

PUBLIC HEALTH AND SAFETY STANDING COMMITTEE

MONDAY, MARCH 7, 2022

10:05 A.M. - PUBLIC HEARING

(JT/mgw)

LAW DEPARTMENT

An Proposed Ordinance to amend Chapter 20 of the 2019 Detroit City Code, *Health*: by repealing Article VI, *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, Division 3, *Licensing*, Section 20-6-33, *Provisional certificate*, and Section 20-6- 37, *Fees*; by renumbering and amending Article VI, *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, Division 3, *Licensing*, Section 20-6-38, *Application review process*; by adding Article VI, *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, Division 3, *Licensing*, Section 20-6-33, *Homegrown program*, and Section 20-6- 38, *Licensing process for limited licenses*; by amending Article VI, *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, Division 1, *Generally*, Section 20-6-1, *Purpose*, and Section 20-6-2, *Definitions*, Section 20-6-3, *Opt-in provisions; severability*, Division 2, *Marijuana License Review Committee*, Section 20-6-22, *Personnel*, Section 20-6- 23, *Management*, and Section 20-6-24, *Duties and functions*, and Division 3, *Licensing*, Section 20-6-31, *License required*, Section 20-6-32, *Detroit legacy status*, Section 20-6-34, *Number of licenses*, Section 20-6-35, *Detroit legacy certification; application periods*, Section 20-6-36, *License application*, Section 20-6-39, *Inspections, investigations, review of materials submitted*, Section 20-6-40, *Operating requirements*, Section 20-6-41, *License issuance*, Section 20-6-42, *Renewal of license; notification of deficiency or violation*, Section 20-6-43, *License suspension, revocation, or denial of renewal*, Section 20-6-44, *Penalty*, Section 20-6-45, *Appeals*, Section 20-46, *Inspection by authorized local officials*, and Section 20-6-47, *Social equity initiatives and substance use prevention appropriations*; and by restating without amendment Article VI, *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, Division 2, *Marijuana License Review Committee*, Section 20-6- 21, *Creation*

Attending:

(Law Department; CRIO, BSEED, DPD, and LPD)

City of Detroit

CITY COUNCIL

Mary Sheffield
President

James Tate
President Pro Tem



Scott Benson
Fred Durhal, III
Latisha Johnson
Gabriela Santiago-Romero
Mary Waters
Angela Whitfield Calloway
Coleman A. Young, II
Janice Winfrey
City Clerk

Committee of the Whole Room • 1340 Coleman A. Young Municipal Center • (313) 224-3443 • Detroit, MI 48226

March 3, 2022

Mr. Charles Raimi, Deputy Corporation Counsel, Law Department
Ms. Kim James, Esq., Law Department
Ms. Kimberly Rustem, Director, Civil Rights, Inclusion & Opportunity
Mr. David Bell, Director, Buildings, Safety Engineering and Environmental Department
Mr. James White, Chief of Police, Detroit Police Department
Mr. David Whitaker, Director, Legislative Policy Division

RE: An Proposed Ordinance to amend Chapter 20 of the 2019 Detroit City Code, *Health: by repealing Article VI, Medical Marijuana Facilities and Adult-Use Marijuana Establishments, Division 3, Licensing, Section 20-6-33, Provisional certificate, and Section 20-6- 37, Fees; by renumbering and amending Article VI, Medical Marijuana Facilities and Adult-Use Marijuana Establishments, Division 3, Licensing, Section 20-6-38, Application review process; by adding Article VI, Medical Marijuana Facilities and Adult-Use Marijuana Establishments, Division 3, Licensing, Section 20-6-33, Homegrown program, and Section 20-6- 38, Licensing process for limited licenses; by amending Article VI, Medical Marijuana Facilities and Adult-Use Marijuana Establishments, Division 1, Generally, Section 20-6-1, Purpose, and Section 20-6-2, Definitions, Section 20-6-3, Opt-in provisions; severability, Division 2, Marijuana License Review Committee, Section 20-6-22, Personnel, Section 20-6- 23, Management, and Section 20-6-24, Duties and functions, and Division 3, Licensing, Section 20-6-31, License required, Section 20-6-32, Detroit legacy status, Section 20-6-34, Number of licenses, Section 20-6-35, Detroit legacy certification; application periods, Section 20-6-36, License application, Section 20-6-39, Inspections, investigations, review of materials submitted, Section 20-6-40, Operating requirements, Section 20-6-41, License issuance, Section 20-6-42, Renewal of license; notification of deficiency or violation, Section 20-6-43, License suspension, revocation, or denial of renewal, Section 20-6-44, Penalty, Section 20-6-45, Appeals, Section 20-46, Inspection by authorized local officials, and Section 20-6-47, Social equity initiatives and substance use prevention appropriations; and by restating without amendment Article VI, Medical Marijuana Facilities and Adult-Use Marijuana Establishments, Division 2, Marijuana License Review Committee, Section 20-6- 21, Creation.*

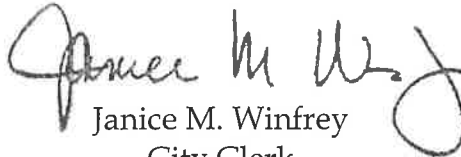
The Detroit City Council has scheduled a **PUBLIC HEARING** in their Public Health and Safety Standing Committee relative to the above-captioned proposed ordinance amendment for **MONDAY, MARCH 7, 2022 AT 10:05 A.M.** Please plan to be present.

Pursuant to the *City of Detroit Health Department Emergency Epidemic Order in Response to the COVID-19 Pandemic Per MCL 333.2453 Declaration of Continued Emergency Due to COVID-19, to Extend Remote Public Access to Open Meetings and Prohibit Gatherings at Meetings that Risk the Personal Health and Safety of Members of the Public and Public Bodies*, effective from January 1, 2022 to March 31, 2022, the Detroit City Council will be meeting **in person** in the **City Council Committee of the Whole Room, 13th Floor, Coleman A. Young Municipal Center** for its Public Health and Safety

Standing Committee meeting. **Virtual public attendance is strongly encouraged**, as, pursuant to public health guidelines, the meeting room will be subject to space limitations, and there are limited additional opportunities for public viewing within the building. For the safety of the attendees and participants, it is recommended that the public participate by means of one of the methods listed below:

- To attend online: <https://Detroitmi.gov/Online-CC-Meeting> - Meeting ID: 85846903626
- To attend by phone only, call one of these numbers: +1-929-436-2866, +1-312-626-6799, +1-669-900-6833, +1-253-215-8782, +1-301-715-8592, or +1-346-248-7799 Enter Meeting ID: 85846903626

Very truly yours,



Janice M. Winfrey
City Clerk

JMW/mgw

Enclosures

cc: Ms. Gail Fulton, Legislative Liaison, Mayor's Office
Ms. Sharon Blackmon, Attorney, Law Department
Ms. Tonja Long, Attorney, Law Department

TUESDAY, MARCH 1, 2022

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NOTICE OF PUBLIC HEARING

ON PROPOSED ORDINANCE TO AMEND CHAPTER 20 OF THE 2019 DETROIT CITY CODE, HEALTH: BY REPEALING ARTICLE VI, MEDICAL MARIJUANA FACILITIES AND ADULT-USE MARIJUANA ESTABLISHMENTS

SUMMARY

An Proposed Ordinance to amend Chapter 20 of the 2019 Detroit City Code, *Health*: by repealing Article VI, *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, Division 3, *Licensing*, Section 20-6-33, *Provisional certificate*, and Section 20-6-37, *Fees*; by renumbering and amending Article VI, *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, Division 3, *Licensing*, Section 20-6-38, *Application review process*; by adding Article VI, *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, Division 3, *Licensing*, Section 20-6-33, *Homegrown program*, and Section 20-6-38, *Licensing process for limited licenses*; by amending Article VI, *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, Division 1, *Generally*, Section 20-6-1, *Purpose*, and Section 20-6-2, *Definitions*, Section 20-6-3, *Opt-in provisions; severability*, Division 2, *Marijuana License Review Committee*, Section 20-6-22, *Personnel*, Section 20-6-23, *Management*, and Section 20-6-24, *Duties and functions*, and Division 3, *Licensing*, Section 20-6-31, *License required*, Section 20-6-32, *Detroit legacy status*, Section 20-6-34, *Number of licenses*, Section 20-6-35, *Detroit legacy certification; application periods*, Section 20-6-36, *License application*, Section 20-6-39, *Inspections, investigations, review of materials submitted*, Section 20-6-40, *Operating requirements*, Section 20-6-41, *License issuance*, Section 20-6-42, *Renewal of license; notification of deficiency or violation*, Section 20-6-43, *License suspension, revocation, or denial of renewal*, Section 20-6-44, *Penalty*, Section 20-6-45, *Appeals*, Section 20-46, *Inspection by authorized local officials*, and Section 20-6-47, *Social equity initiatives and substance use prevention appropriations*; and by restating without amendment Article VI, *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, Division 2, *Marijuana License Review Committee*, Section 20-6-21, *Creation*.

Pursuant to the *City of Detroit Health Department Emergency Epidemic Order in Response to the COVID-19 Pandemic Per MCL 333.2453, Declaration of Continued Emergency Due to COVID-19, to Extend Remote Public Access to Open Meetings and Prohibit Gatherings at Meetings that Risk the Personal Health and Safety of Members of the Public and Public Bodies*, effective from January 1, 2022 to March 31, 2022, the Detroit City Council will be meeting in person in the **City Council Committee of the Whole Room, 13th Floor, Coleman A. Young Municipal Center on Monday, March 7, 2022 at 10:05 a.m.** in the Public Health and Safety Standing Committee. **Virtual public attendance is strongly encouraged** as, pursuant to public health guidelines, the meeting room will be subject to space limitations,

and there are limited additional opportunities for public viewing within the building. For the safety of attendees and participants, it is recommended that the public participate by means of one of the methods listed below:

The Public Hearing may be viewed in the following manner.

