

**VILLAGE OF SARANAC
ORDINANCE NO. 110**

RECREATIONAL MARIHUANA ESTABLISHMENTS ORDINANCE

Section 1. Definitions.

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

- (a) *Co-location or co-located* means the siting and operation of a combination of multiple establishments or establishment types at a single location.
- (b) *Designated consumption establishment* means a commercial space that is licensed by LARA and authorized to permit adults 21 years of age and older to consume marihuana products at the location indicated on the state license.
- (c) *Emergency Rules* means the emergency rules for adult-use marihuana establishments issued by LARA on or about July 3, 2019.
- (d) *Equivalent licenses* means any of the following held by a single licensee:
 - 1. A marihuana grower license, of any class, issued under the act and a grower license, of any class, issued under the MMFLA.
 - 2. A marihuana processor license issued under the act and a processor license issued under the MMFLA.
 - 3. A marihuana retailer license issued under the act and a provisioning center license issued under the MMFLA.
 - 4. A marihuana secure transporter license issued under the act and a secure transporter license issued under the MMFLA.
 - 5. A marihuana safety compliance facility license issued under the act and a safety compliance facility license issued under the MMFLA.
- (e) *Excess marihuana grower* means a license issued by LARA to a person holding five class C marihuana grower licenses and licensed to cultivate marihuana and sell or otherwise transfer marihuana to marihuana establishments.
- (f) *LARA* means the Department of Licensing and Regulatory Affairs and any successor department or agency within the department, including the Marihuana Regulatory Agency.
- (g) *Licensee* means a person holding a state operating license for a marihuana establishment.

- (h) *Marihuana* means all parts of the plant genus cannabis, growing or not; the seeds of that plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds or resin. Marihuana does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, except the resin extracted from those stalks, fiber, oil, or cake, or any sterilized seed of the plant that is incapable of germination. Marihuana does not include industrial hemp.
- (i) *Marihuana establishment* means a marihuana grower, marihuana safety compliance establishment, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter, or any other type of marihuana-related business licensed by LARA under the MRTMA.
- (j) *Marihuana event organizer* means a person licensed to apply for a temporary marihuana event license under the Emergency Rules.
- (k) *Marihuana grower* means a person licensed by LARA to cultivate marihuana and sell or otherwise transfer marihuana to marihuana establishments.
- (l) *Marihuana microbusiness* means a person licensed by LARA to cultivate not more than 150 marihuana plants; process and package marihuana; and sell or otherwise transfer marihuana to individuals who are 21 years of age or older or to a marihuana safety compliance establishment, but not to other marihuana establishments.
- (m) *Marihuana processor* means a person licensed by LARA to obtain marihuana from marihuana establishments; process and package marihuana; and sell or otherwise transfer marihuana to marihuana establishments.
- (n) *Marihuana retailer* means a person licensed by LARA to obtain marihuana from marihuana establishments and to sell or otherwise transfer marihuana to marihuana establishments and to individuals who are 21 years of age or older.
- (o) *Marihuana secure transporter* means a person licensed by LARA to obtain marihuana from marihuana establishments in order to transport marihuana to marihuana establishments.
- (p) *Marihuana safety compliance establishment* means a person licensed by LARA to test marihuana, including certification for potency and the presence of contaminants.
- (q) *MMMA* means the Michigan Medical Marihuana Act, Initiated Law 1 of 2008, as amended, MCL 333.26424 *et seq.*
- (r) *MMFLA* means the Michigan Medical Marihuana Facilities Licensing Act, 2016 PA 281, as amended, MCL 333.27102 *et seq.*

- (s) *MRTMA* means the Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1 of 2018, MCL 333.27951 *et seq.*
- (t) *MRTMA rules* means rules, including emergency rules, promulgated by LARA to implement the MRTMA.
- (u) *Prequalification step* or *prequalified* means the portion of the application for a state operating license pertaining to the applicant's financial background and the criminal history of the applicant and other associated persons, as provided by Emergency Rule 6.
- (v) *Stacked grower license* means more than 1 state operating license issued to a single licensee to operate as a grower of class C-1,500 marihuana plants as specified in each license at an establishment.
- (w) *State operating license* or, unless the context requires a different meaning, "*license*" means a license that is issued by LARA under the MRTMA that allows the licensee to operate a marihuana establishment.

