

AN ORDINANCE TO AMEND TITLE XI OF THE INKSTER CITY CODE, CHAPTER 124, MEDICAL MARIJUANA BUSINESSES LICENSES, PROVIDING FOR THE LICENSING OF BOTH MEDICAL AND ADULT USE MARIJUANA ESTABLISHMENTS, TO THE CODE OF ORDINANCES FOR THE CITY OF INKSTER, WAYNE COUNTY, MICHIGAN.

NOW THEREFORE, THE CITY OF INKSTER ORDAINS:

Chapter 124 of Title XI of the Code of Ordinances of the City of Inkster shall be amended as follows:

CHAPTER 124: MARIJUANA BUSINESS LICENSE

§ 124.01 PURPOSE.

(A) The purpose of this chapter is to establish standards and procedures for the issuance, renewal and/or revocation of licenses for marijuana related businesses in order to:

- (1) Serve and protect the health, safety and welfare of the general public;
- (2) Establish a set of rules and regulations which are fair and equitable for those interested in operating a marijuana related business in compliance with the Michigan Medical Marihuana Act (MMMA) MCL 333.26421 et seq, Medical Marihuana Facilities Licensing Act (MMFLA) MCL 333.27101 et seq, the Michigan Regulation and Taxation of Marihuana Act (MRTMA) MCL 333.27951 et seq, and State of Michigan regulations;

(3) To provide reasonable regulation pursuant to the city's general police power granted to cities by the Michigan Constitution of 1963 and the Home Rule City Act, MCL § 117.1 et seq., as amended.

(B) Nothing in this chapter, or in any companion regulatory provision adopted in any other provision of the Code of Inkster, is intended to grant, nor shall they be construed as granting, immunity from criminal prosecution for growing, sale, consumption, use, distribution, or possession of marijuana not in strict compliance with the Code of Inkster and state and federal laws. The provisions provided herein do not protect users, caregivers or the owners/operators of a marijuana related business where the use of marijuana is occurring from federal prosecution, or from having their property seized by federal authorities under the Federal Control Substances Act.

124.02 ADOPTION OF STATE RULES AND REGULATIONS.

All activities related to marijuana related businesses shall be in compliance with the General Rules of the Michigan Department of Community Health, the Michigan Marijuana Regulatory Agency, the Michigan Medical Marihuana Act, Initiated Law 1 of 2008 (MMMA), MCL § 333.26421 et seq, the Medical Marihuana Facilities Licensing Act (MMFLA) MCL 333.27101 et

seq, and the Michigan Regulation and Taxation of Marihuana Act (MRTMA) MCL 333.27951 et seq.

§ 124.03 LICENSE REQUIRED FOR THE OPERATION OF A MARIJUANA RELATED BUSINESS.

(A) Each operator of a marijuana related business shall apply for a license with the Inkster City Clerk ("Clerk"). An annual fee schedule for the initial license and annual renewal fees shall be set by City Council and such fees shall be reasonably calculated to reimburse the city for the costs associated with the enforcement of this chapter and the continued regulation of establishments licensed hereunder.

(B) Licenses are non-transferrable and shall only apply to the person/entity listed on the license at the address listed on the application. Licensees in good standing with the city, have no code violations and/or unpaid taxes or fees, are permitted to transfer licenses to new addresses or locations provided all necessary city approvals are obtained prior to requesting the transfer.

(C) Licenses shall expire at the end of each calendar year from the date of issuance.

(D) Applications to renew a license to operate a marijuana related business shall be filed at least 30 days prior to the date of expiration. Such renewal shall be annual and shall be accompanied by the annual fee and any other fee(s) required under this chapter. All provisions and requirements of this chapter apply to renewals in the same manner as the original application.

(E) The license requirements set forth in this chapter shall be in addition to, and not in lieu of, any other licensing and permitting requirements imposed by any other federal, state or local law.

(F) The issuance of any license pursuant to this chapter does not create an exception, defense or immunity to any person in regard to any potential criminal liability the person may have for production, distribution or possession of marijuana, possession of drug paraphernalia or presence in a place where drugs are being used, stored or kept.

