



March 13, 2019

Planning Commission  
Northfield Township  
8350 Main Street  
Whitmore Lake, MI 48189

**MEMORANDUM: Marihuana Permit Regulations**

Dear Commission Members,

Per your request, we have prepared the following permitting regulations to accommodate medical and recreational marihuana uses in the Township. These standards are provided for your consideration and comment. Planning Commission is not required to make a recommendation or provide advisory guidance to the Township Board on amendments to the Township Code of Ordinances that are outside of the Zoning Chapter. Planning Commission may choose to make an advisory recommendation to the Board. We recommend these permitting standards for your review and consideration. If Planning Commission forwards these permitting regulations to the Township Board for consideration, it is our recommendation that Planning Commission also request the Township Attorney review prior to being placed on a Township Board Agenda.

Please refer to the supportive memorandums and packet material, and minutes from Planning Commission meetings on December 19, 2018, January 2, 2019, January 16, 2019, February 6, 2019, and February 20, 2019. Text that is struck through shall be deleted and text that is underlined shall be added.

**RECOMMENDED REVISIONS TO CODE OF ORDINANCES**

That the Code of Ordinances, Northfield Township, Washtenaw County, Michigan (or Northfield Township Code), is hereby amended by adding a Chapter, to be numbered 23, which such Chapter reads as follows.

**Chapter 23 - MARIHUANA FACILITIES**

**Sec 23-1. - Legislative Intent.**

The Township intends to issue permits for and regulate marihuana facilities to the extent they are permitted under the State of Michigan Medical Marihuana Act, MCL333.26421, et seq; the Marihuana facilities Licensing Act, MCL 333.27101 et seq; and the Marihuana Tracking Act, MCL 333.27901 et seq; and Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951 et seq. The Township does not intend that permitting and regulation under this chapter be construed as a finding that such facilities comply with any law. By requiring a permit and compliance with the requirements of this chapter, the Township intends to protect the public health, safety and welfare.

**Sec 23-2. - Definitions.**

- (1) Words and phrases contained in the State of Michigan Medical Marihuana Act, MCL333.26421, et seq; the Marihuana facilities Licensing Act, MCL 333.27101 et seq; and the Marihuana Tracking Act, MCL 333.27901 et seq; and Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951 et seq.(State Marihuana Acts). This chapter contains some words and phrases that are defined in the State Marihuana Acts. As used in this chapter, they have the same meaning as provided in the State Marihuana Acts, except that if at any time the definition of a word or phrase set forth in this section conflicts with the definition in the State Marihuana Acts, then the definition the State Marihuana Acts shall apply. These words and phrases are as follows:

- (a) Grower means a licensee that is a commercial entity located in this State that cultivates, dries, trims, or cures and packages marihuana for sale to a processor or provisioning center.
- (b) Licensee means a person holding a State operating license.
- (c) Marihuana means that term as defined in Section 7106 of the Public Health Code, 1978 PA 368, MCL 333.7106.
- (d) Marihuana facility means a location at which a license holder is licensed to operate under the State Marihuana Acts.
- (e) Marihuana plant means any plant of the species *Cannabis sativa* L.
- (f) Marihuana-infused product means a topical formulation, tincture, beverage, edible substance, or similar product containing any usable marihuana that is intended for human consumption in a manner other than smoke inhalation. Marihuana-infused product shall not be considered a food for purposes of the Food Law, 2000 PA 92, MCL 289.1101 to 289.8111.
- (g) Microbusiness means a person licensed 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 facility, but not to other marihuana establishments.
- (h) Person means an individual, corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited liability limited partnership, trust, or other legal entity.
- (i) Plant means any living organism that produces its own food through photosynthesis and has observable root formation or is in growth material.
- (j) Processor means a licensee that is a commercial entity located in this state that purchases marihuana from a grower and that extracts resin from the marihuana or creates a marihuana-infused product for sale and transfer in packaged form to a retailer or a provisioning center.
- (k) Provisioning center means a licensee that is a commercial entity located in this State that purchases marihuana from a grower or processor and sells, supplies, or provides marihuana to registered qualifying patients, directly or through the patients' registered primary caregivers. Provisioning center includes any commercial property where marihuana is sold at retail to registered qualifying patients or registered primary caregivers. A noncommercial location used by a primary caregiver to assist a qualifying patient connected to the caregiver through the department's marihuana registration process in accordance with the Michigan Medical Marihuana Act is not a provisioning center for purposes of this Act.
- (l) Retailer means a person licensed 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.
- (m) Registered primary caregiver means a primary caregiver who has been issued a current registry identification card under the Marihuana Act, MCL333.26421, et seq.
- (n) Rules means rules promulgated under the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 to 24.328, by the Department in consultation with the Board to implement this Act.
- (o) Safety compliance facility means a licensee that is a commercial entity that receives marihuana from a marihuana facility or registered primary caregiver, tests it for contaminants and for tetrahydrocannabinol and other cannabinoids, returns the test results, and may return the marihuana to the marihuana facility.
- (p) Secure transporter means a licensee that is a commercial entity located in this state that stores marihuana and transports marihuana between marihuana facilities for a fee.
- (q) State operating license or, unless the context requires a different meaning, "license" means a license that is issued under this act that allows the licensee to operate as 1 of the following, specified in the license:
  - (i) A grower.
    - a. Medical Class A – 500 marihuana plants.

