) Acceptance of a license from the City under this Chapter constitutes consent by the licensee for the City to conduct inspections of the licensed premises to ensure compliance with this Chapter.
- (f) The issuance of any license pursuant to this Chapter does not create an exception, defense, or immunity to any person with regard to any potential criminal or civil liability the person may have under any federal or state law or city ordinance.
- (g) No Marihuana Related Municipal License may be sold, assigned, mortgaged or otherwise transferred.

(Ord. No. 2019-66, § 1, 10-8-19)

Sec. 7.366. - Application Requirements.

- (1) An application for a marihuana facility license shall be submitted to the City Clerk in a form provided by the City. Any application that does not include all information requested by the application form or is not supported by the materials required by this Chapter or the license application shall be denied and/or rejected.
- (2) The application may require information that will enable the City Clerk to make a fair determination as to the applicant's fitness and ability to comply with the provisions of this Code and all other applicable laws, ordinances and regulations, including but not limited to:
  - (a) The name and address of the facility and any other contact information requested on the application form.
  - (b) The name and address of all owners (entities and individuals) of the real property where the facility is located.
  - (c) A copy of official paperwork issued by LARA indicating that the applicant has successfully completed the prequalification step of the application for a state operating license.

- (d) Proof of applicant's ownership, legal possession, or otherwise legal interest in the premises.
  - (e) Proof that the appropriate zoning approval has been received.
  - (f) Copy of the security plan required by State Administrative Rule 35, R. 333.235.
  - (g) Evidence of a valid and effective policy for general liability insurance within minimum limits of one million dollars (\$1,000,000.00) per occurrence and a two million dollars (\$2,000,000.00) aggregate limit issued from a company licensed to do business in Michigan having an AM Best rating of at least B++ shall be produced that includes the name/s of the insured, effective and expiration dates, and policy number. The City of Grand Rapids and its officials and employees shall be named as additional insureds. The City shall be notified of any cancellation, expiration, reduction in coverage, or other policy changes within five (5) business days of the event.
  - (h) If the application is for a grower's license, the maximum number of plants that the applicant intends to grow.
  - (i) Proof of universal design plan conforming to the requirements of this Chapter.
  - (j) Proof of environmental sustainability plan conforming to the requirements of this Chapter.
  - (k) Other information and materials specific to the type of establishment or activity being licensed as indicated on the license application.
- (3) Payment of a non-refundable application fee per marihuana license sought and/or proof that the applicant has, within the prior three hundred sixty-five (365) days, paid the zoning application fee for zoning approval associated with the marihuana facility type identified in the application as required in Chapter 61, Section 5.9.19. Fees shall be offset to ensure the annual fees required by marihuana facility ordinances or zoning regulations promulgated pursuant to the MMFLA & MRTMA do not exceed five thousand dollars (\$5,000.00) annually.

(Ord. No. 2019-66, § 1, 10-8-19)

Sec. 7.367. - Environmental Sustainability.

- (1) All establishments, with the exception of event locations used by event coordinators shall enroll in the Grand Rapids 2030 District prior to operation. Enrollment shall be, at a minimum, as a building owner or substantially similar enrollment option that enables the reporting of marihuana facility performance data on a confidential basis and at no cost to the licensee. Energy consumption data shall be reported via Energy Star Portfolio Manager on at least an annual basis and no later than sixteen (16) months after operations begin.
- (2) A grower of any class and microbusinesses shall be required to meet the following environmental sustainability requirements:
  - (a) Create and submit an environmental sustainability plan to the City's Office of Sustainability as well as all energy utilities serving the applicant, including electricity, natural gas, and steam, within six (6) months after operations commence, that includes the following items:
    - i. Analysis of predictive energy load, including design energy use intensity (EUI);
    - ii. Estimated greenhouse gas (GHG) emissions for the coming year and reporting on the past year's GHG emissions;
    - iii. Identification of water efficiency measures planned or implemented;
    - iv. A list of wastewater pollutant loadings and toxics; and
    - v. A solid waste management plan detailing disposal plans for plants, soils and other wastes generated as well as reporting on the annual tons of each type of waste generated and disposed.

- (b) At least fifty (50) percent of plant canopy area that is partially or fully illuminated by electric lighting shall be illuminated by fixtures with photosynthetic photon efficacy of at least 1.9  $\mu\text{mol/J}$  at the time operations commence.
- (c) Submit a whole building energy audit meeting ASHRAE Level II guidelines or better to the City's Office of Sustainability within sixteen (16) months after operations.
- (d) All applications for renewal of any license shall include the environmental sustainability plan submission required by this section and proof of compliance with the annual reporting requirements under this section.

(Ord. No. 2019-66, § 1, 10-8-19)

Sec. 7.368. - Conduct of Business at Licensed Marihuana Establishment.

- (1) The operations at a licensed marihuana facility shall be conducted in compliance with the MMFLA and the MRTMA, and any rules promulgated pursuant to other laws, rules, and regulations of the state of Michigan and the City of Grand Rapids.
- (2) All security measures required by the State shall be maintained.
  - (a) Security devices and all components of those devices required by the State, including but not limited to, video surveillance systems, alarm systems, and locks, shall be in good working order.
  - (b) Licensees shall register their video surveillance systems with the Grand Rapids Police Department.
- (3) All marihuana in any form on the premises of a licensed marihuana facility shall be cultivated, manufactured, tested, sold, and packaged in the State of Michigan.
- (4) Access to the licensed marihuana establishment is restricted to the licensee, employees of the licensee, and adult patrons age 21 or older in establishments licensed for recreational marihuana, and the department, through its investigators, agents, auditors, or the State Police or authorized City employees acting within the scope of their employment. A separate waiting area may be created for visitors not authorized to enter the marihuana establishment.
- (5) Recreational marihuana products must be separated from medical marihuana products.
- (6) A licensee shall display all marihuana facility licenses issued under this Chapter and state operating licenses in plain view clearly visible to patrons, clients, city officials, and state authorized agents.
- (7) A licensee shall not permit or allow the sale, consumption, or use of alcohol or tobacco products on licensed premises unless it is licensed to do so by the state and the city, and/or as otherwise permitted by law.
- (8) A licensee shall not permit or otherwise allow the use, smoke, inhalation, or consumption of marihuana, in any form, anywhere within a licensed marihuana establishment or on the property of a licensed establishment unless it is licensed to do so by the state and the city.
- (9) A licensee shall comply with the Michigan Construction Code and Americans with Disabilities Act Amendment Act of 2008 (ADAA) meeting ANSI A117.1.

(Ord. No. 2019-66, § 1, 10-8-19)

Sec. 7.369. - Reserved.

Sec. 7.370. - License Denial, Suspension, or Revocation.

- (1) A license issued under this Chapter may be denied, suspended, revoked, or nonrenewed for any of the following reasons:

- (a) The applicant or licensee is ineligible or does not hold the appropriate state operating license under the MMFLA or MRTMA.
  - (b) The applicant or licensee, or his or her agent, manager or employee, has violated, does not meet, or has failed to comply with any of the terms, requirements, conditions or provisions of this Chapter, City Code, or with any applicable state law.
  - (c) A license application contains any misrepresentation or omission of any material fact, or false or misleading information, or the applicant has provided the city with any other false or misleading information related to the establishment.
  - (d) Marihuana is grown, dispensed, possessed, distributed, or sold on the premises in violation of this Chapter or any other applicable state or local law, rule or regulation.
  - (e) The establishment is operated or is operating in violation of the specifications of the license application, license, any conditions of approval by the City or any other applicable state or local law, rule or regulation.
  - (f) The City, the county, or any other governmental entity with jurisdiction, has closed the establishment temporarily or permanently or has issued any sanction for failure to comply with health and safety provisions of this Chapter or other applicable state or local laws related to public health and safety.
  - (g) The establishment's state operating license has been suspended, revoked, denied, or not renewed.
  - (h) The marihuana establishment has been operated in a manner that adversely affects the public health, safety or welfare. Evidence to support a finding under this Section may include, without limitation, a recurring pattern of conduct that violates City Code directly related to or arising from the operation of the marihuana establishment; a recurring pattern or drug-related criminal conduct within the premises of the marihuana establishment or in the immediate area surrounding the establishment; a recurring pattern of criminal conduct directly related to or arising from the operation of the marihuana establishment; or an ongoing nuisance condition emanating from or caused by the marihuana establishment. Criminal drug-related conduct considered under this Section shall be limited to the violation of a State law, state regulation, or city ordinance.
- (2) These grounds for denial, suspension or revocation of a license provided for in this Chapter shall be in addition to other grounds for denial, suspension or revocation of licenses or permits provided for in Chapter 91 and elsewhere in this Code.
  - (3) Prior to suspension, revocation, or nonrenewal of any license issued under this Chapter, the licensee shall be entitled to a hearing as provided in Section 7.16 of Chapter 91 of this Code.
  - (4) An applicant has the right to appeal the denial of a license as provided in Section 7.16 of Chapter 91 of this Code.

(Ord. No. 2019-66, § 1, 10-8-19)

#### Sec. 7.371. - Revocation Not Exclusive Penalty or Remedy.

Nothing in this Chapter shall be deemed to prohibit the City from imposing other penalties or seeking other remedies authorized by the Grand Rapids City Code or other ordinance of the City, including filing a public nuisance action or any other legal action in a court of competent jurisdiction.

(Ord. No. 2019-66, § 1, 10-8-19)

#### Sec. 7.372. - Fees.



The annual license fee shall be as specified in Chapter 92 of this Code.

(Ord. No. 2019-66, § 1, 10-8-19)

Sec. 7.373. - Renewal of Existing Licenses.

- (1) The same procedures that apply to applying for a new license shall apply to the renewal of existing licenses.
- (2) An application for renewal of an existing license shall be submitted no sooner than sixty (60) days before the existing license expires and no later than thirty-one (31) days before the expiration date.
- (3) If a license renewal is not submitted by the license expiration date, the license may be renewed within sixty (60) days after its expiration date upon application, payment of applicable fees and penalties, and satisfaction of any renewal requirements if state licensure is still active.

(Ord. No. 2019-66, § 1, 10-8-19)

Sec. 7.374. - Issuance of License and Authorization to Operate Under License.

- (1) If, after investigation, the City Clerk shall be reasonably satisfied that the applicant has successfully demonstrated compliance with all requirements for issuance of a license, the City Clerk shall issue the applicable Marihuana Related Municipal License or grant renewal of an existing license.
- (2) A licensee is authorized to operate under a municipal license issued pursuant to this Chapter only after the following additional requirements are met.
  - (a) The licensee also holds a valid current state operating license for that location and establishment type. A copy of the valid current state operating license shall be provided to the City Clerk.
  - (b) A certificate of occupancy has been issued.
  - (c) The licensee is not operating in violation of any City ordinances or state law.
  - (d) Zoning is deemed appropriate by the City for the location and any and all Special Land Use permits and/or waivers have been approved.
  - (e) Any other license specific requirements as stated in the license application have been met.

(Ord. No. 2019-66, § 1, 10-8-19)

Sec. 7.375. - Penalty for Violations.

- (1) Any person who violates a provision of this Chapter shall be responsible for a municipal civil infraction and shall be subject to such civil infraction fines and costs as provided in Chapter 170, but the fee will not exceed the fee limitation set by the state.
- (2) Each day of violation shall be a separate violation.

(Ord. No. 2019-66, § 1, 10-8-19)

Sec. 7.376. - Coordination with State Licensing Authorities.

The City Clerk shall coordinate with the Michigan Marijuana Regulatory Agency (MRA) to provide information that LARA or the MRA deems necessary to carry out licensing under the MMFLA and MRTMA, including but not limited to:

- (1) Attestation as to ordinances and zoning regulations adopted by the City relating to marihuana establishments, and amendments thereto.
- (2) Information regarding a licensee or applicant for a state operating license including:
  - (a) Information that the board deems necessary to determine whether a state operating license should be issued or renewed;
  - (b) Description of a violation of an ordinance or a zoning regulation committed by the licensee, but only if the violation relates to activities licensed under this Chapter, zoning regulations relating to marihuana establishments, or applicable marihuana laws;
  - (c) Denial, suspension, revocation, or nonrenewal of a marihuana facility license; or
  - (d) Whether there has been a change to an ordinance or zoning regulation relating to marihuana establishments and/or licensing since the state operating license was issued, and a description of the change.
- (3) Recommendation to LARA that a state operating license for a marihuana establishment located in Grand Rapids be restricted or not renewed. The Clerk shall provide specific written input and information necessary for LARA to consider the recommendation.

(Ord. No. 2019-66, § 1, 10-8-19)

Sec. 7.377. - Conflicts with Other Laws or Regulations.

Nothing in this Chapter shall be construed in such a manner as to conflict with the MMFLA, MMMA, MMRTA, or other applicable state marihuana law or rules. If any provision of this Chapter differs from a provision of any other applicable law, ordinance, rule or regulation, both the provision of this Chapter and the differing provision shall apply if possible. If the two (2) provisions are in conflict, then the provision establishing the higher or stricter standard shall apply, consistent with state law.

(Ord. No. 2019-66, § 1, 10-8-19)

Sec. 7.378. - Severability.

The various parts, sections, and clauses of this Chapter are hereby declared to be severable. If any part, sentence, paragraph, section or clause is adjudged unconstitutional or invalid by a Court of competent jurisdiction, the remainder of the Chapter shall not be affected thereby.

(Ord. No. 2019-66, § 1, 10-8-19)

Sec. 7.379. - Acceptance of Licensing Applications.

The Clerk shall begin accepting license applications for the uses authorized herein six (6) months after adoption of this ordinance. Medical Marihuana Facilities previously licensed under MMFLA and granted special land use approval by the City Planning Commission prior to April 20, 2020 may continue to operate using their special land use approval as a temporary license until the City begins accepting Marihuana Related Municipal License applications. All marihuana related businesses, including operating medical marihuana facilities, must obtain a Marihuana Related Municipal License once the City begins accepting applications for licensure. Operation of such a facility absent a license to do so once the City begins accepting applications is prohibited.

(Ord. No. 2019-66, § 1, 10-8-19)

## **ORDINANCE NUMBER 2019.11/414**

### **AN ORDINANCE AMENDING THE CITY OF BUCHANAN ZONING ORDINANCE; ARTICLE III-DEFINITIONS AND USE OF TERMS; ARTICLE X – C-2 COMMERCIAL DISTRICT; ARTICLE XI – C3 CENTRAL BUSINESS DISTRICT; ARTICLE XII I-1 LIGHT INDUSTRIAL DISTRICT; ARTICLE XIII I-2 HEAVY INDUSTRIAL DISTRICT; ARTICLE XVIII SPECIAL PROVISIONS:**

**BE IT ORDAINED** by the City Commission of the City of Buchanan, Berrien County Michigan that based upon the majority recommendation of approval of the Planning Commission after its public hearing held on November 19, 2019 that the City of Buchanan Zoning Ordinance is amended as follows:

#### **ARTICLE III DEFINITIONS AND USE OF TERMS**

Section 3.04 Definitions pertaining to Adult Use Marihuana.

**Licensee.** A person holding a state operating license issued under the Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951 et seq.

**Marihuana.** That term as defined in the Public Health Code, MCL 333.1101 et seq.; the Michigan Medical Marihuana Act, MCL 333.26421 et seq.; the Medical Marihuana Facilities Licensing Act, MCL 333.27101 et seq.; the Marihuana Tracking Act, MCL 333.27901 et seq., and the Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951 et. seq.

**Marihuana establishment.** A marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter, or any other type of marihuana-related business licensed by the State of Michigan.

**Marihuana grower.** A person, permittee/licensee that is licensed to cultivate marihuana and sell or otherwise transfer marihuana to marihuana establishments.

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

**Marihuana microbusiness.** A person, permittee/licensee, licensed to cultivate not more than 150 Marihuana plants; process and package marihuana; and sell or otherwise transfer marihuana to individuals who are 21 years of age or older or to a marihuana safety compliance facility, but not to other marihuana establishments.

**Marihuana processor.** A person, permittee/licensee that is licensed to obtain marihuana from marihuana establishments; process and package marihuana; and sell or otherwise transfer marihuana to marihuana establishments.

**Marihuana retailer.** A person, Permittee/licensee licensed to obtain marihuana from marihuana establishments and to sell or otherwise transfer marihuana to marihuana establishments and to individuals who are 21 years of age or older.

**Marihuana secure transporter.** A person, permittee/licensee that is licensed to obtain marihuana from marihuana establishments in order to transport marihuana to marihuana establishments.

**Marihuana safety compliance facility.** A person, permittee/licensee licensed to test marihuana, including for potency and the presence of contaminants.

**MRTMA.** Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951 et seq. Any term defined in the MRTMA shall have the definition given in the MRTMA.

**Permit.** A current and valid Permit for a Marihuana Establishment issued by the City of Buchanan, which shall be granted to a Permit Holder only for and limited to a specific Permitted Premises and a specific Permitted Property.

**Permittee.** A person holding a City operating Permit issued under the provisions of Ordinance 2019.10/413.

**Permit Holder.** A Person that holds a valid Permit issued under the provisions of Ordinance 2019.10/413.

**Permitted Premises.** A particular building(s) within which the Permit Holder will be authorized to conduct the Establishment's activities pursuant to the Permit.

**Permitted Property.** The real property comprised of a lot, parcel or other designated unit of real property upon which the Permitted Premises is situated.

**Person.** An individual, corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited liability limited partnership, or other legal entity.

## **ARTICLE X**

### **C-2 COMMERCIAL DISTRICT**

#### **Section 10.03 - Uses Permitted by Special Use Permit**

- E. Adult Use marihuana retailer, designated consumption, and microbusiness establishments as authorized by City Ordinance 2019.10/413 .
- F. Temporary Marihuana Events as authorized by City Ordinance 2019.10/413 .

## **ARTICLE XI**

### **C-3 CENTRAL BUSINESS DISTRICT**

#### **Section 11.03 - Uses Permitted by Special Use Permit**

- E. Adult Use marihuana retailer, designated consumption establishments as authorized by City Ordinance 2019.10/413 .
- F. Temporary Marihuana Events as authorized by City Ordinance 2019.10/413 .

## **ARTICLE XII**

### **I-1 LIGHT INDUSTRIAL DISTRICT**

#### **Section 12.03 – Uses Permitted by Special Use Permit.**

- H. Adult Use marihuana grower, processor, retailer, secure transporter establishments and safety compliance facility as authorized by City Ordinance 2019.10/413.
- I. Temporary Marihuana Events as authorized by City Ordinance 2019.10/413

## **ARTICLE XIII**

### **I-2 HEAVY INDUSTRIAL DISTRICT**

#### **Section 13.03 – Uses Permitted by Special Use Permit.**

- G. Adult Use marihuana grower, processor, retailer, secure transporter establishments and safety compliance facility as authorized by City Ordinance 2019.10/413.
- H. Temporary Marihuana Events as authorized by City Ordinance 2019.10.413

## **ARTICLE XVIII**

### **SPECIAL PROVISIONS INCLUDING HOME OCCUPATIONS**

#### **Section 18.11 – Marihuana Establishments – All Types.**

- 1. An adult use marihuana establishment, in accordance with the provisions of state law, may be permitted by the issuance of a special use permit pursuant to Article XX in the specified zones, provided that:
  - A. No adult use marihuana establishment shall be located within one Thousand (1,000) feet of real property comprising a public elementary, vocational, or secondary school.
  - B. No adult use marihuana establishment shall be located within Five Hundred (500) feet of real property comprising a church, or a public park with activities designed specifically for youth.
  - C. In the consideration of granting a special use permit, the setback from any residential *use (City and/or Township)* shall be evaluated as it relates to the surrounding areas.
  - D. Any uses or activities found by the State or a court with jurisdiction to be unconstitutional or otherwise not permitted by state law may not be permitted by the City of Buchanan. In the event that a court with jurisdiction declares some of all of this article invalid, then the City of Buchanan may suspend the acceptance of applications for special use permits pending the resolution of the legal issue in question.
  - E. All special use approvals for marihuana establishments are contingent upon the approval of the marihuana establishment's application(s) by the City and the State.
  - F. The use or establishment must be at all times in compliance with all other applicable laws and ordinances of the City.

- G. The City of Buchanan may suspend or revoke a special use permit based on a finding that the provisions of the special use standards in this section, all other applicable provisions of this zoning ordinance, City Ordinance 2019.10/413, or the terms of the special use permit and approved site plan are not met.
  - I. Signage requirements for marijuana establishments, are as provided in the City's Sign ordinance, being Chapter 76 in the City Code of Ordinances, and in the City Ordinance 2019.10/413.
  - J. No marihuana establishment shall be operated in a manner creating noise, dust, vibration, glare, fumes, or odors detectable beyond the boundaries of the property on which the marihuana establishment is operated.
2. Marihuana growers and processors shall also be subject to the following standards:
- A. The minimum operational standards of growers and processors found in the City Ordinance 2019.10/413.
  - B. All applicable regulations of Articles XII and XIII, including but not limited to accessory buildings and structures, parking requirements, signs, visual screening requirements, building height regulations, and yard, setback and lot area requirements.
  - C. All marihuana growing and processing shall be located entirely within an enclosed, locked facility which shall include one or more completely enclosed buildings.
  - D. If only a portion of a building used for marihuana production, a partition wall from floor to ceiling shall separate the marihuana production space from the remainder pf the building. A partition wall must include a door capable of being closed and locked from both sides for ingress and egress between the marihuana production space and the remainder of the building.
  - E. Light cast by light fixtures inside any building used for marihuana production or processing shall not be visible outside the building from *dusk* to *dawn* the following day.
3. Retailers, designated consumption establishments and microbusinesses shall also be subject to the following standards:
- A. All applicable regulations of Articles X and XI, including but not limited to accessory buildings and structures, parking requirements, signs, visual screening requirements, building height regulations, and yard, setback and lot area requirements.
  - B. Retailers and microbusinesses shall only sell to consumers or allow consumers to be present in the establishment between the hours of 9:00 a.m. and 9:00 p.m.
  - C. Designated Consumption Establishments shall only operate during the hours permitted on their approved City Permit.
  - D. All activities of a retailer, microbusiness and designated consumption establishment, including all transfers of marihuana shall be conducted within the establishment and out of public view. A retailer, microbusiness and/or designated consumption establishment shall not have a walk-up window or a drive thru window service.

- E. The exterior appearance of the structure shall remain compatible with the exterior appearance of structures already constructed or under construction within the immediate area and shall be maintained so as to prevent blight or deterioration or substantial diminishment or impairment of property values within the zoning district.

This Ordinance shall become effective ten (10) days after its enactment.

Proposed by Commission Member: Toerne

Supported by Commission Member: Moore

Roll Call Vote:

Ayes: Weedon, Toerne, Moore, Downey, Denison

Nays: none

Abstain: none

Absent: none

MADE, PASSED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF BUCHANAN, BERRIEN COUNTY, MICHIGAN, ON THE 25<sup>th</sup> DAY OF November 2019, AND PUBLISHED IN THE NILES DAILY STAR NEWSPAPER ON Friday, November 29, 2019.

By: \_\_\_\_\_  
Patricia A. Moore, Mayor

By: \_\_\_\_\_  
Brenda J. Hess, City Clerk

CERTIFICATION

I hereby certify that the above is a true and complete copy of an ordinance adopted by the City Commission of the City of Buchanan, County of Berrien, State of Michigan, at a regular meeting held on the 25<sup>th</sup> day of November 2019, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976 as required by said act.

\_\_\_\_\_  
Brenda J. Hess, City Clerk

**ORDINANCE NO. 248-A-92**

**AN ORDINANCE TO AMEND THE WESTLAND CITY CODE BY ADDING CHAPTER 27,  
SECTIONS 27-1 THROUGH 27-34, TO REGULATE THE SITING, INSPECTION, AND  
LICENSING OF MARIJUANA BUSINESSES WITHIN THE CITY**

**Section 1.** The Westland City Code is hereby amended to add Chapter 27, Sections 27-1 through 27-34, which are hereby adopted to provide as follows:

**“CHAPTER 27- MARIJUANA BUSINESSES**

**ARTICLE I. - IN GENERAL**

**Section 27-1.- Title.**

This Ordinance is known and may be cited as the Westland Uniform Marijuana Business Ordinance

**Section 27-2.- Purpose and Intent.**

The purpose of this Ordinance is to exercise the police regulatory, and licensing powers of the City of Westland by establishing a licensing and regulatory process for Medical and Adult-Use Marijuana Businesses to the extent permissible under the Michigan Medical Marihuana Facilities Licensing Act (Public Act 281 of 2016) and the Michigan Regulation and Taxation of Marihuana Act (Initiated Law 1 of 2018) to protect the public health, safety, and welfare of the residents of the City of Westland. Further, the purpose of this Ordinance is to:

(a) Protect public health and safety through reasonable limitations on marijuana commercial entity operations as they relate to noise, air and water quality, neighborhood and patient safety, security for the location and its personnel, and other health and safety concerns;

(b) Protect residential zoned properties and neighborhoods by limiting the location and the concentration of types of Marijuana Businesses to specific areas of the City;

(c) Impose fees to defray and recover the cost to the City of the administrative and enforcement costs associated with Marijuana Businesses;

(d) Coordinate with laws and regulations that may be enacted by the State of Michigan addressing Marijuana Businesses; and

(e) To restrict the issuance of Marijuana Business Licenses only to individuals and entities that demonstrate an intent and ability to fully comply with this Chapter and the laws of the State of Michigan.

**Section 27-3. – Conflicts.**

(a) *Federal Law.* As of the effective date of this ordinance, marijuana is classified as a Schedule 1 controlled substance under Federal law which makes it unlawful to manufacture, distribute, cultivate, provide, possess, dispense or transport marijuana. Nothing in this ordinance is intended to grant immunity from any criminal prosecution under Federal law.



(b) *State Law*. Nothing in this ordinance is intended to grant immunity from criminal or civil prosecution, penalty or sanction for the cultivation, manufacture, possession, use, sale, distribution or transport of marijuana, in any form, that is not in strict compliance with the state and local laws, and all applicable rules promulgated by the State of Michigan regarding marijuana. Strict compliance with any applicable State law or regulation shall be deemed a requirement for the issuance or renewal of any license issued under this Chapter, and noncompliance at any time with any applicable State or local law or regulation shall be grounds for revocation or nonrenewal of any license issued under the terms of this Chapter.

**Section 27-4.- Definitions.** As used herein, the following terms have the following meanings:

*Adult-Use Marijuana Law* means the Michigan Regulation and Taxation of Marihuana Act (MRTMA), Initiated Law 1 of 2018, MCL 333.27951, et seq., as amended, and the rules promulgated thereunder, as applicable.

*Agency* means the Michigan Marijuana Regulatory Agency, or its successor agency.

*Applicant* means any individual, organization, entity, or association, including any corporation, partnership, limited liability company, or any other business, that applies for a City License.

*Business Location* means the parcel on which a Marijuana Business is located. Multiple Licenses operated by a Licensee on one parcel is considered one Business Location.

*Collocated Business* means a Marijuana Business that operates at least one of the following Licenses at the Same Location with a retailer and/or provisioning center: a marijuana grower or a marijuana processor.

*Equivalent Licenses* means that term as defined in Adult-Use Marijuana Emergency Rule 1(l), or its successor rule. The license types in the following numbered columns are equivalent:

	1	2	3	4	5
<b><u>Medical</u></b>	Grower	Processor	Provisioning Center	Secure Transporter	Safety Compliance Facility
<b><u>Adult-Use</u></b>	Grower	Processor	Retailer	Secure Transporter	Safety Compliance Facility

*Excess Marijuana Grower* shall mean that License type as provided in Adult-Use Emergency Rule 60.

*License* means a municipal license to operate a Marijuana Business issued by the City.

*Licensee* means an Applicant who is issued a License or conditional License, as applicable.

*Marijuana* or *marihuana* means that term as defined by MCL 333.27953(e).

*Marijuana Business* is inclusive of medical marijuana facilities, as defined under MCL 333.27102(l), and marijuana establishments, as defined under MCL 333.27953(h).

*Medical Marijuana Facilities Law* means Michigan's Medical Marijuana Facilities Licensing Act (MMFLA), Public Act 281 of 2016, MCL 333.27101, et seq., as amended, and the rules promulgated thereunder, as applicable.

*Related Entity* means any organization, entity, or association, including any corporation, partnership, limited liability company, or any other business, that is distinct from, but whose ownership interests are identical to the Applicant.

*Same Location* means that term as used in the Adult-Use and Medical Marijuana Facilities administrative rules. As used in this Ordinance, a Business Location includes the "Same Location," where applicable.

*State License* means a license to operate a Marijuana Business issued by the State of Michigan.

*State Marijuana Law* includes both the Michigan Adult-Use Marijuana Laws and Medical Marijuana Facilities Laws.

*Stacked Licenses* shall mean more than one class C grower license issued to a Business Location, as provided in the Adult-Use Emergency Rules and the Medical Marijuana Facilities Administrative Rules.

Unless otherwise indicated, terms used herein that are not otherwise defined shall have the meanings proscribed to them within the applicable State Marijuana Law. Unless otherwise stated, any reference to a grower, processor, safety compliance facility, or secure transporter includes the adult-use marijuana establishments and the medical marijuana facilities of that type.

#### **Section 27-5.- Marijuana Businesses Allowed.**

(a) *Allowed Uses.* Subject to the terms of this Ordinance, the City may only issue Licenses for the operation of any of the following uses, or some combination thereof:

1. Medical and adult-use marijuana growers, processors, secure transporters, and safety compliance facilities,
2. Medical marijuana provisioning centers, and
3. Adult-use marijuana retailers and microbusinesses.

(b) *Non-Transferrable.* Any License issued under this Ordinance is only valid for the named Licensee and only for the Business Location contained in the License. No License is transferrable to any other individual, organization, entity, association, or other business or from its designated Business Location to any other location. Only the named Licensee may operate the Marijuana Business.

(c) *Multiple Grower Licenses.* A Business Location may be granted Stacked Licenses and/or an Excess Marijuana Grower License.

(d) *Collocated Businesses.* The City may issue Licenses to a Collocated Business, limited to six total Licenses at the Business Location, provided that Stacked Licenses and an Excess Marijuana Grower License shall not be counted for purposes of the six-License limitation.

(e) *Equivalent Licenses.* The City may issue Equivalent Licenses to a Business Location.

#### **Section 27-6.- Business Locations Allowed.**

Subject to the Westland Zoning Ordinance and requirements under this Ordinance, the City may grant Licenses to up to eight total Business Locations as follows:

(a) One Business Location shall be reserved for a stand-alone secure transporter License, and its Equivalent License, in industrial zoning districts.

(b) One Business Location shall be reserved for a stand-alone marijuana microbusiness License in industrial zoning districts.

(c) One Business Location shall be reserved for a stand-alone safety compliance facility License, and its Equivalent License, in commercial, office, or industrial zoning districts.

(d) Two Business Locations shall be reserved for stand-alone provisioning center/retailer Licenses in commercial zoning districts.

1. Only one Business Location shall be allowed between the north side of Ford Road and the north boundary of the City, and

2. Only one Business Location shall be allowed between the south side of Ford Road and the south boundary of the City.

(e) The remaining three Business Locations shall be reserved for Collocated Businesses in industrial zoning districts.