(G) Applications for a license required by this chapter shall be made with forms provided by the Clerk, which shall be signed and verified under oath by the applicant, if an individual, or by the authorized agent for any firm, partnership, association, corporation, company or organization and shall set forth and/or provide at a minimum, the following information and documentation:

(1) If the applicant is an individual he/she must provide their: name, address and telephone number, master driving record and criminal complaint history (CCH). If the individual intends to operate an unincorporated individual proprietorship, they must also obtain a general business license as provided for under the Inkster City Code;

(2) If the applicant is a partnership, or an employee, it must provide: the name of the organization and each partner, residential and business address and telephone number of each partner and the business, and each partner's CCH and master driving record, along with a copy of the partnership's city of Inkster business license;

(3) If the applicant is a corporation, it must provide: the name of the organization, date of organization and certificate of good standing from the state under which the corporation was

organized, a copy of the corporation's City of Inkster business license, the names of the principal officers, directors and local representatives of their organization, their residential and business addresses, telephone numbers, their CCH and master driving record;

(4) The length of time for which the right to do business as a marijuana related business is sought;

(5) A recent color photograph of the applicant or the agent for the applicant who is to do the actual assessments and/or certification for the marijuana related business. The photograph shall be two inches by two inches showing head and shoulders of applicant or agent and shall be supplied by the applicant or agent;

(6) A brief description of the product, products or services involved at the medical marijuana facility;

(7) The name, address and telephone number of the organization's registered agent or the party that has the full power and authority to accept service of process for and on behalf of applicant in respect to any matters connected with or arising out of the business transacted under said license with full acknowledgment that service on said agent shall be valid when personally served on him/her.

(8) The location and mailing address and all telephone numbers where the marijuana related business will be located.

(9) The operator of the marijuana related business shall be required to submit proof, in a form acceptable to the Clerk, of ownership of the property where the marijuana related business is to be operated. If the location/property/premises of the marijuana related business to be licensed hereunder is not owned by the operator of the marijuana related business, the operator shall submit alternate written proof in a form acceptable to the Clerk that the titled owner of the location/property/premises to be licensed has given notarized written consent to the operator to use the premises for the licensed use.

(10) A copy of approvals from the City Planning and Building Department including: special land use, site plan and building permits.

(11) A copy of the certificate of compliance from the city for the location of the marijuana related business.

(12) Proof that all fees imposed hereunder have been paid in full and that the applicant is not otherwise indebted to the City or in default of any other provision of the Inkster City Code.

(13) A signed release from the applicant permitting the police department to perform a criminal background check to ascertain whether the applicant and operator named on the application have been convicted of a felony.

(14) A binding release of liability and agreement to hold harmless the City of Inkster from any liability arising out of the operation of the marijuana related business.

(15) Proof of insurance providing coverage for fire and loss liability and claims arising out of conditions, activities, structures and facilities maintained in relation to the marijuana related business, in an amount of no less than one million dollars umbrella coverage.

(16) A copy of the applicant's computerized criminal history (CCH).

(17) A history of the applicant's ordinance and state law license and permit revocation and ordinance violations.

(H) The Clerk may not issue a license under this chapter until the applicant has completed the application, provided all the information and documentation required herein and paid all fees.

§ 124.04 DEFINITIONS AND LEGISLATIVE FINDINGS AND INTENT.

(A) Any term set forth herein shall have the meaning assigned to it by § 10.05 of the Inkster City Code. The legislative findings and intent of this chapter shall be identical to those set forth in § 10.02 of the Inkster City Code.

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

(B) "Department" means the department of licensing and regulatory affairs.

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

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

(2) industrial hemp; or

(3) any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other products.

(D) "Marijuana establishment" means a marijuana grower, marijuana safety compliance facility, marijuana processor, marijuana microbusiness, marijuana retailer, marijuana secure transporter, or any other type of marijuana-related business licensed by the department as defined in the MRTMA, MCL 333.27951 et seq.

(E) "Marijuana facility" means an enterprise at a specific location at which a licensee is licensed to operate under the Medical Marihuana Facilities Licensing Act, MCL 333.27101 et seq., including a marijuana grower, marijuana processor, marijuana provisioning center, marijuana secure transporter, or marijuana safety compliance facility. The term does not include or apply to a "primary caregiver" or "caregiver" as that term is defined in the MRTMA, MCL 333.27951 et seq.

(F) "Marijuana grower" means a person licensed to cultivate marijuana and sell or otherwise transfer marijuana to marijuana establishments.

(G) "Marijuana event organizer" means a person licensed to apply for a temporary marijuana event under these rules.

(H) "Marijuana-infused product" means a topical formulation, tincture, beverage, edible substance, or similar product containing marijuana and other ingredients and that is intended for human consumption.

(I) "Marijuana microbusiness" means a person licensed to cultivate not more than 150 marijuana plants; process and package marijuana; and sell or otherwise transfer marijuana to individuals who are 21 years of age or older or to a marijuana safety compliance facility, but not to other marijuana establishments.