1. Watch via television
 - Comcast: Channel 10
 - ATT: From Channel 99, click Detroit, then Channel 10
2. Watch online by using <https://detroitmi.gov/government/city-council> and clicking on Channel 10.
3. To attend by phone only, call one of these numbers:
+1-929-436-2866, +1-312-626-6799, +1-869-900-6833, +1-253-215-8782, +1-301-715-8592, or +1-346-248-7799 Enter Meeting ID: **85846903626**
4. To attend online: <https://Detroitmi.gov/Online-CC-Meeting>

Public Comment:

To participate at the time of Public Comment, please raise your hand within the zoom application.

1. Telephone participants: Raise your hand by pressing *9
2. Web participants: Raise your hand by clicking **raise hand** in the application or pressing
 - a. Windows computer = [ALT] + [Y]
 - b. Apple computers = [OPTION] + [Y]

To be consistent with how Public Comment has been handled for in-person meetings:

- You will be called on in the order in which your hand is raised
- All time limits set by the meeting Chair will still be enforced
- Any hands raised after the Chair ends submission of public comments, will not be able to speak at the meeting

All interested persons are invited to be present and be heard as to their views. Persons making oral presentations are encouraged to submit written copies to the City Clerk's Office CityClerkHelpDesk@detroitmi.gov via e-mail, for the record.

JANICE M. WINFREY
City Clerk

NOTICE TO THE HEARING IMPAIRED:

With advance notice of seven calendar days, the City of Detroit will provide interpreter services at public meetings, including American Sign Language, language translation and reasonable ADA accommodations. Please contact the **Civil Rights, Inclusion and Opportunity Department** at (313) 224-4950, through the TTY number 711, or email crio@detroitmi.gov to schedule these services.

City Clerk - 17

Introduced
2/22/2022
(mgw)

1 BY COUNCIL MEMBER _____:

2 AN ORDINANCE to amend Chapter 20 of the 2019 Detroit City Code, Health, Chapter

3 20 of the 2019 Detroit City Code, Health: by repealing Article VI, *Medical Marijuana Facilities*

4 *and Adult-Use Marijuana Establishments, Division 3, Licensing, Section 20-6-33, Provisional*

5 *certificate, and Section 20-6-37, Fees; by renumbering and amending Article VI, Medical*

6 *Marijuana Facilities and Adult-Use Marijuana Establishments, Division 3, Licensing, Section 20-*

7 *6-38, Application review process; by adding Article VI, Medical Marijuana Facilities and Adult-*

8 *Use Marijuana Establishments, Division 3, Licensing, Section 20-6-33, Homegrown program, and*

9 *Section 20-6-38, Licensing process for limited licenses; by amending Article VI, Medical*

10 *Marijuana Facilities and Adult-Use Marijuana Establishments, Division 1, Generally, Section 20-*

11 *6-1, Purpose, and Section 20-6-2, Definitions, Section 20-6-3, Opt-in provision; severability,*

12 *Division 2, Marijuana License Review Committee, Section 20-6-22, Personnel, Section 20-6-23,*

13 *Management, and Section 20-6-24, Duties and functions, and Division 3, Licensing, Section 20-*

14 *6-31, License required, Section 20-6-32, Detroit legacy status, Section 20-6-34, Number of*

15 *licenses, Section 20-6-35, Detroit legacy certification; application periods, Section 20-6-36,*

16 *License application, Section 20-6-39, Inspections, investigations, review of materials submitted,*

17 *Section 20-6-40, Operating requirements, Section 20-6-41, License issuance, Section 20-6-42,*

18 *Renewal of license; notification of deficiency or violation, Section 20-6-43, License suspension,*

19 *revocation, or denial of renewal, Section 20-6-44, Penalty, Section 20-6-45, Appeals, Section 20-*

20 *46, Inspection by authorized local officials, and Section 20-6-47, Social equity initiatives and*

21 *substance use prevention appropriations; and by restating without amendment Article VI, Medical*

22 *Marijuana Facilities and Adult-Use Marijuana Establishments, Division 2, Marijuana License*

23 *Review Committee, Section 20-6-21, Creation.*

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

2 **Section 1.** Chapter 20 of the 2019 Detroit City Code, *Health*, Article VI, *Medical*
3 *Marijuana Facilities and Adult-Use Marijuana Establishments, Division 1 containing Sections 20-*
4 *6-1 through 20-6-3, and Division 2 containing Sections 20-6-21 through 20-6-24, and Division 3*
5 *containing Sections 20-6-31 through 20-6-48*, be amended to read as follows:

6 **CHAPTER 20. HEALTH**

7 **ARTICLE VI. MEDICAL MARIJUANA FACILITIES AND ADULT-USE MARIJUANA**
8 **ESTABLISHMENTS**

9 **DIVISION 1. GENERALLY**

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

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

- 16 (1) Serve and protect the health, safety, and welfare of the general public through
17 reasonable regulation of marijuana business operations including noise, odor, air
18 and water quality, food safety and public safety;
- 19 (2) Establish an application fee and a licensing fee for medical marijuana facilities and
20 adult-use marijuana establishments to cover the City's costs in administering this
21 ordinance;

- 1 (3) Establish procedures for application, renewal, suspension, and revocation of a
2 business license for medical marijuana facilities, and for adult-use marijuana
3 establishments;
- 4 (4) Minimize adverse effects, if any, from the cultivation, processing, dispensing and
5 storage of marijuana;
- 6 (5) Adopt reasonable regulations as needed pursuant to the city's general police
7 power granted to cities by the Michigan Constitution of 1963 and the Home Rule
8 City Act, being MCL 117.1 *et seq.*;
- 9 (6) Recognize that social equity in the marijuana industry is required to address the
10 historical disproportionate impact of marijuana prohibition and enforcement on
11 Detroiters and to positively impact the Detroit community, and that the City of
12 Detroit has been expressly named by the State of Michigan's Social Equity Program
13 as a community that has been disproportionately impacted by marijuana prohibition
14 and enforcement;
- 15 (7) Recognize that ~~long-term~~ residents of disproportionately impacted communities the
16 ~~City of Detroit~~ have historically been excluded from ownership opportunities in the
17 legal marijuana industry due to the disproportionate impact of marijuana
18 prohibition, enforcement, and the lack of access to capital, land, and resources; ~~that~~
19 ~~more than 30% of Detroiters live below the federal poverty level; that Detroit has~~
20 ~~a marijuana-related criminal conviction rate that exceeds the average marijuana-~~
21 ~~related criminal conviction rate in the State of Michigan; and that long-term Detroit~~
22 ~~residents have substantially contributed to the economy in the form of taxes and~~
23 ~~fees to the extent that a reduction in fees, and reservation of adult-use retailer, adult-~~

1 use grower, adult use processor, designated consumption, marijuana event
2 organizer, and microbusiness licenses for long term Detroit residents under this
3 article is appropriate as a form of social equity;

4 (8) Recognize that long term residents of the City of Detroit are uniquely invested,
5 personally and financially, in the success of the City's marijuana programs; that at
6 least 20% of Detroiters live below the federal poverty level; and that Detroit has a
7 marijuana-related criminal conviction rate that exceeds the average marijuana-
8 related criminal conviction rate in the State of Michigan; and that long term
9 residence is a key predictor of the likelihood that an applicant will operate in
10 compliance with the MRTMA, as applicable.

11 (9) Recognize that employment opportunities in the legal marijuana industry are
12 essential for Detroiters, and to strongly encourage and incentivize licensees under
13 this article to ensure that at least 50% of its employees are Detroit residents,
14 specifically those Detroit residents who are ~~veterans~~, low income, or have a prior
15 controlled substance record, as such terms are defined in Section 20-6-2 of this
16 Code, and that the jobs provided pay at least \$15 an hour;

17 (10) Facilitate real property ownership opportunities for Detroit residents, for the
18 purpose of operating adult-use marijuana establishments licensed under this article
19 and MRTMA; the City of Detroit shall use good faith efforts to transfer eligible
20 City-owned real property to one of the City's economic development agencies or
21 authorities, for the specific purpose of transferring the property to individuals who
22 have obtained Detroit Legacy status ~~legacy applicants or licensees~~ as defined in
23 Section 20-6-2 of this Code, at ~~25%~~ of the property's lowest justifiable fair market

1 value. Such a transfer would be subject to applicable approvals by the City of
2 Detroit and the economic development agency or authority board, as well as certain
3 program rules that may be developed. The development and use of the transferred
4 property would be subject to all requirements of this Code and MRTMA;

5 (11) Recommend that, subject to appropriation, amounts equal to \$500,000 of the fees
6 generated from the licenses issued pursuant to this article, and \$500,000 from an
7 allocation to the City of Detroit pursuant to M.C.L. 333.27964 be used annually to
8 further social equity goals, including, but not limited to, addressing the challenges
9 set forth in Subsections (6), (7), (8), and (9) of this section; and to

10 (12) Clarify that licensure of either a medical marijuana facility or an adult-use
11 marijuana establishment is a revocable privilege and not a right in the City. There is
12 no property right for an individual or business to have a medical marijuana facility
13 business license or an adult-use marijuana establishment business license in the
14 City of Detroit.