#### **Section 27-6a.- Business Location Availability.**

Whenever there is an opening for a Business Location, the City Clerk shall open the application process for new applications, whether such opening is created through the revocation of a License or the denial or disqualification of an application, or for any other reason. The City shall only consider the highest ranked Applicant for each category of Business Location, as determined under Section 27-12, and shall not maintain a waiting list of lower ranked Applicants.

#### **Section 27-7.- Prohibited Licenses and Acts**

(a) *Specific Prohibitions.* Pursuant to the Michigan Regulation and Taxation of Marihuana Act, MCL 333.27956(1), the City of Westland hereby completely prohibits the following marijuana establishments: designated marijuana consumption establishments and temporary marijuana events.

(b) *General Prohibition.* Any medical marijuana facility or adult-use marijuana establishment not specifically allowed by this Ordinance is prohibited within the City. In the event that any state law or rule is enacted or amended to provide for additional Marijuana Businesses, or similar businesses, they will be prohibited in the City unless the City amends this Ordinance to specifically allow them.

(c) *No On-Premises Consumption.* It is prohibited for any Marijuana Business to allow the consumption, use, or inhalation of marijuana or of any marijuana product at any Business Location.

(d) *Marijuana Violations.* It is prohibited to produce, distribute, or possess marijuana in violation of any applicable State Marijuana Law or local ordinance.

(e) *Alcohol.* It is prohibited to allow the sale or consumption of alcoholic beverages at any Business Location.

(f) *Food.* It is prohibited to allow the sale or consumption of food at any Business Location, except food may be consumed in a cafeteria or break room that is separated from any marijuana product by floor-to-ceiling walls and a door. For purposes of this subsection, marijuana products, including edible marijuana products, are not food.

(g) *Operators.* Only a Licensee may operate as a Marijuana Business within the City of Westland. The Licensee must conspicuously display its State License and City License in the Marijuana Business where it is easily open to public view.

(h) *State Law Violations.* Any violation of any State Marijuana Law shall be deemed a violation of this Ordinance.

(i) *No Tax Incentives.* A Marijuana Business shall not be entitled to any tax-incentive program offered by the City, including, but not limited to, any incentive created pursuant to the Brownfield Redevelopment Financing Act, PA 381 of 1996, or the Recodified Tax Increment Financing Act, PA 57 of 2018.

#### **Section 27-8.- Violations.**

(a) *Compliance with Applicable Laws.* The requirements of this Ordinance are in addition to the City of Westland Zoning Ordinance, other ordinances of general applicability, and all applicable state laws.

(b) *Civil Infraction.* Any violation of this Ordinance, or any condition of any License granted pursuant to this Ordinance, or of any applicable State Marijuana Law, shall be punishable by a civil infraction with a \$500 fine per violation per day, plus all other remedies available by any applicable state or local law, including adverse license actions as described in this Ordinance.

#### **Section 27-8a.- Sale of Marijuana to the Public.**

(a) A Licensee who operates an adult-use marijuana retailer License or microbusiness License shall only sell or transfer marijuana to a person who is 21 years old or older, in compliance with Adult-Use Emergency Rules 26 and 27.

(b) A Licensee who operates a medical marijuana provisioning center License shall only sell marijuana to a qualifying patient, primary caregiver, or a visiting qualifying patient, in compliance with Medical Marijuana Facilities Rule 74.

(c) A Licensee who operates marijuana retailer and marijuana provisioning center Licenses at a Business Location must comply with subsection (a) when selling or transferring retail marijuana products and must comply with subsection (b) when selling or transferring medical marijuana products.

(d) The unlawful sale of marijuana shall be cause for nonrenewal, immediate suspension, or revocation of a License, in addition to all other remedies or penalties under any applicable state or local law.

## ARTICLE II. – APPLICATION AND LICENSING

### Section 27-9.- Application and Fees.

(a) *Applications.* The City Clerk shall make applications available and shall publish rules on how applications will be accepted. The City Clerk shall not open the application process unless and until an Application Consideration Policy is adopted by City Council under Section 27-12.

(b) *Fees.* All Applicants for each License type must file an application with the City Clerk. The Applicant shall pay a fee of \$5,000 per License type to defray the administrative and enforcement costs associated with the operation of Marijuana Businesses within the City. Each Stacked License and Excess Marijuana Grower License shall require the payment of a separate fee.

(c) *Multiple Licenses at the Business Location.* Except as otherwise provided by state law, this Ordinance, and zoning requirements, an Applicant may apply for Licenses to operate at the Same Location, as provided in Adult-Use Emergency Rule 31, Medical Marijuana Facilities Administrative Rule 32, and/or Adult-Use Emergency Rule 32, or their respective successor rules.

(d) *Contents of Application.*

1. General Information. An Applicant may be requested to provide any information required by applicable State Marijuana Law and any other information deemed by the City to be required for the consideration of a License.

2. Supplemental Information. At any time during the application process, the City may send notice to an Applicant requesting supplemental information. If an Applicant fails to provide supplemental information within 10 business days from the date notice was sent, the application will be deemed voluntarily withdrawn and will not be considered.

3. Proof of Prequalification. An Applicant must submit satisfactory proof that it is prequalified through the Agency. If requested by the City, the Applicant shall provide information sufficient to verify the fact of prequalification with the Agency.

(a) For purposes of subsection (d)(3), prequalified includes an active Marijuana Business license in good standing with the Agency, with no pending enforcement or disciplinary action.

(b) An Applicant shall be considered prequalified if a Related Entity holds a State License that is in good standing with no pending enforcement or disciplinary action.

4. Business Location. The Applicant must identify the address and parcel identification number of its Business Location and present satisfactory proof that it is legally permitted to occupy the property for the intended use. Proof may include a deed, purchase agreement, lease, or notarized statement from the landlord. Each application shall only pertain to one Business Location. Nothing herein prevents an Applicant from submitting more than one application.

5. Signature. The Applicant shall sign the application and attest that, under penalty of perjury, the information contained within is true to the Applicant's

information, knowledge, and belief. An Applicant that is an organization, entity, or association, including any corporation, partnership, limited liability company, or any other business, shall submit a resolution attesting to same, identifying all ownership interests, and granting the representative filing the application the authority to sign on its behalf.

(e) *Incomplete Applications.* Submitted applications that are not complete will be disqualified and will not be considered. If an Applicant applies for a municipal license, the state equivalent of which the Agency will not issue due to the provisions of MCL 333.27959, then the application will be considered incomplete and will be disqualified.

(f) *Taxes and Fees.* An Applicant, and its owners, officers, and directors, must be current with all City taxes and fees.

(g) *Approval or Denial.* An application may be denied for any reason allowable under applicable State Marijuana Law or this Ordinance. An application for multiple Licenses at a Business Location may be approved, denied, or approved in part and denied in part. An Applicant whose application is not approved may be entitled to a partial refund of up to \$2,500.

#### **Section 27-9a.- Prohibited Practices Regarding City Officials.**

(a) *City Officials.* Applicants and Licensees are restricted from entering into employment or contractual arrangements with the following City officials during their term of office or for two years after the official leaves office for any reason: the Mayor, Deputy Mayor, the Director of any City Department, the City Clerk, Deputy City Clerk, any member of the City Council, any member of the Planning Commission, and any member of the Zoning Board of Appeals.

(b) *Representations.* By submitting an application for a City License, the Applicant represents that it has not employed or promised to employ, contracted or promised to contract in any way with, or directly or indirectly transferred or promised to transfer ownership interest in any Marijuana Business entity to an official designated in subsection (a).

(c) *Disqualification & Revocation.* An Applicant who violates this Section shall be permanently disqualified from consideration. A Licensee who violates this Section shall have its License permanently revoked.

#### **Section 27-10.- Conditional Approval.**

(a) *Conditional Approval.* The approval of any License shall be conditional as provided in this Section.

(b) *Corresponding State Licenses.* The conditional Licensee must obtain all State Licenses that correspond to the conditionally approved Licenses. Failure to obtain all corresponding State Licenses shall be grounds for forfeiture of all City Licenses under subsection (e).

(c) *Timeliness.* A conditional License is valid for a one-year conditional period but must still be renewed as provided in Section 27-13(a). By the end of the conditional period, the conditional Licensee must have either (1) commenced substantial site development construction work; or (2) obtained a certificate of occupancy. Prior to the

end of the conditional period, the Licensee may request one six-month extension from the City Council in writing. The City Council shall not grant an extension if any terms, site conditions, or any pertinent information for the Business Location have changed. If the conditional Licensee does not request an extension, or if the extension period expires, then the conditional License will be deemed forfeited.

(d) *Permits and Land Use Approvals.* During the conditional period or the extension period, the conditional Licensee must complete all required and applicable land use approvals, including site plan, special land use, rezoning, and any necessary land division or combinations, and obtain all necessary building permits.

(e) *Forfeiture.* If a Licensee fails to comply with or violates any condition of this Section, then all Licenses for the Business Location will be deemed forfeited and will not be eligible for renewal. Forfeiture under this subsection is subject to the due process considerations of Sections 27-21 and 27-22.

(f) *Term.* A License will run for the term and on the conditions stated in the License.

#### **Section 27-10a.- Indemnity as Condition of License.**

The conditions of this Section are conditions for all Licenses and conditional Licenses, in addition to any other conditions placed on a License by the City. By accepting a License issued under this Ordinance, the Licensee agrees, with respect to the City, including its officers, elected officials, appointed officials, agents, employees, and insurers, to:

(a) Waive and release the City from any liability for injuries, damages, or liabilities of any kind that result from any arrest or prosecution of Marijuana Business owners, operators, employees, clients, or customers for a violation of any state or federal law, rule, or regulation;

(b) Indemnify, defend, and hold harmless the City against all liability, claims, or demands arising on account of bodily injury, sickness, disease, death, property loss or damage, or any other loss of any kind; and

(c) Indemnify, defend, and hold harmless the City against all liability, claims, penalties, or demands arising on account of any alleged violation of any federal law, including the federal Controlled Substances Act.

#### **Section 27-11.- Inspection; Continuing Inspections.**

(a) *Initial Inspections.* At any time during the pendency of an application for issuance, renewal, or amendment, the City, including representatives of the Building Department, Fire Department, and Police Department, may inspect the Business Location, including in-progress construction, to determine compliance with applicable state and local laws. If an Applicant does not permit an inspection to take place within 5 business days of receiving notice from the City, then the application will be disqualified.

(b) *Continuing Inspections.* Acceptance of a License or a conditional License from the City under this Ordinance constitutes consent by the Licensee, its owners, managers,

and employees to permit City officials to conduct reasonable and random inspections of the Marijuana Business to ensure ongoing compliance with this Ordinance during normal hours of operation.

#### **Section 27-12.- Application Consideration Policy.**

(a) *Selection Process.* Completed applications will be evaluated based on a written policy recommended by the City administration and approved by the City Council. The policy shall contain rules for evaluating and selecting among competing applications and shall provide for a Selection Committee to carry out the policy.

(b) *Consideration.* The Selection Committee shall score and rank applications for each category of Business Location based on the rules in the Application Consideration Policy. Each round of applications shall be subject to Section 27-6a.

(c) *Policy Required.* Applications shall not be accepted until the City Council approves an Application Consideration Policy in accordance with this Section.

(d) *Renewal and Amendment; Adverse Actions.* The policy may establish rules for evaluating renewal and amendment applications and for adverse License proceedings for the suspension or revocation of a License, or the placement of a License in nonrenewal status.

(e) *Amended Rules.* No policy amendment or change in the rules is applicable to completed applications that were submitted to the City prior to the rule amendment and during an open application period.

#### **Section 27-13.- Renewal and Amendment.**

(a) *Renewals.* Each License issued under this Ordinance must be renewed annually. The City Clerk will accept renewal applications between February 1 at 10:00am and March 1 at 4:00pm. These dates and times will not be extended for weekends, holidays, or other closure of City offices. A License that is placed in non-renewal status by the Marijuana Review Board shall not be eligible for renewal.

(b) *Amendments.*

1. A Marijuana Business shall not make or allow any changes to be made in the operation, management, or ownership of the Marijuana Business as represented in the License application, without first obtaining the approval of the City through an amended application.

2. An amended application must be submitted when there is a change in any information the Applicant or Licensee was required to provide to the City or the Agency in the most recent application on file with the City or the Agency, as applicable.

3. If the City denies an amended application, then a Licensee shall be allowed to operate under its License only if the proposed amendments are not in effect and if the License is otherwise valid.

(c) *Procedures.* The City Clerk shall make renewal and amendment applications available and shall develop rules to determine how applications for renewal or amendment will be accepted. Applications under this Section will be evaluated in the



same manner as new applications, except as otherwise provided in a policy adopted under Section 27-12.

**Section 27-14.- Reservation of Rights.**

The City retains all rights to enforce any applicable local and state laws or rules notwithstanding that they are not specifically included in this Ordinance.

**Section 27-15.- No Property Right.**

A City License is a revocable privilege granted by this City and is not a property right. Granting a license does not create or vest any right, title, franchise, or other property interest. No Licensee or any other person shall lease, pledge, or borrow or loan money against a license.

**ARTICLE III. - MARIJUANA BUSINESS REVIEW BOARD**

**Section 27-16.- Creation; Qualifications; Removal**

(a) *Creation.* There is hereby created the Marijuana Business Review Board, which shall be comprised of three members. The Board shall have the duties set forth in this Article.

(b) *Appointment of Board Members.* One member shall be appointed by the Mayor. Two members shall be members of the City Council or designees of the Council and shall be appointed by resolution.

(c) *Restrictions.* A member of the Board shall not serve on a Selection Committee created under Section 27-12.

(d) *Residency Not Required.* The Mayor's appointee does not need to be a resident of the City of Westland.

(e) *Removal.* Any Board member may be removed with or without cause by the appointing authority.

**Section 27-17. – Conducting the Business of the Board.**

(a) *Initial Meeting.* The City Clerk shall schedule an initial meeting of the Board, which will be posted at City Hall. At its initial meeting, the Board may select a chairman and develop a procedure for notifying the public in advance of hearings to be conducted. The Board shall conduct hearings on an as-needed basis, as provided in Section 27-21.

(b) *Quorum.* A majority of the Board shall constitute a quorum for the transaction of business at all hearings. A majority vote of the quorum shall be the act of the Board.

(c) *Policies.* The Board may develop policies and follow procedures that are consistent with this Ordinance and are otherwise lawful.

**Section 27-18. – Reserved**

**Section 27-19. – Reserved**

## **Section 27-20. – Adverse License Actions.**

(a) *Adverse License Actions.* As provided in Section 27-21, the Marijuana Review Board, or its designee, may suspend, revoke, or place in non-renewal status any License granted under this Ordinance based on the following:

1. Any fraud or misrepresentation contained in the License application.
2. Any violation of this Ordinance or State Marijuana Law.
3. The Marijuana Business operates in an unlawful manner or in such a way as to constitute a public nuisance or to adversely affect the health, safety, or general welfare of the public.
4. The revocation, suspension, nonrenewal, and placement of restrictions by the Agency on a State License applies equally to the corresponding License issued by the City. An adverse action under this subdivision is not subject to Section 27-21 or 27-22.

(b) *Compliance.* If a License is not renewed or is suspended or revoked, the Licensee must immediately cease all operations at the Business Location. Noncompliance shall be a municipal civil infraction with a \$500 fine per violation. Each day of noncompliance will constitute a separate violation.

(c) *Not Exclusive.* Nothing in this Section prohibits the City from imposing other penalties authorized in the Westland City Code or other ordinance of the City, including filing a public nuisance action or any other legal action in a court of competent jurisdiction.

## **Section 27-21. – Due Process.**

(a) *Initiation.* For any reason in Section 27-20(a), the Board or its designee may initiate an adverse proceeding against the Licensee. For a violation that impacts health or safety of customers, employees, or the public, the Board may temporarily suspend a License without a hearing but only until such time as a hearing can be held.

(b) *Notice.* The Board shall send notice to the Licensee listing the reason for the adverse license proceeding. The notice shall list a proposed action and proposed conditions for reinstatement, if applicable.

(c) *Time to Respond.* The Licensee shall have 10 business days from the date notice was sent to respond in writing and request a hearing. If the Licensee does not reply within the 10-day period, then the proposed adverse action and any proposed conditions will be considered the recommendation of the Board. The Licensee may appeal a recommended adverse action issued under this subsection to the Westland City Council; however, the Council's review shall be limited to the information possessed by the Board at the time the recommendation was issued.

(d) *Hearing.* Except as provided in subsection (c), at the request of the Licensee, the Board shall, as soon as practicable, conduct a public hearing where the Licensee and the City will each have the opportunity to give testimony, present evidence, and show cause as to why the License should or should not be placed in non-renewal status or suspended or revoked and as to any conditions for reinstatement or renewal.

(e) *Proposed Findings.* Based on the testimony and evidence presented, the Board shall make proposed findings which shall be recorded in a written record.

(f) *Recommendation.* Based on its findings, the Board shall make a recommendation as to whether a License will be suspended or revoked or whether a License will be placed in non-renewal status, the term of any suspension, and conditions for reinstatement or renewal and a time period in which any conditions must be met.

(g) *Record.* The Board shall keep a record of the hearing, including a summary of any testimony, and shall preserve all documentary evidence.

#### **Section 27-22. – Appeal to City Council.**

(a) A recommendation of the Board may be appealed through a written request to the City Clerk within 10 business days from the date the Board issued its decision. The City Clerk shall place the appeal on the agenda for the next regular meeting of the City Council. A written appeal shall be limited to 20 pages plus up to 10 pages of exhibits.

(b) The City Council shall be limited to reviewing the record of the hearing.

(c) If the Board's recommendation is supported by the record, then the Board's recommendation shall be adopted by the City Council.

(d) It shall be the burden of the Licensee to show by clear and convincing evidence that the Board's recommendation was not supported by the record.

(e) The City Council may adopt the Board's recommendation in whole or in part or may issue an entirely new decision. The decision of the City Council shall be final.

#### **ARTICLE IV. – OPERATIONAL REQUIREMENTS**

##### **Section 27-23.- Hours of Operation.**

A Marijuana Business may be open to the public between the hours of 10:00am and 9:00pm. Employees, agents, and contractors of a Marijuana Business may be on site to conduct operations outside of public hours, provided that no members of the public are permitted on site.

##### **Section 27-24.- Signs**

(a) All signage and advertising for a Marijuana Business shall comply with all applicable provisions of the Zoning Ordinance, Signs. In addition, it shall be unlawful for any licensee to:

1. Use signage with the word "marijuana", "marijuana" or "cannabis";
2. Use signage the symbol or image or a marijuana leaf or green cross;
3. Use neon or LED lights or any green lights; or
4. Use wording that would appeal to persons under the age of 21, such as "bud", "dank", "weed", "smoke", "ganja", and other similar wording.

(b) It shall be prohibited to place or maintain, or cause to be placed or maintained, an advertisement of marijuana in any form on property not licensed for a Marijuana Business.

### **Section 27-25.- Security Plan.**

(a) A Business Location shall maintain a security system that meets State Marijuana Law requirements. A description of the security plan containing evidence and all supporting documentation shall be submitted with the application for review by the Police Chief or his/her designee. A separate security system is required for each License type, provided that only one such system is required per pair of Equivalent Licenses so long as the system complies with State Marijuana Law for each.

(b) Security surveillance cameras shall monitor and record all entrances, along with the interior and exterior of the Business Location and all areas of the Business Location where persons may gain or attempt to gain access to marijuana or cash maintained by the Marijuana Business.

(c) Robbery and burglary alarm systems shall be installed and professionally monitored and operated 24 hours a day/seven days a week. The security plan submitted to the City shall identify the company monitoring alarm, including contact information, and updated records shall be submitted to the City within 72 hours of any change of monitoring company.

(d) All marijuana in whatever form stored at the Marijuana Business shall be kept in a secure manner and shall not be visible from outside the location, nor shall it be grown, processed, exchanged, displayed or dispensed outside the location.

(e) The security plan shall describe how cash will be handled and deposited, including a plan to minimize the cash on hand at the Marijuana Business and to provide for a method of secure pick up and transportation of cash.

(f) The security plan shall also describe security measures relative to the movement of product, methods of product storage, and any other related matter requested by the Police Chief.

(g) All security recordings and documentation shall be preserved for at least 30 days by the Licensee and made available to any law enforcement upon request for inspection.

### **Section 27-26.- Odor Control.**

(a) A Licensee must maintain and operate an air filtration system to control vapors and odors that result from marijuana, or from the Business Location's use as a Marijuana Business, so that no vapors or odors are detectable outside the Business Location or from within any adjoining premises.

(b) No marijuana shall be cultivated, grown, manufactured or processed in any manner that would emit odors beyond the interior of the premises or which is otherwise discernable to another person. The odor must be prevented by the installation of an operable filtration to ventilation and exhaust system. Odors must otherwise be effectively confined to the interior of the location in which the odor is generated.

(c) Venting of marijuana odors into the areas surrounding the location is deemed and declared to be a public nuisance.

(d) In the event that any odors, debris, dust, fluids or other substances exit a Business Location, the owner of the Business Location and the Licensee shall be jointly and severally responsible for immediate full clean-up and correction of such condition.

(e) Repeat violations of this Section shall be grounds for immediate suspension of all Licenses at the Business Location and shall be grounds for nonrenewal of all Licenses at the Business Location.

## **ARTICLE V. DEVELOPMENT STANDARDS**

### **Section 27-27.- Multiple Uses.**

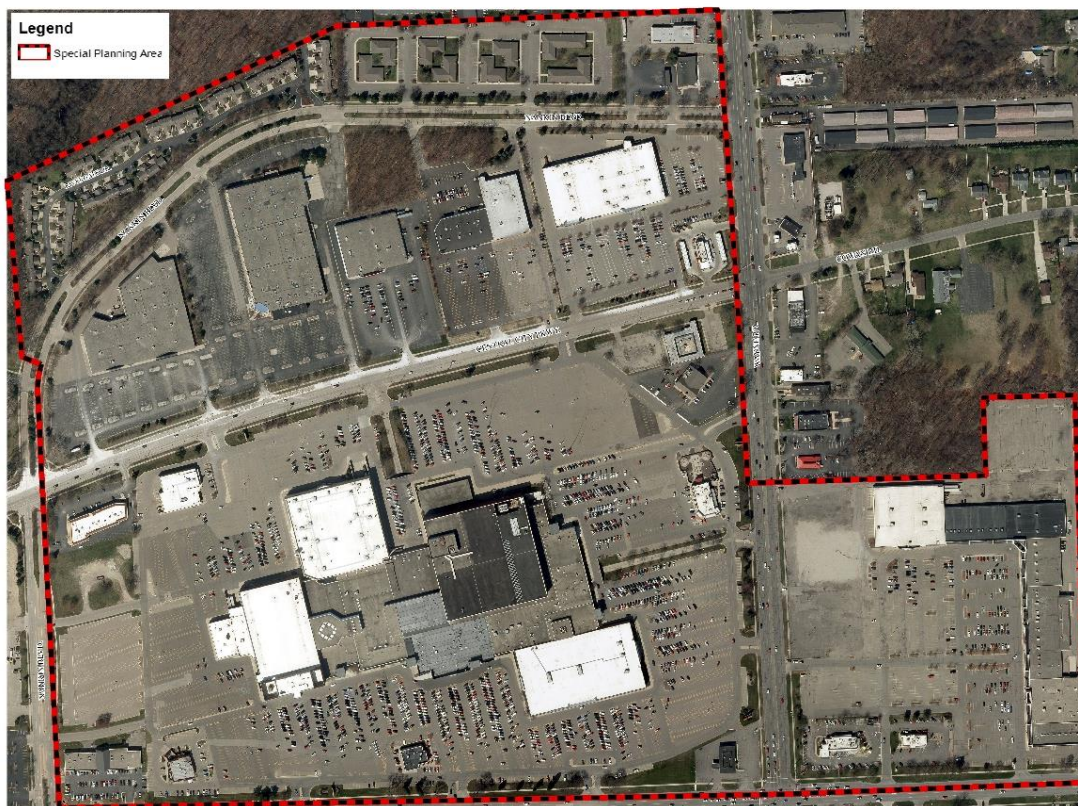
No Business Location shall be permitted to operate more than one of the same type of License. For purposes of this Section, Stacked Licenses and an Excess Marijuana Grower License only count as one class C grower. A Marijuana Business shall not be permitted more than one principal use, except this Section does not prohibit a Business Location from operating Equivalent Licenses or a Collocated Business, if otherwise approved to do so.

### **Section 27-28.- Certificate of Occupancy.**

No Marijuana Business may operate under a temporary certificate of occupancy. Marijuana Businesses must be in full compliance with all applicable legal requirements in order to operate.

### **Section 27-29.- City Centre District.**

Marijuana Businesses shall be prohibited in the City Centre District, as defined by the Special Planning Area Map on file with the Department of Planning, generally described as the area bounded to the west by Nankin Boulevard, to the east by Wayne Road, to the north by Nankin Boulevard, and to the south by Warren Road.



### **Section 27-30.- Retailers and Provisioning Centers.**

(a) Development of all retailers and provisioning centers shall comply with all applicable requirements of the City of Westland Zoning Ordinance except where otherwise detailed in this Ordinance.

(b) Retailers and provisioning centers shall be subject to Special Land Use and limited to the Low Intensity Commercial Business (CB-1); Shopping Center Commercial Business (CB-2); General Commercial Business (CB-3); and Vehicle Service District (CB-4), as identified in the City Zoning Ordinance and on the City Zoning Map.

(c) There shall be no drive-through service window at the Business Location.

(d) One (1) Off-street parking space shall be required per every one hundred (100) square feet of Gross Floor Area.

(e) Retailers and provisioning centers are prohibited if:

1. The Business Location is within 1,000 feet from any pre-existing public or private school providing education in kindergarten or any of grades 1 through 12;

2. The Business Location is within 5,000 feet of any other Marijuana Business, except Marijuana Businesses in industrial zoning districts shall not be counted.

3. The Business Location is within 250 feet from any residential zoned property.

(i) The Distance separation requirements set forth above shall be measured from nearest property line of the Business Location to the nearest property line of the parcel on which the listed use is located, regardless of ownership of property or Licensee.

### **Section 27-31.- Secure Transporters.**

(a) Development of all marijuana secure transporters shall comply with all applicable requirements of the City of Westland Zoning Ordinance except where otherwise detailed in this Ordinance.

(b) Secure transporters shall be subject to Special Land Use and limited to the Light Industrial District (I-1); and General Industrial District (I-2), as identified in the City Zoning Ordinance and on the City Zoning Map.

(c) Junked, inoperable, wrecked or dismantled vehicles shall not be parked, stored or left upon the property.

(d) Secure transporter uses shall occupy a building onsite for business operations related to the secure transporter use and therefore shall not use a property for the sole purpose of parking, the development of a parking lot, or the storage of vehicles.

(e) Buildings shall be oriented so that automobile bays do not face onto any adjacent road.

(f) A secure transporter may not operate on the same parcel as a marijuana grower, processor, retailer, provisioning center, or microbusiness.

(g) Secure transporters are prohibited if the Business Location is within 1,000 feet from any pre-existing public or private school providing education in kindergarten or any of grades 1 through 12;

(h) The Distance separation requirement set forth above shall be measured from nearest property line of the Business Location to the nearest property line of the parcel on which the listed use is located, regardless of ownership of property or Licensee.

#### **Section 27-32.- Safety Compliance Facilities.**

(a) Development of all marijuana safety compliance facilities shall comply with all applicable requirements of the City of Westland Zoning Ordinance except where otherwise detailed in this Ordinance.

(b) Safety compliance facilities shall be subject to Special Land Use and limited to the Office Business District (OB); Low Intensity Commercial Business (CB-1); Shopping Center Commercial Business (CB-2); General Commercial Business (CB-3); Vehicle Service District (CB-4); Light Industrial District (I-1); and General Industrial District (I-2), as identified in the City Zoning Ordinance and on the City Zoning Map.

(c) Buildings should be oriented so that automobile bays do not face onto any adjacent road.

(d) A safety compliance facility may not operate on the same parcel as a marijuana grower, processor, retailer, provisioning center, or microbusiness.

(e) Safety compliance facilities are prohibited if:

1. The Business Location is within 1,000 feet from any pre-existing public or private school providing education in kindergarten or any of grades 1 through 12;

2. The Business Location is within 5,000 feet of any other Marijuana Business, except Marijuana Businesses in industrial zoning districts shall not be counted. This requirement shall not apply in any industrial zoning district;

3. The Business Location is within 250 feet from any residential zoned property. This requirement shall not apply in any industrial zoning district.

(i) The Distance separation requirements set forth above shall be measured from nearest property line of the Business Location to the nearest property line of the parcel on which the listed use is located, regardless of ownership of property or Licensee.

#### **Section 27-33.- Microbusinesses.**

(a) Development of all marijuana microbusinesses shall comply with all applicable requirements of the City of Westland Zoning Ordinance except where otherwise detailed in this Ordinance.

(b) Microbusinesses shall be subject to Special Land Use and limited to the Light Industrial District (I-1); and General Industrial District (I-2), as identified in the City Zoning Ordinance and on the City Zoning Map.

(c) One (1) off-street parking space shall be required per every five hundred (500) square feet of Gross Floor Area attributable to grower and processor operations. One (1) off-street parking space shall be required per every one hundred (100) square feet of Gross Floor Area attributable to retail operations.

(d) Buildings should be oriented so that automobile bays do not face onto any adjacent road.

(e) Microbusinesses are prohibited if the Business Location is within 1,000 feet from any pre-existing public or private school providing education in kindergarten or any of grades 1 through 12;

(i) The Distance separation requirement set forth above shall be measured from nearest property line of the Business Location to the nearest property line of the parcel on which the listed use is located, regardless of ownership of property or Licensee.

(j) A microbusiness shall not operate on the same parcel as any other Marijuana Business.

#### **Section 27-34.- Collocated Businesses.**

(a) Development of all Collocated Businesses shall comply with all applicable requirements of the City of Westland Zoning Ordinance except where otherwise detailed in this Ordinance.

(b) Collocated Businesses shall be subject to Special Land Use and limited to the Light Industrial District (I-1); and General Industrial District (I-2), as identified in the City Zoning Ordinance and on the City Zoning Map.

(c) One (1) off-street parking space shall be required per every five hundred (500) square feet of Gross Floor Area attributable to grower and processor operations. One (1) off-street parking space shall be required per every one hundred (100) square feet of Gross Floor Area attributable to retail or provisioning center operations.

(d) Buildings should be oriented so that automobile bays do not face onto any adjacent road.

(e) Collocated Businesses are prohibited if the Business Location is within 1,000 feet from any pre-existing public or private school providing education in kindergarten or any of grades 1 through 12;

(i) The Distance separation requirement set forth above shall be measured from nearest property line of the Business Location to the nearest property line of the parcel on which the listed use is located, regardless of ownership of property or Licensee.

”

**Section 2.** That all other provisions of the Westland City Code shall remain in full force and effect.

**Section 3. Severability.** The various parts, sections and clauses of this Ordinance are hereby declared to be severable. If any part, sentence, paragraph, section or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected thereby.

**Section 4. Repeal.** All other Ordinances inconsistent with the provisions of this Ordinance are, to the extent of such inconsistencies, hereby repealed.