(J) "Marijuana processor" means a person licensed to obtain marijuana from marijuana establishments; process and package marijuana; and sell or otherwise transfer marijuana to marijuana establishments.

(K) "Marijuana related business" means a "marijuana facility" licensed pursuant to the Medical Marijuana Facilities Licensing Act, MCL 333.270101, et. seq., or a "marijuana establishment" licensed pursuant to the Michigan Regulation and Taxation of Marijuana Act, MCL 333.27951, et. seq.

(L) "Marijuana retailer" means a person licensed to obtain marijuana from marijuana establishments and to sell or otherwise transfer marijuana to marijuana establishments and to individuals who are 21 years of age or older.

(M) "Marijuana secure transporter" means a person licensed to obtain marijuana from marijuana establishments in order to transport marijuana to marijuana establishments.

(N) "Marijuana safety compliance facility" means a person licensed to test marijuana, including certification for potency and the presence of contaminants.

(O) "Process" or "Processing" means to separate or otherwise prepare parts of the marijuana plant and to compound, blend, extract, infuse, or otherwise make or prepare marijuana concentrate or marijuana -infused products.

(P) “Social Equity Program” means all programs established by the Marijuana Regulatory Agency, or other agency of the Department of Licensing and Regulatory Affairs, pursuant to Section 8 of the MRTMA.

(Q) "State license" means a license issued by the department that allows a person to operate a marijuana establishment.

(R) “MMFLA” means the Medical Marihuana Facilities Licensing Act, MCL 333.2701, et seq.

(S) “MRTMA” means the Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1 of 2018, MCL 333. 27951 et seq.

(T) “Marijuana” has the same meaning as “marihuana” under the MMFLA and MRTMA

§ 124.05 ISSUANCE OF LICENSE.

(A) An annual license is required to operate any of the following marijuana related businesses:

Establishment Type

Grower

Class A. (maximum of 500 plants under MMFLA or 100 plants under MRTMA)

Class B. (maximum of 1,000 plants under MMFLA or 500 plants under MRTMA)

Class C. (maximum of 1,500 plants under MMFLA or 2,000 plants under MRTMA)

Marijuana retailer

Marijuana Microbusiness

Processor

Secure transporter

Safety compliance facility

Designated Consumption Establishment

Excess marijuana grower

Marihuana event organizers

(B) The Clerk shall issue a license hereunder to the applicant unless the Clerk finds a reason for denial, as stated in division (D), below. The license shall be for no more than one year in length.

(C) In the event a licensee does not commence operations within 180 days after being issued a license, the license shall be deemed forfeited and the business may not commence operations.

(D) The standards for denial of a license are as follows:

- (1) The applicant has not been granted the appropriate license by the Marijuana Regulatory Agency or the Department.
- (2) The application is not completely filled out or information is not provided as required by the prior sections herein.
- (3) The applicant's CCH shows a conviction or convictions for activities that pose a threat or a danger to the residents of the city should a license be granted including, but not limited to: drunk driving, disturbing the peace, assault and battery, domestic violence, theft, dishonesty or deception, fraud, criminal sexual conduct, felonious assault, murder, and violations of the Controlled Substance Act.
- (4) Verification of any of the information required by § 124.03 shows the information provided by the applicant to be fraudulent, a misrepresentation, or a false statement.
- (5) An investigation through the City Police Department or any other law enforcement agency that shows a pattern and history of conduct which would justify a revocation of the applicant's permit under § 124.08.
- (6) The applicant or any of the proposed employees/partners/members of the applicant have a habitual history of business license/permit violations, revocations, or a habitual history of ordinance violations.
- (7) Failure to pay the nonrefundable licensing application fee herein or the application fee.
- (8) No license shall be issued to any applicant until such applicant shall have obtained the age of 21 years.
- (9) The applicant's marijuana related business license has previously been revoked.
- (10) The building/premises where the marijuana related business is to be located is in violation of any city building, fire, electrical or health codes.
- (11) The applicant and/or business has outstanding taxes, fines, fees or liens owed to the city.
- (12) Failure to comply with the Inkster Zoning Ordinance or any other Inkster City Codes.
- (13) Any other competent, material and substantial evidence indicating the applicant or any of the applicant's proposed employees/partners/members pose an apparent danger to the health, safety and welfare of the people of the city and/or the activity proposed to be permitted constitutes an apparent danger to the health, safety and welfare of the people of the city.
- (14) The designated maximum number of licenses have already been granted by the city.

§ 124.06 APPEAL OF CLERK'S DENIAL.

