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pages

Effective:

BUSINESSES AND TRADES (MEDICAL MARIJUANA LICENSES)

ORDINANCE TO ADD A NEW CHAPTER 95 TO THILE VII (BUSINESSES AND TRADES) OF THE CODE OF THE CITY OF ANN ARBOR.

The City of Ann Arbor Ordains:

Section 1. That a new Chapter 95 be added to Title VII of the Code of the City of Ann Arbor to read as follows:

> CHAPTER 95. MEDICAL MARIJUANA LICENSES FOR MEDICAL MARIJUANA DISPENSARIES

7:500. Legislative Intent.

The City intends to license and regulate medical marijuana dispensaries to the extent they are permitted under the Michigan Medical Marihuana Act. The City does not intend that licensing and regulation under this chapter be construed as a finding that such businesses are legal under state or federal law. Although some specific uses of marijuana are allowed by the Michigan Medical Marihuana Act, marijuana continues to be classified as a Schedule 1 controlled substance under federal law making it unlawful under federal law to use, manufacture, distribute, or dispense marijuana, or to possess it with intent to manufacture, distribute, or dispense. By requiring a license and compliance with requirements as provided in this chapter, the City intends to protect to the extent possible the public health, safety and welfare of the residents of and visitors to the City, including but not limited to registered qualifying patients, from harm that may result from the activities of persons who unilaterally or on the advice of their own attorney determine that they may legally operate a medical marijuana dispensary.

## 7:501. Definitions.

Definitions. The following words and phrases shall have the following definitions when used in this section.

a) Words and Phrases Contained in the Michigan Medical Marihuana Act ("MMMA"), MCL 333.26421 et sea. This subsection contains some words and phrases that are defined in the MMMA. As used in this section, they have the same meaning as provided in the MMMA, except that if at any time the definition of a word or phrase set forth below conflicts with the definition in the

MMMA, then the definition in the MMMA shall apply. These words and phrases are as follows:

- i "Department" means the state department of community health.
- ii "Marihuana" means that term as defined in section 7106 of the public health code, 1978 PA 368, MCL 333.7106.
- "Medical use" means the acquisition, possession, cultivation, manufacture, use, internal possession, delivery, transfer, or transportation of marihuana or paraphernalia relating to the administration of marihuana to treat or alleviate a registered qualifying patient's debilitating medical condition or symptoms associated with the debilitating medical condition.
- iv "Primary caregiver" means a person who is at least 21 years old and who has agreed to assist with a patient's medical use of marihuana and who has never been convicted of a felony involving illegal drugs.
- v "Qualifying patient" means a person who has been diagnosed by a physician as having a debilitating medical condition.

b) Other Words and Phrases. The words and phrases in this subsection, as used in this section, shall have the following meanings:

"Marijuana" means "marihuana" as used in the MMMA.

ii "Medical marijuana cultivation facility" means a building or part of a building where marijuana plants are being grown in compliance with the MMMA, other than a medical marijuana home occupation or a dwelling unit in which marijuana is being cultivated for a qualifying patient who resides in the dwelling unit as permitted under subsection (7).

iii "Medical marijuana dispensary" means a building or part of a building where one or more primary caregivers operate with the intent to transfer marijuana between primary caregivers and/or qualifying patients, other than a medical marijuana home occupation or a dwelling unit in which the transfer of marijuana occurs between a primary caregiver and qualifying patient who resides in the dwelling unit as permitted under subsection (7).

"Medical marijuana home occupation" means an accessory use of a nonresidential nature that is conducted by a registered primary caregiver who resides in the dwelling and (A) is performed within a single-family dwelling or within an accessory building to that single-family dwelling; (B) is for the purpose of assisting one or more registered qualifying patients with the medical use of marijuana who do not reside in the dwelling and (C) complies with the MMMA.

v "Michigan Medical Marihuana Act" and "MMMA" mean the Michigan Medical Marihuana Act, MCL 333.26421 et seq.

vi "Authorized person" means:

(a) an owner of a medical marijuana dispensary;

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- (b) the directors, officers, members, partners, and individuals of a medical marijuana dispensary that is a corporation, limited liability company, partnership, or sole proprietorship;
- (c) any person who is in charge of and on the premises of the medical marijuana dispensary during business hours.

## 7:502. License Required, Number of Licenses Available, Eligibility.

- (1) No person shall operate a medical marijuana dispensary at a location for which an annual license as provided for in this chapter has not been issued.
- (2)A medical marijuana dispensary shall not be eligible for a license if any person required under this chapter to be named on the application has ever been convicted of a felony involving controlled substances as defined under the Michigan public health code, MCL 333.1101, et seq, the federal law, or the law of any other state.
- The license requirement in this chapter applies to all medical marijuana dispensaries that exist on the effective date of this chapter or are established after the effective date of this chapter.
- (4) The first year's licenses shall be capped at a number 10% higher than the number of complete applications for licenses submitted to the City in the first 60 days, after the effective date of this chapter, but not more than 20 medical marijuana dispensary licenses shall be issued in the first year. Any license terminated during the license year returns to the City for possible reissuance.
- (5) The license requirement set forth in this chapter shall be in addition to, and not in lieu of, any other licensing and permitting requirements imposed by any other state or local law.