**Section 5. Publication.** The City Clerk shall cause this Ordinance to be published in the manner required by law.



**Section 6. Effective Date.** This Ordinance shall take effect on November 1, 2019.

**ON MOTION OF Hammons, SUPPORTED BY Herzberg, the foregoing Ordinance was adopted by the following vote:**

**ROLL CALL:            AYE Hammons       NAY Green       ABSENT None**  
**Hart**  
**Herzberg**  
**Johnson**  
**Londeau**  
**Godbout**

**Adopted:    October 21, 2019**  
**Effective:   November 1, 2019**  
**Published:   October 31, 2019**

## City Council

200 North Lake Street  
Cadillac, Michigan 49601  
Phone (231) 775-0181  
Fax (231) 775-8755



**Mayor**  
Carla J. Filkins

**Mayor Pro-Tem**  
Shari Spoelman

**Councilmembers**  
Tiyi Schippers  
Stephen King  
Robert J. Engels

## ORDINANCE NO. 2019-12

### AN ORDINANCE TO ADD NEW SECTION 10-2 TO CHAPTER 10 OF THE CADILLAC CITY CODE TO ALLOW CERTAIN RECREATIONAL MARIHUANA ESTABLISHMENTS OPERATED IN ACCORDANCE WITH STATE LAW

Section 1. Amendment. Chapter 10 of the Cadillac City Code is hereby amended to add new Section 10-2, which shall read in its entirety as follows:

#### RECREATIONAL MARIHUANA ESTABLISHMENTS

##### **10.2-01 Definitions.**

The following words and phrases have the meanings ascribed to them when used in this chapter:

- (a) *Co-location or co-located* means the siting and operation of a combination of multiple establishments or establishment types at a single location.
- (b) *Designated consumption establishment* means a commercial space that is licensed by LARA and authorized to permit adults 21 years of age and older to consume marihuana products at the location indicated on the state license.
- (c) *Emergency Rules* means the emergency rules for adult-use marihuana establishments issued by LARA on or about July 3, 2019.
- (d) *Excess marihuana grower* means a license issued by LARA to a person holding five class C marihuana grower licenses and licensed to cultivate marihuana and sell or otherwise transfer marihuana to marihuana establishments.
- (e) *LARA* means the Department of Licensing and Regulatory Affairs and any successor department or agency within the department, including the Marihuana Regulatory Agency.
- (f) *Licensee* means a person holding a state operating license for a marihuana establishment.
- (g) *Marihuana* means all parts of the plant genus cannabis, growing or not; the seeds of that 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. Marihuana does not include 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. Marihuana does not include industrial hemp.

- (h) *Marihuana establishment* means a marihuana grower, marihuana safety compliance establishment, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter, or any other type of marihuana-related business licensed by LARA under the MRTMA.
- (i) *Marihuana event organizer* means a person licensed to apply for a temporary marihuana event license under the Emergency Rules.
- (j) *Marihuana grower* means a person licensed by LARA to cultivate marihuana and sell or otherwise transfer marihuana to marihuana establishments.
- (k) *Marihuana microbusiness* means a person licensed by LARA to cultivate not more than 150 marihuana plants; process and package marihuana; and sell or otherwise transfer marihuana to individuals who are 21 years of age or older or to a marihuana safety compliance establishment, but not to other marihuana establishments.
- (l) *Marihuana processor* means a person licensed by LARA to obtain marihuana from marihuana establishments; process and package marihuana; and sell or otherwise transfer marihuana to marihuana establishments.
- (m) *Marihuana retailer* means a person licensed by LARA to obtain marihuana from marihuana establishments and to sell or otherwise transfer marihuana to marihuana establishments and to individuals who are 21 years of age or older.
- (n) *Marihuana secure transporter* means a person licensed by LARA to obtain marihuana from marihuana establishments in order to transport marihuana to marihuana establishments.
- (o) *Marihuana safety compliance establishment* means a person licensed by LARA to test marihuana, including certification for potency and the presence of contaminants.
- (p) *MMMA* means the Michigan Medical Marihuana Act, Initiated Law 1 of 2008, as amended, MCL 333.26424 *et seq.*
- (q) *MMMFLA* means the Michigan Medical Marihuana Facilities Licensing Act, 2016 PA 281, as amended, MCL 333.27102 *et seq.*
- (r) *MRTMA* means the Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1 of 2018, MCL 333.27951 *et seq.*

- (s) *MRTMA rules* means rules, including emergency rules, promulgated by LARA to implement the MRTMA.
- (t) *Prequalification step* or *prequalified* means the portion of the application for a state operating license pertaining to the applicant's financial background and the criminal history of the applicant and other associated persons, as provided by Emergency Rule 6.
- (u) *Stacked grower license* means more than 1 state operating license issued to a single licensee to operate as a grower of class C-1,500 marihuana plants as specified in each license at an establishment.
- (v) *State operating license* or, unless the context requires a different meaning, "*license*" means a license that is issued by LARA under the MRTMA that allows the licensee to operate a marihuana establishment.

#### **10.2-02          Authorized Establishments.**

- (a) *Authorization and special use permit required.* No person shall operate a marihuana establishment in the City without an authorization issued by the City pursuant to the provisions of this Ordinance and a special use permit pursuant to this Ordinance and the City Zoning Ordinance.
- (b) *Number of establishments eligible for authorization.* The following numbers of marihuana establishments may be authorized to operate in the City, subject to this Ordinance:
  - (1) Not more than one (1) grower operating under Class A licenses;
  - (2) Not more than one (1) grower operating under Class B licenses;
  - (3) Not more than one (1) grower operating under Class C licenses;
  - (4) Not more than two (2) retailers;
  - (5) Not more than one (1) processor;
  - (6) Not more than one (1) secure transporter;
  - (7) Not more than one (1) safety compliance establishment;
  - (8) Not more than one (1) microbusiness;
  - (9) Zero designated consumption establishments (prohibited in the City);
  - (10) Zero excess marihuana growers (prohibited in the City); and

- (11) Zero temporary marihuana events (prohibited in the City).
- (c) *Co-location and stacked licenses.* Co-location and stacked grower licenses are prohibited in the City.
- (d) *Final authorization from City required.* The authorization process described Section 10-2.03 determines the locations in the City at which establishments may operate. A proposed establishment is not eligible to operate until the Clerk grants final authorization pursuant to Section 10-2.03(d) and until the applicant receives a special use permit under the City Zoning Ordinance and all required approvals and licenses from LARA.

### **10.2-03           Application for Authorization.**

- (a) *Timing of Submission.* Beginning on December 9, 2019, a person may apply for authorization to operate an establishment within the City by complying with the requirements of this section.
- (b) *Required Application Materials.* An application is not considered complete until all of the following are received by the City Clerk:
  - (1) A nonrefundable application fee in an amount established by resolution of the City Council.
  - (2) An advance of the annual administrative fee established in Section 10-2.05(d).
  - (3) A photocopy of a valid, unexpired driver's license or state issued identification card for all owners, directors, and officers of the proposed establishment.
  - (4) A signed application (available in the Clerk's office), which must include all of the following information and documents:
    - (A) If the applicant is an individual, the applicant's name; date of birth; Social Security number; physical address, including residential and any business address; copy of government-issued photo identification; email address; one or more phone numbers, including emergency contact information;
    - (B) If the applicant is not an individual, the names; dates of birth; physical addresses, including residential and any business address; copy of government-issued photo identifications; email address; and one or more phone numbers of each stakeholder of the applicant, including designation of the highest ranking representative as an emergency contact person; contact information for the emergency contact person; articles of incorporation or organization; assumed name registration; Internal Revenue Service EIN confirmation letter; copy of the operating agreement of the applicant, if a limited liability company; copy of the partnership

agreement, if a partnership; names and addresses of the beneficiaries, if a trust, or a copy of the bylaws or shareholder agreement, if a corporation;

- (C) The name, address, tax identification number, and current zoning designations of the property on which the proposed marihuana establishment will be located;
- (D) The name and address of the current property owner of record of the property on which the proposed marihuana establishment will be located;
- (E) If the current property owner is different than the applicant (e.g. where the applicant has a lease, option, land contract, or other future interest in the property), the property owner's signature is required in addition to the applicant's signature.
  - a. An applicant may submit applications for multiple properties.
  - b. However, only one application shall be submitted per proposed marihuana establishment property, unless the applications are for proposed co-located establishments.
- (F) The proposed establishment type;
- (G) A complete list of all marihuana permits and licenses held by the applicant;
- (H) Written consent for the City to inspect the establishment at any time during normal business hours to ensure compliance with applicable laws and regulations;
- (I) A location area map of the marihuana establishment and surrounding area that identifies the relative locations and the distances (closest property line to the subject marihuana establishment's building) to the closest real property comprising a public or private elementary, vocational or secondary school;
- (J) A copy of all documents submitted by the applicant to LARA in connection with the application for a state operating license under the MRTMA (including documents submitted for prequalification);
- (K) A copy of all documents submitted by the applicant to LARA in connection with the application for a state operating license under the MMFLA, if applicable;
- (L) A copy of all documents issued by LARA indicating that the applicant has been prequalified for a state operating license under the MRTMA;

- (M) Any other information reasonably requested by the City relevant to the processing or consideration of the application.
- (c) *Initial receipt period set by resolution.* For any establishment type subject to numerical limitations under Section 10-2.02, the City shall establish an initial receipt period that will commence on December 9, 2019, and will end on January 31, 2020.
- (d) *Clerk action upon receipt.* The Clerk will accept and receive any complete application that includes the information and documents required by Section 10-2.03(b), unless the City has already received an application for the same property from another applicant. Upon receiving a complete application, the Clerk will time- and date-stamp the application and inform the applicant of the following:
- (1) The number of existing establishments of the proposed establishment type currently operating within the City;
  - (2) The number of pending applications for the desired establishment type; and
  - (3) The process by which an applicant will be selected pursuant to subparagraph (e).
- (e) *Conditional authorization and competitive process.* The Clerk will conditionally authorize establishments as follows:
- (1) If, after close of business on the end date of the initial receipt period, the City has received more applications for a given establishment type than would be permitted under Section 10-2.02, the City will decide among competing applications by a competitive process intended to select applicants who are best suited to operate in compliance with the MRTMA in the City. The City will provide applicants with twenty-one (21) calendar days' notice that the applicants must provide supplemental written information and documentation to the City indicating whether the applicant satisfies each of the following criteria:

Scoring category	Available points
Background of the applicant, including past ownership interest in a business or businesses operating in the State of Michigan; past compliance with business licensing requirements, including marihuana business licenses issued by LARA; current medical marihuana facility license status in the City; history of compliance with City and state regulations associated with existing medical marihuana facility licenses held in the City; and residency in the City, county, or region.	Twenty (20) points
Human resources, including the number of full-time equivalent employees; the percent of such employees that are residents of the City; and the proposed minimum rate of pay for all employees.	Twenty (20) points
Physical investment, including the applicant's proposed tangible capital	Twenty (20) points

investment; the current and proposed condition of the proposed location; and the applicant's ownership stake in the physical location of the establishment.	
Area impact, including the proximity of the establishment to properties zoned or used residentially; and plans for litter control, loitering, neighborhood outreach, noise mitigation, odor mitigation, resident safety, and traffic mitigation.	Ten (10) points
Business operations, including a business plan; charitable giving plan; financing plan; marketing and promotion plan, with an emphasis on reducing exposure to minors; and strategic plan.	Ten (10) points
Establishment design, including the provision of glazing, landscaping, and screening above City minimum requirements; the use of durable building materials; compliance with the Americans with Disabilities Act; and implementation of Crime Prevention Through Environmental Design (CPTED) principles.	Ten (10) points
Energy efficiency, including Energy Star certification; Michigan Energy Code compliance; use of energy from carbon-free sources; and use of WaterSense fixtures.	Five (5) points
Infrastructure impact, including the utilization of green infrastructure or low-impact development design principles to manage stormwater; and the provision of non-motorized transportation infrastructure in excess of City requirements.	Five (5) points

- (2) Upon timely receipt of the supplemental information described in subparagraph (1), the City Council or its designees shall assign points for the criteria that are satisfied pursuant to the chart in subparagraph (1) and shall, based on the resulting scores, select applicants who are best suited to operate in compliance with the MRTMA in the City. The City shall notify the selected applicants that they have been granted conditional authorization. In the event of a tie score, the City Council or its designee shall select the applicant who, based on the totality of the circumstances, the City finds is best suited to operate in compliance with the MRTMA.
- (3) If an applicant does not timely submit the supplemental information described in subparagraph (1), then the application shall be discarded and shall not be considered under subparagraph (2).
- (4) For any establishment type not subject to numerical limits under Section 10-2.02, or otherwise not subject to the competitive process described in subsection (e)(1), the Clerk will conditionally authorize establishments in the order in which applications are received.
- (5) Once the Clerk has issued conditional authorizations for all of the establishments of a given establishment type that would be permitted under Section 10-2.02, the Clerk will place subsequent applications at the end of the waiting list for that



establishment type. Applications shall be included on the waiting list in the order designated by the City Council or its designees under subparagraph 10-2.03(h).

- (f) *Final authorization.* The Clerk will grant final authorization for the establishment if the applicant:
  - (1) Submits the paperwork for the establishment-specific step of the application for a state operating license to LARA within 30 days of receiving conditional authorization;
  - (2) Submits an application for special use authorization pursuant to the City Zoning Ordinance within 30 days of receiving conditional authorization;
  - (3) Obtains special use authorization within 6 months of receiving conditional authorization; and
  - (4) Receives all required operating licenses and approvals from LARA within 18 months after conditional authorization is granted.
- (g) *Expiration of conditional authorization.* If the applicant for a conditionally authorized establishment fails to satisfy any of the deadlines established above, the conditional authorization will expire. The City Council may extend any of the deadlines upon a showing of good cause.
- (h) *Waiting list and refund of administrative fee.* The Clerk will keep and maintain the waiting lists established pursuant to subsection (e) until the maximum number of establishments of the type to which the list pertains are operating in the City (at which time the Clerk will discard the waiting list). If a conditional authorization for a proposed establishment of that establishment type expires, the Clerk will conditionally authorize the next application on the waiting list. Upon discarding the waiting list, the Clerk will refund the advance of the annual administrative fee established in section 10-2.05(e) to all applicants remaining on the waiting list.
- (i) *Newly available authorizations.*
  - (1) For establishment types for which the maximum number of establishments specified in Section 10-2.02 are operating in the City, an authorization will become available when:
    - (A) The state operating license for an establishment with final authorization expires or is revoked by LARA; or
    - (B) This chapter is amended to authorize additional establishments of that establishment type.

- (2) When an authorization becomes available as described in subsection (h)(1), the City Clerk will select a date within the next 60 days on which the City will begin accepting applications from interested persons, and will publish notice of the selected date in a newspaper of general circulation.
- (3) On the selected date, the Clerk will begin accepting applications using the same process described in subsections (c) and (d) above. If multiple applications are received on that date, the City Council or its designee will request supplemental information and conduct a competitive selection process as outlined in section 10-2.03(e) above.

#### **10.2-04 Relocation of Establishments, Transfers of Licenses, and Expansion of Grow Operations.**

- (a) An existing establishment may be moved to a new location in the City, subject to applicable zoning regulations, prior City Council approval, and approval by LARA. In deciding whether to approve a new location for an existing establishment, the City Council shall consider the following nonexclusive factors:
  - a. The impact of the establishment's new location on traffic, parking, public safety, noise, and aesthetics;
  - b. The impact of the establishment's new location on the community as a whole; and
  - c. The existing establishment's compliance with City ordinances and with state law and administrative rules.
- (b) A license for an existing establishment may be transferred to a new licensee that intends to continue operating at the same location, subject to approval by City Council and LARA.
- (c) A licensee may expand growing operations by upgrading the class of the license (e.g., from class A to class B, or from class B to class C), subject to all the limitations (including limitations on the number of establishment types) set forth in Section 10-2.02. To do so, the licensee must submit a new application to the City satisfying the requirements in 10-2.03(a), which shall include payment of the application fee and an advance of any additional annual administrative fee. The application shall be conditionally approved upon receipt of all required materials and compliance with this Ordinance, the MRTMA, and all requirements imposed by LARA.

#### **10.2-05 General Regulations.**

- (a) *Submission of supplementary information to the City.* Applicants for City authorization and persons operating existing establishments in the City must provide the City Clerk with copies of all documents submitted to LARA in connection with the initial license application, subsequent renewal applications, or investigations conducted by LARA. The

documents must be provided to the Clerk within 7 days of submission to LARA, and may be submitted electronically to the City unless otherwise requested by the Clerk.

- (b) *Compliance with applicable laws and regulations.* Adult-use marihuana establishments must be operated in compliance with the MRTMA, MRTMA rules, all conditions of the establishment's state operating licenses, and all applicable City ordinances. Compliance with the foregoing does not create immunity from prosecution by federal authorities or other authorities of competent jurisdiction.
- (c) *No consumption on premises.* No smoking, inhalation, or other consumption of marihuana shall take place on or within the premises of any establishment. It shall be a violation of this chapter to engage in such behavior, or for a person to knowingly allow such behavior to occur. Evidence of all of the following gives rise to a rebuttable presumption that a person allowed the consumption of marihuana on or within a premises in violation of this section:
  - (1) The person had control over the premises or the portion of the premises where the marihuana was consumed;
  - (2) The person knew or reasonably should have known that the marihuana was consumed; and
  - (3) The person failed to take corrective action.
- (d) *Annual fee.* A licensee must pay a fee of \$5,000, for each license used within the City in order to help defray administrative and enforcement costs. The initial annual fee(s) must be paid to the City Clerk when the application for City approval is submitted. In each subsequent year, fees are due on the date on which the licensee submits an application to LARA for renewal of the state operating license. The amount of the annual fee may be reduced by resolution of City Council, without an amendment to this Ordinance.

#### **10.2-06           Violations.**

- (a) *Request for revocation of state operating license.* If at any time an authorized establishment violates this chapter or any other applicable City ordinance, the City Council may request that LARA revoke or refrain from renewing the establishment's state operating license.
- (b) *Civil infraction.* It is unlawful to disobey, neglect, or refuse to comply with any provision of this chapter. A violation of this chapter is a municipal civil infraction. Each day the violation continues shall be a separate offense. Notwithstanding any other provision of this ordinance to the contrary, violators shall be subject to the following fines:
  - (1) First violation = \$500
  - (2) Second offense = \$2,500

(3) Each subsequent offense = \$5,000

(c) *Other remedies.* The foregoing sanctions are in addition to the City's right to seek other appropriate and proper remedies, including actions in law or equity.

**10.2-07 Policy Review in 2020.**

On or before December 31, 2020, City staff shall submit a report to the City Council regarding the administration of this ordinance and the provisions of the zoning ordinance pertaining to adult-use marihuana, and regarding any other pertinent information relating to the operation of adult-use marihuana establishments in the City. The report may include proposed ordinance amendments or other proposed policy changes.

**10.2-08. Application to Certain Transferred Area.**

Notwithstanding the foregoing provisions of this Ordinance, the following provisions shall apply to the real property ("Transferred Area") that is the subject of the Agreement for the Conditional Transfer of Property dated August 19, 2019 ("Act 425 Agreement"), and recorded with the Wexford County Register of Deeds, and that is also the subject of a Consent Judgment entered by the Wexford County Circuit Court on September 23, 2019, in Case Nos. 13-24803-CH and 17-27610-CZ:

Marihuana establishments shall be permitted on the Transferred Area only in accordance with the Act 425 Agreement, Consent Judgment, and related documents and exhibits. The terms of the Act 425 Agreement and Consent Judgment supersede any conflicting provisions of this Ordinance with respect to the Transferred Area.

Section 2. Publication and Effective Date. The City Clerk will cause to be published a notice of adoption of this ordinance within 10 days of the date of its adoption. This ordinance will take effect 30 days after its adoption.

YEAS: Council Member(s) Spoelman, Schippers, Engels, King, Mayor Filkins

NAYS: Council Member(s) None

ABSTAIN: Council Member(s) None

ABSENT: Council Member(s) None

**CERTIFICATION**

As the City Clerk of the City of Cadillac, Wexford County, Michigan, I certify this is a true and complete copy of an ordinance adopted by the Cadillac City Council at a regular meeting held on September 3, 2019.

Date: \_\_\_\_\_, 2019

\_\_\_\_\_  
Carla Filkins, Mayor

Date: \_\_\_\_\_, 2019

\_\_\_\_\_  
Sandra Wasson, City Clerk

Introduced: August 19, 2019

Adopted: September 3, 2019

Published: September 6, 2019

Effective: October 3, 2019



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
OFFICE OF THE GOVERNOR  
LANSING

GARLIN GILCHRIST II  
LT. GOVERNOR

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

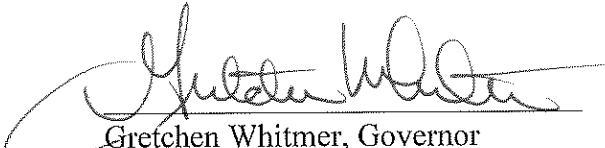
MARIJUANA REGULATORY AGENCY

ADULT-USE MARIHUANA ESTABLISHMENTS

EMERGENCY RULES

**CERTIFICATE OF NEED FOR EXTENSION OF EMERGENCY**

Pursuant to Section 48(1) of 1969 PA 306, as amended, MCL 24.248(1), I hereby certify that the preservation of the public health, safety, and welfare require that the Marijuana Regulatory Agency Adult-Use Marihuana Establishments Emergency Rules remain in effect. It is therefore necessary to extend the effectiveness of the Marijuana Regulatory Agency Adult-Use Marihuana Establishments Emergency Rules, which were filed with the Secretary of State on July 3, 2019, for an additional 6 months. The Adult-Use Marihuana Establishments Emergency Rules shall remain effective until July 3, 2020.

  
Gretchen Whitmer, Governor

12/18/19  
Date

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

MARIJUANA REGULATORY AGENCY

ADULT-USE MARIHUANA ESTABLISHMENTS

**EMERGENCY RULES**

Filed with the Secretary of State on July 3, 2019

These rules take effect upon filing with the Secretary of State and shall remain in effect for 6 months.

(By authority conferred on the marijuana regulatory agency by sections 7 and 8 of the Michigan regulation and taxation of marihuana act, 2018 IL 1, MCL 333.27957 and 333.27958, and Executive Reorganization Order No. 2019-2, MCL 333.27001)

**FINDING OF EMERGENCY**

These rules are promulgated by the marijuana regulatory agency (agency) to establish emergency rules for the purpose of implementing the Michigan regulation and taxation of marihuana act (act), 2018 IL 1, MCL 333.27951 to 333.27967, and safeguarding the health, safety, and welfare of persons 21 years of age or older engaging in activities regulated by the act, which took effect December 6, 2018. The act provides for a state regulatory structure to license and regulate marihuana establishments and prescribe fines, sanctions, and remedies.

Section 9 of the act, MCL 333.27959, requires the agency to begin accepting applications for marihuana establishments within 12 months after the effective date of the act.

To date, no administrative rules have been promulgated under the authority granted to the agency. Specifically, there are no current administrative rules to provide for the lawful cultivation and sale of marihuana to persons 21 years of age or older or to ensure the safety, security, and integrity of the operation of marihuana establishments. There is a need for clarity in the implementation of this act.

Pursuant to sections 8 and 9 of the act, MCL 333.27958 and 333.27959, and Executive Reorganization No. 2019-2, MCL 333.27001, upon notification by the agency, persons may apply to the agency for state licenses in the categories of class A marihuana grower, class B marihuana grower, class C marihuana grower, marihuana processor, marihuana retailer, marihuana safety compliance facility, marihuana secure transporter, marihuana microbusiness, excess marihuana grower, marihuana event organizer, temporary marihuana event, and designated consumption establishment. The agency is required to review all applications for licensure, issue or deny licenses, and inform each applicant of

July 2, 2019

the agency's decision. If denied licensure, the agency is required, upon request, to provide a public investigative hearing. There are no administrative rules currently in place that will provide for the implementation of these requirements as specified in the act.

The lack of administrative rules to implement the act will have a detrimental effect on the continuous access to a safe source of marihuana for adult-use. The absence of administrative rules will create an obstacle to creating a sustained environment where marihuana establishments may operate under clear requirements and cause disruption to the labor force. The emergency administrative rules are needed to enable the agency to implement the act to provide a safe environment for the state licensees and Michigan communities and to reduce the operations of an unregulated market.

If the complete process specified in the administrative procedures act of 1969 (APA), 1969 PA 306, MCL 24.201 to 24.238, for the promulgation of rules were followed, the process would not be completed in time for the agency to comply with the act's requirements to process applications within the timelines specified in the act or provide administrative hearing procedures. Furthermore, the administrative rules would not be promulgated prior to those timelines for the issuance of state licenses, thus causing uncertainty and financial hardship to individuals or businesses that plan to apply for state licenses.

The agency, therefore, finds that the preservation of the public health, safety, and welfare requires the promulgation of emergency rules as provided in section 48 of the APA, MCL 24.248, without following the notice and participation procedure required by sections 41 and 42 of the APA, MCL 24.241 and 24.242.

## PART 1. GENERAL PROVISIONS

### Rule 1. Definitions.

(a) "Act" means the Michigan regulation and taxation of marihuana act, 2018 Initiated Law 1, MCL 333.27951 to 333.27967.

(b) "Agency" means the marijuana regulatory agency.

(c) "Applicant" means a person who applies for a state license:

(i) For purposes of this definition, an applicant includes a managerial employee of the applicant, a person holding a direct or indirect ownership interest of more than 10% in the applicant, and the following for each type of applicant:

(A) For an individual or sole proprietorship: the proprietor and spouse.

(B) For a partnership and limited liability partnership: all partners and their spouses.

(C) 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 10% or less and who does not exercise control over or participate in the management of the partnership, and their spouses.

(D) For a limited liability company: all members and managers, not including a member holding a direct or indirect ownership interest of 10% or less and who does not exercise control over or participate in the management of the company, and their spouses.



(E) 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 10% or less, and their spouses.

(F) 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 10% or less, and their spouses.

(G) For a multilevel ownership enterprise: any entity or person that receives or has the right to receive more than 10% of the gross or net profit from the enterprise during any full or partial calendar or fiscal year.

(H) 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.

(ii) For purposes of this definition, an applicant does not include:

(A) A person who provides financing to an applicant or licensee under a bona fide financing agreement at a reasonable interest rate.

(B) A franchisor who grants a franchise to an applicant, provided that the franchisor does not have the right to receive royalties based upon the sale of marihuana or marihuana-infused products by the applicant who is a franchisee. Nothing in this subrule shall be construed to preclude a franchisor from charging an applicant who is a franchisee a fixed fee. As used in this definition, the terms “franchise,” “franchisor,” and “franchisee” shall have the meanings set forth in section 2 of the Franchise Investment Law, 1974 PA 269, MCL 445.1502.

(C) A person receiving reasonable payment for rent on a fixed basis under a bona fide lease or rental obligation.

(D) A person receiving reasonable payment under a licensing agreement or contract approved by the agency concerning the licensing of intellectual property including, but not limited to, brands and recipes.

(d) “Batch” means all marihuana product of the same variety that has been processed together and exposed to substantially similar conditions throughout processing.

(e) “Building” means a combination of materials forming a structure affording an establishment or shelter for use or occupancy by individuals or property. Building includes a part or parts of the building and all equipment in the building. A building shall not be construed to mean a building incidental to the use for agricultural purposes of the land on which the building is located.

(f) “Bureau of fire services” or “BFS” means the bureau of fire services in the department of licensing and regulatory affairs.

(g) “Common ownership” means two or more state licenses or two or more equivalent licenses held by one person.

(h) “Complete application” means an application that includes all of the information required in Rules 7, 8, and 10.

(i) “Cutting” means that term as defined in section 102 of the MMFLA, MCL 333.27102.

(j) “Designated consumption establishment” means a commercial space that is licensed by the agency and authorized to permit adults 21 years of age and older to consume marihuana products at the location indicated on the state license.

(k) "Employee" means a person performing work or service for compensation. An employee does not mean individuals providing trade services who are not normally engaged in the operation of a marihuana establishment.

(l) "Equivalent licenses" means any of the following held by a single licensee:

(i) A marihuana grower license, of any class, issued under the act and a grower license, of any class, issued under the MMFLA.

(ii) A marihuana processor license issued under the act and a processor license issued under the MMFLA.

(iii) A marihuana retailer license issued under the act and a provisioning center license issued under the MMFLA.

(iv) A marihuana secure transporter license issued under the act and a secure transporter license issued under the MMFLA.

(v) A marihuana safety compliance facility license issued under the act and a safety compliance facility license issued under the MMFLA.

(m) "Excess marihuana grower" means a license issued to a person holding 5 class C marihuana grower licenses and licensed to cultivate marihuana and sell or otherwise transfer marihuana to marihuana establishments.

(n) "Harvest batch" means a designated quantity of harvested marihuana, all of which is identical in strain and has been grown and harvested together and exposed to substantially similar conditions throughout cultivation.

(o) "Immature plant" means a nonflowering marihuana plant that is no taller than 8 inches from the growing or cultivating medium and no wider than 8 inches produced from a cutting, clipping, tissue culture, or seedling that is in a growing or cultivating medium or in a growing or cultivating container.

(p) "Internal product testing sample" means a sample of marihuana or marihuana products possessed by a marihuana grower, marihuana processor, marihuana retailer, or marihuana microbusiness that is provided directly to an employee for the purpose of ensuring product quality and making determinations about whether to sell the marihuana product.

(q) "Limited access area" means a building, room, or other contiguous area of a marihuana establishment where marihuana is grown, cultivated, stored, weighed, packaged, sold, or processed for sale and that is under the control of the licensee.

(r) "Marihuana establishment" means a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter, marihuana designated consumption establishment, or any other type of marihuana-related business licensed to operate by the agency under the act and these rules.

(s) "Marihuana event organizer" means a person licensed to apply for a temporary marihuana event license under these rules.

(t) "Marihuana product" means marihuana or a marihuana-infused product, or both, as those terms are defined in the act unless otherwise provided for in these rules.

(u) "Medical marihuana facilities licensing act" or "MMFLA" means 2016 PA 281, MCL 333.27101 to 333.27801, which allows for the licensing of medical marihuana facilities.

(v) "Package tag" means an RFID tag supplied through the statewide monitoring system for the purpose of identifying a package containing a marihuana product.

(w) "Plant" means that term as defined in section 102 of the MMFLA, MCL 333.27102.

(x) "Plant tag" means an RFID tag supplied through the statewide monitoring system for the purpose of identifying an individual marihuana plant.

(y) “Proposed marihuana establishment” means a location at which an applicant plans to operate a marihuana establishment under the act and these rules if the applicant is issued a state license.

(z) “Restricted access area” means a designated and secure area at a marihuana establishment where marihuana products are sold, possessed for sale, and displayed for sale.

(aa) “Same location” means separate state licenses that are issued to multiple marihuana establishments that are authorized to operate at a single property but with separate business suites, partitions, or addresses.

(bb) “Seed” means that term as defined in section 102 of the MMFLA, MCL 333.27102.

(cc) “Seedling” means that term as defined in section 102 of the MMFLA, MCL 333.27102.

(dd) “Special license” means a state license described under section 8 of the act and issued pursuant to section 9 of the act, MCL 333.27958 and 333.27959.

(ee) “Stacked license” means more than 1 state license issued to a single licensee to operate as a class C marihuana grower as specified in each state license at a marihuana establishment.

(ff) “Statewide monitoring system” or, unless the context requires a different meaning, “system” means an internet-based, statewide database established, implemented, and maintained by the agency that is available to licensees, law enforcement agencies, and other state departments, agencies, and financial institutions as authorized by the licensee. The system shall be available on a 24-hour basis for tracking marihuana transfer and sales and transportation by licensees, including transferee, date, quantity, and price.