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

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

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

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

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

7 *Cap, or numerical cap* means a limit on the number, within a category of license type, of
8 adult-use marijuana establishments and medical marijuana facilities.

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

12 *Co-location license* means a license required under this Article when a property has been
13 zoned to allow more than one medical marijuana facility or adult-use marijuana establishment to
14 operate on the same premises, and the property owner is not the licensee of all the businesses
15 operating on the premises.

16 ~~*Common ownership* means two or more state operating licenses or two or more equivalent~~
17 ~~licenses held by one individual or one entity.~~

18 *Community outreach* means any outreach meeting, technology aided outreach, or outreach
19 alert intended to ensure community awareness of licensing activities under this article.

20 *Community outreach plan* means a plan for ongoing efforts by a licensee under this article
21 to continually engage and inform the community that surrounds the licensee's business location of
22 employment and social equity opportunities at the licensee's place of business.

1 *Community outreach report* means a report of the efforts taken by a license applicant to
2 inform and engage the community that surrounds the applicant’s proposed business location of the
3 applicant’s proposed business operation, and any employment or social equity opportunities that
4 the applicant intends to offer.

5 *Cultivation or cultivate* means:

- 6 (1) all phases of growth of marijuana from seed to harvest; or
- 7 (2) preparing, packaging or repackaging, labeling, or relabeling of any form of
8 marijuana.

9 *Department* means the City of Detroit Buildings, Safety Engineering, and Environmental
10 Department.

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

14 *Detroit Legacy status applicant or licensee* means a status obtained by an individual who
15 has, or an entity that is at least 51% owned and controlled by one or more individuals who have,
16 as certified by the Civil Rights, Inclusion, and Opportunity Department (“CRIO”), been a City of
17 Detroit resident at the time of application for at least one year, ~~and upon renewal,~~ and additionally
18 has been:

- 19 (1) a City of Detroit resident for 15 of the past 30 years preceding the date of
20 application, and continues to so reside throughout the period of licensure; or
- 21 (2) a City of Detroit resident for 13 of the past 30 years preceding the date of
22 application, and continues to so reside throughout the period of licensure, and is a
23 low-income applicant at the time of application, as defined in this section; or

1 (3) a City of Detroit resident for the 10 of the past 30 years preceding the date of
2 application, and continues to so reside throughout the period of licensure, and has
3 a prior controlled substance record, as defined in this section, or a parent with a
4 prior controlled substance record as defined in this section under the following
5 circumstances:

- 6 a. the parent is named on the applicant's birth certificate, and the parent's
7 conviction took place before the applicant's 18th birthday; or
8 b. the parent has claimed the applicant as a dependent regularly on federal
9 income tax filings, and the parent's conviction took place before the
10 applicant's 18th birthday.

11 *Digital notification* means any form of electronic communication.

12 *Disproportionately impacted community* means any community where marijuana-related
13 convictions are greater than the state of Michigan median, and where 20% or more of the
14 population is living below the federal poverty level according to 2019 American Community
15 Survey 5-year estimates published by the United States Census Bureau.

16 *Equity applicant* means an individual who currently resides in a disproportionately
17 impacted community and has resided in such disproportionately impacted community for at least
18 5 cumulative years within the past 10 years, is a certified participant in Michigan's Social Equity
19 Program, is a Detroit Legacy applicant, or an entity where one or more of the aforementioned
20 individuals owns and controls at least 51% of the applicant entity.

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

- 22 (1) A marijuana grower license, of any class, issued under MRTMA and a grower
23 license, of any class, issued under the MMFLA;

- 1 (2) A marijuana processor license issued under the MRTMA and a processor license
2 under the MMFLA;
- 3 (3) A marijuana retailer license issued under the MRTMA and a provisioning center
4 license issued under the MMFLA;
- 5 (4) A secure transporter license issued under the MRTMA and a secure transporter
6 license issued under the MMFLA; or
- 7 (5) A safety compliance facility license issued under the MRTMA and a safety
8 compliance facility license issued under the MMFLA.

9 *Excess marijuana grower* means a state operating license holder holding five class C
10 marijuana grower licenses under the MRTMA.

11 *Grower* means a business licensed under the MMFLA or MRTMA and this article, located
12 in this state, which cultivates, dries, trims, or cures and packages marijuana for sale or transfer
13 to a medical marijuana facility or an adult-use marijuana establishment, and is licensed as follows:

- 14 (1) *class A adult-use marijuana grower* means a state operating license holder who is
15 authorized to grow 100 marijuana plants;
- 16 (2) *class B adult-use marijuana grower* means a state operating license holder who is
17 authorized to grow 500 marijuana plants;
- 18 (3) *class C adult-use marijuana grower* means a state operating license holder who
19 is authorized to grow 2000 marijuana plants;
- 20 (4) *class A medical marijuana grower* means a state operating license holder who
21 is licensed to grow 500 medical marijuana plants;
- 22 (5) *class B medical marijuana grower* means a state operating license holder who
23 is licensed to grow 1000 medical marijuana plants; or

1 (6) *class C medical marijuana grower* means a state operating license holder who is
2 licensed to grow 1500 medical marijuana plants.

3 *License competition* means a competitive process to select ~~licensees~~ applicants that are best
4 suited to operate in compliance with the MRTMA.

5 *Licensee* means an individual or entity that holds a state operating license and a business
6 license under this article.

7 Limited license means a license authorized by this article that is subject to a numerical cap
8 limiting the number of licenses to be issued. Licenses for medical marijuana provisioning centers,
9 adult-use retailers, designated consumption lounges, and microbusinesses are all subject to a
10 numerical cap under this article, and are considered limited licenses.

11 *Low-income applicant* means an individual who, at the time of licensing, lives in a
12 household with household income that is less than 80% of the ~~existing~~ Detroit median household
13 income at the time of application.

14 *Marijuana event organizer* means a state license holder authorized to apply for a temporary
15 marijuana event license in accordance with the MRTMA.

16 *Medical marijuana facility* means any facility, entity, establishment, or center that is
17 required to be licensed under the MMFLA, and this article, including a grower, processor,
18 provisioning center, safety compliance facility, or a secure transporter.

19 *Marijuana-infused product* means a topical formulation, tincture, beverage, edible
20 substance, or similar product containing any usable marijuana that is intended for human
21 consumption in a manner other than smoke inhalation.

22 *Microbusiness* means a business licensed under MRTMA and this article that cultivates up
23 to 150 marijuana plants or more as allowed by the State of Michigan, processes, and packages

1 marijuana, and sells or otherwise transfers marijuana to individuals who are 21 years of age or
2 older or to a safety compliance facility, but not to other adult-use marijuana establishments or
3 medical marijuana facilities.

4 *MMFLA* means the Michigan Medical Marijuana Facilities Licensing Act, Public Act 281
5 of 2016, being MCL 333.27101, *et seq.*

6 *MMMA* means the Michigan Medical Marijuana Act, means Initiated Law 1 of 2008,
7 being MCL 333.26421, *et seq.*

8 *MRTMA* means the Michigan Regulation and Taxation of Marijuana Act, Initiated Law 1
9 of 2018, being MCL 333.27951 *et seq.*

10 *Outreach alert* means any form of one-way communication that informs a community or
11 neighborhood of an issue, problem, opportunity, or decision.

12 *Outreach meeting* means any in person or virtual meeting that provides for public
13 discussion of a topic.

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

16 *Primary caregiver* means the term as defined by the MMMA.

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

20 *Process or Processing* means to separate or otherwise prepare parts of the marijuana plant
21 and to compound, blend, extract, infuse or otherwise make or prepare marijuana concentrate or
22 marijuana-infused products.

1 *Processor* means a business licensed under the MRTMA or the MMFLA and this article,
2 located in this state, that obtains marijuana from a medical marijuana facility or an adult-use
3 marijuana establishment and that processes marijuana for sale and transfer in packaged form to
4 a medical marijuana facility or an adult-use marijuana establishment.

5 ~~*Provisional certificate* means a placeholder pre-licensure document granted under this~~
6 ~~article to a Detroit legacy applicant who does not yet have an approved location to operate the~~
7 ~~business for which the applicant seeks a license, which will be converted to a full license if the~~
8 ~~applicant secures an approved location and meets all the requirements of this article within twelve~~
9 ~~months of being granted the provisional certificate. A provisional certificate will not be counted~~
10 ~~as a full license for purposes of the numerical caps established under Section 20-6-34 of this Code,~~
11 ~~nor in determining whether the requirements of Section 20-6-31(d) and (e) are met, until it has~~
12 ~~been converted to a full license.~~

13 *Provisioning center* means a business licensed under the MMFLA that is a commercial
14 entity located in this state that purchases marijuana from a grower or processor and sells, supplies,
15 or provides marijuana to qualifying patients, directly or through the registered primary caregivers
16 of patients. Provisioning center includes any commercial property where marijuana is sold at retail
17 to qualifying patients or primary caregivers. A non-commercial location used by a primary
18 caregiver to assist a qualifying patient connected to the caregiver through the state's marijuana
19 registration process in accordance with the MMMA is not a provisioning center for purposes of
20 this article.

21 *Qualifying patient* means the term as defined by the MMMA.

22 *Registered user* means any person or entity that has submitted their email address or
23 telephone number for the purpose of receiving digital notifications.

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

4 *Safety compliance facility* means a business licensed under the MRTMA or the MMFLA
5 and this article that tests marijuana for contaminants and potency, or as required by the MRTMA
6 or the MMFLA, for a primary caregiver, medical marijuana facility, or adult-use marijuana
7 establishment.