(A) Any applicant for a license to operate a marijuana related business under this chapter may appeal the clerk's denial of the license to the Mayor, provided however that:

- (1) The applicant has paid all permitting, licensing and application fees related to the operation of a marijuana related business pursuant to § 124.07, below;

(2) Within seven days of the applicant's receipt of the Clerk's denial, the applicant made a written objection of the Clerk's denial to the Mayor that;

- (a) Has a valid and verifiable date of service of process;
- (b) Sets forth with particularity the grounds on which the objection is based;
- (c) Seeks consideration of the appeal to the Mayor.

(B) Should the Mayor deny the applicant's appeal, the applicant may appeal to the City Council and the Council shall:

(1) Allow the applicant or its representative an opportunity to speak and present any affidavits and documentary evidence in support of the appeal so long as the presentation shall be reasonably limited in time;

(2) Sustain the Clerk's determination unless it finds the Clerk's denial of the license to have been an abuse of discretion hereunder;

(3) Issue a formal written Resolution deciding the appeal within 30 days of the hearing set forth herein;

(C) The Mayor shall preside over any appellate hearing and employ a relaxed evidentiary standard for the admission of evidence.

§ 124.06a GOOD-FAITH EFFORT FOR EQUITY IN EMPLOYMENT.

(A) Each licensee shall undertake good-faith efforts to ensure that at least 15% of the Licensee's employees and/or contractors are individuals who:

1. Have a Prior Controlled Substance Conviction;
2. Is Low Income;
3. Is a Resident of Inkster; or
4. Is a former Resident of Inkster.

(B) Annually, each licensee shall send to the City of Inkster a certification, stating either:

1. that at least 15% of the Licensee's employees and/or contractors meet one of the five criteria above, or

2. (a) that the Licensee has hired such employees and/or contractors to the extent feasible, and describing the Licensee's employment outreach and recruitment strategies, including providing employment opportunities to persons meet one of the five criteria above and (b) that the Licensee transmitted all job openings, to the City of Inkster agency responsible for workforce development, for public posting.

§ 124.07 FEES.

The city shall assess fees as follows:

(A) Each applicant for a license to operate a marijuana related business shall pay an application fee which shall be fixed annually by resolution of the Inkster City Council as part of its statutory budgeting process and at such other times as the City Council, in its discretion and by resolution, believes is necessary to defray the costs associated with the licensing regulation and enforcement activities contemplated hereunder.

(B) In addition, and the same manner, Inkster City Council shall impose an annual licensing fee by resolution as part of its statutory budgeting process and at such other times as the City Council, in its discretion and by resolution, believes is necessary to defray the costs associated with the licensing regulation and enforcement activities contemplated hereunder.

§ 124.08 NON-RENEWAL OR REVOCATION.

The operation of a marijuana related business shall be a revocable privilege and not a right in the city; the city may choose not to renew or to revoke a license based on any of the following:

- (A) The revocation or non-renewal of any necessary licenses or permits by the Marijuana Regulatory Agency or Department;
- (B) Failure to meet or maintain the conditions and requirements established by this chapter or any related provisions of Inkster City Code or state, federal or local laws;
- (C) One or more violations of any city ordinance on the premises;
- (D) Nuisance or blight violations on the premises;
- (E) A demonstrated history of excessive calls for public safety (police, fire, and EMS) originating from the premises, being three or more calls in any 30-day period; or
- (F) Nonpayment or real or personal property taxes, fines, fees or liens owed to the city;
- (G) Any fraud, misrepresentation, or false statement contained in the application for a license;
- (H) Any fraud misrepresentation, or false statement made in connection with services and/or merchandise;
- (I) Conviction of the licensee of a felony;
- (J) Conducting business in an unlawful manner or in such a manner as to constitute a breach of peace.

§ 124.09 CIVIL FORFEITURE.

Any marijuana or drug paraphernalia used, sold or possessed with intent to sell in violation of this chapter shall be seized and forfeited to the City of Inkster along with any proceeds received from any such illegal sales.

§ 124.10 LICENSE NOT TRANSFERABLE.

Any license granted hereunder may not be sold or otherwise transferred from the person or entity that made the application to any other person or entity.

§ 124.11 HOURS OF OPERATION.

Permissible hours of operation for a marijuana retailer shall be:

- (A) Monday - Friday: 9:00 a.m. through 9:00 p.m.
- (B) Saturdays: 9:00 a.m. through 6:00 p.m.
- (C) Sundays: 10:00 a.m. through 6:00 p.m.

§ 124.99 PENALTY.

Any violations of this chapter shall be punishable in accordance with § 10.99 of the Inkster Code of Ordinances.