(gg) “Tag” or “RFID tag” means the unique identification number or Radio Frequency Identification (RFID) issued to a licensee by the agency for tracking, identifying and verifying marihuana plants, marihuana products, and packages of marihuana product in the statewide monitoring system.

(hh) “Temporary marihuana event license” means a state license held by a marihuana event organizer for an event where the onsite sale or consumption of marihuana products, or both, are authorized at the location indicated on the state license during the dates indicated on the state license.

(ii) “Trade sample” means a sample of marihuana or marihuana products provided to licensees by a marihuana grower or a marihuana processor for the purpose of determining whether to purchase the marihuana or marihuana product.

## Rule 2. Terms; meanings.

Terms defined in the act have the same meanings as used in these rules unless otherwise indicated.

## Rule 3. Adoption by reference.

The following codes, standards, or regulations of nationally recognized organizations or associations are adopted by reference in these rules:

(a) National fire protection association (NFPA) standard 1, 2018 edition, entitled “Fire Code” is adopted by reference as part of these rules. Copies of the adopted provisions are available for inspection and distribution from the National Fire Protection Association, 1

Batterymarch Park, P.O. Box 9101, Quincy, Massachusetts, 02169, telephone number 1-800-344-3555, for the price of \$106.00.

(b) Safe Quality Food (SQF) Code, 7.2 edition available at [https://www.sqfi.com/wp-content/uploads/2018/08/SQF-Code\\_Ed-7.2-July.pdf](https://www.sqfi.com/wp-content/uploads/2018/08/SQF-Code_Ed-7.2-July.pdf).

(c) The International Organization for Standardization (ISO), ISO 22000 / ISO/TS 22002-1:2009 - food safety bundle, available for purchase at: <https://webstore.ansi.org/Standards/ISO/ISO22000TS22002FoodSafety>, for the price of \$275.00.

(d) International Organization for Standardization (ISO), ISO/IEC 17025:2017, general requirements for the competence of testing and calibration laboratories available at: <https://webstore.ansi.org/RecordDetail.aspx?sku=ISO%2fIEC+17025%3a2017>, for the price of \$162.00.

(e) The standards adopted in subdivisions (a) to (d) of this rule are available for inspection and distribution at the agency, located at 2407 North Grand River Avenue, Lansing, MI, 48906. Copies of these standards may be obtained from the agency at the cost indicated in subdivisions (a) to (d) of this rule, plus shipping and handling.

#### Rule 4. Third-party inventory control and tracking system.

(1) Except as otherwise provided in subrule (2), a licensee shall adopt and use a third-party inventory control and tracking system that is capable of interfacing with the statewide monitoring system to allow the licensee to enter or access information in the statewide monitoring system as required under these rules. The third-party inventory control and tracking system must have all of the following capabilities necessary for the licensee to comply with the requirements applicable to the licensee's state license type:

(a) Tracking all marihuana plants, products, packages, purchase totals, waste, transfers, conversions, sales, and returns.

(b) Tracking lot and batch information throughout the entire chain of custody.

(c) Tracking all products, conversions, and derivatives throughout the entire chain of custody.

(d) Tracking marihuana plant, batch, and product destruction.

(e) Tracking transportation of product.

(f) Performing complete batch recall tracking that clearly identifies all of the following details relating to the specific batch subject to the recall:

(i) Sold product.

(ii) Product inventory that is finished and available for sale.

(iii) Product that is in the process of transfer.

(iv) Product being processed into another form.

(v) Postharvest raw product, such as product that is in the drying, trimming, or curing process.

(g) Reporting and tracking loss, theft, or diversion of product containing marihuana.

(h) Reporting and tracking all inventory discrepancies.

(i) Reporting and tracking adverse customer responses or dose-related efficacy issues.

(j) Reporting and tracking all sales and refunds.

(k) Electronically receiving and transmitting information as required under these rules.

(l) Receiving testing results electronically from a marihuana safety compliance facility via a secured application program interface into the system and directly linking the testing results to each applicable source batch and sample.

(m) Identifying test results that may have been altered.

(n) Providing the licensee with access to information in the tracking system that is necessary to verify that the licensee is carrying out the marihuana transactions authorized under the licensee's state license in accordance with these rules.

(o) Providing information to cross-check that product sales are made to an individual 21 years of age or older and that the product received the required testing.

(p) Providing the agency and state agencies authorized by the licensee with access to information in the database that they are authorized to access.

(q) Providing law enforcement agencies with access to only the information in the database that is necessary to enforce the act and these rules.

(r) Providing licensees with access only to the information in the system that they are required to receive before a sale, transfer, transport, or other activity authorized under a state license issued under this act.

(s) Securing the confidentiality of information in the database by preventing access by a person who is not authorized to access the statewide monitoring system or is not authorized to access the particular information.

(t) Providing analytics to the agency regarding key performance indicators such as the following:

(i) Total daily sales.

(ii) Total marihuana plants in production.

(iii) Total marihuana plants destroyed.

(iv) Total inventory adjustments.

(2) If a licensee accesses or enters information directly into the statewide monitoring system, the licensee is not required to adopt and use a third-party inventory control and tracking system.

(3) The information in the statewide monitoring system is confidential and is exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, pursuant to section 4 of the marihuana tracking act, 2016 PA 282, MCL 333.27904.

(4) A licensee may, in writing, authorize the agency to disclose the licensee's information in the statewide monitoring system to a financial institution pursuant to section 4 of the marihuana tracking act, 2016 PA 282, MCL 333.27904.

## PART 2. STATE LICENSE

Rule 5. Licensure; application; background investigation; consent to inspections, investigations, and audits; disclosure of confidential records; interest in other state license; fee; additional costs.

(1) A person may apply to the agency for state licenses and special licenses as provided in the act and these rules. The agency may begin accepting applications for certain license types prior to December 6, 2019, to ensure there is adequate marihuana product available for customers and a functioning licensing and regulatory framework in place as soon as possible.

(2) The agency shall use information provided on the application as a basis to conduct a thorough background investigation on the applicant. The agency shall notify the applicant of a deficiency and provide instructions for submitting a complete application. The applicant shall timely respond to the notice of the deficiency in accordance with Rule 8.

(3) An applicant must provide written consent to investigations of compliance, regular inspections, examinations, searches, seizures, and auditing of books and records and to disclosure to the agency and its agents of otherwise confidential records, including tax records held by any federal, state, or local agency, or credit bureau or financial institution, while applying for or holding a state license as authorized under the act and these rules.

(4) An applicant must certify that the applicant does not have an interest in any other state license that is prohibited under the act.

(5) A nonrefundable application fee must be paid at the time of filing to defray the costs associated with the background investigation conducted by the agency. The agency shall set the amount of the application fee for each category and class of license by rule. If the costs of the investigation and processing the application exceed the application fee, the applicant shall pay the additional amount to the agency. All information, records, interviews, reports, statements, memoranda, or other data supplied to or used by the agency in the course of its review or investigation of an application for a state license under this act shall be disclosed only in accordance with the act.

#### Rule 6. Application procedure; requirements.

(1) A person may apply for a state license on the form created by the agency accompanied by the nonrefundable application fee as prescribed in these rules. The application shall be made under oath on a form provided by the agency and shall contain information as prescribed by the agency, including, but not limited to, attestations, disclosures, and information as required in Rule 7 and the act. Each question on the application must be answered by the applicant in its entirety and all information requested and required by the act and these rules must be submitted in the application. Failure to comply with these rules and the application requirements in the act is grounds for denial of the application.

(2) A person may submit a partial application under Rule 7 on the condition that it is to prequalify to complete the remaining application requirements. This application will have a pending status until all application requirements in Rule 7 are completed or the agency denies the partial or complete application. The agency shall not issue a state license at this stage of the application process. The finding of prequalification status for a pending application is valid for a period of 1 year after the agency issues a notice of prequalification status approval for a pending application unless otherwise determined by the agency. After 1 year has expired, the applicant may be required to submit a new application and pay a new nonrefundable application fee.

(3) The agency may request additional disclosures and documentation to be furnished to the agency. The applicant shall submit the information requested by the agency within 5 days pursuant to rule 8 or the application may be denied.

#### Rule 7. Application requirements; financial and criminal background.

(1) Each applicant shall disclose the identity of any other person who either controls, directly or indirectly, the applicant, including, but not limited to, date of birth, government issued identification, and any other documents required by the agency.

(2) Each applicant shall disclose tax information, including, but not limited to, W-2 and 1099 forms for the most recent tax year, and any other information required by the agency.

(3) Each applicant shall disclose the applicant's business organizational documents filed with any state, local county, or foreign entity, if applicable, including proof of registration to do business in this state and certificate of good standing from any state or foreign entity, if applicable.

(4) Each applicant shall disclose to the agency criminal and financial background information and regulatory compliance as provided under the act and these rules on a form created by the agency.

(5) Each applicant shall provide written consent to a criminal and financial background investigation as authorized under the act and these rules.

(6) Each applicant shall provide an attestation in writing that the person consents to inspections, examinations, searches, seizures, investigations of compliance, regular inspections, and auditing of books and records that are permitted under the act and these rules.

(7) Each applicant shall provide an attestation affirming a continuing duty to provide information requested by the agency and to cooperate in any investigation, inspection, inquiry, or hearing.

(8) Each applicant shall provide an attestation acknowledging that sanctions may be imposed for violations on a licensee while licensed or after the state license has expired, as provided in these rules.

(9) Each applicant shall provide an attestation acknowledging that the applicant must have a physical structure for the marihuana establishment and pass the prelicensure inspection within 60 days of a complete application being submitted to the agency. Failure to pass the prelicensure inspection within 60 days of the complete application being submitted to the agency may result in the application being denied in accordance with Rule 14.

(10) If the applicant holds or held a state license under the act or the rules, or a state operating license under the MMFLA and associated rules, or both, the applicant shall provide written consent allowing the agency to verify with the department of treasury that the applicant is not delinquent in the payment of sales, excise, or any other taxes.

(11) Each applicant shall disclose any noncompliance with any regulatory requirements, all legal judgments, lawsuits, legal proceedings, charges, or government investigations, whether initiated, pending, or concluded, against the applicant, that are related to business operations, including, but not limited to fraud, environmental, food safety, labor, employment, worker's compensation, discrimination, and tax laws and regulations, in this state or any other jurisdiction.

(12) Each applicant shall disclose any application or issuance of any commercial license or certificate issued in this state or any other jurisdiction that meets the requirements under the act and these rules.

(13) The applicant shall provide a social equity plan detailing a plan to promote and encourage participation in the marihuana industry by people from communities that have been disproportionately impacted by marihuana prohibition and enforcement and to positively impact those communities.

(14) Each applicant shall provide any other documents or attestations created by, or make any disclosures requested by, the agency that are not inconsistent with the act or these rules.

(15) An applicant shall submit in the application any information requested and required by the act and these rules.

**Rule 8. Application requirements; complete application.**

(1) A complete application for a state license must include all the information specified in Rule 7 and all of the following:

(a) A description of the type of marihuana establishment that includes all of the following:

- (i) An estimate of or actual number of employees.
- (ii) The projected or actual gross receipts.
- (iii) A business plan.
- (iv) The proposed location of the marihuana establishment.
- (v) A security plan, as required under the act and these rules.

(b) A copy of the proposed marihuana establishment plan, as required under Rule 11.

(c) An applicant shall pass the precensure inspection as determined by the agency and as required in Rule 12.

(d) Before a state license is issued or renewed, the licensee or renewal applicant shall file a proof of financial responsibility for liability for bodily injury on the form prescribed, for an amount not less than \$100,000.00. If the proof required in this subrule is a bond, the bond must be in a format acceptable to the agency.

(e) Confirmation of compliance with any municipal ordinances the municipality may have adopted under section 6 of the act, MCL 333.27956. For purposes of these rules, confirmation of compliance must be on an attestation form prepared by the agency that contains all of the following information:

(i) Verification that the municipality has not adopted an ordinance prohibiting marihuana establishments.

(ii) Description of any regulations within the municipality that apply to the proposed marihuana establishment.

(iii) The date and signature of the clerk of the municipality or his or her designee on the attestation form attesting that the information stated in the document is correct.

(iv) The date and signature of the applicant.

(v) The marihuana establishment name and address.

(vi) Attestation that any changes that occur with the municipal ordinance or any violations of a municipal or zoning ordinance will be reported to the agency.

(f) The disclosure of persons that have a direct or indirect ownership interest in the marihuana establishment.

(2) Each applicant shall provide any additional information and documents requested by the agency not inconsistent with the act and these rules.

(3) Each applicant shall provide any other documents, disclosures, or attestations created or requested by the agency that are not inconsistent with the act and these rules.

(4) If the agency identifies a deficiency in an application, the agency shall notify the applicant and the applicant shall submit the missing information or proof that the deficiency has been corrected to the agency within 5 days of the date the applicant received



the deficiency notice. The application is considered incomplete until the agency receives the missing information or proof that the deficiency has been corrected.

(5) The failure of an applicant to correct a deficiency within 5 days of notification by the agency may result in the denial of the application. An applicant denied under this subrule is not barred from reapplying by submitting a new application and fee.

**Rule 9. State license; issuance; qualifications; ineligibility.**

(1) The agency shall issue a state license to a qualified applicant whose application has been approved for issuance and who pays the required licensure or excess background investigation fees within 10 days of the state license being approved for issuance. Failure to pay the fees required under Rule 10 may result in a denial of state license.

(2) An applicant is ineligible to receive a state license if any of the following circumstances exist:

(a) The applicant has a prior conviction that involved distribution of a controlled substance to a minor.

(b) The applicant has knowingly submitted an application for a state license under the act that contains false information.

(c) The applicant is an employee, advisor, or consultant of the agency involved in the implementation, administration, or enforcement of the act or these rules pursuant to section 7 of the act, MCL 333.27957.

(d) The applicant holds an elective office of a governmental unit of this state, another state, or the federal government; is a member of or employed by a regulatory body of a governmental unit in this state, another state, or the federal government; or is employed by a governmental unit of this state. This subdivision does not apply to an elected officer of or employee of a federally recognized Indian tribe or to an elected precinct delegate.

(e) The applicant, if an individual, is not a resident of this state on the date of filing the application for a class A marihuana grower or for a marihuana microbusiness license. The requirements in this subdivision do not apply after December 6, 2021.

(f) The applicant does not hold a state operating license pursuant to the MMFLA and is applying for a marihuana retailer, marihuana processor, class B marihuana grower, class C marihuana grower, or a marihuana secure transporter license under the act and these rules. The requirements in this subdivision do not apply after December 6, 2021.

(g) The agency determines the municipality in which the applicant's proposed marihuana establishment will operate has adopted an ordinance that prohibits marihuana establishments or that the proposed establishment is noncompliant with an ordinance adopted by the municipality under section 6 of the act, MCL 333.27956.

(h) The applicant will hold an ownership interest in both a marihuana safety compliance facility or in a marihuana secure transporter and in a marihuana grower, a marihuana processor, a marihuana retailer, or a marihuana microbusiness, in violation of section 9 of the act, MCL 333.27959.

(i) The applicant will hold an ownership interest in both a marihuana microbusiness and in a marihuana grower, a marihuana processor, a marihuana retailer, a marihuana safety compliance facility, or a marihuana secure transporter, in violation of section 9 of the act, MCL 333.27959.

(j) The applicant will hold an ownership interest in more than 5 marihuana growers or in more than 1 marihuana microbusiness, in violation of section 9 of the act, MCL 333.27959.

(k) The applicant fails to meet other criteria established in these rules.

(3) In determining whether to grant a state license to an applicant, the agency may also consider all of the following:

(a) Whether the applicant or anyone who will have ownership in the marihuana establishment has a pattern of convictions involving dishonesty, theft, or fraud that indicate the proposed marihuana establishment is unlikely to be operated with honesty and integrity.

(b) Whether the applicant has been served with a complaint or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years.

(c) Whether the applicant has a history of noncompliance with any regulatory requirements, all legal judgments, lawsuits, legal proceedings, charges, or government investigations, whether initiated, pending, or concluded, against the applicant, that are related to business operations, including, but not limited to fraud, environmental, food safety, labor, employment, worker's compensation, discrimination, and tax laws and regulations, in this state or any other jurisdiction.

(d) Whether the applicant meets other standards in rules applicable to the state license category.

(4) The agency shall review all applications for state licenses and shall inform each applicant of the agency's decision.

(5) An applicant or licensee has a continuing duty to provide information requested by the agency and to cooperate in any investigation, inquiry, or hearing conducted by the agency.

#### Rule 10. Application; fees.

(1) At the beginning of each state fiscal year, the agency may increase the fees collected under this rule by ten percent (10%) in order to pay for implementation, administration, and enforcement of the act and these rules. An applicant for a state license shall submit an application that is accompanied by the nonrefundable application fee of \$6,000.00 upon initial application, as required under these rules. Additional fees are listed in the table below.

<b>State License Type</b>	<b>Initial Licensure Fee</b>	<b>Renewal Fee</b>
Class A Marihuana Grower	\$4,000	Bottom 33% - \$3,000 Middle 33% - \$4,000 Top 33% - \$5,000
Class B Marihuana Grower	\$8,000	Bottom 33% - \$6,000 Middle 33% - \$8,000 Top 33% - \$10,000
Class C Marihuana Grower	\$40,000	Bottom 33% - \$30,000 Middle 33% - \$40,000 Top 33% - \$50,000
Excess Marihuana Grower	\$40,000	Bottom 33% - \$30,000 Middle 33% - \$40,000 Top 33% - \$50,000

Marihuana Microbusiness	\$8,000	Bottom 33% - \$6,000 Middle 33% - \$8,000 Top 33% - \$10,000
Marihuana Processor	\$40,000	Bottom 33% - \$30,000 Middle 33% - \$40,000 Top 33% - \$50,000
Marihuana Retailer	\$25,000	Bottom 33% - \$20,000 Middle 33% - \$25,000 Top 33% - \$30,000
Marihuana Secure Transporter	\$25,000	Bottom 33% - \$20,000 Middle 33% - \$25,000 Top 33% - \$30,000
Marihuana Safety Compliance Facility	\$25,000	Bottom 33% - \$20,000 Middle 33% - \$25,000 Top 33% - \$30,000
Marihuana Event Organizer	\$1,000	\$1,000
Temporary Marihuana Event	See Rule 63	N/A
Designated Consumption Establishment	\$1,000	\$1,000

(2) Additional fees will be considered for temporary marihuana events in accordance with Rule 63.

(3) The renewal fees for marihuana grower, excess marihuana grower, and marihuana processor licenses shall be determined by the gross weight transferred by the licensee. The agency shall determine whether the gross weight transferred by the licensee is in the top third, middle third, or bottom third for gross weight transferred in that fiscal year compared against all other licensees for the license held. The licensee shall then pay the corresponding fee outlined in subrule (1) of this rule.

(4) The renewal fees for marihuana retailers and marihuana microbusiness licenses shall be determined by the gross retail sales by the licensee. The agency shall determine whether the gross retail sales made by the licensee is in the top third, middle third, or bottom third for gross retail sales in that fiscal year compared against all other licensees for the license held. The licensee shall then pay the corresponding fee outlined in subrule (1) of this rule.

(5) The renewal fee for a marihuana secure transporter license shall be determined by the net weight transported by the licensee. The agency shall determine whether the net weight transported by the licensee is in the top third, middle third, or bottom third for net weight transported in that fiscal year compared against all other marihuana secure transporter licensees. The licensee shall then pay the corresponding fee outlined in subrule (1) of this rule.

(6) The renewal fee for marihuana safety compliance facilities shall be determined by the number of tests completed by the licensee. The agency shall determine whether the number of tests completed by the licensee is in the top third, middle third, or bottom third for number of tests completed in that fiscal year compared against all other marihuana safety compliance facilities. The licensee shall then pay the corresponding fee outlined in subrule (1) of this rule.

(7) If the costs of the investigation and processing the application exceed the nonrefundable application fee, the applicant shall pay the additional amount.

(8) An applicant shall pay the initial licensure fees, if applicable, on or before the date the licensee begins operating and the renewal fee annually thereafter, pursuant to these rules.

(9) The agency shall not issue a state license until a complete application is submitted, the fees required under these rules are paid, and the agency determines that the applicant is qualified to receive a state license under the act and these rules. An applicant must pay initial licensure and renewal fees within 10 days of the state license or renewal being approved for issuance. Failure to pay the required fee may be grounds for the denial of a state license in accordance with Rule 14.

#### Rule 11. Marihuana establishment plan.

(1) An applicant shall submit a marihuana establishment plan for the proposed marihuana establishment as required in Rule 8 and upon request by the agency. Upon the request of the agency, an applicant or licensee may be required to submit a revised marihuana establishment plan.

(2) The marihuana establishment plan must include, but is not limited to, all of the following:

(a) The type of proposed marihuana establishment, the location of the marihuana establishment, a description of the municipality where the marihuana establishment will be located, and any of the following, if applicable:

(i) A statement in the marihuana establishment plan that a combination of state licenses will operate as separate marihuana establishments at the same location, as provided under Rule 31.

(ii) A statement in the marihuana establishment plan that the applicant has or intends to apply to stack a marihuana grower license at the proposed marihuana establishment as provided under Rule 21.

(iii) A statement in the marihuana establishment plan that equivalent licenses will operate at the same location, as provided under Rule 32.

(b) A diagram of the marihuana establishment including, but not limited to, all of the following:

(i) The proposed marihuana establishment's size and dimensions.

(ii) Specifications of the marihuana establishment.

(iii) Physical address.

(iv) Location of common entryways, doorways, or passageways.

(v) Means of public entry or exit.

(vi) Limited access areas and restricted access areas within the marihuana establishment.

(vii) An indication of the distinct areas or structures for separate marihuana establishments at the same location as provided in Rule 31.

(c) A detailed floor plan and layout that includes all of the following:

(i) Dimensions of the marihuana establishment including interior and exterior rooms.

(ii) Maximum storage capabilities.

(iii) Number of rooms.

(iv) Dividing structures.

(v) Fire walls.

(vi) Entrances and exits.

- (vii) Locations of hazardous material storage.
  - (viii) Quantities of hazardous materials, such as chemical, flammable/combustible liquids and gases, and the expected daily consumption of the hazardous materials.
  - (d) Means of egress, including, but not limited to, delivery and transfer points.
  - (e) Construction details for structures and fire-rated construction for required walls.
  - (f) Building structure information, including but not limited to, new, pre-existing, freestanding, or fixed.
  - (g) Building type information, including, but not limited to, commercial, warehouse, industrial, retail, converted property, house, mercantile building, pole barn, greenhouse, laboratory, or center.
  - (h) Zoning classification and zoning information.
  - (i) If the proposed marihuana establishment is in a location that contains multiple tenants and any applicable occupancy restrictions.
  - (j) A proposed security plan that demonstrates the proposed marihuana establishment meets the security requirements specified in Rule 35.
  - (k) Any other information required by the agency if not inconsistent with the act and these rules.
- (3) Any changes or modifications to the marihuana establishment plan under this rule must be reported to the agency and may require preapproval by the agency.
- (4) The agency may provide a copy of the marihuana establishment plan to the BFS, local fire department, Michigan state police, local law enforcement, and building officials for use in review and planning.
- (5) The agency may reinspect the marihuana establishment to verify the plan at any time during the establishment's hours of operation and may require that the plan be resubmitted upon renewal.

#### Rule 12. Prelicensure investigation; proposed marihuana establishment inspection.

- (1) An applicant for a state license shall submit to a prelicensure physical inspection of a proposed marihuana establishment, as determined by the agency.
- (2) The agency shall establish an inspection process to confirm that the applicants and proposed marihuana establishments meet the requirements of the act and these rules.
- (3) The agency shall investigate an applicant in accordance with the act and these rules.
- (4) The agency shall conduct inspections and examinations of an applicant and a proposed marihuana establishment in accordance with the act and these rules.
- (5) An applicant shall submit proof to the agency of both of the following:
  - (a) A certificate of use and occupancy as required pursuant to section 13 of the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1513, and these rules. If this certificate is not available, the agency may accept alternative documentation from the building authority.
  - (b) If applicable, a fire safety inspection as specified in Rule 34.

#### Rule 13. Proof of financial responsibility; insurance.

- (1) Before a state license is issued or renewed, the licensee or renewal applicant shall file a proof of financial responsibility for liability for bodily injury on the form prescribed in Rule 8 of these rules, for an amount not less than \$100,000.00. If the proof required in this subrule is a bond, the bond must be in a format acceptable to the agency.

(2) Proof of financial responsibility for liability for bodily injury is not required for a marihuana event organizer license. A marihuana event organizer licensee shall file a proof of financial responsibility for liability for bodily injury when applying for a temporary marihuana event license.

(3) In addition to the requirement in subrule 1 of this rule, a marihuana secure transporter shall show proof of auto insurance, vehicle registration, and registration as a commercial motor vehicle, as applicable, for any vehicles used to transport marihuana product as required by the act and these rules.

#### Rule 14. Denial of state license; additional reasons.

(1) If an applicant fails to comply with the act or these rules, a state license may be denied by the agency as provided under the act and these rules.

(2) In addition to the reasons for denial in the act, a state license may be denied by the agency for any of the following reasons:

- (a) The applicant has submitted an application containing false information.
- (b) The applicant has failed to pay required fees pursuant to Rules 9 and 10.
- (c) The applicant has failed to comply with these rules and the application requirements pursuant to Rules 6, 7, and 8.
- (d) The applicant made a material misrepresentation on the application.
- (e) The applicant failed to correct a deficiency within 5 days of notification by the agency in accordance with Rule 8.
- (f) The applicant failed to satisfy the confirmation of compliance by a municipality requirement in accordance with these rules.
- (g) The applicant's marihuana establishment plan does not fully comply with the act or these rules.
- (h) The applicant's proposed marihuana establishment or marihuana establishment is substantially different from the marihuana establishment plan pursuant to Rule 11 and these rules.
- (i) The applicant has been delinquent with the payment of taxes required under federal, state, or local law for 1 or more years.
- (j) The applicant fails to provide notifications or reports to the agency pursuant to Rule 16.
- (k) The agency is unable to access the proposed marihuana establishment for prelicensure agency inspection or the applicant denied the agency access to the proposed marihuana establishment.
- (l) The applicant failed to receive a passing prelicensure inspection within 60 days of a complete application being submitted to the agency.
- (m) The applicant is operating or was operating a proposed marihuana establishment or marihuana establishment without a state license.
- (n) The applicant or anyone who will have ownership in the marihuana establishment has a pattern of convictions involving dishonesty, theft, or fraud that indicate the proposed marihuana establishment is unlikely to be operated with honesty and integrity.
- (o) The applicant or anyone who will have ownership in the marihuana establishment has a conviction involving distribution of a controlled substance to a minor pursuant to section 8 of the act, MCL 333.27958.

(p) The applicant holds a state operating license under the MMFLA and has failed to file or is delinquent in the payment of the sales tax required under the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, or the excise tax required under section 601 of the MMFLA, MCL 333.27601.

(q) The applicant holds a state license and has failed to file or is delinquent in the payment of the sales tax required under the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, or the excise tax required under section 13 of the act, MCL 333.27963.

#### Rule 15. Renewal of state license.

(1) A state license is issued for a 1-year period and is renewable annually. A licensee may apply to renew a state license on a form established by the agency. The licensee shall pay the required fee upon renewal. The state license may be renewed no more than 90 days before expiration of the state license, if the licensee has submitted the renewal form required by the agency and, if applicable, the licensee has paid any additional background investigation charge assessed by the agency under these rules. The agency shall include on the renewal form, a statement requesting renewal of the state license and all of the following information:

(a) To the extent that information has changed or not been previously reported, updated personal, business, and financial information, as the agency may require, related to the eligibility of the licensee to continue to hold the state license for which renewal is requested under the act and these rules. To the extent that the information has changed or not been previously reported, updated information on the marihuana establishment.

(b) A statement under oath by the licensee that the information provided in the licensee's annual renewal form is current, complete, true, and accurate, and that the licensee has fulfilled its obligation under the act and these rules to notify the agency of any change in information provided in its original state license application and subsequent annual renewal form or forms previously filed, if applicable.

(c) Attestation by the municipality on a form created by the agency regarding a licensee who submits an application for state license renewal which shall include, but not be limited to, both of the following:

(i) A description of any violation, if applicable, of an ordinance or a zoning regulation adopted pursuant to section 6 of the act, MCL 333.27956, committed by the licensee, but only if the violation relates to activities licensed under the act or these rules, or the MMFLA and its associated rules, or both.

(ii) Whether there has been a change to an ordinance or a zoning regulation adopted pursuant to section 6 of the act, MCL 333.27956, since the state license was issued to the licensee and a description of the change.

(d) An attestation by the licensee that the licensee's annual renewal form provides all information and documentation prescribed and required by the agency to establish and determine that the licensee is eligible, qualified, and suitable to have its state license renewed and is ready and able to continue conducting its marihuana establishment in compliance with the act and these rules throughout the new 1-year time period for which the state license is to be renewed.

(e) Other relevant information and documentation that the agency may require to determine the licensee's eligibility to have its state license renewed under the licensing standards of the act and these rules.

(2) Failure to comply with any of the provisions in the act and these rules may result in the nonrenewal of a state license. A state license shall not be renewed unless the agency has determined that the individual qualifications of each person required by the act and these rules is eligible as part of the state license renewal in accordance with the relevant licensing standards set forth in the act and these rules.

(3) The agency shall send a renewal application to the last known address of a licensee on file with the agency. The failure of a licensee to notify the agency of a change of address does not extend the expiration date of a license and may result in disciplinary action.

(4) The licensee shall meet the requirements of the act and any other renewal requirements set forth in these rules.

(5) The agency may refuse to renew a state license and issue a notice of nonrenewal if the licensee fails to apply for renewal in accordance with this rule. In addition, the agency may refuse to renew a state license and issue a notice of nonrenewal if the agency determines, after reviewing the licensee's annual renewal form, that the state license should not be renewed because the licensee's annual renewal form does not provide the information and documentation required by the agency to determine that the licensee is eligible to continue to be licensed and ready and able to continue conducting its marihuana establishment operation in compliance with the act and these rules.

(6) A state licensee who is served with a notice of nonrenewal may request a hearing pursuant to Rule 66 through Rule 72.

(7) If the licensee does not request a hearing in writing within 21 days after service of the notice of nonrenewal, the notice of nonrenewal becomes the final order of the agency.

(8) A person who has not applied for state license renewal for any and all licenses that are due for renewal shall cease and desist operation and is subject to any sanctions or fines, or both, in accordance with the act or these rules.

#### Rule 16. Notification and reporting.

(1) Applicants and licensees have a continuing duty to provide the agency with up-to-date contact information and shall notify the agency in writing of any changes to the mailing addresses, phone numbers, electronic mail addresses, and other contact information they provide the agency.

(2) Applicants and licensees shall report to the agency any changes to the marihuana establishment operations that are required in Rule 30 through Rule 40 and as required in these rules, as applicable.

(3) Applicants and licensees shall report to the agency any proposed material changes to the marihuana establishment before making a material change that may require prior authorization by the agency. Material changes, include, but are not limited to, the following:

(a) Change in owners, officers, members, or managers.

(b) Change of location. Upon notification of a change in location, the agency may determine that a new state license and new inspection are required for the change of location pursuant to Rule 22.