8 *Secure transporter* means a business licensed under the MRTMA or the MMFLA and this
9 article that stores marijuana and transports marijuana between medical marijuana facilities or adult-
10 use marijuana establishments for a fee.

11 *Social Equity Program or SEP* means a the State of Michigan certification program
12 ~~authorized by the MRTMA, which is~~ designed to promote and encourage participation in the
13 marijuana industry by people who live in disproportionately impacted communities in Michigan
14 ~~certain Michigan communities designated by the State of Michigan, who have been~~
15 ~~disproportionately impacted by marijuana prohibition and enforcement, and to positively impact~~
16 those communities, in accordance with MCL 333.27958(1)(j).

17 *State operating license* means a license that is issued under the MMFLA or the MRTMA
18 that allows the licensee to operate as a medical marijuana facility or an adult-use marijuana
19 establishment, respectively.

20 *Technology aided outreach* means any form of electronic communication transmitted by
21 digital surveys or an online comment process that allows residents to provide comments.

22 *Temporary marijuana event ~~permit~~ license* means a ~~permit~~ license held by a marijuana
23 event organizer under this article and the MRTMA, which the state has approved, authorizing

1 an event where the onsite sale or consumption of marijuana products, or both, are authorized at
2 the location and on the dates indicated on the state operating license.

3 *Tiebreaking lottery* means a process, conducted under the observation of affected
4 applicants, by which licensees are randomly selected from a pool of similarly situated applicants
5 with identical scores.

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

7 (a) Pursuant to Section 205(1) of the MMFLA, the City shall authorize licenses in
8 accordance with the provisions of this article for the following types of medical marijuana
9 facilities:

- 10 (1) Grower;
- 11 (2) Processor;
- 12 (3) Provisioning center;
- 13 (4) Safety compliance facility; and
- 14 (5) Secure transporter.

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

- 17 (1) Grower;
- 18 (2) Retailer;
- 19 (3) Processor;
- 20 (4) Safety compliance facility;
- 21 (5) Secure transporter;
- 22 (6) Temporary marijuana event;
- 23 (7) Marijuana event organizer;

1 (8) Designated consumption establishment; and

2 (9) Microbusiness.

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

6 (d) Detroit City Council is exercising its discretion to permit adult-use marijuana
7 establishments in Detroit as supported by the legal opinion of the Corporation Counsel that the
8 ordinance is lawful, ~~and on the condition that licenses for Detroit legacy applicants shall be~~
9 ~~prioritized in accordance with the legislative purpose of this ordinance.~~ Should any provision of
10 this ordinance governing the limited license adult-use marijuana establishments be enjoined, ruled
11 invalid or unconstitutional, or struck down by a court of law, Subsections (b)(2), (b)(8), and (b)(9)
12 of this section will be thereto repealed as to the limited licenses authorized by this article, and
13 future limited license adult-use marijuana establishments will be prohibited in accordance with
14 Section 6(1) of the MRTMA, excluding those adult-use marijuana establishments previously
15 licensed under this article, which licenses shall continue in effect until their expiration date, after
16 which time they will not be renewed.

17 **Secs. 20-6-4—20-6-20. Reserved.**

18 **DIVISION 2. MARIJUANA LICENSE REVIEW COMMITTEE**

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

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

22 **Sec. 20-6-22. Personnel.**

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

6 (1) Office of the Chief Financial Officer, ~~Assessor~~;

7 (2) Buildings, Safety Engineering, and Environmental Department (the
8 “Department”);

9 ~~(3) Office of the Chief Financial Officer, Treasury;~~

10 (3) Health Department;

11 (4) Law Department;

12 (5) Police Department;

13 (6) Civil Rights, Inclusion, and Opportunity Department (“CRIO”);

14 ~~(8) Office of Sustainability;~~

15 (7) Department of Neighborhoods; and

16 (8) Such other departments, agencies, or individuals as deemed appropriate by the
17 chairperson, on a case-by-case basis.

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

19 (a) The representative from the Civil Rights, Inclusion, and Opportunity Department
20 (“CRIO”) serves as chairperson of the MLRC and shall maintain a record of applications, licenses
21 granted under this Article, and other relevant files as needed.

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

1 (c) ~~The MLRC shall develop a standard of review for making recommendations on~~
2 ~~adult use license applications under this article that shall be approved by the Detroit City Council~~
3 ~~prior to reviewing any adult use license applications.~~

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

5 (a) New or renewal applications for a medical marijuana facility license or an adult-
6 use marijuana establishment license shall be reviewed by the MLRC and a recommendation
7 provided to the Department director before a license may be issued or renewed by the Department,
8 in accordance with the applicable review criteria and processes set forth in this article. For
9 temporary marijuana events, the MLRC shall make its recommendation to the Detroit City
10 Council, which must approve the temporary marijuana event before a temporary marijuana event
11 license permit is issued by the Department.

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

16 (c) Through the chairperson, the MLRC may communicate and meet with the
17 applicant, visit the proposed site to be licensed, and request certain conditions be met prior to
18 recommending approval of the issuance of a license.

19 (d) ~~After December 31, 2021, and~~ Excluding temporary marijuana events, applications
20 shall be reviewed and a recommendation provided by the MLRC to the Department within ninety
21 (90) days of receipt of a complete application as determined by the MLRC, or the application shall
22 be forwarded to the Department without recommendation.

1 (e) Every six months after the effective date of this ordinance, the MLRC will provide
2 a report to the Detroit City Council including the following information:

3 (1) name of all applicants, date of application and application status;

4 (2) name of all licensees, locations, and license date;

5 (3) number of licenses issued by license category; and

6 (4) details of each applicant's "Good Neighbor Plan".

7 (f) Members of the MLRC shall take ethics training two times per calendar year, as
8 provided by the City of Detroit.

9 **Secs. 20-6-25—20-6-30. Reserved.**

10 **DIVISION 3. LICENSING**

11 **Sec. 20-6-31. License required.**

12 (a) No person may operate a medical marijuana facility or an adult-use marijuana
13 establishment in the City without first obtaining a license from the City pursuant to this article,
14 and a state operating license in accordance with the provisions of this article. Licensees must obtain
15 a separate license under this article from the City is required for each business with a state
16 operating license they hold, including multiple grower licenses in one building operating in one
17 building. A co-location license is required for a property owner that maintains more than one
18 medical marijuana facility or adult-use marijuana establishment in one building, and who is not
19 the licensee for all of the establishments or facilities located in the building.

20 (b) No more than one medical marijuana provisioning center and one marijuana retailer
21 establishment may be licensed in any single building, unless approved by the Detroit City Council
22 through a planned development ("PD") zoning designation in accordance with Sec. 50-3-97 of this
23 Code.

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

3 ~~(d) 50% of licenses for adult use retailers, adult use processors, adult use growers,~~
4 ~~designated consumption establishments, microbusinesses, and marijuana event organizers shall be~~
5 ~~granted to Detroit legacy applicants as defined in Section 20-6-2.~~

6 ~~(e) The City shall not issue a license for an adult use retailer, adult use processor,~~
7 ~~designated consumption establishment, microbusiness, or a marijuana event organizer if such~~
8 ~~issuance would cause the number of licenses held by Detroit legacy licensees to be less than 50%~~
9 ~~of the total licenses held in each respective category.~~

10 (d) Excluding those applicants for marijuana event organizer licenses, all applicants
11 must conduct community outreach, as defined in Section 20-6-2 of this Code, and provide a
12 community outreach report and a community outreach plan with the application. The applicant
13 must forward notice of the community outreach to the Department of Neighborhoods. The
14 Department of Neighborhoods shall send digital notification of the pending application to all
15 registered users in the Council district where the business is proposed to be located.

16 **Sec. 20-6-32. Detroit Legacy status; programming.**

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

22 **Sec. 20-6-33. Provisional certificate.**

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

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

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

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

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

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

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

18 REPEALED.

19 **Sec. 20-6-33. Homegrown program.**

20 CRIO shall establish a program to be known as “Homegrown Detroit,” and through such
21 program shall provide mentoring, business education, and networking opportunities for individuals
22 who have obtained Detroit Legacy status.

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

1 The City hereby establishes the following numerical caps and may grant licenses for
 2 medical marijuana facilities and adult-use marijuana establishments, subject to the requirements
 3 of this article, in accordance with the charts below:

<u>Unlimited Licenses</u>	
<u>Grower</u>	<u>Unlimited</u>
<u>Processor</u>	<u>Unlimited</u>
<u>Secured Transporter</u>	<u>Unlimited</u>
<u>Safety Compliance</u>	<u>Unlimited</u>
<u>Temporary Marijuana Event Organizer</u>	<u>Unlimited</u>
<u>Temporary Marijuana Event</u>	<u>Unlimited</u>

4

<u>Limited Licenses</u>	
<u>Medical Marijuana Provisioning Center License</u>	<u>75</u>
<u>Adult-Use Retailer Establishment License</u>	<u>38</u>
<u>Adult-Use Retailer Establishment-Equity License</u>	<u>38</u>
<u>Designated Consumption Lounge License</u>	<u>15</u>
<u>Designated Consumption Lounge-Equity License</u>	<u>15</u>
<u>Microbusiness License</u>	<u>15</u>
<u>Microbusiness-Equity License</u>	<u>15</u>

5

6 The foregoing cap on Adult-Use Retailer Establishments shall not apply to licenses issued
 7 in accordance with Section 20-6-38(e) of this article.