10.2-02 Authorized Establishments.

- (a) *Authorization and special use permit required.* No person shall operate a marihuana establishment in the Village without an authorization issued by the Village pursuant to the provisions of this Ordinance and a special use permit pursuant to this Ordinance and the Village Zoning Ordinance.
- (b) *Number of establishments eligible for authorization.* The following numbers of marihuana establishments may be authorized to operate in the Village, subject to this Ordinance:
 - (1) Growers operating under Class A licenses (unlimited);
 - (2) Growers operating under Class B licenses (unlimited);
 - (3) Growers operating under Class C licenses (unlimited);
 - (4) Retailers (unlimited);
 - (5) Processors (unlimited);
 - (6) Secure transporters (unlimited);
 - (7) Safety compliance establishments (unlimited);
 - (8) Microbusinesses (unlimited);
 - (9) Designated consumption establishments (unlimited);

- (10) Excess marihuana growers (unlimited); and
- (11) Temporary marihuana events (unlimited).
- (c) *Co-location and stacked licenses.* Co-location and stacked grower licenses are permitted in the Village.
- (d) *Final authorization from Village required.* The authorization process described in this Ordinance determines the locations in the Village at which establishments may operate. A proposed establishment is not eligible to operate until the Treasurer grants final authorization and until the applicant receives a special use permit under the Village Zoning Ordinance and all required approvals and licenses from LARA.

10.2-03 Application for Authorization.

- (a) *Required Application Materials.* An application is not considered complete until all of the following are received by the Village Treasurer:
 - (1) A nonrefundable application fee in an amount established by resolution of the Village Council.
 - (2) An advance of the annual administrative fee established in Section 5(d).
 - (3) A photocopy of a valid, unexpired driver's license or state issued identification card for all owners, directors, and officers of the proposed establishment.
 - (4) A signed application (available in the Treasurer's office), which must include all of the following information and documents:
 - (A) If the applicant is an individual, the applicant's name; date of birth; Social Security number; physical address, including residential and any business address; copy of government-issued photo identification; email address; one or more phone numbers, including emergency contact information;
 - (B) If the applicant is not an individual, the names; dates of birth; physical addresses, including residential and any business address; copy of government-issued photo identifications; email address; and one or more phone numbers of each stakeholder of the applicant, including designation of the highest ranking representative as an emergency contact person; contact information for the emergency contact person; articles of incorporation or organization; assumed name registration; Internal Revenue Service EIN confirmation letter; copy of the operating agreement of the applicant, if a limited liability company; copy of the partnership agreement, if a partnership; names and addresses of the beneficiaries, if a trust, or a copy of the bylaws or shareholder agreement, if a corporation;

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

- (b) *Treasurer action upon receipt.* The Treasurer will accept and receive any complete application that includes the information and documents required by Section 3(a). Upon receiving a complete application, the Treasurer will time- and date-stamp the application.
- (c) *Final authorization.* The Treasurer will grant final authorization for the establishment if the applicant:
 - (1) Submits the paperwork for the establishment-specific step of the application for a state operating license to LARA within 60 days after receiving a certificate of occupancy for the facility;
 - (2) Submits an application for special use authorization pursuant to the Village Zoning Ordinance within 30 days of submitting the application;
 - (3) Obtains special use authorization within 6 months of submitting the application; and
 - (4) Receives all required operating licenses and approvals from LARA within 18 months of submitting the application; and
 - (5) Otherwise complies with all Village rules and regulations.
 - (6) The Village Council may extend any of the deadlines upon a showing of good cause.
- (d) *Equivalent Licenses.* Equivalent licenses may be operated at the same location within Village, subject to this Ordinance and to the extent permitted by state law.
 - a. When a licensee holds equivalent licenses for a single property, each facility or establishment counts as a separate facility or establishment.
 - b. Each licensed facility or establishment must meet all other requirements of this Ordinance, other Village ordinances, and the Village Zoning Ordinance. A separate application, application fee, and annual fee are required for each proposed licensed facility or establishment with equivalent licenses.

Section 4. Relocation of Establishments, Transfers of Licenses, and Expansion of Grow Operations.