The issuance of any license pursuant to this chapter does not create an exception, defense or immunity to any person in regard to any potential criminal liability the person may have for the production, distribution or possession of marijuana.

(7) The City Council will establish a Medical Marijuana Licensing Board to consist of one member of Council, one physician, and three other Ann Arbor residents, these are Mayoral appointments. The Board shall annually send to City Council a proposed resolution recommending either approval or rejection of each complete license application. A recommended resolution may set conditions for approval. determination of City Council as to such each application shall be final. The Board will annually review and recommend the licensing criteria, the number of licenses authorized, the license fee structure taking into consideration recommendations from staff, and recommend approval of license applications. While a medical marijuana dispensary shall not be eligible for a license if any person required under this chapter to be named on the application has been convicted of a felony involving controlled

substances, evidence that a person required under this chapter to be named on the

application has been convicted of any other type of felony, under the law of Michigan, the United States, or another state, may be used by the Board in its determination of whether or not to recommend the issuance of a licerise to the applicant. Among other things, the Board shall consider whether the substance of the offense would tend to indicate a likelihood/that the person would be unable to serve the public in a fair, honest and open manner or to dispense or cultivate marijuana in compliance with the MMMA, whether there is evidence that the person has/been rehabilitated, and the age of the conviction.

(8) A license issued under this chapter shall expire one year after the date of issuance. To renew an existing license, the licensee shall submit an application in the same manner as is required to apply for a new license no sooner than ninety (90) days before the expiration date an no later than sixty (60) days before the expiration date.

Medical marijuana home occupations do not require licenses but may register with the City by providing the address of the home occupation and showing the registry number on the registry identification card that the department issued to the register primary caregiver who is delivering the marijuana

7:503. General Provisions.

Q What if Dispensary wishes to charge location! (1) Except as otherwise provided for the amendment of existing licenses, no license issued under this chapter may be transferred or assigned, and no license is valid for any location other than the location specified in the license. unless and until the CHANGE

(2) A medical marijuana dispensary license issued by the City under this chapter, including the name and contact information for an rauthorized person and business manager(s), if any, shall be conspicuously posted in the medical marijuana dispensary where it is easily open to public view.

(3) Acceptance of a license from the City under this chapter constitutes consent by the licensee, owners, managers and employees to permit the city administrator or designee to conduct inspections of the licensed medical marijuana dispensary to ensure compliance with this chapter.

## 7:504. Application Requirements for New Annual License or Renewal of Existing License; License Requirements for New License and for Renewed License

(1) Application Submission. A medical marijuana dispensary that commenced operation prior to passage of the moratorium by City Council on August 5, 2010, shall have until sixty (60) days after the effective date of this chapter to submit an application for a new annual license. If the medical marijuana dispensary commenced operation prior to passage of the moratorium in a zoning district where its operation is not permitted under the zoning ordinance, the application shall be for a location in a zoning district where operation of a medical marijuana dispensary is permitted under the zoning ordinance. No other applications will be accepted by the City until seventy-five (75) days after the

effective date of this chapter. The medical marijuana dispensary may continue to operate pending final action on the application unless the Building Official determines that it must be closed for safety reasons. Within 60 days after an application is denied, the medical marijuana dispensary shall discontinue all operation unless the Building Official determines it must be closed sooner for safety reasons.

- Application Requirements for New Licensee. An application for a new annual license for a medical marijuana dispensary shall be submitted to the City Clerk on a form provided by the City for preliminary review by City staff to confirm that the applicant has submitted a complete application, which shall fulfill all of the requirements indicated on the form, including but not limited to:
  - (a) If the medical marijuana dispensary commenced operation prior to passage of the moratorium by City Council on August 5, 2010, then proof of the date on which the medical marijuana dispensary commenced operation shall be provided.
  - (b) The name and address of the medical marijuana dispensary and any other contact information requested on the application form.
  - (c) The name and address of all owners of the real property where the medical marijuana dispensary is located.
  - (d) Name, street address, and other contact information of all owners of the medical marijuana dispensary and, if the owner is a corporation, limited liability company, partnership, or sole proprietor with an assumed name, of all directors, officers, members, partners, and individuals, all of whom are considered collectively to be the applicant for the license.
  - (e) Name and address of all business managers.
  - (f) A statement with respect to each person named on the application whether the person has:
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  No amed on the Given been convicted of a felony involving controlled substances as defined under the Michigan public health code, MCL 333.1101, et seq, the federal law, or the law of any other state and, if so, the date of the conviction and the law under which the person was convicted;

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  (ii) Ever been convicted of any other type of felony under the law of Michigan, the United States, or another state, and, if so, the date of the conviction
  - and the law under which the person was convicted.
  - (g) Proof of applicant's ownership or legal possession of the premises.