(c) A description of a violation of an ordinance or a zoning regulation adopted pursuant to section 6 of the act, MCL 333.27956, committed by the licensee, but only if the violation relates to activities licensed under the act and these rules, or the MMFLA and its associated rules, or both.



- (d) The addition or removal of a person named in the application or disclosed.
  - (e) Change in entity name.
  - (f) Any attempted transfer, sale, or other conveyance of an interest in a state license.
  - (g) Any change or modification to the marihuana establishment before or after licensure that was not preinspected, inspected, or part of the marihuana establishment plan or final inspection including, but not limited to, operational or method changes requiring inspection under these rules, additions or reductions in equipment or processes at a marihuana establishment, increase or decrease in the size or capacity of the marihuana establishment, alterations of ingress or egress, and changes that impact security, fire and building safety.
- (4) An applicant or licensee shall notify the agency within 1 business day of becoming aware of or within 1 business day of when the applicant or licensee should have been aware of all of the following:
- (a) Adverse reactions to a marihuana product sold or transferred by any licensee.
  - (b) Criminal convictions, charges, or civil judgements against an applicant or licensee in this state or any other state, federal, or foreign jurisdiction.
  - (c) Regulatory disciplinary action taken or determined against an applicant or licensee by this state or any other state, federal, or foreign jurisdiction, including any pending action.
- (5) The applicant or licensee shall notify the agency within 10 days of the initiation or conclusion of any new judgments, lawsuits, legal proceedings, charges, or government investigations, whether initiated, pending, or concluded, that involves the applicant or the licensee.
- (6) Failure to provide notifications or reports to the agency pursuant to this rule may result in sanctions or fines, or both.

**Rule 17. Notifications of diversion, theft, loss, or criminal activity pertaining to marihuana product.**

- (1) Applicants and licensees shall notify the agency and local law enforcement authorities within 24 hours of becoming aware of or should have been aware of the theft or loss of any marihuana product or criminal activity at the marihuana establishment.
- (2) Failure to notify as required under subrule (1) of this rule may result in sanctions or fines, or both.

**Rule 18. Inspection; investigation.**

- (1) The agency shall do all of the following with respect to inspections and investigations of applicants, licensees, proposed marihuana establishments, and marihuana establishment operations:
  - (a) Oversee and conduct inspections of proposed marihuana establishments and marihuana establishments to ensure compliance with the act and these rules.
  - (b) Inspect and examine marihuana establishments and proposed marihuana establishments.
  - (c) Inspect, examine, and audit records of the licensee.
- (2) The agency may investigate individuals employed by proposed marihuana establishments and marihuana establishments.

(3) As authorized by the act, a licensee may not refuse the agency access to the marihuana establishment during the hours of operation. The agency may access the marihuana establishment without a warrant and without notice to the licensee during the marihuana establishment's hours of operation.

(4) The agency may place an administrative hold on a marihuana product and order that no sales or transfers occur during an investigation for an alleged violation or violation of the act or these rules.

(5) The agency may inspect, examine, and audit relevant records of the licensee. If a licensee fails to cooperate with an investigation, the agency may impound, seize, assume physical control of, or summarily remove records from a proposed marihuana establishment or marihuana establishment as authorized under the act and these rules.

(6) The agency may eject or exclude, or authorize the ejection or exclusion of, an individual from a proposed marihuana establishment or marihuana establishment if that individual violates the act, a final order, or these rules.

(7) The agency may take any reasonable or appropriate action to enforce the act and rules.

(8) This rule does not limit the application of any other remedies or sanctions that are available through local, state, and federal laws, the act, and these rules.

(9) For purposes of this rule, the term "record" means books, ledgers, documents, writings, photocopies, correspondence, electronic records, videotapes, surveillance footage, electronic storage media, electronically stored records, money receptacles, equipment in which records are stored, including data or information in the statewide monitoring system, or any other document that is used for recording information.

#### Rule 19. Persons subject to penalty; violations.

(1) A state license may be subject to penalties if any person required to be disclosed as an applicant violates the act or these rules.

(2) If the agency during the physical site inspection determines violations of the act or these rules exist, the agency shall notify the person, applicant, or licensee of the violation during the physical site inspection or thereafter and the person, applicant, or licensee may be responsible for sanctions or fines, or both.

(3) The agency may issue a notice of a violation or fine, or both, for any violations of the act and applicable rules, including those observed by the agency while in the performance of its duties.

(4) If the agency determines a violation of the act or these rules exists, these violations must be cited in a format established by the agency. After a notice of violation or fine, or both, is issued to a person, applicant, or licensee, the agency may hold a compliance conference or a hearing if applicable as prescribed in the act and these rules.

(5) The agency may forward information regarding violations of the act or these rules or any other state or federal law to the department of state police, department of attorney general, and the prosecutor for the jurisdiction in which the alleged violation of the act or rules has occurred.

(6) The agency may take action for failure to pay any fine within the time written on the violation notice pursuant to the act or these rules.

(7) The agency may take action if notified of a violation of a municipal ordinance pursuant to section 6 of the act, MCL 333.27956.

(8) The agency may take action against a licensee for knowingly making misrepresentations to the agency or its contractors during an investigation into the licensee.

(9) The attempted transfer, sale, or other conveyance of an interest in a state license without prior approval are grounds for suspension or revocation of the state license or for other sanctions as provided in these rules.

#### Rule 20. Sanctions; fines.

(1) A person, applicant, or licensee found in violation of these rules or the act may be subject to sanctions, including, but not limited to, any of the following:

(a) State license denial.

(b) Limitations on a state license.

(c) Fines.

(d) Revocation, suspension, nonrenewal, or an administrative hold on a state license.

(e) Orders to cease operations.

(2) A violation of these rules or the act may result in 1 or more of the following:

(a) Denial, revocation, or limitation.

(b) Removal of a licensee or an employee of a licensee.

(c) Civil fines up to \$10,000.00 or an amount equal to the daily gross receipts, whichever is greater, against a licensee for each violation of the act, a final order, or these rules.

(d) Civil fines may be assessed for each day the licensee is not in compliance with each violation of the act or these rules. Assessment of a civil fine is not a bar to the investigation, arrest, charging, or prosecution of an individual for any other violation of the act or these rules.

(3) A state license may be suspended without notice or hearing upon a determination that the safety or health of patrons or employees is jeopardized by continuing a marihuana establishment's operation as provided in the act or these rules.

(4) A person operating without a state license shall cease operation and may be subject to, including but not limited to, sanctions or fines, or both, in accordance with the act or these rules and may be referred to the state police and department of attorney general.

(5) The agency may impose any other remedies, sanctions, or penalties not inconsistent with the act or these rules.

#### Rule 21. Stacked license.

(1) A marihuana grower may apply to stack class C marihuana grower licenses at a marihuana establishment specified in the state license application. The marihuana grower shall be subject to payment of a separate initial licensure fee for each state license issued and stacked and may be subject to any additional fees under Rule 10.

(2) A marihuana grower that has been issued stacked licenses is subject to all requirements of the act and these rules.

#### Rule 22. Changes to licensed marihuana establishment.

(1) Any change or modification to the marihuana establishment after licensure is governed by the standards and procedures set forth in these rules and any regulations adopted pursuant to the act. Any material change or modification to the marihuana establishment must be approved by the agency before the change or modification is made.

(2) Any change of a location of a marihuana establishment after licensure requires a new state license application under Rule 8 and Rule 10 and may include, but is not limited to, application fees, or initial licensure fees, or both. A licensee shall produce written confirmation of compliance with any municipal ordinances the municipality may have adopted under section 6 of the act, MCL 333.27956. For purposes of these rules, confirmation of compliance must be on an attestation form prepared by the agency that contains all of the information required in Rule 8.

Rule 23. Communities; disproportionately impacted by marihuana prohibition.

(1) Pursuant to section 8 of the act, MCL 333.27958, the agency shall establish a plan that promotes and encourages participation in the marihuana industry by people from communities that have been disproportionately impacted by marihuana prohibition and enforcement and to positively impact those communities.

(2) The agency shall publish information about the plan which shall include, but not be limited to, the following:

(a) The criteria used to select communities that have been disproportionately impacted by marihuana prohibition and enforcement.

(b) Based on the selection criteria, a list of the communities that have been disproportionately impacted by marihuana prohibition and enforcement.

(c) The requirements persons in those communities shall meet to utilize services and resources offered through the plan.

(d) The services and resources that are available to those communities and qualifying persons residing in and planning to operate a marihuana establishment in those communities selected in subdivision (b) above.

(e) Specific goals and objectives for the plan.

(3) The agency shall collect data to measure its progress towards achieving the specific goals and objectives outlined in subdivision (e).

(4) The agency shall publish a list of services and resources offered through the plan, which shall include, but not be limited to, the following:

(a) Education and outreach to the communities and potential applicants from the community.

(b) Waiving or reducing fees for qualified applicants from the communities.

(c) Increased assistance with the application process for applicants from these communities.

(d) Coordinating communities', applicants', and licensees' utilization of resources that will allow participation in the marihuana industry.

### PART 3. LICENSEES

Rule 24. Marihuana grower license.

(1) A marihuana grower license authorizes the marihuana grower to grow not more than the following number of marihuana plants under the indicated license class for each marihuana grower license the marihuana grower holds in that class:

(a) Class A – 100 marihuana plants.

(b) Class B – 500 marihuana plants.

(c) Class C – 2,000 marihuana plants.

(2) Except as otherwise provided in the act and these rules, a marihuana grower license authorizes sale of marihuana plants to a marihuana grower only by means of a marihuana secure transporter. A marihuana grower license authorizes the sale or transfer of seeds, seedlings, tissue cultures, or immature plants to a marihuana grower from another marihuana grower without using a marihuana secure transporter.

(3) A marihuana grower license authorizes a marihuana grower to transfer marihuana without using a marihuana secure transporter to a marihuana processor or marihuana retailer if both of the following are met:

(a) The marihuana processor or marihuana retailer occupies the same location as the marihuana grower and the marihuana is transferred using only private real property without accessing public roadways.

(b) The marihuana grower enters each transfer into the statewide monitoring system.

(4) A marihuana grower license authorizes sale of marihuana, other than seeds, seedlings, tissue cultures, immature plants, and cuttings, to a marihuana processor or marihuana retailer.

(5) Except as otherwise provided in the act, subrule (2) and subrule (3) of this rule, and Rule 42, a marihuana grower license authorizes the marihuana grower to transfer marihuana only by means of a marihuana secure transporter.

(6) A marihuana grower must enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.

(7) A marihuana grower license does not authorize the marihuana grower to operate in an area unless the area is zoned for industrial or agricultural uses or otherwise meets the requirements established in section 9(3)(c) of the act, MCL 333.27959.

(8) A marihuana grower may accept the transfer of marihuana seeds, tissue cultures, and clones that do not meet the definition of marihuana plant in these rules at any time from another grower licensed under the act, these rules, the MMFLA, and its associated rules, or both.

(9) A class A marihuana grower may accept the transfer of marihuana plants only once upon licensure from a registered primary caregiver so long as that registered primary caregiver was an applicant for that class A marihuana grower license.

(10) A marihuana grower licensee is required to comply with the requirements of the act and these rules.

#### Rule 25. Marihuana processor license.

(1) A marihuana processor license authorizes purchase of marihuana only from a marihuana grower or a marihuana processor and sale of marihuana-infused products or marihuana only to a marihuana retailer or another marihuana processor.

(2) Except as otherwise provided in Rule 42, Rule 53, this rule, and the act, a marihuana processor license authorizes a marihuana processor to transfer marihuana only by means of a marihuana secure transporter. A marihuana processor license authorizes a marihuana processor to transfer marihuana without using a marihuana secure transporter to a marihuana grower, marihuana processor, or marihuana retailer if both of the following are met:

(a) The marihuana grower, marihuana processor, or marihuana retailer occupies the same location as the marihuana processor and the marihuana is transferred using only private real property without accessing public roadways.

- (b) The marihuana processor enters each transfer into the statewide monitoring system.
- (3) A licensee who holds 2 or more marihuana processor licenses with common ownership at different establishments may transfer marihuana product inventory between the licensed marihuana processor establishments. The transferred marihuana product must be entered and tracked in the statewide monitoring system as required in these rules and any requirements published by the agency.
- (4) A marihuana processor must enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.

#### Rule 26. Marihuana retailer license.

- (1) A marihuana retailer license authorizes the purchase or transfer of marihuana only from a marihuana grower or marihuana processor and sale or transfer to only an individual 21 years of age or older. Except as otherwise provided in Rule 42, Rule 53, this rule, and the act, all transfers of marihuana to a marihuana retailer from a separate marihuana establishment must be by means of a marihuana secure transporter. A transfer of marihuana to a marihuana retailer from a marihuana establishment that occupies the same location as the marihuana retailer does not require a marihuana secure transporter if the marihuana is transferred to the marihuana retailer using only private real property without accessing public roadways.
- (2) A marihuana retailer license authorizes the marihuana retailer to transfer marihuana to or from a marihuana safety compliance facility for testing by means of a marihuana secure transporter or as provided in Rule 42.
- (3) A marihuana retailer shall comply with all of the following:
  - (a) Sell or transfer marihuana to an individual 21 years of age or older only after it has been tested and bears the label required for retail sale.
  - (b) Enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.
  - (c) Before selling or transferring marihuana to an individual 21 years of age or older, verify the individual appeared to be 21 years of age or older by means of government-issued photographic identification containing a date of birth and that the sale or transfer will not exceed the single transaction limit in these rules.
- (4) A licensee who holds 2 or more marihuana retailer licenses with common ownership at different establishments may transfer marihuana product inventory between the licensed marihuana retailer establishments. The transferred marihuana product must be entered and tracked in the statewide monitoring system as required in these rules and any requirements published by the agency.

#### Rule 27. Marihuana microbusiness license.

- (1) A marihuana microbusiness license authorizes the following:
  - (a) The cultivation of not more than 150 plants.
  - (b) The processing and packaging of marihuana.
  - (c) The retail sale or transfer of marihuana to only an individual 21 years of age or older, but not to other marihuana establishments.
  - (d) The transfer of marihuana to a marihuana safety compliance facility for testing.

(2) Except as otherwise provided in Rule 42, this rule, and the act, a marihuana microbusiness license authorizes a marihuana microbusiness to transfer marihuana from the marihuana grower area to the marihuana processor and marihuana retailer areas of the marihuana microbusiness and from the marihuana processor area to marihuana grower and marihuana retailer areas of the marihuana microbusiness without using a marihuana secure transporter if all areas of the marihuana microbusiness enter each transfer between different areas of the marihuana microbusiness into the statewide monitoring system.

(3) A marihuana microbusiness shall not operate at multiple locations.

(4) A marihuana microbusiness must enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.

(5) A marihuana microbusiness may accept the transfer of marihuana seeds, tissue cultures, and clones that do not meet the definition of marihuana plant in these rules at any time from another grower licensed under the act, these rules, the MMFLA, and its associated rules, or both. A marihuana microbusiness shall not sell or transfer marihuana seeds, tissue cultures, or clones received under this subrule.

(6) A marihuana microbusiness may accept the transfer of marihuana plants only once upon licensure from a registered primary caregiver so long as that registered primary caregiver was an applicant for that marihuana microbusiness license.

(7) A marihuana microbusiness license is subject to all applicable provisions in the act and these rules related to a marihuana grower, marihuana retailer, and marihuana processor license.

#### Rule 28. Marihuana secure transporter license.

(1) A marihuana secure transporter license authorizes the licensee to store and transport marihuana and money associated with the purchase or sale of marihuana between marihuana establishments for a fee upon request of a person with legal custody of that marihuana or money. It does not authorize transport to a registered qualifying patient or registered primary caregiver. If a marihuana secure transporter has its primary place of business in a municipality that has not adopted an ordinance under section 6 of the act, MCL 333.27956, prohibiting marihuana establishments, the marihuana secure transporter may travel through any municipality.

(2) A marihuana secure transporter shall enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.

(3) A marihuana secure transporter shall comply with all of the following:

(a) Each driver transporting marihuana must have a chauffeur's license issued by this state.

(b) Each vehicle must be operated with a 2-person crew with at least 1 individual remaining with the vehicle at all times during the transportation of marihuana.

(c) A route plan and manifest must be entered into the statewide monitoring system, and a copy must be carried in the transporting vehicle and presented to a law enforcement officer upon request.

(d) The marihuana must be transported in 1 or more sealed containers and not be accessible while in transit.

(e) A secure transporting vehicle must not bear markings or other indication that it is carrying marihuana or a marihuana-infused product.

(4) A marihuana secure transporter is subject to administrative inspection by a law enforcement officer at any point during the transportation of marihuana to determine compliance with the act and these rules.

**Rule 29. Marihuana safety compliance facility license.**

(1) A marihuana safety compliance facility license authorizes the marihuana safety compliance facility to do all of the following without using a marihuana secure transporter:

(a) Take marihuana from, test marihuana for, and return marihuana to only a licensed marihuana grower, marihuana processor, marihuana retailer, or marihuana microbusiness.

(b) Collect a random sample of marihuana at the marihuana establishment of a marihuana grower, marihuana processor, marihuana retailer, or marihuana microbusiness for testing.

(2) A marihuana safety compliance facility must be accredited by an entity approved by the agency by 1 year after the date the marihuana safety compliance facility license is issued or have previously provided drug testing services to this state or this state's court system and be a vendor in good standing in regard to those services. The agency may grant a variance from this requirement upon a finding that the variance is necessary to protect and preserve the public health, safety, or welfare.

(3) A marihuana safety compliance facility shall comply with all of the following:

(a) Perform safety tests to certify that marihuana is reasonably free of known contaminants in compliance with the standards established by the agency.

(b) Use validated test methods to perform all safety tests and to determine tetrahydrocannabinol (THC), tetrahydrocannabinol acid (THC-A), cannabidiol (CBD), and cannabidiol acid (CBD-A) concentrations.

(c) Perform other tests necessary to determine compliance with good manufacturing practices as prescribed in these rules.

(d) Enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.

(e) Have a secured laboratory space that cannot be accessed by the general public.

(f) Retain and employ at least 1 laboratory manager with a relevant advanced degree in a medical or laboratory science. A laboratory manager shall be responsible for the following duties including, but not limited to:

(i) Ensure tests are conducted in accordance with ISO 17025.

(ii) Ensure test results are accurate and valid.

(iii) Oversee day-to-day operations.

(iv) Validate reporting requirements in the statewide monitoring system.

(v) Verify conformity with ISO 17025.

(vi) Any other duties required and published by the agency.

## **PART 4. OPERATIONS**

**Rule 30. State licenses; licensees; operations; general.**

(1) A state license and a stacked license as described in Rule 21 are limited to the scope of the state license issued for that type of marihuana establishment that is located within the municipal boundaries connected with the state license.



(2) A licensee shall comply with all of the following:

(a) Except as provided in Rule 31 and Rule 32, marihuana establishments shall be partitioned from any other marihuana establishment, activity, business, or dwelling. Marihuana establishments shall not allow onsite or as part of the marihuana establishment any of the following:

(i) Sale, consumption, or serving of food or alcohol except for as provided in Rule 56 unless the establishment has the appropriate authorizations from other federal, state, or local agencies as applicable.

(ii) Consumption, use, or inhalation of a marihuana product unless the licensee has been granted a designated consumption establishment or temporary marihuana event license under Rule 59 and Rule 62.

(b) A marihuana establishment shall have distinct and identifiable areas with designated structures that are contiguous and specific to the state license.

(c) A marihuana establishment shall have separate entrances and exits, inventory, record keeping, and point of sale operations, if applicable.

(d) Access to the marihuana establishment's restricted and limited access areas is restricted to the licensee; employees of the licensee, escorted visitors, and the agency. A marihuana retailer or a marihuana microbusiness may grant access as provided in Rule 33(5) to customers to a dedicated point of sale area.

(e) Licensee records must be maintained and made available to the agency upon request.

(f) The marihuana establishment must be at a fixed location. Mobile marihuana establishments and drive through operations are prohibited. Any sales or transfers of marihuana product by internet or mail order, consignment, or at wholesale are prohibited.

(g) A state license issued under the act must be framed under a transparent material and prominently displayed in the marihuana establishment.

(3) A marihuana establishment shall comply with the following:

(a) The natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106. The agency may publish guidance in cooperation with the department of environment, great lakes, and energy.

(b) Any other operational measures requested by the agency that are not inconsistent with the act and these rules.

#### Rule 31. Operation at same location.

(1) A licensee that has any combination of state licenses may operate separate marihuana establishments at the same location. For purposes of this rule, a stacked license is considered a single marihuana establishment.

(2) To operate at the same location subject to subrule (1) of this rule, all of the following requirements must be met:

(a) The agency has authorized the proposed operation at the same location.

(b) The operation at the same location is not in violation of any local ordinances or regulations.

(c) The operation at the same location does not circumvent a municipal ordinance or zoning regulation that limits the marihuana establishments under section 6 of the act, MCL 333.27956.

(d) The licensee of each marihuana establishment operating at the same location under this rule shall do all the following:

(i) Apply for and be granted separate state licenses and pay the required fees for each state license.

(ii) Have distinct and identifiable areas with designated structures that are contiguous and specific to the state license.

(iii) Have separate entrances and exits, inventory, record keeping, and point of sale operations.

(iv) Post the state license on the wall in its distinct area and as provided in these rules.

(v) Obtain any additional inspections and permits required for local or state building inspection, fire services, and public health standards.

(vi) Comply with the provisions in the act and these rules.

(3) Operation of a state license at the same location that includes a licensed marihuana retailer shall have the entrance and exit to the licensed marihuana retailer and entire inventory physically separated from any of the other licensed marihuana establishment or establishments so that individuals can clearly identify the retail entrance and exit.

#### Rule 32. Equivalent licenses; operation at same location.

(1) A person that holds equivalent licenses with common ownership under the act and MMFLA may operate those equivalent licenses at the same location.

(2) To operate equivalent licenses at the same location, all of the following requirements must be met:

(a) The agency has authorized the proposed operation at the same location.

(b) The operation at the same location is not in violation of any local ordinances or regulations.

(c) The operation at the same location does not circumvent a municipal ordinance or zoning regulation that limits the marihuana establishments under section 6 of the act, MCL 333.27956.

(d) The person operating the equivalent licenses at the same location under this rule shall do all the following:

(i) Apply for and be granted a separate state license and a state operating license and pay the required fees for each license.

(ii) Post each state license and state operating license on the wall in its distinct area and as provided in these rules.

(iii) Obtain any additional inspections and permits required for local or state building inspection, fire services, and public health standards, if applicable.

(iv) Comply with the provisions in the act and these rules.

(3) A licensee with common ownership of a marihuana retailer and a provisioning center and operating equivalent licenses at the same location shall physically separate the entire inventories and the items on display for sale so that individuals may clearly identify medical marihuana products from retail marihuana products.

(4) A licensee with common ownership of a marihuana retailer and a provisioning center and operating the equivalent licenses at the same location shall not bundle a product subject to the excise tax in section 13 of the act, MCL 333.27963, in a single transaction with a product or service that is not subject to the tax imposed by that section.

(5) A person who holds equivalent licenses with common ownership under the act and MMFLA and operates at the same location is not required to have any of the following:

(a) Separate business suites, partitions, or addresses.

- (b) Separate entrances and exits.
- (c) Distinct and identifiable areas with designated structures that are contiguous and specific to the state license and the state operating license.
- (d) Separate point of sale area and operations.

Rule 33. Marihuana establishments; general requirements.

(1) A marihuana grower shall operate a marihuana establishment under either of the following conditions:

(a) The marihuana grower operations are within a building that meets the security requirements and passes the inspections in these rules and has a building permit pursuant to Rule 34 and these rules.

(b) The marihuana grower operations are within a building, except that cultivation may occur in an outdoor area, if all of the following conditions are met:

(i) The outdoor area containing the cultivation of marihuana plants is contiguous with the building, fully enclosed by fences or barriers that block outside visibility of the marihuana plants from the public view, with no marihuana plants growing above the fence or barrier that is visible to the public eye and the fences are secured and comply with the applicable security measures in these rules, including, but not limited to, locked entries only accessible to authorized persons or emergency personnel.

(ii) After the marihuana is harvested, all drying, trimming, curing, or packaging of marihuana occurs inside the building meeting all the requirements under these rules.

(iii) The building meets the security requirements and passes the inspections in these rules and has a building permit pursuant to Rule 34 and these rules.

(2) The agency shall publish a list of approved chemical residue active ingredients for marihuana growers to use in the cultivation and production of marihuana plants and marihuana products to be sold or transferred in accordance with the act or these rules.

(3) The agency shall publish a list of banned chemical residue active ingredients which are prohibited from use in the cultivation and production of marihuana plants and marihuana products to be sold or transferred in accordance with the act or these rules.

(4) A marihuana secure transporter shall have a primary place of business as its marihuana establishment that is operating in a municipality that has not adopted an ordinance prohibiting marihuana establishments from operating within its boundaries under section 6 of the act, MCL 333.27956, and these rules and its marihuana establishment must comply with the requirements prescribed by the act, these rules, and any municipal ordinances that meet the requirements of section 6 of the act, MCL 333.27956. A marihuana secure transporter shall hold a separate state license for every marihuana secure transporter location. A marihuana secure transporter may travel through any municipality to transport a marihuana product. A marihuana secure transporter shall comply with all of the following:

(a) The marihuana secure transporter may take physical custody of the marihuana or money, but legal custody belongs to the transferor or transferee.

(b) A marihuana secure transporter shall not sell or purchase marihuana products.

(c) A marihuana secure transporter shall transport any marihuana product in a locked, secured, and sealed container that is not accessible while in transit. The container must be secured by a locked closed lid or door. A marihuana secure transporter of marihuana product from separate marihuana establishments shall not commingle the marihuana product.

All marihuana products must be labeled in accordance with these rules and kept in separate compartments or containers within the main locked, secured, and sealed container. If the marihuana secure transporter transports money associated with the purchase or sale of marihuana product between establishments, the marihuana secure transporter shall lock the money in a sealed container kept separate from the marihuana product and only accessible to the licensee and its employees.

(d) A marihuana secure transporter shall log and track all handling of money associated with the purchase or sale of marihuana between marihuana establishments. These records must be maintained and made available to the agency upon request.

(e) A marihuana secure transporter shall have a route plan and manifest available for inspection by the agency to determine compliance with the act and these rules. A copy of the route plan and manifest must be carried with the marihuana secure transporter during transport between marihuana establishments. A marihuana secure transporter is subject to administrative inspection by a law enforcement officer at any point during the transportation of marihuana product pursuant to these rules. A marihuana secure transporter shall carry a copy of a route plan and manifest in the transporting vehicle and shall present them to a law enforcement officer upon request.

(f) A marihuana secure transporter shall follow the manifest. In cases of emergencies, the marihuana secure transporter shall notify the transferor and transferee, update the statewide monitoring system, and revise the manifest to reflect the unexpected change to the original manifest.

(g) A marihuana secure transporter shall store vehicles at its primary place of business. If a marihuana secure transporter stores a vehicle that does not contain marihuana or marihuana product at a location that is not its primary place of business, it will indicate that in its establishment plan pursuant to Rules 8 and 16.

(h) A marihuana secure transporter transferring marihuana product to a marihuana establishment shall remain onsite until the marihuana product is weighed and accepted or rejected before leaving the marihuana establishment.

(i) The timeframe for the marihuana secure transporter to maintain custody of the marihuana product must not be more than 48 hours or by permission of the agency on a case-by case basis.

(j) A marihuana secure transporter shall identify and record all vehicles with the agency and have the required vehicle registration with the secretary of state as required under state law. A marihuana secure transporter's vehicles are subject to inspection at any time by the agency to determine compliance with the act or these rules.

(5) A marihuana retailer shall have a separate room that is dedicated as the point of sale area for the transfer or sale of marihuana product as provided in the act and these rules. The marihuana retailer shall keep marihuana products behind a counter or other barrier to ensure that a customer does not have direct access to the marihuana products.

(6) A marihuana establishment shall ensure that the handling of marihuana product is done in compliance with current good manufacturing practice in manufacturing, packing, or holding human food, 21 CFR part 110.

(7) A marihuana establishment transferring marihuana product to or receiving marihuana product from a marihuana secure transporter shall initiate the procedures to transfer or receive the marihuana product within 30 minutes of the marihuana secure transporter's arrival at the marihuana establishment.

(8) A marihuana grower or a marihuana processor shall make reasonable efforts to sell or transfer marihuana products to a marihuana retailer not under common ownership or whose majority of ownership is not in common with either the marihuana grower or the marihuana processor to ensure that all marihuana establishments are properly serviced, to efficiently meet the demand for marihuana, and to provide for reasonable access to marihuana in rural areas. The agency may:

(a) Issue an order to place a limitation on a marihuana grower or a marihuana processor specifically limiting the amount of marihuana product that may be sold to marihuana processors and marihuana retailers under common ownership or whose majority of ownership is in common with the marihuana grower or the marihuana processor.

(b) Subject a licensee to sanctions or fines prescribed by Rule 20 for a violation of an order placing a limitation on a state license.

#### Rule 34. Building and fire safety.

(1) An applicant's proposed marihuana establishment and a licensee's marihuana establishment are subject to inspection by a state building code official, state fire official, or code enforcement official to confirm that no health or safety concerns are present.

(2) A state building code official, or his or her authorized designee, may conduct preclosure and post-licensure inspections to ensure that applicants and licensees comply with the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531; the skilled trades regulation act, 2016 PA 407, MCL 339.5101 to 339.6133; the elevator safety board act, 1967 PA 227, MCL 408.801 to 408.824; and the elevator licensing act, 1976 PA 333, MCL 338.2151 to 338.2160.

(3) An applicant or licensee shall not operate a marihuana establishment unless a permanent certificate of occupancy has been issued by the appropriate enforcing agency. Before a certificate of occupancy is issued, work must be completed in accordance with the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531. An applicant or licensee shall comply with both of the following:

(a) An applicant or licensee shall obtain a building permit for any building utilized as a proposed marihuana establishment or marihuana establishment as provided in the act and these rules. The issuance, enforcement, and inspection of building permits under this act may remain with the governmental entity having jurisdiction under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

(b) An applicant or licensee shall obtain a building permit for a change of occupancy for an existing building to be utilized as a proposed marihuana establishment or marihuana establishment as provided in the act and these rules.

(4) An applicant or licensee shall not operate a marihuana establishment unless the proposed marihuana establishment or marihuana establishment has passed the preclosure fire safety inspection by the BFS. The state fire marshal, or his or her authorized designee, may conduct preclosure and post-licensure inspections of a marihuana establishment. An applicant or licensee shall comply with the all of the following:

(a) A BFS inspection may be conducted at any reasonable time to ensure fire safety compliance as provided in this rule and subrule (5) of this rule. A BFS inspection may be annual or biannual and may result in the required installation of fire suppression devices or other means necessary for adequate fire safety pursuant to state standards.

(b) The BFS may require marihuana establishments to obtain operational permits, including, but not limited to, any of the following:

(i) Carbon dioxide systems used in beverage dispensing applications, amended for cultivation use and extraction.

(ii) Compressed gases.

(iii) Combustible fibers.

(iv) Flammable and combustible liquids.

(v) Fumigation and insecticidal fogging.

(vi) Hazardous materials.

(vii) High piled storage (high rack system cultivation).

(viii) Liquefied petroleum (LP) gas.