- (a) An existing establishment may be moved to a new location in the Village, subject to applicable zoning regulations, prior Village Council approval, and approval by LARA. In deciding whether to approve a new location for an existing establishment, the Village Council shall consider the following nonexclusive factors:

- a. The impact of the establishment's new location on traffic, parking, public safety, noise, and aesthetics;
 - b. The impact of the establishment's new location on the community as a whole; and
 - c. The existing establishment's compliance with Village ordinances and with state law and administrative rules.
- (b) A license for an existing establishment may be transferred to a new licensee that intends to continue operating at the same location, subject to approval by Village Council and LARA.
- (c) A licensee may expand growing operations by upgrading the class of the license (e.g., from class A to class B, or from class B to class C), subject to all the limitations (including limitations on the number of establishment types) set forth in this Ordinance. To do so, the licensee must submit a new application to the Village satisfying the requirements in this Ordinance, which shall include payment of the application fee and an advance of any additional annual administrative fee.

Section 5. General Regulations.

- (a) *Submission of supplementary information to the Village.* Applicants for Village authorization and persons operating existing establishments in the Village must provide the Village Treasurer with copies of all documents submitted to LARA in connection with the initial license application, subsequent renewal applications, or investigations conducted by LARA. The documents must be provided to the Treasurer within 7 days of submission to LARA, and may be submitted electronically to the Village unless otherwise requested by the Treasurer.
- (b) *Compliance with applicable laws and regulations.* Adult-use marihuana establishments must be operated in compliance with the MRTMA, MRTMA rules, all conditions of the establishment's state operating licenses, and all applicable Village ordinances. Compliance with the foregoing does not create immunity from prosecution by federal authorities or other authorities of competent jurisdiction.
- (c) *No consumption on premises.* No smoking, inhalation, or other consumption of marihuana shall take place on or within the premises of any establishment. It shall be a violation of this Ordinance to engage in such behavior, or for a person to knowingly allow such behavior to occur. Evidence of all of the following gives rise to a rebuttable presumption that a person allowed the consumption of marihuana on or within a premise in violation of this section:
 - (1) The person had control over the premises or the portion of the premises where the marihuana was consumed;
 - (2) The person knew or reasonably should have known that the marihuana was consumed; and

- (3) The person failed to take corrective action.
- (d) *Annual fee.* A licensee must pay a fee of \$5,000, for each license used within the Village in order to help defray administrative and enforcement costs. The initial annual fee(s) must be paid to the Village Treasurer when the application for Village approval is submitted. In each subsequent year, fees are due on the date on which the licensee submits an application to LARA for renewal of the state operating license. The amount of the annual fee may be reduced by resolution of Village Council, without an amendment to this Ordinance.

Section 6. Violations.

- (a) *Request for revocation of state operating license.* If at any time an authorized establishment violates this Ordinance or any other applicable Village ordinance, the Village Council may request that LARA revoke or refrain from renewing the establishment's state operating license.
- (b) *Civil infraction.* It is unlawful to disobey, neglect, or refuse to comply with any provision of this Ordinance. A violation of this Ordinance is a municipal civil infraction. Each day the violation continues shall be a separate offense. Notwithstanding any other provision of this ordinance to the contrary, violators shall be subject to the following fines:
- (1) First violation = \$500
- (2) Second offense = \$2,500
- (3) Each subsequent offense = \$5,000
- (c) *Other remedies.* The foregoing sanctions are in addition to the Village's right to seek other appropriate and proper remedies, including actions in law or equity.

Section 7. Effective Date.

This Ordinance shall become effective upon the earlier of the date of publication or twenty days following its adoption.

Section 8. Repeal.

Any ordinance inconsistent with this Ordinance shall be repealed but only to the extent necessary to give this Ordinance full force and effect.

YEAS: Council Member(s) Dell, Klutman, Mulnix, Simmons, Whorley, Darby

NAYS: Council Member(s) Hooper

ABSTAIN: Council Member(s) None

ABSENT: Council Member(s) None

CERTIFICATION

As the Village Deputy Clerk of the Village of Saranac, Ionia County, Michigan, I certify this is a true and complete copy of an ordinance adopted by the Village Council at a regular meeting held on 10/12, 2020.

Date: 10/12, 2020

Shawn J. Dwyer
Village President

Date: 10/12, 2020

Betty Straubel
Village Deputy Clerk

Introduced: 10/12, 2020

Adopted: 10/12, 2020

Published: 10/17, 2020

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