Medical Marijuana Provisioning Center	75
Adult Use Retailer Establishment	75
Grower	unlimited
Processor	unlimited
Secured Transporter	unlimited
Safety Compliance Facility	unlimited
Designated Consumption Lounge	35
Microbusiness	35
Marijuana Event Organizer	unlimited
Temporary Marijuana Event	unlimited

1

2 **Sec. 20-6-35. ~~Detroit legacy certification; application periods~~ License application acceptance**
3 **date by license type; fees.**

4 (a) Upon the effective date of this ordinance, the City may immediately accept license
5 applications and may issue licenses for medical marijuana facility licenses provisioning centers;
6 medical and adult use growers, processors, secured transporters, and safety compliance facilities;
7 adult- use marijuana event organizers; and adult-use temporary marijuana events under this article
8 in accordance with Section 20-6-37 of this Code. Applications for medical marijuana facility
9 licenses that are under consideration by the City upon the effective date of this article shall not be
10 subject to the requirements of this article, except that the number of medical marijuana
11 provisioning center licenses is subject to the numerical cap set forth in Section 20-6-34.

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

14 (b) The City will begin accepting license applications for adult-use marijuana retailers,
15 microbusinesses, and designated consumption establishments during one or more 30-day periods
16 established in accordance with Section 20-6-38 of this Code. License applications under
17 Subsection (b) of this section shall be evaluated and issued in accordance with Section 20-6-38 of

1 this Code. licenses on April 1, 2021, and shall review eligible license applications submitted by
2 April 30, 2021 within the time periods set forth in Subsections (d) and (e), below.

3 (c) A nonrefundable application fee shall be paid by each applicant upon filing any license
4 application. The application fee shall be in an amount established from time to time by the Director
5 of the Department and shall be approved by resolution of the City Council. The fee shall be
6 intended to defray direct and indirect costs incurred by the City in processing the license
7 application and may be different for each license type. The fee shall be posted on a schedule in the
8 Department.

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

15 (e) A nonrefundable application fee shall be charged for the processing and
16 certification of Detroit Legacy status in accordance with Section 20-6-32 of this Code. The fee
17 shall defray direct and indirect costs incurred by the City in processing the certification application.
18 The certification fee shall be in an amount established from time-to-time by the Director of CRIO,
19 and shall be approved by resolution of the City Council. The fee shall be posted on a schedule in
20 CRIO.

21 (f) The Detroit City Council may approve a fee schedule that incorporates a sliding
22 scale fee structure to accommodate low-income applicants, as defined by Sec. 20-6-2 of this article.

1 ~~(d) — From May 1, 2021 through June 15, 2021 there will be a reserved review period~~
2 ~~wherein the City will review and may approve applications for adult use marijuana establishment~~
3 ~~licenses from Detroit legacy applicants, as well as applications for adult use growers from current~~
4 ~~holders of a state operating license for a medical marijuana facility in the City of Detroit. An~~
5 ~~eligible applicant that wishes to be considered during this time period must submit a complete~~
6 ~~application by April 30, 2021. If the City receives more qualified applications in a category than~~
7 ~~there are licenses available, the City shall award the licenses to the highest scoring applicants,~~
8 ~~using a tie-breaking lottery if necessary. The City will also issue an undetermined number of~~
9 ~~provisional certificates to Detroit legacy applicants who qualify. The chronological order of~~
10 ~~reviewing license applications under this subsection shall be determined by an independent,~~
11 ~~transparent, and random selection process.~~

12 ~~(e) — From June 16, 2021 through July 31, 2021 there will be a reserved review period~~
13 ~~wherein the City will review and may approve applications for adult use marijuana establishment~~
14 ~~licenses, from holders of a state operating license for a medical marijuana facility in the City of~~
15 ~~Detroit. An eligible applicant that wishes to be considered during this time period must submit a~~
16 ~~complete application by April 30, 2021. If the City receives more qualified applications in a~~
17 ~~category than there are licenses available, the City shall award the licenses to the highest scoring~~
18 ~~applicants, using a tie-breaking lottery if necessary. The chronological order of reviewing license~~
19 ~~applications under this subsection shall be determined by an independent, transparent, and random~~
20 ~~selection process.~~

21 ~~(f) — After both review periods forth in Subsections (d) and (e) are completed, the City~~
22 ~~will determine whether no less than 50% of adult use grower licenses have been issued to Detroit~~
23 ~~legacy applicants in accordance with Section 20-6-31(d), and if not, shall not issue any more adult-~~

1 use grower licenses to applicants other than Detroit legacy applicants until this requirement has
2 been met.

3 ~~(g) Beginning April 1, 2021, and continuing thereafter, the City will accept~~
4 ~~applications for temporary marijuana events. Applications must be submitted at least 90 days in~~
5 ~~advance of the event.~~

6 ~~(h) Beginning August 1, 2021, and continuing thereafter, the City will review~~
7 ~~applications in order of submission and may approve applications for adult use marijuana~~
8 ~~establishment licenses from any applicant.~~

9 ~~(i) The City may postpone or modify the timelines set forth in this section for~~
10 ~~reviewing applications to alternate dates out of administrative necessity, and shall inform the~~
11 ~~public forthwith.~~

12 **Sec. 20-6-36. License application.**

13 (a) Any person seeking to operate a medical marijuana facility or an adult-use
14 marijuana establishment, excluding marijuana event organizers, temporary marijuana events, and
15 co-location licenses, shall file an application electronically upon a form provided by the
16 Department. The application shall include, or include as an attachment, the following information:

17 (1) The name, age, home address, principal telephone number and email address of the
18 applicant, and a copy of the applicant's government issued identification.

19 (2) Documentation to establish an applicant's status as an equity applicant and the
20 satisfaction of Social Equity Scoring Criteria under Section 20-6-38 of this code, if
21 applicable, Detroit legacy certification;

22 (3) If the applicant is an organized legal entity: the name, mailing home address,
23 telephone number and email of all direct and indirect owners, directors, members,

1 managers, officers, partners, ~~or~~ shareholders, as well as and the registered agent,
2 and the entity's bylaws, operating agreement, or other organizational documents
3 indicating the ownership structure;

4 (4) A signed release authorizing the Police Department to perform criminal
5 background checks on the applicant, or, in the case of an entity applicant, all
6 individuals identified as ~~part of the ownership~~ direct or indirect owners of the entity;

7 (5) The address of the property/building proposed to be used as a medical marijuana
8 facility or adult-use marijuana establishment;

9 (6) The type and class of medical marijuana facility or adult-use marijuana
10 establishment license requested;

11 ~~(7) For renewals, a copy of the required state operating license;~~

12 ~~(8) A copy of City of Detroit income tax returns for the previous three years for each~~
13 ~~individual who has whole or partial ownership of the entity, and corporate tax~~
14 ~~returns if applicable;~~

15 (7) A comprehensive business plan detailing:

16 a. business operations

17 b. security/customer and employee safety

18 ~~e. testing~~

19 c. nuisance mitigation

20 d. waste management ~~handling and disposal~~

21 ~~f. environmentally sustainable practices~~

22 ~~g. community relations~~

23 e. recruitment and training of employees

1 i. ~~protocols for employee and customer safety~~

2 j. ~~number of Detroit residents employed~~

3 (8) ~~Financial documentation demonstrating resources sufficient to meet the~~
4 ~~capitalization required for the facility or establishment by the State of Michigan~~
5 ~~pursuant to the MMFLA. A certified statement from a CPA is sufficient Income tax~~
6 ~~clearances for the applicant and for all individuals described in subsection (a)(3)~~
7 ~~herein, or a sworn statement from each of such individual attesting that no income~~
8 ~~was made in the City of Detroit, from any source, which would require the~~
9 ~~individual to file a city income tax return;~~

10 (9) Property tax clearance for the proposed location;

11 (10) Blight clearance for the proposed location;

12 (11) A copy of the unexpired conditional land use approval for the intended use or the
13 intended use of an equivalent license;

14 (12) A copy of an unexpired building permit or the temporary or final certificate of
15 occupancy for the intended use permitted by Subsection (13) of this section. A final
16 certificate of occupancy is required before receiving a license.

17 (13) A signed release acknowledging that the City will investigate the income and
18 property tax status of the applicant, its direct or indirect owners, directors, officers,
19 members, managers, partners, shareholders, employees, and any medical marijuana
20 facilities or adult-use marijuana establishments related to any of the aforementioned
21 individuals, and that any outstanding taxes, fines, or fees will be paid prior to a
22 license being issued under this article.

1 ~~(16) Whether the applicant is seeking provisional certificate status in accordance with~~
2 ~~Section 20-6-33 of this Code, in such case, submission of the information required~~
3 ~~under Subsections (5), (11), (12), (13), (14), and (17) of this section shall be~~
4 ~~suspended until such time within 12 months of the provisional certificate that the~~
5 ~~applicant can provide such information;~~

6 (14) For adult-use license applicants only, a “Good Neighbor Plan,” indicating the
7 applicant’s annual commitment to the community in which the adult-use marijuana
8 establishment will be located, including a community outreach report and a
9 community outreach plan as defined in Section 20-6-2 of this Code to ensure
10 awareness of the application and potential employment opportunities in the
11 neighborhoods surrounding the proposed business, as well as completing one or
12 more of the following during the term of the license:

- 13 a. Hiring at least 50% of full-time employees who are Detroit residents for
14 jobs paying at least \$15 an hour; or
- 15 b. Hiring at least 30% of full-time employees who have a prior controlled
16 substance record, as defined in Section 20-6-2 of this Code, for jobs paying
17 at least \$15 an hour; or
- 18 c. Purchasing at least 50% of necessary goods and services from ~~licensed~~
19 ~~medical marijuana facilities, adult-use marijuana establishments, Detroit~~
20 ~~legacy licensees, or other businesses located in the City of Detroit; or~~
- 21 d. If a grower or processor, selling at least 25% of available harvest or products
22 to ~~Detroit legacy equity~~ licensees at a price that is at least 25% lower than
23 the current market rate in Detroit, or less; or

1 e. ~~a minimum of 750 annual hours serving a duly organized Detroit-based tax-~~
2 ~~exempt charitable organization, community organization, religious~~
3 ~~institution, preK-12 public or charter school, or block club that operates~~
4 ~~within the community where the applicant's facility or establishment is~~
5 ~~located; or~~

6 f. ~~Annually donate~~ Donating annually a minimum of ~~1~~ .25% of the applicant's
7 gross revenue to a duly organized Detroit-based tax-exempt charitable
8 organization that operates within the community where the applicant's
9 facility or establishment is located, or to the a fund ~~that may be established~~
10 by the City of Detroit for the purpose of funding social equity initiatives,
11 and substance use prevention programs.