(c) For specific installation or systems, BFS may require marihuana establishments to obtain construction permits, including, but not limited to, any of the following:

(i) Building construction.

(ii) Electrical, mechanical, plumbing, boiler, and elevator.

(iii) Compressed gases.

(iv) Flammable and combustible liquids.

(v) Hazardous materials.

(vi) Liquefied petroleum (LP) gas.

(vii) Automatic fire extinguishing/suppression systems.

(viii) Fire alarm and detections systems.

(ix) Related equipment found during fire safety inspections.

(5) The state fire marshal, or his or her authorized designee, may conduct a BFS fire safety inspection of marihuana establishment, at any reasonable time to ensure compliance with the national fire protection association (NFPA) standard 1, 2018 edition, entitled “fire code,” which is adopted by reference in Rule 3. A licensee shall comply with the NFPA 1 as adopted and the following additional requirements:

(a) Ductwork must be installed with accordance with the Michigan mechanical code, R 408.30901 to R 408.30998.

(b) Suppression systems outlined in NFPA 1 and the Michigan mechanical code, R 408.30901 to R 408.30998, may be required to meet the suppression needs within a marihuana establishment.

(c) Marihuana processors, marihuana growers, marihuana safety compliance facilities, and marihuana microbusinesses shall implement appropriate exhaust ventilation systems to mitigate noxious gasses or other fumes used or created as part of any production process or operations. Exhaust and ventilation equipment must be appropriate for the hazard involved and must comply with NFPA 1 and Michigan mechanical code, R 408.30901 to R 408.30998.

(6) In addition to meeting all the requirements in subrules (1) to (5) of this rule, marihuana growers, marihuana processors, and marihuana microbusinesses shall also comply with all of the following:

(a) Permit the agency or its authorized agents, or state fire marshal or his or her authorized designee, to enter and inspect a marihuana grower, marihuana processor, and marihuana microbusiness at any reasonable time.

(b) Have conducted, in addition to any inspections required under the act and these rules, fire safety inspections that are required if any of the following occur:

(i) Modifications to the grow areas, rooms and storage, extraction equipment and process rooms, or marihuana-infused product processing equipment within a marihuana establishment.

(ii) Changes in occupancy.

(iii) Material changes to a new or existing marihuana grower, marihuana processor, or marihuana microbusiness establishment including changes made prelicensure and postlicensure.

(iv) Changes in extraction methods and processing or grow areas and building structures may trigger a new inspection.

(c) Ensure that extractions using compressed gases of varying materials including, but not limited to, butane, propane, and carbon dioxide that are used in multiple processes in cultivation or extraction meet all of the following:

(i) Flammable gases of varying materials may be used in multiple processes in cultivation or extraction and must meet the requirements in NFPA 58 and the international fuel gas code.

(ii) Processes that extract oil from marihuana plants and marihuana products using flammable gas or flammable liquid must have leak or gas detection measures, or both. All extraction equipment used in the marihuana establishment and equipment used in the detection of flammable or toxic gases, or both, must be approved by the BFS and may require construction permits.

(iii) Marihuana establishments that have exhaust systems must comply with the NFPA 1 and the Michigan mechanical code, R 408.30901 to R 408.30998.

(7) The requirements of this rule do not apply to:

(a) A marihuana event organizer applicant or licensee.

(b) A temporary marihuana event applicant or licensee.

#### Rule 35. Security measures; required plan; video surveillance system.

(1) An applicant for a state license to operate a proposed marihuana establishment shall submit a security plan that demonstrates, at a minimum, the ability to meet the requirements of this rule.

(2) A licensee shall ensure that any person at the marihuana establishment, except for employees of the licensee, are escorted at all times by the licensee or an employee of the licensee when in the limited access areas and restricted access areas at the marihuana establishment.

(3) A licensee shall securely lock the marihuana establishment, including all interior rooms, windows, and points of entry and exits, with commercial-grade, nonresidential door locks. Locks on doors that are required for egress shall meet the requirements of NFPA 1, local fire codes, and the Michigan building code, R 408.30401 to R 408.30499.

(4) A licensee shall maintain an alarm system at the marihuana establishment. Upon request, a licensee shall make available to the agency all information related to the alarm system, monitoring, and alarm activity.

(5) A licensee shall have a video surveillance system that, at a minimum, consists of digital or network video recorders, cameras capable of meeting the recording requirements in this rule, video monitors, digital archiving devices, and a color printer capable of delivering still photos.

(6) A licensee shall ensure the video surveillance system does all the following:

(a) Records, at a minimum, the following areas:

(i) Any areas where marihuana products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the marihuana establishment.

(ii) Limited access areas and security rooms. Transfers between rooms must be recorded.

(iii) Areas storing a surveillance system storage device with not less than 1 camera recording the access points to the secured surveillance recording area.

(iv) The entrances and exits to the building must be recorded from both indoor and outdoor vantage points. The areas of entrance and exit between marihuana establishments at the same location if applicable, including any transfers between marihuana establishments.

(v) Point of sale areas where marihuana products are sold and displayed for sale.

(vi) Anywhere marihuana or marihuana products are destroyed.

(b) Records at all times images effectively and efficiently of the area under surveillance with a minimum of 720p resolution.

(7) A licensee shall install each camera so that it is permanently mounted and in a fixed location. Each camera must be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the marihuana establishment and allows for the clear and certain identification of any person, including facial features, and activities, including sales or transfers, in all areas required to be recorded under these rules.

(8) A licensee shall have sufficient lighting to meet the video surveillance system requirements of this rule.

(9) A licensee shall have cameras that record continuously 24 hours per day and recorded images must clearly and accurately display the time and date.

(10) A licensee shall secure the physical media or storage device on which surveillance recordings are stored in a manner to protect the recording from tampering or theft.

(11) A licensee shall keep surveillance recordings for a minimum of 30 days, except in instances of investigation or inspection by the agency in which case the licensee shall retain the recordings until the time as the agency notifies the licensee that the recordings may be destroyed.

(12) Surveillance recordings of the licensee are subject to inspection by the agency and must be kept in a manner that allows the agency to view and obtain copies of the recordings at the marihuana establishment immediately upon request. The licensee shall also send or otherwise provide copies of the recordings to the agency upon request within the time specified by the agency.

(13) A licensee shall maintain a video surveillance system equipped with a failure notification system that provides notification to the licensee of any interruption or failure of the video surveillance system or video surveillance system storage device.

(14) A licensee shall maintain a log of the recordings, which includes all of the following:

(a) The identities of the employee or employees responsible for monitoring the video surveillance system.

(b) The identity of the employee who removed the recording from the video surveillance system storage device and the time and date removed.

(c) The identity of the employee who destroyed any recording.

(15) The requirements of this rule do not apply to an applicant for or a licensee who holds:



- (a) A designated consumption establishment license.
- (b) A marihuana event organizer license.
- (c) A temporary marihuana event license.

#### Rule 36. Prohibitions.

(1) Except for licensed designated consumption establishments or temporary marihuana events, marihuana products not identified and recorded in the statewide monitoring system pursuant to these rules must not be at a marihuana establishment. A licensee shall not transfer or sell a marihuana product that is not identified in the statewide monitoring system pursuant to these rules.

(2) Except for a licensed designated consumption establishment or temporary marihuana event, any marihuana product without a batch number or identification tag or label pursuant to these rules must not be at a marihuana establishment. A licensee shall immediately tag, identify, or record as part of a batch in the statewide monitoring system any marihuana product as provided in these rules.

(3) A licensee shall not allow a physician to conduct a medical examination or issue a medical certification document at a marihuana establishment for the purpose of obtaining a registry identification card.

(4) A violation of these rules may result in sanctions or fines, or both, in accordance with the act and these rules.

#### Rule 37. Marihuana product destruction and waste management.

(1) A marihuana product that is to be destroyed or is considered waste must be rendered into an unusable and unrecognizable form through grinding or another method as determined by the agency which incorporates the marihuana product waste with the non-consumable solid waste specified in subdivisions (a) to (h) of this subrule so that the resulting mixture is not less than 50% non-marihuana product waste:

- (a) Paper waste.
- (b) Plastic waste.
- (c) Cardboard waste.
- (d) Food waste.
- (e) Grease or other compostable oil waste.
- (f) Fermented organic matter or other compost activators.
- (g) Soil.

(h) Other wastes approved by the agency that will render the marihuana product waste unusable and unrecognizable.

(2) A marihuana product rendered unusable and unrecognizable and, therefore, considered waste, must be recorded in the statewide monitoring system.

(3) A licensee shall not sell marihuana waste or marihuana products that are to be destroyed, or that the agency orders destroyed.

(4) A licensee shall manage all waste that is hazardous waste pursuant to part 111 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11101 to 324.11153.

(5) A licensee shall dispose of marihuana product waste in a secured waste receptacle using 1 or more of the following methods that complies with applicable state and local laws and regulations:

- (a) A manned and permitted solid waste landfill.
- (b) A manned compostable materials operation or establishment.
- (c) An in-vessel digester.
- (d) An incineration method approved by state and local laws and regulations.
- (6) A licensee shall dispose of wastewater generated during the cultivation of marihuana and the processing of marihuana products in a manner that complies with applicable state and local laws and regulations.
- (7) A licensee shall maintain accurate and comprehensive records regarding marihuana product waste that accounts for, reconciles, and evidences all waste activity related to the disposal. The agency may publish guidance on marihuana product waste management.
- (8) For the purposes of this rule, “unrecognizable” means marihuana product rendered indistinguishable from any other plant material.
- (9) A licensed marihuana microbusiness or marihuana retailer who participates in a temporary marihuana event shall destroy and dispose of any marihuana product that is considered waste resulting from the licensee’s activities during the event according to the applicable provisions in this rule.
- (10) Except for the marihuana product waste specified in subrule (9) of this rule, a marihuana event organizer who holds a temporary marihuana event is responsible for destroying and disposing of any marihuana product waste that results from the event. All marihuana waste must be rendered unusable and unrecognizable and disposed of in accordance with this rule and in compliance with all applicable state and local laws and regulations.
- (11) A licensed designated consumption establishment shall destroy and dispose of any marihuana product left at the establishment that is considered waste in accordance with this rule and in compliance with all applicable state and local laws and regulations. The designated consumption establishment shall maintain a log of any marihuana product that is considered waste, which shall include a description of the waste and the amount and the manner in which it was disposed. The designated consumption establishment licensee shall make the log available to the agency upon request.

#### Rule 38. Storage of marihuana product.

- (1) All inventories of marihuana products must be stored at a marihuana establishment in a secured limited access area or restricted access area and must be identified and tracked consistently in the statewide monitoring system under these rules.
- (2) All containers used to store marihuana products for transfer or sale between marihuana establishments must be clearly marked, labeled, or tagged, if applicable, and enclosed on all sides in secured containers. The secured containers must be latched or locked in a manner to keep all contents secured within. Each secured container must be identified and tracked in accordance with the act and these rules.
- (3) All chemicals or solvents must be stored separately from marihuana products and kept in locked storage areas.
- (4) Marihuana-infused products, edible marihuana products, or materials used in direct contact with such marihuana-infused products or edible marihuana products, must have separate storage areas from toxic or flammable materials.
- (5) All marihuana products must be stored in compliance with current good manufacturing practice in manufacturing, packing, or holding human food, 21 CFR part

110. Marihuana products not in final packaging must be stored separately from other types of marihuana product in compliance with these rules.

(6) A marihuana retailer shall store all marihuana products for transfer or sale behind a counter or other barrier separated from stock rooms.

(7) A marihuana safety compliance facility shall establish an adequate chain of custody and instructions for sample and storage requirements.

(8) A licensee shall ensure that any stock or storage room meets the security requirements of these rules and any other applicable requirements in the act and these rules.

#### Rule 39. Marihuana microbusiness operation.

As applicable, a marihuana microbusiness licensee shall operate the corresponding areas of a marihuana microbusiness in compliance with the operation requirements of a marihuana retailer, a marihuana grower, and a marihuana processor as provided for in the act and these rules.

#### Rule 40. Transfer of marihuana between equivalent licenses.

(1) To ensure marihuana product is available for individuals 21 years of age or older, the agency may authorize licensees who hold equivalent licenses with common ownership to transfer marihuana product from the inventory of their marihuana facility to the inventory of their marihuana establishment.

(2) The following licensees who hold the following equivalent licenses with common ownership may accept the transfer of medical marihuana product under subrule (1) of this rule:

- (a) Class A marihuana growers;
- (b) Class B marihuana growers;
- (c) Class C marihuana growers;
- (d) Marihuana processors;
- (e) Marihuana retailers.

(3) The agency shall publish a specific start date, end date, and other requirements for the transfer of marihuana product between equivalent licenses.

(4) A licensee shall transfer marihuana product between equivalent licenses with common ownership in accordance with these rules and any requirements published by the agency.

(5) A licensee shall track the transfer of product between equivalent licenses with common ownership in the statewide monitoring system in accordance with these rules and any requirements published by the agency. Marihuana plants transferred pursuant to this rule shall count towards the authorized total amount of marihuana plants for a licensed marihuana grower.

(6) Marihuana product transferred to an equivalent license with common ownership may only be sold or transferred in accordance with the act and these rules.

(7) A licensee in receipt of transferred marihuana product shall track the marihuana product sold or transferred in accordance with these rules.

(8) A marihuana establishment is prohibited from transferring marihuana product inventory to a medical marihuana facility.

## PART 5. SAMPLING AND TESTING

### Rule 41. Batch; sampling procedures.

(1) A marihuana grower shall uniquely identify each immature plant batch in the statewide monitoring system. Each immature plant batch must not consist of more than 100 immature plants.

(2) A marihuana grower shall tag each plant that is greater than 8 inches in height from the growing or cultivating medium or more than 8 inches in width with an individual plant tag and record the identification information in the statewide monitoring system.

(3) A marihuana grower shall delineate or separate the plants as the plants go through different growth stages and ensure that the plant tag is always identified with the plant throughout the growth span so that all plants can be easily identified and inspected pursuant to these rules. A marihuana grower shall ensure that identification information is recorded in the statewide monitoring system in accordance with these rules.

(4) After a tagged plant is harvested, it is part of a harvest batch so that a sample of the harvest batch can be tested by a marihuana safety compliance facility. A marihuana grower shall quarantine a harvest batch from other plants or batches that have test results pending. A harvest batch must be easily distinguishable from other harvest batches until the batch is broken down into packages.

(5) Before the marihuana product can leave the marihuana grower establishment, except as provided in subrule (6) of this rule, a sample of the harvest batch must be tested by a licensed marihuana safety compliance facility as provided in Rule 42 and Rule 43. All test results must indicate passed in the statewide monitoring system before the marihuana can be packaged. A marihuana product from harvest batches must not be transferred or sold until tested, packaged, and tagged as required under subrule (4) of this rule. A marihuana product from a harvest batch that fails safety testing may only be sold or transferred under the remediation protocol as provided in Rule 44. A marihuana product that fails testing and is remediated may only be sold or transferred once approved by the agency.

(6) A marihuana grower establishment may transfer or sell marihuana to a marihuana processor without first being tested by a marihuana safety compliance facility in order to produce live resin. The maximum harvest batch size for the production of live resin must be 60 pounds. After the marihuana processor has produced live resin, the marihuana processor shall have the sample tested pursuant to Rule 42 and Rule 43.

(7) After test results show a passed test and the harvest batch is packaged, the marihuana grower shall destroy the individual plant tags. Each package must have a package tag attached. A marihuana grower shall ensure this information is placed in the statewide monitoring system in accordance with these rules.

(8) A marihuana grower shall not transfer or sell any marihuana product that has not been packaged with a package tag attached and recorded in the statewide monitoring system in accordance with these rules.

(9) After a marihuana processor receives or purchases a package in the statewide monitoring system, and the marihuana processor proceeds to process the marihuana product in accordance with the scope of a marihuana processor license, the act, and these rules, the marihuana processor shall give the marihuana product a new package tag anytime the marihuana product changes form or is incorporated into something else.

(10) After a package is created by a marihuana processor of the marihuana product in its final state, the marihuana processor shall have the sample tested pursuant to Rule 42 and Rule 43. The marihuana processor shall not transfer or sell a final package to a marihuana retailer until after test results indicate a passed test.

(11) After a marihuana retailer receives or purchases a marihuana product in the statewide monitoring system, a licensee may sell or transfer marihuana product only to an individual 21 years of age or older under both of the following conditions:

(a) The marihuana product has received passing test results in the statewide monitoring system. If the information cannot be confirmed, the marihuana product must be tested by a marihuana safety compliance facility and receive passing test results before sale or transfer.

(b) The marihuana product bears the label required for retail sale under these rules.

#### Rule 42. Sampling.

(1) A marihuana safety compliance facility shall test samples as provided in these rules.

(2) A marihuana safety compliance facility shall collect samples of a marihuana product from another marihuana establishment according to the following requirements:

(a) The marihuana safety compliance facility shall physically collect samples of a marihuana product from another marihuana establishment to be tested at the marihuana safety compliance facility. The marihuana safety compliance facility shall ensure that samples of the marihuana product are placed in secured, sealed containers that bear the labeling information as required under these rules.

(b) The marihuana safety compliance facility shall collect a sample size sufficient to complete all analyses required, but the sample shall not be less than 0.5% of the weight of the harvest batch. The maximum harvest batch size must be 15 pounds. The agency may publish requirements for this subdivision based on the type of marihuana product being tested.

(c) The marihuana safety compliance facility shall collect a sample size sufficient to complete analyses required of the batch, but the sample shall be pursuant to a list of requirements published by the agency.

(d) The marihuana safety compliance facility shall enter in the statewide monitoring system the marihuana product sample that was collected from a marihuana grower, a marihuana processor, a marihuana retailer, or a marihuana microbusiness, including the date and time the marihuana product is collected, transferred, tested, and recorded within 3 business days of completion of testing.

(e) If a testing sample is collected from a marihuana establishment for testing in the statewide monitoring system, that marihuana establishment shall quarantine the marihuana product that is undergoing the testing from any other marihuana product at the marihuana establishment. The marihuana establishment shall indicate the sample being tested in the statewide monitoring system. The quarantined marihuana product must not be transferred or sold until testing results pass as provided under these rules.

(f) Any marihuana product that a marihuana safety compliance facility collects for testing from a licensee under this rule must not be transferred or sold to any other marihuana establishment other than the licensee from whom the sample was collected.

(g) A marihuana safety compliance facility may request additional sample material from the same licensee from which the sample was collected for the purposes of completing the required safety tests as long as the requirements of this rule are met.

**Rule 43. Testing; marihuana safety compliance facility.**

(1) A marihuana safety compliance facility shall do all of the following:

(a) Become fully accredited to the International Organization for Standardization (ISO), ISO/IEC 17025:2017 by an International Laboratory Accreditation Cooperation (ILAC) recognized accreditation body or by an entity approved by the agency within 1 year after the date the marihuana safety compliance facility license is issued and agree to have the inspections and reports of the International Organization for Standardization made available to the agency.

(b) Maintain internal standard operating procedures that conforms to ISO/IEC 17025:2017 standards.

(c) Maintain a quality control and quality assurance program that conforms to ISO/IEC 17025:2017 standards.

(2) A marihuana safety compliance facility shall use analytical testing methodologies for the required safety tests in subrule (3) of this rule that are validated by an independent third party and may be monitored on an ongoing basis by the agency or a third party. The agency shall approve the validated methodology used by the marihuana safety compliance facility and confirm that it produces scientifically accurate results for each safety test it conducts.

(3) A marihuana safety compliance facility shall conduct the required safety tests specified in subdivisions (a) to (g) of this subrule on marihuana product that is part of the harvest batch as specified in Rule 41. After the testing on the harvest batch is completed, the agency may publish a guide indicating which of the following safety tests are required based on product type when the marihuana product has changed form:

(a) Potency analysis performed just as the marihuana product is without any corrective factor taken for moisture content that includes concentrations of the following:

- (i) Tetrahydrocannabinol (THC).
- (ii) Tetrahydrocannabinol acid (THC-A).
- (iii) Cannabidiol (CBD).
- (iv) Cannabidiol acid (CBD-A).

(b) Foreign matter inspection.

(c) Microbial screening.

(d) Chemical residue testing that includes all of the following:

- (i) Pesticides.
- (ii) Fungicides.
- (iii) Insecticides.

(e) Heavy metals testing as required in this rule.

(f) Residual solvents. The agency shall publish a list of required residual solvents to be tested for and their action limits.

(g) Water activity including moisture content.

(4) A marihuana safety compliance facility shall conduct residual solvent testing on batches of marihuana concentrates and marihuana-infused products. The agency shall publish a list of required residual solvents to be tested for and their action limits.

(5) For the purposes of calculating potency of total THC and total CBD, the following calculations must be used:

(a) Total THC must be calculated as follows, where M is the mass or mass fraction of delta-9 THC or delta-9 THC-A:

$$M \text{ total delta-9 THC} = M \text{ delta-9 THC} + 0.877 \times M \text{ delta-9 THC-A.}$$

(b) Total CBD must be calculated as follows, where M is the mass or mass fraction of CBD and CBD-A:

$$M \text{ total CBD} = M \text{ CBD} + 0.877 \times M \text{ CBD-A.}$$

(c) For marihuana and concentrates total THC and total CBD must be reported in percentages.

(d) For marihuana infused products total THC and total CBD should be reported in milligrams per grams (mg/g).

(6) Except as otherwise provided in Rule 44, if a sample collected pursuant to Rule 42 or provided to a marihuana safety compliance facility pursuant to these rules does not pass the required safety tests, the marihuana establishment that provided the sample shall dispose of the entire batch from which the sample was taken and document the disposal of the sample using the statewide monitoring system pursuant to these rules.

(7) A marihuana safety compliance facility shall destroy any marihuana samples held for 30 days after test completion and dispose of the resulting waste in accordance with Rule 37.

(8) For the purposes of the microbial screening and foreign matter inspection, the agency shall publish a list of action limits. A marihuana sample with a value that exceeds the published action limit is considered to be a failed sample. A marihuana sample that is at or below the action limit is considered to be a passing sample.

(9) For the purposes of the heavy metal testing, the agency shall publish a list of action limits. A marihuana sample with a value that exceeds the published action limit is considered to be a failed sample. A marihuana sample that is at or below the action limit is considered to be a passing sample.

(10) For the purposes of the residual solvent test, the agency shall publish a list of action limits. A marihuana sample with a value that exceeds the published action limit is considered to be a failed sample. A marihuana sample that is at or below the action limit is considered to be a passing sample.

(11) For the purposes of the chemical residue test, the agency shall publish a list of action limits. A marihuana sample that is at or below the action limit is considered to be a passing sample. A marihuana sample with a value that exceeds the action limit is considered to be a failed sample.

(12) If a sample provided to a marihuana safety compliance facility pursuant to this rule and Rule 42 passes the safety tests required under subrule (2) of this rule, the marihuana safety compliance facility shall enter the information in the statewide monitoring system of passed test results within 3 business days of test completion. Passed test results must be in the statewide monitoring system for a batch to be released for immediate processing, packaging, and labeling for transfer or sale in accordance with the act and these rules.

(13) A marihuana safety compliance facility shall enter the results into the statewide monitoring system and file with the agency an electronic copy of each marihuana safety compliance facility test result for any batch that does not pass the required tests while it transmits those results to the establishment that provided the sample within 72 hours of test

completion. In addition, a marihuana safety compliance facility shall maintain the test results and make them available to the agency upon request.

(14) The agency shall establish a proficiency testing program and designate marihuana safety compliance facility participation. A marihuana safety compliance facility shall analyze proficiency test samples using the same procedures with the same number of replicate analyses, standards, testing analysts, and equipment as used for marihuana product testing. A marihuana safety compliance facility shall successfully analyze a set of proficiency testing samples not less than annually. A marihuana safety compliance facility shall have annual proficiency testing submitted directly to the agency from the proficiency testing vendor for review. The agency will not accept copies. All failed proficiency tests must include corrective action documentation and an additional acceptable proficiency test. Proficiency test results must be conveyed as numerical accuracy percentages, not simply as PASS/FAIL results. Actual PASS/FAIL results must be calculated based on accuracy thresholds generated by reproducibility studies specific to each assay.

(15) The agency shall take immediate disciplinary action against any marihuana safety compliance facility that fails to comply with the provisions of this rule or falsifies records related to this rule, including any sanctions or fines, or both.

(16) A marihuana safety compliance facility shall not do any of the following:

- (a) Desiccate samples unless performing moisture analysis on the sample.
- (b) Dry label samples.
- (c) Pre-test samples.

(17) A marihuana safety compliance facility shall comply with random quality assurance compliance checks upon the request of the agency. The agency or its authorized agents may collect a random sample of a marihuana product from a marihuana safety compliance facility or designate another marihuana safety compliance facility to collect a random sample of a marihuana product in a secure manner to test that sample for compliance pursuant to this rule.

(18) A marihuana safety compliance facility may perform terpene analysis on a marihuana product by a method approved by the agency. There are no established safety standards for this analysis.

(19) A marihuana safety compliance facility shall comply with investigations to ensure the health and safety of the public. At the request of the agency a marihuana safety compliance facility may be requested to perform testing as part of an investigation.

#### Rule 44. Retesting.

(1) A marihuana safety compliance facility may test or retest a sample to validate the results of a failed safety test except as indicated under subrule (3) of this rule. A failed safety test must include documentation detailing the initial failure and the corrective action in the statewide monitoring system. The marihuana establishment that provided the sample is responsible for all costs involved in a retest.

(2) A failed test sample must pass 2 separate retests with new samples consecutively to be eligible to proceed to sale or transfer. The marihuana safety compliance facility that reported the results of a failed safety test shall not perform the separate retests. If both retests pass, the batch is out of quarantine and eligible for sale or transfer. If 1 or both retests fail, the marihuana product must be destroyed as provided in these rules or remediated as described in subrule (4) of this rule.



(3) A marihuana product is prohibited from being retested in all the following circumstances:

(a) A final test for chemical residue failed pursuant to these rules. If the amount of chemical residue found is not permissible by the agency, the marihuana product is ineligible for retesting and the product must be destroyed.

(b) A final failed test for microbials on marihuana-infused product is ineligible for retesting and the product must be destroyed.

(4) The agency may publish a remediation protocol including, but not limited to, the sale or transfer of marihuana product after a failed safety test as provided in these rules.

## PART 6: MARIHUANA-INFUSED PRODUCTS AND EDIBLE MARIHUANA PRODUCT

Rule 45. Requirements and restrictions on marihuana-infused products; edible marihuana product.

(1) A marihuana processor shall package and properly label marihuana-infused products before sale or transfer.

(2) Marihuana-infused products processed under these rules must be homogenous. The allowable variation for weight and THC and CBD concentrations between the actual results and the intended serving is to be + or – 15%. The agency shall publish guidelines for a marihuana processor to follow to verify the marihuana-infused product is homogeneous.

(3) A marihuana processor of marihuana-infused products shall list and record the THC concentration and CBD concentration of marihuana-infused products, as provided in Rules 43 and 46, in the statewide monitoring system and indicate the THC concentration and CBD concentration on the label along with the tag identification as required under these rules. Items that are part of a product recall issued in the statewide monitoring system, or by the agency, or other state agency, if applicable, must be immediately pulled from production by the marihuana processor of the marihuana-infused products and not sold or transferred.

(4) Marihuana-infused products must be stored and secured as prescribed under these rules.

(5) At a minimum, a marihuana processor shall label any marihuana-infused product it produces or packages with all of the following:

(a) The name and address of the marihuana establishment that processes or packages the marihuana-infused product.

(b) The name of the marihuana-infused product.

(c) The ingredients of the marihuana-infused product, in descending order of predominance by weight.

(d) The net weight or net volume of the product.

(e) For an edible marihuana product, the marihuana processor shall comply with subdivisions (a) to (d) of this subrule and all of the following:

(i) Allergen labeling as specified by the Food and Drug Administration (FDA), Food Allergen Labeling and Consumer Protection Act of 2004 (FALCPA), 21 USC 343.

(ii) If any nutritional claim is made, appropriate labeling as specified by Code of Federal Regulations, Food Labeling, 21 CFR part 101.

(iii) The following statement printed in at least the equivalent of 11-point font size in a color that provides a clear contrast to the background: "Made in a marihuana establishment."

(6) A marihuana processor of edible marihuana product shall comply with all the following to ensure safe preparation:

(a) 21 CFR part 110. Any potentially hazardous ingredients used to process shelf-stable edible marihuana products must be stored at 40 degrees Fahrenheit, 4.4 degrees Celsius, or below.

(b) Provide annual employee training for all employees on safe food handling and demonstrate an employee's completion of this training by providing proof of food handler certification that includes documentation of employee food handler training, including, but not limited to, allergens and proper sanitation and safe food handling techniques. Any course taken pursuant to this rule must be conducted for not less than 2 hours and cover the following subjects:

- (i) Causes of foodborne illness, highly susceptible populations, and worker illness.
- (ii) Personal hygiene and food handling practices.
- (iii) Approved sources of food.
- (iv) Potentially hazardous foods and food temperatures.
- (v) Sanitization and chemical use.
- (vi) Emergency procedures, including, but not limited to, fire, flood, and sewer backup.

(c) A licensee, to ensure compliance with the safe preparation standards under this subrule, shall comply with 1 or more of the following:

- (i) The FDA food safety modernization act, 21 USC 2201 to 2252.
- (ii) Safe Quality Food (SQF), 7.2 edition adopted by reference pursuant to Rule 3.
- (iii) The International Organization for Standardization (ISO), ISO 22000/ISO/TS 22002-1 adopted by reference pursuant to Rule 3.

(d) The agency may request in writing documentation to verify certifications and compliance with these rules.

(7) A marihuana processor of edible marihuana product shall comply with all the following:

(a) No edible marihuana product package can be in a shape or labeled in a manner that would appeal to minors aged 17 years or younger. No edible marihuana product can be associated with or have cartoons, caricatures, toys, designs, shapes, labels, or packaging that would appeal to minors.

(b) No edible marihuana product can be easily confused with commercially sold candy. The use of the word candy or candies on the packaging or labeling is prohibited. No edible marihuana product can be in the distinct shape of a human, animal, or fruit or a shape that bears the likeness or contains characteristics of a realistic or fictional human, animal, or fruit, including artistic, caricature, or cartoon renderings. Edible marihuana products that are geometric shapes and simply fruit flavored are permissible.

(c) An edible marihuana product must be in opaque, child-resistant packages or containers that meet the effectiveness specifications outlined in 16 CFR 1700.15. An edible marihuana product containing more than one serving must be in a resealable package or container that meets the effectiveness specifications outlined in 16 CFR 1700.15.

(8) A marihuana processor shall not produce an edible marihuana product that requires time or temperature control for safety. The agency may publish validation guidelines for

shelf life edible marihuana product. The agency may request to review the validation study for a shelf-life edible marihuana product. The end product must be a stable shelf-life edible marihuana product and state the following information:

(a) Expiration or use-by date. A product expiration date, upon which the marihuana product is no longer fit for consumption, or a use-by date, upon which the marihuana product is no longer optimally fresh. Once a label with an expiration or use-by date has been affixed to a marihuana product, a licensee shall not alter that expiration or use-by date or affix a new label with a later expiration or use-by date.

(b) Any other information requested by the agency that is not inconsistent with the act and these rules.

(9) As used in this rule, the term “edible marihuana product” means any marihuana-infused product containing marihuana that is intended for human consumption in a manner other than smoke inhalation.

