Medical Marijuana Facilities Licensing

MUNICIPAL CHALLENGES FOR OPTING IN

*This bulletin is provided for general informational purposes only and does not constitute legal advice. Please consult with a qualified professional for specific legal questions regarding the Medical Marihuana Facilities Licensing Act.*
Municipality Decision Tree

Decision to opt-in or not

Allow: Opt-in by passing ordinance

Prohibit: Do nothing. MCL 333.27205(1)

TYPES Establish which of the 5 types of facilities you will allow

NUMBER Establish the number of each type of permitted facility

LOCATION Decide where the facilities may operate through zoning and distance restrictions.

ADDITIONAL RESTRICTIONS May adopt other regulations that do not affect price, purity, or conflict with State regulations (e.g. hour of operation restrictions; inspections; security requirements; etc.).
Developing an MMFLA Ordinance

GETTING STARTED

- Review Other Ordinances
  - Michigan and other States

- Reviewed Articles
  - Common Concerns
  - Problems
  - Approaches
Developing an MMFLA Ordinance

Considerations

TYPES & QUANTITY OF MEDICAL MARIJUANA FACILITIES

City of Center Line Ordinance 18-406, Section E: “The following types of Facilities shall be authorized in the City by issuance of a permit as provided herein, in the quantities specified, subject to all applicable laws and ordinances, including zoning requirements”

- Growers:
  - Class A limited to five (5)
  - Class B limited to five (5)
  - Class C limited to five (5)

- Processors limited to fifteen (15)

- Secure Transporters limited to fifteen (15)

- Provisioning Centers limited to fifteen (15)

- Safety Compliance Facilities limited to fifteen (15)

“The foregoing Permit quantities shall be subject to the availability of locations in areas zoned for Facilities and shall be reduced to the extent locations are unavailable in such areas”
Developing an MMFLA Ordinance

Considerations

ZONING

"Any Facilities approved under this Ordinance and under the Act shall comply with the City of Center Line zoning provisions and shall be limited to locations, and only located within a building, within M1 and M2 zoning districts as set forth in the City of Center Line Ordinance No. 402 “Medical Marijuana Facilities, subject to the following conditions and set-back requirements”

1. Except for Facilities qualifying as Secure Transporters or Safety Compliance Facilities under MCL 333.27101, et. seq., a Medical Marijuana Facility must be 200 feet or more from of any residential zoning district or existing residential dwelling used for medical marijuana.

2. A Medical Marijuana Facility must be 400 feet or more from any school, including child care or day care facility, to insure community compliance with Federal "Drug-Free School Zone" requirements.

3. Except for Facilities qualifying as Secure Transporters or Safety Compliance Facilities under MCL 333.27101, et. seq., a Medical Marijuana Facility must be 200 feet or more from the property line of any church, house of worship or other religious facility or institution.

4. Except for Facilities qualifying as Secure Transporters or Safety Compliance Facilities under MCL 333.27101, et. seq., a Medical Marijuana Facility must be 200 feet or more from any public park, publicly owned building or recreational area commonly used by minor children.
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Considerations

APPLICATION FEES AND PROPERTY INTEREST

- **Application Fee** - Each applicant for authorization to operate a Facility within the City shall pay a non-refundable application fee of $1,500, fill out the City’s application form, and provide all documentation and information requested by the City.

- **Property Interest** - Without limitation, the applicant must specify the property address of the proposed Facility, which must be located within an area zoned for such use and provide proof of ownership or tenancy of said property. In the event an applicant supplies a binding purchase agreement and the applicant is otherwise deemed to qualify for a Permit, the City may issue a Permit conditioned on the applicant submitting a deed to the property within ninety (90) days of issuance of the Permit.
Selection process - The City Manager shall, consistent with the requirements of this Ordinance, evaluate and nominate for approval by the City Council those applicants which the City Manager determines should be awarded a Permit (“Nominees”). In determining the Nominees, the City Manager shall consider the following criteria:

1. Compliance with application requirements.
2. Compliance with the requirements of the ordinance.
3. Capitalization and means to operate the proposed facility.
5. Regulatory compliance & legal history.
7. Integrity, moral character, and cooperation level with the city.
8. Financial benefit to the city.
9. Any other considerations relevant to public health, safety, or welfare.
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Considerations

REQUIREMENTS AND RESTRICTIONS

- Exterior Signage
- Hours of Operation
- Use at Facilities
- Indoor Operations only
- Transportation Odors
- Lighting
- Security
- Display of Permit
- Access by Minors
- Systems
- Compliance with Laws
“Permits are non-transferable and non-assignable and shall be specific to the Licensee and the location authorized. A transfer of an ownership interest in a business entity operating a Facility shall be deemed to be a transfer hereunder. No person may operate a Facility in the City without a Permit.”
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Considerations

TERMINATION OF AUTHORIZATION

➢ Violation of Act or Ordinance

➢ False or Misleading Information

➢ Revocable Privilege
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Considerations