12 (15) ~~Whether the applicant is a current or former medical marijuana facility or adult-use~~
13 ~~establishment state operating license holder, licensing history, and any violation~~
14 ~~history pertaining to operation of the medical marijuana facility or adult-use~~
15 ~~establishment~~ For license applications pursuant to Section 20-6-38 of this Code, a
16 statement detailing the applicant's current and past community leadership roles,
17 volunteer activities, and business operation history in the City in the past five years;

18 (16) A copy of the applicant's prequalification received from the State of Michigan
19 Marijuana Regulatory Agency.

20 (b) An applicant for a marijuana event organizer license or a temporary marijuana
21 event license shall file an application with the Department electronically upon a form provided by
22 the Department. An application for a temporary marijuana event must be submitted at least 90 days
23 prior to the event. The application shall include the following information, as applicable:

- 1 (1) The name, age, home address, business address, principal telephone number and
2 email address of the applicant;
- 3 (2) A signed release authorizing the Detroit Police Department to perform criminal
4 background checks on the applicant, and, in the case of an entity applicant, all
5 individuals identified as ~~part of the ownership~~ direct or indirect owners of the entity;
- 6 (3) A copy of the applicant's government issued identification;
- 7 (4) If the applicant is an organized legal entity: the name, home address, telephone
8 number and email of all owners, directors, members, managers, officers, partners,
9 shareholders, and the registered agent, and the entity's bylaws, operating
10 agreement, or other organizational documents indicating the ownership structure;
- 11 (5) The address of the privately owned property and/or building proposed to be used
12 for the temporary marijuana event;
- 13 (6) A certificate of occupancy and certificate of compliance for the building, or
14 drawing of the outdoor site proposed to be used for the temporary marijuana event;
- 15 (7) A description of the temporary marijuana event including dates and proposed hours
16 of operation;
- 17 (8) Income tax clearances for the applicant and for each individual individuals
18 described in Subsection (b)(4) of this section, or a sworn statement from ~~the named~~
19 each of such individuals attesting that no income was made in the City of Detroit,
20 from any source, which would require the individual to file a city income tax return;
- 21 (9) Property tax clearance for the proposed location;
- 22 (10) Blight clearance for the proposed location;
- 23 (11) A deed, lease, or other document evidencing site control of the proposed location;

1 (12) A signed release acknowledging that the City will investigate the income and
2 property tax status of the applicant, its owners, directors, officers, members,
3 managers, partners, shareholders, employees and any medical marijuana facilities
4 or adult-use marijuana establishments related to any of the individuals, and that any
5 outstanding taxes, fines, or fees will be paid prior to a license being issued under
6 this article;

7 (13) A statement attesting that the applicant will cooperate with law enforcement during
8 the temporary marijuana event, and in any enforcement action taken as a result of
9 the temporary marijuana event; and

10 (14) For a marijuana event organizer, a copy of the applicant's prequalification from the
11 State of Michigan Marijuana Regulatory Agency.

12 (c) The MLRC shall provide a recommendation of approval or denial of a temporary
13 marijuana event, and all submitted materials to the Detroit City Council. The Detroit City Council
14 must approve a temporary marijuana event before a ~~permit~~ temporary marijuana event license is
15 issued by the Department.

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

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

22 (2) A copy of each state operating license associated with the site;

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

1 (4) Income tax clearance for each individual person who has whole or partial
2 ownership of the proposed location;

3 (5) Blight clearance for the proposed location;

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

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

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

10 **~~Sec. 20-6-37. Fees.[REPEALED]~~**

11 ~~(a) — A nonrefundable application fee shall be paid upon filing the application. The~~
12 ~~application fee shall be in an amount established from time to time by the Director of the~~
13 ~~Department and shall be approved by resolution of the City Council. The fee shall be intended to~~
14 ~~defray direct and indirect costs incurred by the City in processing the license application and may~~
15 ~~be different for each license type. The fee shall be posted on a schedule in the Department.~~

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

18 ~~(b) — A nonrefundable license fee shall be paid prior to issuance of a license and upon~~
19 ~~applying for renewal. The license fee shall be in an amount established from time to time by the~~
20 ~~Director of the Department and shall be approved by resolution of the City Council. The fee shall~~
21 ~~be intended to defray direct and indirect costs incurred by the City to process and monitor licensed~~
22 ~~facilities and establishments and may be different for each license type. The fee shall be posted on~~
23 ~~a schedule in the Department.~~

1 (d) — For the first year of licensure, the license fee for a Detroit legacy applicant shall
2 be 1% of the fee established in accordance with Subsection (c) of this section. For the second
3 year of licensure, the license fee for a Detroit Legacy licensee shall be 25% of the fee established
4 in accordance with Subsection (c) of this section, and for all subsequent years of licensure, the full
5 fee shall apply.

6 (e) — A nonrefundable fee shall be paid prior to issuance of a provisional certificate. The
7 fee shall be in an amount established from time to time by the Director of the Department, shall
8 be no more than the fee for the first year of licensure of a Detroit Legacy applicant, and shall be
9 approved by resolution of the City Council. The fee shall be intended to defray direct and indirect
10 costs incurred by the City to process and monitor provisional certificates. The fee shall be posted
11 on a schedule in the Department.

12 (c) — A nonrefundable application fee shall be charged for the processing and
13 certification, or renewal of a Detroit legacy applicant or licensee in accordance with Section 20-6-
14 32 of this Code. The fee shall be intended to defray direct and indirect costs incurred by the City
15 in processing the certification application. The certification fee shall be in an amount established
16 from time to time by the Director of the Civil Rights, Inclusion, and Opportunity Department and
17 shall be approved by resolution of the City Council. The fee shall be posted on a schedule in the
18 Civil Rights, Inclusion, and Opportunity Department.

19 **Sec. 20-6-38. 20-6-37. Application review Licensing process for unlimited licenses and**
20 **medical marijuana provisioning centers.**

21 (a) For each Upon receipt of a new license application or renewal of for a medical
22 marijuana provisioning center, medical or adult use grower, medical or adult use processor,
23 medical or adult use secured transporter, and medical or adult use safety compliance facility; adult-

1 ~~use marijuana event organizer; or adult-use temporary marijuana event facility or adult-use~~
2 ~~marijuana establishment license~~ submitted under this article, the Department will confirm whether
3 the application is complete, and that the application fee has been paid. The Department may
4 reject any application that contains insufficient information and may deny an application for failure
5 to pay the application fee.

6 (b) Upon receipt of a complete application of the materials required under Section 20-
7 6-36 of this Code, the Department will forward the application materials to the MLRC for review
8 and a recommendation.

9 (c) The MLRC shall consider the information submitted by the applicant, and the
10 requisite departments before providing a recommendation to the Department, or to the Detroit City
11 Council in the case of a temporary marijuana event license.

12 (d) Upon receipt of a favorable recommendation from the MLRC, or the Detroit City
13 Council in the case of a temporary marijuana event license, the Department may issue the license
14 in the manner required by this article.

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

16 **Sec. 20-6-38. Licensing process for limited licenses.**

17 (a) The City may award up to 38 adult-use retailer licenses, 38 adult-use retailer Equity
18 licenses, 15 microbusiness licenses, 15 microbusiness equity licenses, 15 designated consumption
19 establishment licenses, and 15 designated consumption establishment equity licenses in the
20 following manner:

21 (1) The City shall establish three 30-day periods of for taking applications for Limited
22 Licenses other than medical marijuana provisioning center licenses under this
23 section. Each of such three 30-day periods shall be separated by a period of at least

1 120 days. CRIO shall make its recommendation for the timing of each of such three
2 30-day application periods to the Detroit City Council, whose approval shall be
3 required prior to the commencement of such application periods. Following each
4 of such three application periods the City may issue up to the following number of
5 licenses to qualified applicants who applied for the corresponding licenses during
6 such period:

7 (A) 12 adult-use retailer licenses following the first application period and the
8 second application period, and 14 adult-use retailer licenses following the
9 third application period;

10 (B) 12 adult-use retailer equity licenses following the first application period
11 and the second application period, and 14 adult-use retailer equity licenses
12 following the third application period;

13 (C) 5 microbusiness licenses;

14 (D) 5 microbusiness equity licenses;

15 (E) 5 designated consumption establishment licenses; and

16 (F) 5 designated consumption establishment equity licenses.

17 After the conclusion of the foregoing initial three 30-day application periods, as
18 one of more Limited Licenses may be or become available, the City may thereafter
19 establish one or more 30-day periods for taking applications for Limited Licenses
20 other than medical marijuana provisioning center licenses under this section. CRIO
21 shall make its recommendation for the timing of each of such 30-day application
22 period and the number and type of limited licenses to be issued following such

1 application period to the Detroit City Council, whose approval shall be required
2 prior to the commencement of such application period.