(10) This rule does not affect the application of any applicable local, state, or federal laws or regulations.

#### Rule 46. Maximum THC concentration for marihuana-infused products.

Marihuana-infused products processed, sold, or transferred through marihuana retailers must not exceed the maximum THC concentration as established by the agency. For the purposes of maximum THC concentration for marihuana-infused products, the agency shall publish a list of maximum THC concentration and serving size limits.

### PART 7: SALE OR TRANSFER

#### Rule 47. Tracking identification; labeling requirements; general.

(1) All marihuana products sold or transferred between marihuana establishments must have the tracking identification numbers that are assigned by the statewide monitoring system affixed, tagged, or labeled and recorded, and any other information required by the agency, the act, and these rules.

(2) To ensure access to safe sources of marihuana products, the agency, if alerted in the statewide monitoring system, may recall any marihuana products, issue safety warnings, and require a marihuana establishment to provide information material or notifications to a customer at the point of sale.

#### Rule 48. Marihuana plant; tracking requirements.

Before a marihuana plant is sold or transferred, a package tag must be affixed to the plant or plant container and enclosed with a tamper proof seal that includes all of the following information:

(a) Business or trade name, licensee number, and the RFID package tag assigned by the statewide monitoring system that is visible.

(b) Name of the strain.

(c) Date of harvest, if applicable.

(d) Seed strain, if applicable.

(e) Universal symbol, if applicable.

Rule 49. Marihuana product sale or transfer; labeling and packaging requirements.

(1) Before a marihuana product is sold or transferred to or by a marihuana retailer, the container, bag, or product holding the marihuana product must have a label and be sealed with all of the following information:

(a) The name of the licensee and the state license number of the producer, including business or trade name, and tag or source number as assigned by the statewide monitoring system.

(b) The name of the licensee and the state license number including business or trade name of the licensee that packaged the product, if different from the marihuana processor of the marihuana product.

(c) The unique identification number for the package or the harvest, if applicable.

(d) Date of harvest, if applicable.

(e) Name of strain, if applicable.

(f) Net weight in United States customary and metric units.

(g) Concentration of THC and CBD.

(h) Activation time expressed in words or through a pictogram.

(i) Name of the marihuana safety compliance facility that performed any test, any associated test batch number, and any test analysis date.

(j) The universal symbol for marihuana product published on the agency's website.

(k) A warning that states all the following:

(i) "For use by individuals 21 years of age or older only. Keep out of reach of children."

(ii) "It is illegal to drive a motor vehicle while under the influence of marihuana."

(iii) "National Poison Control Center 1-800-222-1222."

(2) An edible marihuana product sold by a marihuana retailer shall comply with Rule 45(7).

Rule 50. Sale or transfer; marihuana retailer.

(1) A marihuana retailer may sell or transfer a marihuana product to an individual 21 years of age or older if all of the following are met:

(a) The licensee confirms that the customer presented his or her valid driver's license or government-issued identification card that bears a photographic image and he or she is 21 years of age or older.

(b) The licensee determines, if completed, any transfer or sale will not exceed the purchasing limit prescribed in Rule 51.

(c) Any marihuana product that is sold or transferred under this rule has been tested and is labelled and packaged for sale or transfer in accordance with Rule 49.

(2) A marihuana retailer shall enter all transactions, current inventory, and other information required by these rules in the statewide monitoring system in compliance with the act and these rules. The marihuana retailer shall maintain appropriate records of all sales or transfers under the act and these rules and make them available to the agency upon request.

(3) A marihuana retailer is not required to retain information from customers other than the following:

(a) Payment method.

(b) Amount of payment.

(c) Time of sale.

- (d) Product quantity.
- (e) Other product descriptors.

**Rule 51. Purchasing limits; single transaction; marihuana retailer.**

A marihuana retailer is prohibited from making a sale or transferring marihuana to an adult 21 years of age or older in a single transaction that exceeds 2.5 ounces, except that not more than 15 grams of marihuana may be in the form of marihuana concentrate.

**Rule 52. Marketing and advertising restrictions.**

(1) A marihuana establishment shall comply with all municipal ordinances, state law, and these rules that regulate signs and advertising.

(2) A licensee shall not engage in advertising that is deceptive, false, or misleading. A licensee shall not make any deceptive, false, or misleading assertions or statements on any marihuana product, any sign, or any document provided.

(3) A licensee shall not advertise or market a marihuana product to members of the public unless the licensee has reliable evidence that no more than 30 percent of the audience or readership for the television program, radio program, internet web site, or print publication, is reasonably expected to be under 21 years of age. Any marihuana product advertised or marketed under this rule shall include the warnings listed in Rule 49(1)(k).

(4) A marihuana product must be marketed or advertised as “marihuana” for use only by individuals 21 years of age or older.

(5) A marihuana product must not be marketed or advertised to individuals under 21 years of age. Sponsorships targeted to members under 21 years of age are prohibited.

**Rule 53. Trade samples.**

(1) The following licensees may provide trade samples:

(a) A marihuana grower may provide samples of marihuana or marihuana products to a marihuana processor or a marihuana retailer.

(b) A marihuana processor may provide a sample of marihuana or marihuana products to a marihuana processor or marihuana retailer.

(2) The transfer of trade samples does not require the use of a marihuana secure transporter provided the amount of trade samples does not exceed either:

(a) 15 ounces of marihuana.

(b) 60 grams of marihuana concentrate.

(3) Except for a licensed designated consumption establishment, the samples may not be consumed or used on the premises of a licensed marihuana establishment.

(4) Trade samples may not be sold to another licensee or consumer.

(5) Any sample provided to another licensee or received by a licensee must be recorded in the statewide monitoring system.

(6) Any trade samples provided under this rule must be tested in accordance with these rules prior to being transferred to another licensee.

(7) A licensee is limited to providing the following aggregate amounts of trade samples to another licensee in a 30-day period:

(a) 2.5 ounces or less of marihuana.

(b) 15 grams of marihuana concentrate.

(8) Any sample given to a licensee shall have a label containing the following in a legible font:

(a) A statement that reads: “TRADE SAMPLE NOT FOR RESALE” in bold, capital letters attached to the trade sample.

(b) All other information required in Rule 45.

(9) A licensee having received a trade sample may distribute the trade sample to its employees to determine whether to purchase the marihuana product.

#### Rule 54. Internal product testing samples.

(1) A marihuana grower, marihuana processor, marihuana retailer, or marihuana microbusiness may provide internal product testing samples directly to their employees for the purpose of ensuring product quality and making determinations about whether to sell the marihuana product.

(2) Except for a licensed designated consumption establishment, internal product testing samples may not be consumed or used on the premises of a licensed marihuana establishment.

(3) Internal product testing samples may not be transferred or sold to another licensee or consumer.

(4) Any internal product testing sample provided under this rule must be recorded in the statewide monitoring system.

(5) A marihuana grower is limited to providing a total of 2.5 ounces or less of internal product testing samples to their employees in a 30-day period.

(6) A marihuana processor is limited to providing a total of 5 grams of marihuana concentrate of internal product testing samples to their employees in a 30-day period.

#### Rule 55. Research and development.

(1) A marihuana grower or marihuana processor may engage in research and development. No other marihuana establishment may engage in research and development.

(2) A marihuana grower may designate up to 50 marihuana plants for research and development. Any marihuana plants designated for research and development shall count towards the authorized total amount of marihuana plants for a marihuana grower establishment and must be tracked in the statewide monitoring system.

(3) A marihuana processor may designate up to 5 grams of marihuana concentrate for research and development in a 30-day period. Any marihuana concentrates designated for research and development must be tracked in the statewide monitoring system.

(4) A marihuana grower or marihuana processor may transfer its research and development inventory to its employees for consumption. A marihuana grower or marihuana processor shall have research and development inventory tested pursuant to Rule 42 and Rule 43 before transfer to its employees. The marihuana grower or marihuana processor shall not transfer or sell research and development inventory to a marihuana retailer until after test results indicate a passed test. Any research and development inventory that is not properly transferred to an employee must be destroyed pursuant to Rule 37.

(5) The inventory designated for research and development may not be consumed or used on the premises of a licensed marihuana grower or marihuana processor.

(6) A marihuana grower or marihuana processor shall not transfer or sell inventory designated for research and development to another marihuana establishment.

## PART 8: EMPLOYEES

### Rule 56. Employees; requirements.

(1) A licensee shall conduct a criminal history background check on any prospective employee before hiring that individual. A licensee shall keep records of the results of the criminal history background checks. A licensee shall record confirmation of criminal history background checks and make the confirmation available for inspection upon request by the agency.

(2) A licensee shall comply with all of the following:

(a) Not allow a person under 21 years of age to volunteer or work for the marihuana establishment pursuant to section 11 of the act, MCL 333.27961.

(b) Not employ any individual who has been convicted for an offense involving distribution of a controlled substance to a minor.

(c) Have a policy in place that requires employees to report any new or pending charges or convictions. If an employee is convicted for an offense involving distribution of a controlled substance to a minor, the licensee shall report it immediately to the agency. The agency shall maintain a list of excluded employees.

(d) Enter in the statewide monitoring system the employee's information and level of statewide monitoring system access within 7 business days of hiring for the system to assign an employee identification number. The licensee shall update in the statewide monitoring system employee information and changes in status or access within 7 business days.

(e) If an employee is no longer employed by a licensee, the licensee shall remove that employee's access and permissions to the marihuana establishment and the statewide monitoring system.

(f) Train employees and have an employee training manual that includes, but is not limited to, employee safety procedures, employee guidelines, security protocol, and educational training, including, but not limited to, marihuana product information, dosage and purchasing limits if applicable, or educational materials. If applicable, the employee training manual shall include a responsible operations plan as specified in subdivision (g) of this subrule.

(g) A responsible operations plan which shall include a detailed explanation of how employees will monitor and prevent over-intoxication, underage access to the establishment, the illegal sale or distribution of marihuana or marihuana products within the establishment, and any other potential criminal activity on the premises, as applicable.

(h) Establish point of sale or transfer procedures for employees at marihuana retailers performing any transfers or sales to individuals 21 years of age or older. The point of sale or transfer procedures must include, but are not limited to, training in dosage, marihuana product information, health or educational materials, point of sale training, purchasing limits, CBD and THC information, serving size, and consumption information including any warnings.

(i) Screen prospective employees against a list of excluded employees based on a report or investigation maintained by the agency in accordance with subdivision (c) of this subrule.

(j) A licensee shall ensure that employees handle marihuana product in compliance with current good manufacturing process in manufacturing, packing, or holding human food, 21 CFR part 110, as specified in Rule 33.

(3) If an individual is present at a marihuana establishment or in a marihuana secure transporter vehicle who is not identified as a licensee or an employee of the licensee in the statewide monitoring system or is in violation of the act or these rules, the agency may take any action permitted under the act and these rules. This subrule does not apply to authorized escorted visitors at a marihuana establishment.

(4) Employee records are subject to inspection or examination by the agency to determine compliance with the act or these rules.

(5) Consumption of food by employees or visitors is prohibited where marihuana product is stored, processed or packaged or where hazardous materials are used, handled, or stored unless the marihuana establishment has a designated area for the consumption of food that includes, but is not limited to, a room with floor to ceiling walls and a door that separates the room from any marihuana product.

(6) As used in this rule “employee” includes, but is not limited to, hourly employees, contract employees, trainees, or any other person given any type of employee credentials or authorized access to the marihuana establishment. Trade services provided by individuals not normally engaged in the operation of a marihuana establishment, except for those individuals required to have employee credentials under this rule, must be reasonably monitored, logged in as a visitor, and escorted through any limited access areas.

(7) Nothing in this rule prohibits a marihuana establishment from allowing visitors into the establishment provided the visitors are reasonably monitored, logged in as a visitor, and escorted through any limited access areas. Further, visitors that are not employees or providing trade services are prohibited where hazardous materials are used, handled, or stored in the marihuana establishment.

**Rule 57. Marihuana retailer delivery employees; delivery for individuals 21 years of age or older; limited circumstances.**

(1) A marihuana retailer may employ an individual to engage in the delivery of a marihuana product for sale or transfer to an individual 21 years of age or older.

(2) A marihuana retailer that employs an individual under subrule (1) of this rule shall establish procedures as specified in this rule to allow an employee of the marihuana retailer to deliver a marihuana product to an individual 21 years of age or older at the residential address or at the address of a designated consumption establishment provided at the time the order was placed. All of the following procedures apply to the delivery procedures established by a marihuana retailer:

(a) For the purposes of this rule only, a marihuana retailer may accept an online order request of a marihuana product and payment for the order that will be delivered to the residential address or the address of a designated consumption establishment provided by an individual 21 years of age or older as provided in this rule.



(b) The marihuana retailer creates a delivery procedure that is subject to inspection and examination including, but not limited to, record keeping and tracking requirements. The agency may publish guidelines on the recommended procedure.

(c) The delivery employee meets the requirements in Rule 56 and is an employee of the marihuana retailer.

(d) The agency has authorized the marihuana retailer licensee's proposed delivery procedure.

(e) Any other delivery procedures required in this rule.

(3) A marihuana retailer that has received authorization under subrule (2) of this rule shall comply with all of the following:

(a) The marihuana retailer shall verify that the sale or transfer to the individual 21 years of age or older is in accordance with Rule 50 and this rule. The delivery employee may take cash payment upon delivery and shall deliver the marihuana product only to the physical residential address or to the address of a designated consumption establishment provided by the individual at the time the order was placed.

(b) The amount of marihuana product that may be delivered is limited to the single transaction purchase limits as provided in Rule 51.

(c) The marihuana retailer shall record all transactions in the statewide monitoring system as required in these rules.

(d) An employee of the marihuana retailer shall make deliveries only to an individual 21 years of age or older. A delivery employee shall verify that the person taking delivery is 21 years of age or older and the individual who placed the order.

(e) The authorization granted to a marihuana retailer pursuant to subrule (2) of this rule may be denied, suspended, or withdrawn by the agency. The marihuana retailer may be subject to other sanctions and fines as provided in the act and these rules.

(4) A marihuana retailer shall maintain records of all of the following that must be made available to the agency upon request:

(a) Confirmation that the customer presented his or her valid driver's license or government-issued identification bearing a photographic image of the customer to verify he or she is 21 years of age or older at the time of delivery.

(b) Validation that the address for delivery of a marihuana product is the residential address or at the address of a designated consumption establishment provided by the customer at the time the order for the marihuana product was placed.

(c) Documentation that the customer has consented to the delivery of marihuana product.

(d) Maintenance of the following records for any motor vehicle used for delivery and the making of the records available to the agency upon request:

(i) Vehicle make.

(ii) Vehicle model.

(iii) Vehicle color.

(iv) Vehicle identification number.

(v) License plate number.

(vi) Vehicle registration.

(5) A delivery employee shall carry a copy of all of the following information and shall make these records available to the agency upon request:

(a) The employee identification number required under Rule 56.

- (b) The marihuana retailer licensee license number.
- (c) The address of the marihuana retailer licensee.
- (d) Contact information of the marihuana retailer licensee.
- (e) A copy of the marihuana retailer delivery log as required in subrule (10) of this rule.
- (6) A delivery employee shall have access to a secure form of communication with the marihuana retailer licensee, such as a cellular telephone, at all times in the vehicle or on his or her person.
- (7) To ensure the integrity of the marihuana retailer operation, a delivery employee shall comply with all the following:
  - (a) During delivery, the delivery employee shall maintain a physical or electronic copy of the delivery request and shall make the delivery request available to the agency upon request.
  - (b) A delivery employee shall not leave a marihuana product in an unattended motor vehicle unless the motor vehicle is locked and equipped with an active vehicle alarm system.
  - (c) A delivery employee's vehicle shall contain a global positioning system (GPS) device for identifying the geographic location of the delivery vehicle. The device must be either permanently or temporarily affixed to the delivery vehicle while the delivery vehicle is in operation, and the device must remain active and in the possession of the delivery employee at all times during delivery. At all times, the marihuana retailer must be able to identify the geographic location of all delivery vehicles and delivery employees who are making deliveries for the marihuana retailer and shall provide that information to the agency upon request.
  - (d) While making deliveries, a delivery employee shall travel only from the marihuana retailer's licensed marihuana establishment to the delivery addresses and back to the marihuana retailer. A delivery employee shall make no more than 10 deliveries per trip before returning to the marihuana retailer. In making deliveries, a marihuana retailer shall not transport more than 15 ounces of marihuana or more than 60 grams of marihuana concentrate at one time pursuant to section 11 of the act, MCL 333.27961. A delivery employee shall not deviate from the delivery limit or delivery path described in this subrule except in an emergency that is reported to the marihuana retailer and documented in the residential delivery log. A delivery employee may refuel the vehicle during a stop that is reported and documented in the delivery log.
  - (e) While making deliveries, a delivery employee shall not carry marihuana product valued in excess of the amount of the customer's delivery of the marihuana product at any time. A marihuana retailer shall have a procedure subject to the agency's approval that establishes the amount of money a delivery employee is allowed to have on his or her person at any 1 time during the delivery process. All transactions must be completed in 1 business day and any money collected during the delivery process must be returned to the marihuana retailer.
  - (f) A delivery employee of a marihuana retailer shall not be employed as a home or delivery employee for multiple marihuana retailers, provisioning centers, or marihuana microbusinesses.
- (8) A marihuana retailer shall ensure that deliveries are completed in a timely and efficient manner as provided on the delivery request and log. All deliveries must occur within the business hours of the marihuana retailer. During a delivery, a delivery employee

shall not store a marihuana product in a vehicle used for deliveries other than in a secured compartment. Marihuana product for delivery must be packaged separately per delivery order, not comingled during the delivery, stored within a secured compartment that is clearly marked, and latched or locked in a manner to keep all contents secured within.

(9) The process of delivery begins when the delivery employee leaves the marihuana retailer's marihuana establishment with the marihuana product for delivery. The process of delivery ends when the delivery employee returns to the marihuana retailer's licensed marihuana establishment after delivering the marihuana product to the customer.

(10) A marihuana retailer shall maintain a record of each delivery of a marihuana product in a delivery log, which may be a hard copy or electronic format, and make the delivery log available to the agency upon request. For each delivery, the delivery log must record all of the following:

- (a) The date and time that the delivery began and ended.
- (b) The name of the delivery employee.
- (c) The amount of marihuana product allowed to be possessed for delivery.
- (d) The lot number of the marihuana product and the name of the strain of that marihuana product.
- (e) The signature of the customer who accepted delivery.
- (f) The deviations made under subrule 7(d).

(11) A marihuana retailer shall notify the agency, state police, or local law enforcement of any theft, loss of marihuana product, or criminal activity as provided in Rule 16. A marihuana retailer shall report to the agency and law enforcement, if applicable, any other event occurring during delivery that violates the delivery procedure as provided in this rule, including diversion of marihuana product.

(12) This rule does not affect the application of any applicable local, state, or federal laws or regulations.

## PART 9. SPECIAL LICENSES

Rule 58. Special licenses; eligibility.

(1) A person may apply to the agency for a special license as described under section 8 of the act and issued pursuant to section 9 of the act, MCL 333.27958 and 333.27959, and these rules. The agency may allow certain license types to submit applications and process them sooner than the date specified in the act to ensure there is adequate marihuana product available for customers and a functioning licensing and regulatory framework in place as soon as possible. A person may apply to the agency for a special license in the following categories:

- (a) Designated consumption establishment license. A designated consumption establishment license is valid for 1 year.
- (b) Excess marihuana grower license. An excess marihuana grower license is valid for 1 year.
- (c) Marihuana event organizer license. A marihuana event organizer license is valid for 1 year.
- (d) Temporary marihuana event license. A temporary marihuana event license is valid for a minimum of 1 day and ends on the date specified on the state license.

(2) An applicant shall meet the requirements of the act and these rules to be eligible for a special license.

(3) A person that allows consumption of marihuana products on the premises of a non-residential location and charges a fee for entry, sells goods or services while individuals are consuming on the premises, or requires membership for entry shall acquire a designated consumption establishment or temporary marihuana event license.

#### Rule 59. Designated consumption establishment license.

(1) An applicant for a designated consumption establishment license is subject to and shall meet the requirements of the act and these rules.

(2) A person may apply for a designated consumption establishment license on the form created by the agency accompanied by the nonrefundable application fee as prescribed in these rules. An application for a designated consumption establishment license shall be made under oath on a form provided by the agency. A complete application for a designated consumption establishment license shall contain the information required in Rule 7 of these rules and the following, including, but not limited to:

(a) A designated consumption establishment plan for the proposed consumption establishment. Upon the request of the agency, an applicant or licensee may be required to submit a revised designated consumption establishment plan. The plan must include, a diagram of the designated consumption establishment including, but not limited to, all of the following:

- (i) The proposed establishment's size and dimensions.
- (ii) Specifications of the designated consumption establishment.
- (iii) Physical address.
- (iv) Location of common entryways, doorways, or passageways.
- (v) Means of public entry or exit.

(vi) An indication of the distinct areas or structures for separate marihuana establishments at the same location as provided in Rule 31.

(b) A detailed floor plan and layout that includes all of the following:

- (i) Dimensions of the consumption establishment including interior and exterior rooms.
- (ii) Number of rooms.
- (iii) Dividing structures.
- (iv) Fire walls.
- (v) Entrances and exits.
- (vi) Locations of hazardous material storage, if applicable.
- (vii) Means of egress.

(c) Construction details for structures and fire-rated construction for required walls.

(d) Building structure information, including but not limited to, new, pre-existing, freestanding, or fixed.

(e) Building type information, including but not limited to, commercial, warehouse, industrial, retail, converted property, house, building, mercantile building, pole barn, greenhouse, laboratory, or center.

(f) Zoning classification and zoning information.

(g) If the proposed designated consumption establishment is in a location that contains multiple tenants and any applicable occupancy restrictions.

(h) Any other information required by the agency if not inconsistent with the act and these rules.

(i) A business plan, which includes a description of the proposed hours of operation.

(j) Proof of possession of the premises where the proposed designated consumption establishment will be located that encompasses all dates of the consumption establishment's operations and, if the premises are leased, written permission from the owner of the premises approving the applicant's use of designated consumption establishment for marihuana consumption.

(k) A responsible operations plan which shall include a detailed explanation of how employees will monitor and prevent over-intoxication, underage access to the designated consumption establishment, the illegal sale or distribution of marihuana or marihuana products within the consumption establishment, and any other potential criminal activity on the premises.

(l) A documented employee training that addresses all components of the responsible operations plan.

(m) A marihuana product destruction and waste management plan that meets the requirements of Rule 37, as applicable, for destroying and disposing of waste left at the marihuana establishment.

(3) The agency may provide a copy of the marihuana establishment plan to the BFS, local fire department, and local law enforcement for use in pre-incident review and planning.

(4) An applicant shall pay the fees required under Rule 10 of these rules.

(5) An applicant is subject to the precursors investigation and proposed establishment inspection required under Rule 12 of these rules.

(6) An applicant is subject to the proof of financial responsibility and insurance requirements under Rule 13 of these rules.

(7) A designated consumption establishment shall have the following characteristics:

(a) A smoke-free area for employees to monitor the marihuana consumption area.

(b) A ventilation system that directs air from the marihuana consumption area to the outside of the building through a filtration system sufficient to remove visible smoke, consistent with all applicable building codes and ordinances, and adequate to eliminate odor at the property line, if consumption by inhalation is permitted.

(c) A location physically separated from areas where smoking is prohibited and where smoke does not infiltrate into nonsmoking areas or buildings.

(8) The agency may determine an applicant is ineligible or deny an application for the reasons specified in these rules, as applicable.

#### Rule 60. Excess marihuana grower license.

(1) An applicant for an excess marihuana grower license is subject to and shall meet the requirements of the act and these rules.

(2) An excess marihuana grower license authorizes sale of marihuana, other than seeds, seedlings, tissue cultures, immature plants, and cuttings, to a marihuana processor or marihuana retailer.

(3) An excess marihuana grower license shall only be issued to a person who holds 5 stacked class C marihuana grower licenses issued by the agency under the act and at least 2 grower class C licenses issued by the agency under the MMFLA.

(4) A person may apply for an excess marihuana grower license on the form created by the agency accompanied by the nonrefundable application fee as prescribed in these rules. An application for an excess marihuana grower license shall be made under oath on a form provided by the agency and shall contain information as prescribed by the agency.

(5) An applicant for an excess marihuana grower license is subject to and shall meet the requirements in Rules 5 to 9 of these rules.

(6) An applicant for an excess marihuana grower license shall pay applicable fees required under Rule 10 of these rules.

(7) The agency may determine an applicant is ineligible or deny an application for the reasons specified in these rules, as applicable.

(8) The agency shall set the total marihuana plant count for an excess marihuana grower license in increments of 2,000 marihuana plants not in excess of the total marihuana plants permitted under grower class C licenses held under the MMFLA.

(9) Payment of an initial licensure fee shall be assessed prior to issuance of the state license. In determining the initial licensure fee for an excess marihuana grower license, the initial licensure fee of a class C marihuana grower license is assessed on the excess marihuana grower license at every 2,000 marihuana plant increment authorized by the state license.

(10) An excess marihuana grower licensee is subject to all requirements for a marihuana grower as provided for in the act and these rules, as applicable.

(11) An applicant shall pay the initial licensure fee within 30 days of issuance of excess marihuana grower license.

(12) A marihuana grower's application for an excess grower license is exempt from the application fee of \$6,000 under Rule 10.

#### Rule 61. Marihuana event organizer license.

(1) A marihuana event organizer is not authorized to engage in the operations of a marihuana establishment licensee without first obtaining the appropriate licenses.

(2) A person may apply for a marihuana event organizer license on the form created by the agency accompanied by the application as prescribed in these rules. An application for a marihuana event organizer license shall be made under oath on a form provided by the agency and shall contain information as prescribed by the agency.

(3) An applicant for a marihuana event organizer license is subject to and shall meet the requirements in Rules 5 through 9 of these rules, as applicable.

(4) An applicant for a marihuana event organizer license shall pay the nonrefundable application fee and any other fees required under Rule 10 of these rules.

(5) The agency may determine an applicant is ineligible or deny an application for the reasons specified in these rules, as applicable.

#### Rule 62. Temporary marihuana event license; application; operations.

(1) A temporary marihuana event license shall only be issued to a person who holds a marihuana event organizer license issued by the agency.

(2) Violations of the requirements applicable to temporary marihuana events may result in disciplinary action against the marihuana event organizer license or any other licenses held by a licensee participating in the temporary marihuana event and responsible for a violation of the act or these rules.

(3) A temporary marihuana event license shall only be issued for a single day or up to 7 consecutive days. No temporary marihuana event license will be issued for more than 7 days.

(4) An application for a temporary marihuana event license shall be submitted to the agency no less than 90 calendar days before the first day of the temporary marihuana event.

(5) A temporary marihuana event may only be held at a venue expressly approved by a municipality for the purpose of holding a temporary marihuana event.

(6) An application for a temporary marihuana event license shall be made under oath on a form provided by the agency and shall contain information as prescribed by the agency, including, but not limited to:

(a) The name of the applicant. For applicants who are individuals, the applicant shall provide both the first and last name of the individual. For applicants who are business entities, the applicant shall provide the legal business name of the applicant.

(b) The marihuana event organizer license number and each marihuana establishment license held by the applicant.

(c) The address of the location where the temporary marihuana event will be held.

(d) The name of the temporary marihuana event.

(e) A diagram of the physical layout of the temporary marihuana event. The diagram shall clearly indicate all of the following:

(i) Where the temporary marihuana event will be taking place on the location grounds.

(ii) All entrances and exits that will be used by participants during the event.

(iii) All marihuana consumption areas.

(iv) All marihuana retail areas where marihuana products will be sold.

(v) Where marihuana waste will be stored.

(vi) All areas where marihuana products will be stored.

(vii) The specific location of each marihuana retailer or marihuana microbusiness licensee who will be participating in the event. Each marihuana retailer or marihuana microbusiness licensee participating in the event shall be identified with an assigned temporary marihuana event location number.

(f) The dates and hours of operation for which the temporary marihuana event license is being sought. A temporary marihuana event license is required for any date in which the applicant engages in onsite marihuana product sales or allows onsite marihuana product consumption.

(g) Contact information for the applicant's designated primary contact person regarding the temporary marihuana event license, including the name, title, address, phone number, and email address of the individual.

(h) Contact information for a designated contact person(s) who shall be onsite at the event and reachable by telephone at all times that the event is occurring.

(i) Written attestation on a form provided by the agency from the municipality authorizing the applicant to engage in onsite marihuana sales to, and onsite consumption by, persons 21 years of age or older at the temporary marihuana event at the proposed location.

(j) A list of all licensees and employees that will be providing onsite sales of marihuana products at the temporary marihuana event. If the list of licensees and employees participating in the temporary marihuana event changes after the application is submitted or after the temporary marihuana event license is issued, the applicant shall submit an

updated list and an updated diagram to the agency not less than 72 hours before the event. Licensees not on the list submitted to the agency shall not participate in the temporary marihuana event.

(7) An applicant for a temporary marihuana event shall pay all required fees before the agency issues a temporary marihuana event license.

(8) The licensed marihuana event organizer shall hire or contract for licensed security personnel to provide security services at the licensed temporary marihuana event. All security personnel hired or contracted for by the licensee shall be at least 21 years of age and present on the licensed event premises at all times marihuana products are available for sale or marihuana consumption is allowed on the licensed event premises. The security personnel shall not engage in the consumption of marihuana products before or during the event.

(9) A licensed marihuana event organizer shall maintain a clearly legible sign, not less than 7" x 11" in size reading, "No Persons Under 21 Allowed" at or near each public entrance to any area where the sale or consumption of marihuana products is allowed. The lettering of the sign shall be no less than 1 inch in height.

(10) The marihuana event organizer licensee shall ensure that access to event is restricted to persons 21 years of age or older and ensure that marihuana sales or consumption is not visible from any public place or non-age-restricted area.

(11) The marihuana event organizer licensee, who holds the temporary marihuana event license, shall be responsible for ensuring that all rules and requirements for the onsite consumption of marihuana products are followed.

(12) The marihuana event organizer licensee shall ensure that all marihuana waste generated at a temporary marihuana event shall be collected and disposed of in accordance with the requirements of Rule 37 of these rules, as applicable.

(13) A licensed marihuana event organizer and all other licensees participating in a temporary marihuana event are required to comply with all other applicable requirements in the act and these rules and any municipal ordinances.

(14) The agency may require the marihuana event organizer and all participants to cease operations without delay if in the opinion of the agency or law enforcement it is necessary to protect the immediate public health and safety of the people of the state. Upon notification from the agency that the event is to cease operations, the marihuana event organizer shall immediately stop the event and all participants shall be removed from the premises within the timeframe provided by the agency.

(15) Upon notification from the agency, the marihuana event organizer shall immediately expel from the event any person selling marihuana products without a state license issued by the agency. The marihuana event organizer or their representative shall remain with the person being expelled from the premises at all times until he or she vacates the premises. If the person does not vacate the premises, the agency may inform the marihuana event organizer that the event must cease operations. Upon notification from the agency that the event is to cease operations, the marihuana event organizer shall immediately stop the event and all participants shall be removed from the premises within the time frame provided by the agency.



Rule 63. Temporary marihuana event fee.