- **Administrative & Enforcement Fee**
  - $5,000.00 - Statutory
  - Police
    - Personnel
    - Law Enforcement
    - Video Monitoring
  - Legal
    - City Attorney
    - Ordinance Development
  - Administration
    - Clerical
    - Documentation
    - Ordinance Prep
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Considerations

INSPECTION FEES

- $4,000.00
- Building and Grounds Inspection
  - Electrical
  - HVAC
  - Mechanical
  - Structural
  - Parking Lot, Egress, Access, Fencing
- Security Inspection
  - Video Cameras
  - Video Real Time Monitoring
- Fire Safety
  - Fire suppression systems
  - International Fire Code
  - Ordinance Compliance
  - Public heath, safety & welfare.
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Working with Political Leadership

- No Temporary Certificates of Occupancy
- Five Amendments in Five Months
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**Penalties**

- $1,500.00 and/or 90 Days
- Court Costs
- Non-exclusive and Cumulative
- Injunctive Relief to Abate
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Future Political Leadership’s Impact...

- Ordinance vs. Zoning Code
  - Ordinance with specific zoning outlined restricts variances, keeping Medical Marijuana Facilities out of Downtown, other Commercial Districts, and residential neighborhoods.
  - Ordinance could be repealed by a future city council should political leadership and attitudes change.
  - Ordinance can only be amended by majority vote of City Council.
  - Zoning Code changes must go through a thorough review process and public input.
  - Zoning Code would allow Zoning Board of Appeals to give a variance, which current political leadership currently wishes to control.
  - Zoning Code still applies for Medical Marijuana Facilities, except for location of facility.
Could end Medical Marijuana.
Municipalities should be able to opt-in or not.
New Rules from the State.
Much is out of municipality control.
Wait and see…
PREPARING THE APPLICATION

- What to Include?
- How Much Information is Enough Information?
CENTER LINE’S MMFL PERMIT APPLICATION

APPLICANT ISSUES

- Handling Legal Questions
- Handling Requests for Assurances
CENTER LINE’S MMFL PERMIT APPLICATION

REVIEW PROCESS

- Review application ensuring all documents are present.
- Issue receipt of payment.
- Review and compare content of State “Pre-qualification” documents and content of Permit Application.
- Identify conflicts between State and City applications.
- Process all applicable background checks.
- Review business plan, parties of interest, location, and other criteria.
- Request additional information.
- Make nominations
CENTER LINE’S MMFL PERMIT CHECKLIST

Admin Team Meeting

- Education of State Law & City Ordinance
- Solicit Feedback
- Establish Administrative Process
- Create Admin Checklist
- Communicate Expectations
- Monitor to Ensure Fairness with All Businesses Applying
## CENTER LINE’S MMFL PERMIT PROCESS

### SELECTION CRITERIA AND SCORING

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<thead>
<tr>
<th>MMFL PERMIT CRITERIA</th>
<th>SCORE SHEET</th>
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<tr>
<td><strong>Business Name</strong></td>
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<td><strong>Proposed Address</strong></td>
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<td><strong>Applicant Name</strong></td>
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<td><strong>Date</strong></td>
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**COMPLIANCE W/ APPLICATION REQUIREMENTS**

1 2 3 4 5 6 7 8 9 10

**COMPLIANCE W/ ORDNANCE/STATE LAWS/RULES**

1 2 3 4 5 6 7 8 9 10

**CAPITALIZATION & FINANCE**

1 2 3 4 5 6 7 8 9 10

**BUSINESS HISTORY**

1 2 3 4 5 6 7 8 9 10

**REGULATORY COMPLIANCE/LEGAL HISTORY**

1 2 3 4 5 6 7 8 9 10

**BUSINESS PLAN**

1 2 3 4 5 6 7 8 9 10

**INTEGRITY/ MORAL/ COOPERATION**

1 2 3 4 5 6 7 8 9 10

**FINANCIAL BENEFIT TO CITY**

1 2 3 4 5 6 7 8 9 10

**PUBLIC HEALTH/ SAFETY/ WELFARE**

1 2 3 4 5 6 7 8 9 10

**TOTAL SCORE**

**NOMINATED?** Yes No (Circle One)

**COMMENTS:**

   
   
   

**SIGNATURE/TITLE OF EVALUATOR**

**DATE OF EVALUATION**
ADMIN CHALLENGES YOU COULD FACE...

**Clerical Staff**
- Expediting Review Process
- Understanding Application Checklist
- Effectively Communicating Requirements
- Misinformation Delaying Process
- Communicating Legal Advice
- Misrepresentation of information
- Potential Ethical Issues

**City Manager**
- Understanding State Medical Marijuana Act & Administrative Rules; City Ordinance & Application Process.
- Conflicts of Interests. No special treatment, meetings or other conversations that would jeopardize the integrity of the process.
- Ensuring fair and equitable application review and nomination.
- Do Not Negotiate!
Questions & Answers

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