3 (2) Applicants shall submit a license application with the required materials as set forth
4 in Section 20-6-36 of this article;

5 (3) A license may not be awarded to an applicant if such applicant or any direct or
6 indirect owner of such applicant is also a direct or indirect owner of (A) any other
7 applicant applying for a license of the same type (retailer, microbusiness,
8 designated consumption establishment) under this article, or (B) any licensee that
9 is the holder of a license of the same type (retailer, microbusiness, designated
10 consumption establishment) under this article.

11 (4) A non-equity license may not be awarded to an applicant if such applicant or any
12 direct or indirect owner of such applicant is also a direct or indirect owner of any
13 other applicant applying for an equity license or any licensee that is the holder of
14 an equity license.

15 (5) After the application period, the MLRC shall evaluate submitted applications in
16 accordance with the following criteria and shall award the applicant the number of
17 points listed below for each category or sub-category satisfactorily completed by
18 the applicant, as applicable:

<u>Non-Equity License Application</u>	<u>Equity License Application</u>
<u>Eligibility</u>	
<u>Anyone</u>	<u>Equity Applicants</u>
<u>General Scoring Criteria (100 points)</u>	
<u>Business Plan</u>	

<u>Operations</u>	5	<u>Operations</u>
<u>Waste Management</u>	5	<u>Waste Management</u>
<u>Safety and Nuisance Mitigation</u>	5	<u>Safety and Nuisance Mitigation</u>
<u>Training</u>	5	<u>Training</u>
<u>Security Plan</u>	5	<u>Security Plan</u>
<u>Site Control</u>		
<u>Unexpired conditional land use approval</u>	5	<u>Unexpired conditional land use approval</u>
<u>Obtained all building permits</u>	5	<u>Obtained all building permits</u>
<u>Obtained Certificate of Occupancy or Certificate of Compliance for permitted use</u>	15	<u>Obtained Certificate of Occupancy or Certificate of Compliance for permitted use</u>
<u>Due Diligence</u>		
<u>MRTMA Entity Prequalification</u>	5	<u>MRTMA Entity Prequalification</u>
<u>Income Tax Clearance</u>	5	<u>Income Tax Clearance</u>
<u>Property tax Clearance</u>	5	<u>Property tax Clearance</u>
<u>Blight Clearance</u>	5	<u>Blight Clearance</u>
<u>No history of illegal operation or existing violations</u>	5	<u>No history of illegal operation or existing violations</u>
<u>Community Investment</u>		
<u>Complete a "Good Neighbor Plan"</u>	10	<u>Complete a "Good Neighbor Plan"</u>
<u>Leadership roles in duly established and licensed (if applicable) Detroit-based businesses, nonprofits, religious organizations, educational institutions, philanthropic organizations, community block clubs or neighborhood associations during the previous five 5 years</u>	15	<u>Leadership roles in duly established and licensed (if applicable) Detroit-based businesses, nonprofits, religious organizations, educational institutions, philanthropic organizations, community block clubs or neighborhood associations during the previous five 5 years</u>
<u>Social Equity Scoring Criteria (27 points Maximum)</u>		
<u>Provide licensable, habitable space to a licensed Equity applicant at a properly</u>	<u>OR, form a joint venture with an Equity applicant where the Equity</u>	<u>According to the 2019 American Community Survey 5-year estimates published by the United States Census</u>

<u>zoned property (does not have to be the same property for which the Non-Equity applicant is seeking licensure) for:</u>	<u>applicant owns and controls:</u>		<u>Bureau, Equity applicant's primary residence is in (only 1 may be selected):</u>
<u>At least 20 years and at a rate not exceeding 50% of the average market rent for similar commercial or industrial properties in Detroit</u>	<u>41-50% of applicant equity</u>	<u>25</u>	<u>A disproportionately impacted community where at least 35% of the population lives below the federal poverty level</u>
<u>At least 10 years and at a rate not exceeding 60% of the average market rent for similar commercial or industrial properties in Detroit</u>	<u>31 – 40% of applicant equity</u>	<u>15</u>	<u>A disproportionately impacted community where at least 30% of the population lives below the federal poverty level</u>
<u>At least 10 years and at a rate not exceeding 75% of the average market rent for similar commercial or industrial properties in Detroit</u>	<u>20 – 30% of applicant equity</u>	<u>5</u>	<u>A disproportionately impacted community where at least 20% of the population lives below the federal poverty level</u>
<u>Joined the Michigan Joint Ventures Pathway Program</u>		<u>1</u>	<u>Joined the Michigan Joint Ventures Pathway Program</u>
<u>Commit to publishing applicant's Social Equity Plan on State's website</u>		<u>1</u>	<u>Commit to publishing applicant's Social Equity Plan on State's website</u>
<u>Qualified Applicant Lottery: Licenses shall be granted in order of applicant scores, with tiebreaker lotteries used for applicants who (1) have received the same score and (2) have earned a minimum of</u>			

100 points of the General Scoring Criteria and a minimum of 5 points of the Social Equity Scoring Criteria.

1
2 **(b)** After the license applications have been reviewed and scored, the MLRC will
3 recommended the highest scoring applications, subject to the numerical caps set forth in this
4 article, to the Department, and the Department may issue the license in the manner required by
5 this article.

6 **(c)** The applicant shall pay the license fee prior to receiving a license.

7 **(d)** From and after the effective date of this ordinance, the City shall not issue any new
8 medical marijuana provisioning center licenses. The foregoing shall not prohibit renewal of any
9 existing medical marijuana provisioning center licenses outstanding as of the effective date of this
10 ordinance.

11 **(e)** Commencing on January 1, 2027, any licensees which are holders of one or more
12 licenses to operate a medical marijuana provisioning center in accordance with this article and
13 which have been the holder of such licenses since prior to the effective date of this ordinance, may
14 apply for an adult use retailer license by submitting a license application with the required
15 materials as set forth in Section 20-6-36 of this article.

16 **(1)** Upon receipt of a complete application of the materials required under Section 20-
17 6-36 of this Code, the Department will forward the application materials to the
18 MLRC for review and a recommendation.

19 **(2)** The MLRC shall consider the information submitted by the applicant, and the
20 requisite departments before providing a recommendation to the Department.

1 (3) Upon receipt of a favorable recommendation from the MLRC, the Department may
2 issue the license in the manner required by this article.

3 (4) A license may not be issued to an applicant under this subsection (d) if such
4 applicant or any direct or indirect owner of such applicant is also a direct or indirect
5 owner of any licensee that is the holder of an adult-use retailer license under this
6 article.

7 (5) The applicant shall pay the license fee prior to receiving an adult-use retailer
8 license.

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

10 (a) Upon application and before a license under this article is issued for a medical
11 marijuana facility or an adult-use marijuana establishment, the application shall be referred to
12 appropriate departments of the City, for respective reports to be provided to the MLRC on
13 compliance with this Code and state law, rules and regulations, including the following:

14 (1) *Zoning.* The medical marijuana facility or adult-use marijuana establishment shall
15 meet applicable requirements of the Detroit Zoning Ordinance, being Chapter 50
16 of this Code. For purposes of this article, license applicants for adult-use marijuana
17 establishments, excluding temporary marijuana events, shall be deemed to have
18 appropriate met the applicable zoning requirements if the property ~~is zoned~~
19 ~~properly~~ has a conditional land use approval grant for an equivalent license under
20 the MMFLA ~~or as set forth in Subsections (13), (14) and (15) of Section 20-6-36;~~

21 (2) *Building and Property Maintenance Codes.* The medical marijuana facility or
22 adult-use marijuana establishment shall meet applicable requirements of the Stille-

1 DeRossett-Hale Single State Construction Code Act, being MCL 125.1501 *et seq.*,
2 and the Property Maintenance Code, being Chapter 8, Article XV of this Code;

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

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

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

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

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

22 (8) *Health and sanitation.* All rooms within a medical marijuana facility or adult-use
23 marijuana establishment housing toilet facilities shall be equipped with sanitary
24 towels of a type acceptable to the Health Department. All rooms within the

1 premises shall meet the requirements of the Michigan Public Health Code, being
2 MCL 333.1101 *et seq.*, including those concerning food preparation and sanitation.

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

6 (c) Any licensee that is the holder of a Limited License shall notify CRIO within 30
7 days if such licensee fails to continue to satisfy any criteria for which it received points under the
8 Social Equity Scoring Criteria from the MLRC in its license application.

9 ~~(e) In addition to the inspections required above, upon application and before any~~
10 ~~license under this article is issued for a medical marijuana facility or adult use marijuana~~
11 ~~establishment, including provisional certificates and marijuana event organizer license~~
12 ~~applications, the application shall be referred to the City's Police Department and Finance~~
13 ~~Department for respective reports on compliance with the following:~~

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

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

21 ~~(d) A license shall not be issued or renewed under this article until satisfactory~~
22 ~~inspections and reviews are completed by the departments delineated in Subsection (c) of this~~
23 ~~section. A license shall not be issued or renewed by the Department until both of the following~~
24 ~~have occurred: (1) the Police Department provides written confirmation that all individuals who~~

1 are part of the ownership entity do not have any felony convictions related to violent crimes, fraud,
2 embezzlement or dishonesty; and (2) the Finance Department provides written confirmation that
3 all individuals making up the ownership entity are not in arrears for any property or income taxes,
4 special assessments, fines, fees or other financial obligations to the City.