(1) Each marihuana event organizer licensed to hold a temporary marihuana event in this state shall pay an initial licensure fee that consists of the following:

(a) For temporary marihuana events that do not include the sale of marihuana products, a \$500.00 fee for each day of the scheduled event to cover the agency's enforcement and compliance costs.

(b) For temporary marihuana events that include the sale of marihuana products:

(i) A \$500.00 fee for each licensee authorized to sell marihuana product at the event to cover the agency's enforcement and compliance costs.

(ii) A \$500.00 fee for each day of the temporary marihuana event to cover the agency's enforcement and compliance costs.

(2) If a licensee scheduled to attend an event withdraws from the event prior to the first day of the event, the marihuana event organizer may request a refund for that portion of the fees paid to the agency to cover the enforcement and compliance costs for that licensee.

(3) A marihuana event organizer's application for a temporary marihuana event license is exempt from the application fee of \$6,000 under Rule 10.

Rule 64. Temporary marihuana event sales.

(1) A marihuana event organizer licensee shall ensure that access to the area where marihuana sales are allowed shall be restricted to persons 21 years of age or older.

(2) Only persons age 21 or older may purchase and consume marihuana products at a temporary marihuana event. Prior to selling marihuana products to a customer, the licensee making the sale shall confirm, using valid identification as specified in the act and these rules, the age and identity of the customer.

(3) All sales of marihuana products at a temporary marihuana event must occur in a retail area as designated in the premises diagram required in Rule 62.

(4) Each sale at a temporary marihuana event shall be performed by a licensed marihuana retailer or marihuana microbusiness that is authorized to sell marihuana products to customers. The marihuana event organizer may also sell marihuana products at the temporary marihuana event if the marihuana event organizer separately holds a state license as a marihuana retailer or marihuana microbusiness.

(5) Licensed marihuana retailers or licensed marihuana microbusinesses shall only conduct sales activities within their specifically assigned area, identified in the diagram of the physical layout of the temporary marihuana event.

(6) Mobile sales activities via wagon, cart, or similar means are prohibited at the temporary marihuana event site.

(7) Licensed marihuana retailers or marihuana microbusinesses must prominently display their temporary marihuana event location number and state license within plain sight of the public.

(8) All sales at a temporary marihuana event shall occur on the dates stated on the state license and shall occur at the location stated on the state license. All onsite sales of marihuana products must comply with the hours of operation requirements in Rule 62.

(9) The marihuana products sold onsite at a temporary marihuana event shall be transported to the site of the temporary marihuana event by a licensed securer transporter in compliance with the act and these rules. A licensed transporter is not required if less than 15 ounces of marihuana or 60 grams of concentrate is being transported at one time.

(10) Except small amounts of products used for display, all marihuana products for sale at a temporary marihuana event shall be stored in a secure, locked container that is not accessible to the public. Marihuana products being stored by a licensee at a temporary marihuana event shall not be left unattended.

(11) All marihuana products made available for sale at a temporary marihuana event by a licensee shall comply with all requirements of the act and these rules for the sale and tracking of marihuana products. This includes, but is not limited to, the following:

(a) Identifying marihuana product from licensees' inventory at the marihuana establishment that will be transported for sale at the event using a marihuana secure transporter or an agent of the licensee to the temporary marihuana event.

(b) Tracking in the statewide monitoring system any sales of marihuana product at the event in accordance with the requirements of these rules.

(c) Tracking in the statewide monitoring system any marihuana product that is not sold at the event and is being returned to the marihuana establishment's inventory at its permanent location. If more than 15 ounces of marihuana or 60 grams of concentrate is being transported at one time, it must be transported using a marihuana secure transporter.

Rule 65. Renewal; notifications; inspections and investigations; penalties; sanctions; fines; sale or transfer.

(1) A designated consumption establishment and marihuana event organizer license are issued for a 1-year period and may be renewed. An applicant for renewal must meet the requirements, as applicable, and apply in the manner prescribed in Rule 15.

(2) A designated consumption establishment and marihuana event organizer applicant or licensee are subject to the notification and reporting requirements specified in Rule 16 as applicable.

(3) A designated consumption establishment or marihuana event organizer licensee or licensee participating in a temporary marihuana event shall comply with the notification requirements for theft, loss, or criminal activity pertaining to marihuana product under Rule 17 of these rules, as applicable.

(4) An applicant for or a licensed designated consumption establishment or marihuana event organizer are subject to the inspections and investigations specified in Rule 18 of these rules, as applicable.

(5) An applicant for or a licensed designated consumption establishment or marihuana event organizer are subject to Rule 19 and Rule 20 of these rules regarding violations, sanctions, and fines.

(6) A licensee selling marihuana products at a temporary marihuana event shall comply with the requirements of Rule 49 regarding the sale or transfer of marihuana.

(7) A licensee selling marihuana products at a temporary marihuana event shall comply with the requirements of Rule 51 regarding purchasing limits in a single transaction.

## PART 10: HEARINGS

Rule 66. Definitions.

This part uses terms as defined in Rule 1, sections 1 and 3 of the act, MCL 333.27951 and 333.27953, and section 3 of the APA, MCL 24.203. In addition, as used in this part:

(a) “Agency” means the marijuana regulatory agency, authority, or officer created by the constitution, statute, or agency action.

(b) “APA” means the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(c) “Contested case hearing” means an administrative hearing conducted by an administrative law judge within the MOAHR on behalf of the agency in accordance with the act and these rules.

(d) “MOAHR” means the Michigan office of administrative hearings and rules within the department of licensing and regulatory affairs.

(e) “MAHS general hearing rules” means the administrative hearing rules promulgated by the Michigan administrative hearing system set forth in R 792.10101 to R 792.10137 of the Michigan administrative code.

(f) “Public investigative hearing” means a proceeding before the marijuana licensing agency to provide an applicant an opportunity to present testimony and evidence to establish eligibility for a state license.

#### Rule 67. Hearing procedures; scope and construction of rules.

(1) These rules apply to hearings under the jurisdiction of the agency involving the denial of a state license or other licensing action or involving complaints brought by licensees.

(2) These rules are construed to secure a fair, efficient, and impartial determination of the issues presented in a manner consistent with due process.

(3) If the rules do not address a specific procedure, the MAHS general hearing rules, the Michigan court rules, and the contested case provisions of sections 71 to 87 of the APA, MCL 24.271 to 24.287, apply.

#### Rule 68. Hearing on state license denial.

(1) An applicant denied a state license by the agency may request a public investigative hearing in writing within 21 days of service of notice of the denial.

(2) After the agency receives notice of an applicant’s request for a public investigative hearing, the agency shall provide an opportunity for this hearing at which the applicant may present testimony and evidence to establish suitability for a state license.

(3) The agency shall provide the applicant with written notice of the public investigative hearing not less than 2 weeks before the hearing date. The notice must include all of the following information:

(a) A statement of the date, hour, place, and nature of the hearing.

(b) A statement of the legal authority and jurisdiction under which the hearing is to be held.

(c) A short and plain statement of the issues involved, and reference to the pertinent sections of the act and rules involved.

(d) A short description of the order and manner of presentation for the hearing.

(4) Not less than 2 weeks before the hearing, the agency shall post notice of the public investigative hearing at its business office in a prominent place that is open and visible to the public.

(5) The agency, or 1 or more administrative law judges designated and authorized by the agency, shall conduct and preside over the public investigative hearing and shall do all of the following:

- (a) Administer oaths or affirmations to witnesses called to testify at the hearing.
- (b) Receive evidence in the form of testimony and exhibits.
- (c) Establish and regulate the order of presentation and course of the public investigative hearing; set the time and place for continued hearings; and fix the time for filing written arguments, legal briefs, and other legal documents.
- (d) Accept and consider relevant written and oral stipulations of fact and law that are made part of the hearing record.
- (6) Upon timely request of the applicant or the agency in accordance with the Michigan court rules, the agency or the agency's designated administrative law judge may issue subpoenas duces tecum for the production of books, ledgers, records, memoranda, electronically retrievable data, and other pertinent documents and administer oaths and affirmations to witnesses as appropriate to exercise and discharge the powers and duties under the act.
- (7) During the public investigative hearing, the applicant and the agency must be given a full opportunity to present witnesses, ask questions or cross-examine the opposing party's witnesses, and present all relevant information to the agency regarding the applicant's eligibility and suitability for licensure.
- (8) The applicant shall at all times have the burden of establishing, by clear and convincing evidence, its eligibility and suitability for licensure under the act and these rules.
- (9) The agency shall record the public investigative hearing at its direction, stenographically or by other means, to adequately ensure preservation of an accurate record of the hearing.
- (10) Following the public investigative hearing, the agency shall decide whether to affirm, reverse, or modify in whole or in part the denial of state license.
- (11) The agency's decision to affirm, reverse, or modify in whole or in part the denial of state license must be based on the whole record before the agency and not be limited to testimony and evidence submitted at the public investigative hearing.
- (12) The agency's decision to affirm, reverse, or modify in whole or in part the denial of state license must be reduced to writing and served upon the applicant and agency within a reasonable time.

#### Rule 69. Review of licensing action.

- (1) A licensee who has been notified of a state license violation, or of the agency's intent to suspend, revoke, restrict, or refuse to renew a state license or impose a fine, may be given an opportunity to show compliance with the requirements before the agency taking action as prescribed by these rules.
- (2) A licensee aggrieved by an action of the agency to suspend, revoke, restrict, or refuse to renew a state license, or to impose a fine, may request a contested case hearing in writing within 21 days after service of notice of the intended action.
- (3) Upon receipt of a timely request, the agency shall provide the licensee an opportunity for a contested case hearing in accordance with sections 71 to 87 of the APA, MCL 24.271 to 24.287, and the MAHS general hearing rules.
- (4) The contested case hearing must be conducted by an administrative law judge or judges within the MOAHR.

(5) Upon timely request of the licensee or the agency in accordance with the Michigan court rules, an assigned administrative law judge may issue subpoenas duces tecum for the production of books, ledgers, records, memoranda, electronically retrievable data, and other pertinent documents, and administer oaths and affirmations to witnesses as appropriate to exercise and discharge the powers and duties under these rules.

(6) The agency has the burden of proving, by a preponderance of the evidence, that sufficient grounds exist for the intended action to suspend, revoke, restrict, or refuse to renew a state license, or to impose a fine, or summarily suspend a state license.

#### Rule 70. Summary suspension.

(1) If the agency summarily suspends a state license under these rules, without notice or hearing upon a determination that the safety or health of patrons or employees is jeopardized by continuing a marihuana establishment's operation, a post-suspension hearing must be held promptly to determine if the suspension should remain in effect, in accordance with section 92 of the APA, MCL 24.292, and the MAHS general hearing rules.

(2) At the post-suspension hearing, the agency has the burden of proving by a preponderance of the evidence that the summary suspension should remain in effect because the safety or health of patrons or employees is jeopardized by continuing a marihuana establishment's operation.

(3) Immediately after the post-suspension hearing, the administrative law judge assigned to hear the matter shall issue a written order granting or denying dissolution of the summary suspension.

(4) If the licensee fails to appear at the post-suspension hearing, the administrative law judge shall find that the safety or health of patrons or employees is jeopardized by continuing a marihuana establishment's operation and continue the order of summary suspension.

(5) The record created at the post-suspension hearing becomes a part of the record at any subsequent hearing in the contested case.

#### Rule 71. Proposal for decision.

Following an opportunity for a public investigative hearing or contested case hearing and closure of the record after submission of briefs, if any, the administrative law judge shall prepare and serve upon the parties a proposal for decision containing proposed findings of fact and conclusions of law, in accordance with section 81 of the APA, MCL 24.281.

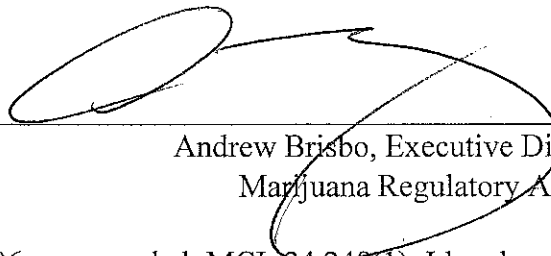
#### Rule 72. Final order.

(1) The agency shall consider the entire public investigative or contested case record and may affirm, reverse, or modify all or part of the proposal for decision.

(2) The agency's decision must be reduced to writing and served upon the licensee within a reasonable time.

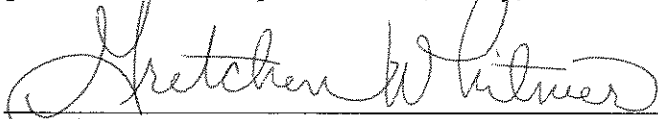
(3) The review decision or order of the agency following an opportunity for hearing is deemed to be the final agency decision or order for purposes of judicial review under chapter 6 of the APA, MCL 24.301 to 24.306.

## MARIJUANA REGULATORY AGENCY



Andrew Brisbo, Executive Director  
Marijuana Regulatory Agency

Pursuant to Section 48(1) of 1969 PA 306, as amended, MCL 24.248(1), I hereby concur in the finding of the Marijuana Regulatory Agency that the circumstances creating an emergency have occurred and the promulgation of the above rules is required for the preservation of the public health, safety, and welfare.



Gretchen Whitmer, Governor

7/2/19

Date



# Memorandum

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**TO:** Township Board, Northfield Township  
Planning Commission, Northfield Township

Township Director of Public Safety, Northfield Township  
Township Attorney, Northfield Township

**CC:** Township Manager, Northfield Township

**FROM:** Paul Lippens, AICP; Director of Urban Design and Mobility

**SUBJECT:** **Marihuana Facility Applications Update**

**DATE:** April 23, 2020

Dear Trustees and Planning Commissioners:

The Township Manager suggested I prepare an update on the Marihuana Facility application process. In my role as the Township Planner, I have been working diligently with the Township Manager, the Building, Planning, and Zoning Coordinator, the Zoning Administrator, and the Township Attorney to move the application process forward during the unprecedented COVID-19 pandemic. I can confidently say that all of us, as the Township Administration, have worked to faithfully implement the marihuana facility application procedure established by the Board. The Township Administration has also successfully completed the onboarding process with the Township Attorney. It has been a pleasure to work with Mariah and the Fink team!

## **SUMMARY OF ADMINISTRATIVE REVIEW PROCESS:**

- **Review of applications for completeness:** The first phase of the evaluation was to review the submitted marihuana facility applications to determine if they were complete. On February 24, the Township posted the results of the preliminary application process. Only two applications were incomplete.
- **Zoning Compliance Applications:** During the first phase, the Zoning Administrator also reviewed the Zoning Compliance Applications. Four applications were denied. These applicants can reapply with additional information to address the Zoning Administrator's concerns.
- **Preliminary scoring based on merit-based criteria established by the Board:** The second phase of the evaluation process was to complete the preliminary merit-based scoring of the applications. On April 9, we distributed a memorandum to the applicants, Planning Commission, and the Board on the preliminary results of the application scoring. We had initially intended to distribute this memo at the March 18 Planning Commission meeting. Due to COVID-19 the March 18 meeting, and the April



meetings were all cancelled, Following the cancellation of the April 1 meeting. The Township Administration made a decision to send out the preliminary scoring memorandum on April 9.

- **Site Plan and Conditional Use Applications:** The Township is now entering the third phase of the process, site plan and conditional use review and approval. During the Conditional Use Process the Township Planning Commission and Township Board may give high-scoring applications precedence. In the April 9 memorandum, applicants with higher scores were “encouraged” to submit site plan and conditional use applications and those with lower scores were “discouraged.” The Township Administration used these terms to convey to all applicants how they rank in comparison to other applications. Applicants were informed that the preliminary scores can change if new or updated information is submitted with the site plan and conditional use applications.

#### **FOLLOW UP WITH APPLICANTS:**

We are pleased to report that last week we met “virtually” with all the applicants that requested a pre-application meeting. The Administration hosted 10 video conference meetings. It was really encouraging to discuss the proposals with the applicants and answer questions about the development process.

Due to the stay at home order, the Township Manager has approved the submittal of site plan and conditional use applications electronically. When the application fees are processed by the Treasurer, applications will be reviewed. The Township Administration has also been in discussion regarding hosting remote public meetings, in accordance with the Governor’s emergency rules for local government meetings during COVID-19. We know that there is important business to conduct, but we also know that safety and health is the top priority right now for Michiganders. We will continue to consult with the Planning Commission Chair, Secretary, and Board representative, about each upcoming Planning Commission meeting. As I stated prior, the decision was made to cancel the March 18, April 1, and April 15 meetings of Planning Commission. No determination has been made yet as to the status of the May meetings.

Moving forward, the Township is in a good position, in that we have several excited and capable people looking to site new cannabis businesses in the Township. That being said, there are limited number of permits and Planning Commission and the Township Board may decide to give precedence to applications based on the merit-based scoring criteria. In my role as the Township Planner, I will continue to make an effort to provide a clear assessment of each application and include all the information needed to make informed decisions. In the meantime, if you have questions, please me know.

Respectfully submitted,

**McKENNA ASSOCIATES**

Paul Lippens, AICP  
Director of Urban Design and Mobility





# Memorandum

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**TO:** Planning Commission, Northfield Township  
Township Board, Northfield Township  
Township Director of Public Safety, Northfield Township  
Township Attorney, Northfield Township

**CC:** Township Manager, Northfield Township

**FROM:** Paul Lippens, AICP; Director of Urban Design and Mobility

**SUBJECT:** **Marihuana Facility Applications Findings & Scoring Evaluation Report**

**DATE:** April 9, 2020

Dear Planning Commissioners:

The Township Board established application procedures for Marihuana Facilities through working with a subcommittee that included: Trustee Chick, Trustee Otto, and Treasurer Zelenock. Northfield Township began accepting applications for marihuana facilities on December 26, 2019 and closed the initial application window on January 24, 2020. The review and scoring of the applications were delegated to the Township Administration. This memorandum presents the results and findings of the administrative review and scoring of the Marihuana Facility Applications.

In total, there were 16 applications received from 11 different applicants. Within the 16 applications are a total of 30 different permits - 8 Provisioning Centers, 11 Adult Use Recreational Retail, 9 Growers (7 Medical and 2 Recreational), and 2 Processors.

McKenna has completed a comprehensive review and in-depth analysis of applications and scoring evaluations for these proposed marihuana facilities in Northfield Township. For the MFVLDA scoring evaluation, 1 application earned a perfect score (8/8), 1 application earned (7/8), 6 applications earned (6/8), five applications earned (5/8) and two applications did not complete this form earning no credit (0/8).

For the supplemental scoring evaluation, 3 applications received a perfect score (20/20), 2 applications scored (19/20), 2 applications scored (18/20), 2 applications scored (17/20), 1 application scored (15/20), 4 applications scored (5/20), 1 application scored (4/20). Fourteen out of the sixteen applications were deemed fully complete, and 6 of these 14 are encouraged to continue in the process.

The following findings contained in this memorandum includes a summary of the scoring of applications received, and recommended actions for the Planning Commission.



## **FINDINGS AND SCORING EVALUATION REPORT:**

Based on the application procedures established by the Board of Trustees, all completed Marihuana Facility Applications, with a conditionally approved Zoning Compliance application, are eligible to submit site plan and Conditional Use applications. However, the higher scoring applications may be given precedence during the Conditional Use process by the Planning Commission and the Board. The Township Administration discourages lower scoring applications from proceeding with the process.

Applicants may wish to submit additional information with their Site Plan and Conditional Use applications. The Township Administration will consider new information and may revise scoring based on information received.

We have divided the findings into three categories: 1) Sites most likely to receive Conditional Use precedence, 2) Sites discouraged from proceeding in the process, and 3) Sites excluded from the scoring process.

### **1. Sites most likely to receive Conditional Use precedence**

- a. Three applications scored high and are most likely to receive precedence from Planning Commission and/or the Board. These applications submitted complete Marihuana Facility Applications and complete Zoning Compliance Applications. These applications are eligible to submit Site Plan and Conditional Use applications.
  - i. Northern Trellis, 50 North Territorial
  - ii. Whitmore Wellness, 8475 North Main Street
  - iii. Treehouse Wellness Center, 9545-9551 Main StreetThese three applicants have each applied for 1 Retail, and 1 Provisioning permit; representing all available licenses in the Township.
- b. There are two applications with Complete Marihuana Facility Applications and denied Zoning Compliance Applications. These applications are encouraged to address deficiencies in the Zoning Compliance application process with the Zoning Administrator and then file for Site Plan and Conditional Use approval. One applicant, Sugar Magnolia, also has an incomplete Marihuana Application and will need to submit supplemental information to complete the Marihuana Application.
  - i. Great Lakes Logistical Experts, 587 West Northfield Church
  - ii. Kheti LLC, ~127 acres of vacant land on East North Territorial
  - iii. Sugar Magnolia LLC, 4271 East North Territorial

The three sites are located more than 1000 feet from each other and represent all the grow applications received in the application window. There is no conflict in them moving forward in the process.

### **2. Sites discouraged from proceeding in the process.**

- a. Applications for five sites scored relatively low and are less likely to receive precedence from Planning Commission and/or the Board in the Conditional Use Process based on the initial



evaluation. Additionally, these sites are within a 1000-foot distance of one of the high-scoring sites listed in 1a, above:

- i. Greenways, incomplete Marihuana Facility Application and denied Zoning Compliance Application, 9559 Main Street
- ii. Larren Investments, denied Zoning Compliance Application, Vacant Land on East North Territorial
- iii. Michigan Pure Green, 52 Barker Road
- iv. GS Ashley, LLC, 22 Barker Road
- v. GS Ashley, LLC, 8505 Main Street

The Township Administration discourages these sites from moving forward in the process. If these applicants wish to proceed in the process, we recommend that a pre-application meeting with a representative from their team be scheduled prior to submitting additional information or applications to the Township.

### **3. Sites excluded from the scoring process.**

- a. There are two sites on the northside of downtown that did not submit signed, or initialed, MFVLDA forms and could not be ranked or considered for precedence.
  - i. Pure Roots, LLC, 9876 Main Street
  - ii. Joyology, 9977 North Main Street

At this time, the Township Administration discourages these sites from proceeding in the process. These applicants may choose to submit site plan and conditional use applications but they cannot be given precedence in the Conditional Use process. If these applicants provide signed and initialed MFVLDA forms, the Township Administration will score the applications.

### **DISCUSSION AND NEXT STEPS:**

At this time, no action is required by Planning Commission to accept the Township Administration's review and scoring of the Marihuana Facility Applications. We recommend that Planning Commission forward this information along with the attached documentation to the Board of Trustees, as a communication with no Board action requested.

Respectfully submitted,

### **McKENNA ASSOCIATES**

Paul Lippens, AICP  
Director of Urban Design and Mobility

### **Attachments:**

1. Northfield Township Combined MFVLDA and Score Evaluation, March 13, 2020
2. Marihuana Facility Scoring Evaluations Packet, w/ each individual application
3. Zoning Compliance reviews completed by the Zoning Administrator
4. Map of sites with pending applications and facility buffers

# Northfield Township Combined Marihuana MFVLDA and Score Evaluation: March 13, 2020

Drawing Order	Business Name	MFVLDA Score	Supplemental Score Evaluation	Marihuana Application Status*	Zoning Compliance Application Status*	Permits Requested	Permit Precedence
10	Northern Trellis	8	20	Complete	Approved**	Retail (1) Provisioning Center (1)	Retail (1 of 3) Provisioning (1 of 3)
12	Greenways	7	4	Incomplete	Denied	Retail (1)	Within 1000 ft. of Treehouse Wellness
3	Larren Investments LLC	6	20	Complete	Denied	Retail (1) Provisioning Center (1)	Within 1000 ft. of Northern Trellis
13	Great Lakes Logistical Experts	6	20	Complete	Denied	Grower, Medical Class A (1)	Grower, Medical Class A (1 of 6)
4	Whitmore Wellness	6	19	Complete	Approved**	Retail (1) Provisioning Center (1)	Retail (2 of 3) Provisioning (2 of 3)
16	Kheti LLC	6	19	Complete	Denied	Grower, Recreational Class C (2) Medical Class C (4) Processor (2)	Grower, Rec Class C (1 & 2 of 6) Medical Class C (3 6 of 6) Processor (1 & 2 of 3)
6	The Tree House Wellness Center	6	18	Complete	Approved**	Retail (1) Provisioning Center (1)	Retail (3 of 3) Provisioning (3 of 3)
9	Sugar Magnolia Nursery LLC	6	15	Incomplete	Denied	Grower, Medical Class A (1)	Grower, Medical Class A (6 of 6)
11	Michigan Pure Green LLC	5	18	Complete	Approved**	Retail (1) Provisioning Center (1)	Within 1000 ft. of Treehouse Wellness
5	GS Ashley LLC	5	5	Complete	Approved**	Retail (1)	Within 1000 ft. of Treehouse Wellness
7	GS Ashley LLC	5	5	Complete	Approved**	Retail (1) Provisioning Center (1)	Within 1000 ft. of Whitmore Wellness Si
14, same site as 7	GS Ashley LLC	5	5	Complete	Approved**	Retail (1)	Within 1000 ft. of Whitmore Wellness Si
15, same site as 5	GS Ashley LLC	5	5	Complete	Approved**	Retail (1) Provisioning Center (1)	Within 1000 ft. of Treehouse Wellness
2	Pure Roots LLC*	0	17	Complete	Approved**	Provisioning Center (1)	Provisioning (4 of 3)
8, same site as 2	Pure Roots LLC*	0	17	Complete	Approved**	Retail (1)	Retail (4 of 3)
1	Joyology*	0	15	Complete	Approved**	Provisioning Center (1)	Within 1000 ft. of Pure Roots

\* Pure Roots and Joyology did not submit signed and initialed MFVLDA forms so they cannot receive precedence in application processing.

\*\*The Zoning Compliance is conditionally approved. Site Plan Approval and Conditional Use approval is required prior to final Zoning Compliance Approval.

Key:	Status	Next Steps
Green	Encouraged to proceed	File Site Plan and Conditional Use application
Blue	Encouraged to proceed	Additional information needed
Red	Discouraged from proceeding	Withdraw application or schedule meeting with Township
Orange	No MFVLDA / Discouraged	Planning Commission opinion needed

# NORTHFIELD TOWNSHIP PLANNING COMMISSION

## Minutes of Regular Meeting February 19, 2020

### 1. CALL TO ORDER

The meeting was called to order by Chair Roman at 7:00 P.M. at 8350 Main Street.

### 2. PLEDGE OF ALLEGIANCE

### 3. ROLL CALL AND DETERMINATION OF QUORUM

Roll call:	
Janet Chick	Present
Brad Cousino	Absent with notice
Eamonn Dwyer	Absent with notice
Sam Iaquinto	Absent
Cecilia Infante	Present
Larry Roman	Present
John Zarzecki	Present

Also present:  
Building/Planning/Zoning Coordinator Mary Bird  
Planning Consultant Paul Lippens, McKenna Associates  
Recording Secretary Lisa Lemble  
Members of the Community

### 4. ADOPTION OF AGENDA

- **Motion:** Cousino moved, Chick supported, to approve the agenda as presented.  
**Motion carried 4—0 on a voice vote.**

### 5. FIRST CALL TO THE PUBLIC

In answer to a question from a member of the public, Lippens noted the Township will complete the preliminary processing of all marijuana business applications previously submitted by February 28<sup>th</sup>.

### 6. CLARIFICATIONS FROM THE COMMISSION

None.

### 7. CORRESPONDENCE

**Information and background material requested by Commission from Township Planner:**

- Marijuana Zoning and Permitting Ordinances (as adopted).
- Marijuana Application Materials (as approved by Township Board)
- Marijuana Applications drawing results
- North Village Committee recommendation and most recent plan submitted by Livonia Builders

### 8. PUBLIC HEARINGS

None.

### 9. REPORTS

#### 9A. Board of Trustees

Chick reported that on February 11<sup>th</sup> the Board:

- Agreed to consider a resolution on February 25<sup>th</sup> to bond for construction of a sewer plant equalization basin at the Wastewater Treatment Plant.
- Reviewed a purchase offer from Livonia Builders for a portion of the North Village site, and directed the Township Manager and attorney to bring recommendations to the February 25<sup>th</sup> meeting.
- Agreed to require inclusion of an easement for public parking part of any sale of 75 Barker Road.

#### 9B. ZBA

Has not met since the last Planning Commission meeting.

#### 9C. Staff Report

Nothing to report.

#### 9D. Planning Consultant

Nothing to report.

#### 9E. Parks and Recreation

No report.

#### 9F. Downtown Planning Group

Infante reported the group will meet next week.

### 10. UNFINISHED BUSINESS

**10A. Case #JPC190008; Hardscape Solutions; 1031 W. North Territorial Road; Request for Conditional Use Permit to operate a landscape supply company per Section 36-157(16) of the Zoning Ordinance. Parcel 02-19-300-012; Zoned AR—Agricultural.**

Lippens recalled that the major outstanding issue for this application was outdoor storage of materials which is not permitted in the AR district. He noted the revised plan shows materials will be stored in the existing barn on the site. He said the site plan and use are consistent with the landscaping uses allowed in the district. He added that one minor revision needed is to note that a 4" concrete pad will be provided for the dumpster, and the Township Engineer continues to state that a detailed engineering review is not needed.

In answer to a question from Roman, applicant Thomas Rogowski confirmed that he is currently using one of the barns on the site for storage.

- **Motion:** Roman moved, Chick supported, to approve the request in Case #JPC190008; Hardscape Solutions, 1031 W. North Territorial Road for conditional use permit to operate a landscape supply company.  
**Motion carried 4—0 on a roll call vote.**

**10B. Case #JPC190008; Hardscape Solutions; 1031 W. North Territorial Road; Request for Site Plan approval to operate a landscape supply company. Parcel 02-19-300-012; Zoned AR—Agricultural.**

- **Motion:** Roman moved, Chick supported, to approve the request for site plan approval in Case #JPC190008, Hardscape Solutions; 1031 W. North Territorial Road, to operate a landscape supply company, with the condition stated in the February 12, 2020, McKenna report.  
**Motion carried 4—0 on a roll call vote**

**11. NEW BUSINESS**

None.

**12. MINUTES**

- **Motion:** Roman moved, Chick supported, that the minutes of the February 5, 2020, regular meeting be approved as presented and to dispense with the reading. **Motion carried 5—0 on a voice vote.**

**13. SECOND CALL TO THE PUBLIC**

Faith Wheeler, 371 Grove, made comments about the sale of a portion of the North Village site to Livonia Builders.

**14. COMMENTS FROM THE COMMISSIONERS**

Answering a question from Faith Wheeler, Chick said the Township Board has not signed an agreement for sale of the North Village property. Infante noted the Planning Commission cannot do anything regarding that sale; comments from the public should be made to the Township Board.

**15. ANNOUNCEMENT OF NEXT MEETING**

**March 4, 2020**, at 7:00 P.M. at the Public Safety Building was announced as the next regular Commission meeting time and location.

**16. ADJOURNMENT**

- **Motion:** Roman moved, Chick supported, that the meeting be adjourned.  
**Motion carried 4—0 on a voice vote.**

The meeting was adjourned at 7:18 P.M.

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Prepared by Lisa Lemble.

Corrections to the originally issued minutes are indicated as follows:

Wording removed is ~~stricken through~~;

Wording added is underlined.

Adopted on \_\_\_\_\_, 2020.

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Larry Roman, Chair

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John Zarzecki, Secretary

Official minutes of all meetings are available on the Township's website at  
<http://www.twp-northfield.org/government/>