5 (e) — If the applicant is a current or former licensee, the MLRC shall consider the
6 applicant's operational history, experience, and taxpaying history

7 (f) — The MLRC shall also take social equity considerations into account when
8 recommending approval or denial of an adult use license, including, but not limited to:

9 (1) — Whether the applicant intends to ensure that at least 50% of its employees are
10 Detroit residents, especially those Detroit residents who are veterans, low income
11 as defined in Section 20-6-2 of this Code, and/or have a prior controlled substance
12 record as defined in Section 20-6-2, and that the jobs provided pay at least \$15 an
13 hour;

14 (2) — Whether an applicant for a grower or processor license intends to supply businesses
15 owned by Detroit legacy licensees; and

16 (3) — The applicant's Good Neighbor Plan submitted in accordance with Section 20-6-
17 36(a)(19).

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

19 A medical marijuana facility or adult-use marijuana establishment licensed under this article
20 shall be subject to the following conditions:

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

23 (2) Compliance with the provisions of the MMFLA or the MRTMA;

1 (3) Medical marijuana facilities and adult-use marijuana establishments must obtain
2 all necessary state and local licenses before commencing operations and shall
3 always maintain a valid state operating license and business license under this
4 article at all times during operation. If a state operating license lapses, is revoked,
5 or is otherwise terminated by the State of Michigan, the related business license
6 granted under this article shall be automatically suspended, and licensee may not
7 operate until it has an active state operating license;

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

12 (5) No medical marijuana facility or adult-use marijuana establishment shall permit
13 the sale or dispensing of alcoholic liquor or tobacco for consumption on or off the
14 premises;

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

19 ~~(7) An adult-use marijuana establishment may post signage identifying the location as~~
20 ~~being a certified Detroit Legacy establishment only if the owner is certified as a~~
21 ~~Detroit legacy licensee. Signs displayed on the exterior and interior of the property,~~
22 ~~shall conform to this Code and applicable state law requirements.~~

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

4 **Sec. 20-6-41. License issuance.**

5 (a) When the application and proposed medical marijuana facility or adult-use
6 marijuana establishment has been reviewed by the MLRC and a recommendation regarding the
7 license, or an approval for a temporary marijuana event license by City Council, is provided to the
8 Department, the Department may issue a license in writing after the license fee is paid. A license
9 that is issued under this article shall be continually posted inside the licensed medical marijuana
10 facility or adult-use marijuana establishment in a conspicuous location near the entrance.

11 (b) Except for a temporary marijuana event ~~permit license~~, which shall expire ~~when the~~
12 ~~event concludes~~ at the time stated on the state operating license, the term of a license issued
13 pursuant to this article shall be not more than one year and shall expire each year on September
14 30. Any application to renew a license shall be made as specified in Sec. 20-6-42 of this article.

15 (c) A license issued under this article is nontransferable. A new owner or operator of a
16 licensed business under this article must obtain a new business license in accordance with this
17 article before the City will provide the attestation or other municipal approval required for a
18 transfer by the State of Michigan Marijuana Regulatory Agency.

19 ~~(d) A business owned by a Detroit legacy applicant and licensed under this article shall~~
20 ~~not be transferred, sold, or conveyed to anyone other than another Detroit legacy applicant for a~~
21 ~~period of five years from the date of the initial license granted, or the licensee will lose its Detroit~~
22 ~~legacy status and must re-apply and be approved for a license as a general applicant before~~
23 ~~operating.~~

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

1 (a) At least 120 days prior to the expiration of a license issued under this article,
2 licensees must submit a renewal application electronically on a form to be provided by the
3 Department. The renewal application shall include, but is not limited to:

4 (1) ~~Changes to the~~ A written statement depicting the ownership structure of the
5 licensee, and the names and addresses of all individuals having a direct or indirect
6 ownership interest in the licensee~~or an affidavit attesting that no changes have~~
7 ~~occurred;~~

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

10 ~~(3) For any limited license, documentation of the licensee's continued satisfaction of~~
11 ~~any Social Equity Scoring Criteria for which the licensee received points in its~~
12 ~~license application.~~

13 ~~(3) Confirmation that the licensee is still certified as Detroit legacy applicant, if~~
14 ~~applicable.~~

15 ~~(4) A copy of the licensee's annual financial statement submitted to the Michigan~~
16 ~~Marijuana Regulatory Agency for the licensing year immediately preceding the~~
17 ~~year for which licensee is seeking renewal. If licensee has not been operating long~~
18 ~~enough to have filed an annual financial statement, licensee must submit an~~
19 ~~accounting of its gross revenue for the period of time licensee has operated a state~~
20 ~~licensed marijuana business as attested by a certified public accounting firm~~
21 ~~acceptable to the City.~~

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

- 1 (1) The licensee has paid all applicable City of Detroit income taxes and property taxes;
- 2 (2) All natural persons who make up the ownership entity have filed City of Detroit
- 3 income tax returns for the preceding tax year;
- 4 (3) The licensee has paid all fees, fines, or any other financial obligations owing the
- 5 City of Detroit;
- 6 (4) The licensee holds a valid state operating license, and a current City of Detroit
- 7 business license for each use permitted at the site;
- 8 (5) There are no outstanding ~~licensing~~ violations from the City of Detroit or State of
- 9 Michigan pertaining to the operation of the licensed business;
- 10 (6) The licensed premises has a current certificate of compliance from the Department
- 11 for the permitted use;
- 12 (7) The police department has indicated that no criminal activity that would require a
- 13 nonrenewal has occurred pertaining to the operation of the licensed business during
- 14 the license period immediately preceding that for which the renewal license is
- 15 sought;
- 16 (8) That the licensee has operated as a good corporate citizen with respect for its
- 17 surrounding environment, has kept its commitments in its Good Neighbor Plan (as
- 18 confirmed by financial statements audited by a certified public accounting firm
- 19 acceptable to the City) and community outreach plan, and has complied with the
- 20 requirements of this article, and the MMFLA or the MRTMA.
- 21 (c) Where there is an existing deficiency of a requirement under this Code or a
- 22 violation of this article concerning the premises or licensee that can be cured, the licensee shall be
- 23 notified by the Department or the MLRC and must cure the deficiency before a renewal license is
- 24 issued. If the deficiency is not cured within 30 days of the licensee being notified, and the license

1 expiration date has passed, the ~~license and~~ renewal application will expire, and a new license
2 application will have to be filed with a new associated fee.

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

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

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

- 9 (1) A failure to meet the conditions or maintain compliance with the standards
10 established by this article, including, but not limited to failure to submit a timely
11 renewal application in accordance with this article;
- 12 (2) One or more uncorrected violations of any City ordinance on the premises;
- 13 (3) Maintenance of a nuisance or criminal activity on the premises;
- 14 (4) A demonstrated history of excessive complaints for public safety intervention,
15 which may include dispatches of police, fire, or emergency medical services,
16 relative to the licensed premises, being three or more runs in any 30-day period;
- 17 (5) Non-payment of any property or income taxes, special assessments, fines, fees or
18 other financial obligations to the City;
- 19 (6) Any fraud, misrepresentation or false statement in an application, any materials filed
20 with an application or related to a license, any materials provided in conjunction
21 with and application or license, or any statement related to an application or license
22 made to any City officials or agents;
- 23 (7) Any instance of operating a medical marijuana facility or adult-use marijuana
24 establishment without a license under this article and a state operating license; or

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

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

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

4 (1) May be subject to a misdemeanor ordinance violation and a fine of not more than
5 \$500.00, in the discretion of the court, for each such offense;

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

8 (3) May be subject to any other sanctions or penalties under applicable laws, rules or
9 regulations, including closure.

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

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

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

15 **Sec. 20-6-46 Inspection by authorized local officials.**

16 For purposes of ensuring compliance with this article, applicants and licensees shall
17 permit authorized local officials to inspect, during regular business hours, any portion of a
18 proposed or operating medical marijuana facility or adult-use marijuana establishment, subject to
19 constitutional restrictions on unreasonable searches and seizures. Where entry is refused or not
20 obtained, the City is authorized to pursue recourse as provided by law, including the penalties set
21 forth in Section 20-6-45 of this Code.

22 **Sec. 20-6-47. Social equity initiatives and substance use prevention appropriations.**

23 (a) The Office of Budget is hereby authorized to appropriate \$2,000,000 from prior
24 year fund balance to CRIO ~~the Civil Rights, Inclusion, and Opportunity Department~~ to support the

1 initial social equity initiatives and activities performed by the City in accordance with the
2 legislative purposes of this article. Subject to the annual budget process, it is expected that the
3 City's annual budget will contain a \$1,000,000 appropriation to CRIO ~~the Civil Rights, Inclusion,~~
4 ~~and Opportunity Department~~ to support the ongoing social equity initiatives and activities
5 performed by the City in accordance with the legislative purposes of this article.

6 (b) Subject to the annual budget approval process, the City's annual budget will contain
7 an appropriation, equal to two percent (2%) of the gross allocation received by the City of Detroit
8 in the previous fiscal year pursuant to M.C.L. 333.27964, to the Detroit Health Department for
9 substance use prevention programming for youth.


10 **Secs. 20-6-48—20-6-80. Reserved.**

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

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

15 **Section 4.** This ordinance shall become effective on [REDACTED], after publication
16 by the City Clerk in accordance with Sec. 4-118 of the 2012 Charter of the City of Detroit.

Approved as to form:



Charles Raimi,
Deputy Corporation Counsel

**READ TWICE BY TITLE, ORDERED PRINTED
AND LAID ON TABLE**