- b. Medical Class B – 1,000 marihuana plants.
- c. Medical Class C – 1,500 marihuana plants.
- d. Recreational Class A – 100 marihuana plants.
- e. Recreational Class B – 500 marihuana plants
- f. Recreational Class C – 2,000 marihuana plants

- (ii) A processor.
- (iii) A secure transporter.
- (iv) A provisioning center.
- (v) A safety compliance facility.
- (vi) A microbusiness
- (vii) A retailer
- (viii) A registered primary caregiver

(2) Other words and phrases. The words and phrases in this chapter, as used in this chapter, shall have the following meanings:

- (a) Applicant means a person who applies for a Township permit.
- (b) Authorized person means:
  - (i) An owner of a medical marihuana facility;
  - (ii) The directors, officers, members, partners, and individuals of a medical marihuana facility that is a corporation, limited liability company, partnership, or sole proprietorship;
  - (iii) Any person who is in charge of and on the premises of the medical marihuana facility during business hours.
- (c) Marihuana means "marihuana" as defined in the State Marihuana Acts.
- (d) Medical marihuana 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 1 or more registered qualifying patients with the medical use of marihuana who do not reside in the dwelling and (C) complies with the MMMA. As used in this subsection, "accessory use" has the same meaning as it does in Chapter 36(Zoning) of the Northfield Township Code.
- (e) State Marihuana Acts mean the State of Michigan Medical Marihuana Act, MCL333.26421, et seq; the Marihuana facilities Licensing Act, MCL 333.27101 et seq; and the Marihuana Tracking Act, MCL 333.27901 et seq; and Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951 et seq.
- (f) Permittee means a person holding a Township permit under this chapter.
- (h) Facility means "marihuana facility" as defined in the State Marihuana Acts.
- (g) Marihuana facility means "marihuana facility" as defined in the State Marihuana Acts.
- (h) Township permit or, unless the context requires a different meaning, permit means a permit that is issued under this chapter that allows the permittee to operate as 1 of the following, specified in the permit:
  - (i) A grower.
    - a. Medical Class A – 500 marihuana plants.
    - b. Medical Class B – 1,000 marihuana plants.
    - c. Medical Class C – 1,500 marihuana plants.
    - d. Recreational Class A – 100 marihuana plants.
    - e. Recreational Class B – 500 marihuana plants
    - f. Recreational Class C – 2,000 marihuana plants
  - (ii) A processor.
  - (iii) A secure transporter.
  - (iv) A provisioning center.
  - (v) A safety compliance facility.
  - (vi) A microbusiness

- (vii) A retailer
- (viii) A registered primary caregiver

### **Sec 23-3. - MARIHUANA FACILITIES AUTHORIZED**

Pursuant to the State Marihuana Acts, the Township of Northfield Township authorizes the operation in the Township of the following marihuana facilities, provided they possess a state operating license issued under the State Marihuana Acts and they comply with the additional requirements of this chapter 36, (Zoning), and all other applicable laws and ordinances:

- (i) A grower.
  - a. Medical Class A – 500 marihuana plants.
  - b. Medical Class B – 1,000 marihuana plants.
  - c. Medical Class C – 1,500 marihuana plants.
  - d. Recreational Class A – 100 marihuana plants.
  - e. Recreational Class B – 500 marihuana plants.
  - f. Recreational Class C – 2,000 marihuana plants.
- (ii) A processor.
- (iii) A secure transporter.
- (iv) A provisioning center.
- (v) A safety compliance facility.
- (vi) A microbusiness.
- (vii) A retailer.
- (viii) A registered primary caregiver.

### **Sec 23-4. - TOWNSHIP PERMIT REQUIRED, NUMBER OF PERMITS AVAILABLE**

(1) No person shall operate a facility for which an annual permit as provided for in this chapter has not been issued. The maximum number of permits available for each type of facility is as follows:

- (a) Grower Facilities (20-licenses in any of the following categories):
  - i. Medical Class A – 500 marihuana plants.
  - ii. Medical Class B – 1,000 marihuana plants.
  - iii. Medical Class C – 1,500 marihuana plants.
  - iv. Recreational Class A – 100 marihuana plants.
  - v. Recreational Class B – 500 marihuana plants.
  - vi. Recreational Class C – 2,000 marihuana plants.
- (b) Processor Facilities (6 licenses).
- (c) Secure Transporters (6 license).
- (d) Safety Compliance Facilities (6 licenses).
- (e) Retail Facilities (6 licenses).
- (f) Provisioning Center Facilities (6 licenses).
- (g) Microbusiness Facilities (6 licenses).

(2) The permit requirement in this chapter applies to all facilities that exist on the effective date of this chapter or are established after the effective date of this chapter. This includes all persons who engage or have engaged in any of the activities that are included in the definitions in the State Marihuana Acts of the types of entities that may obtain a state operating license, without regard to whether they called or call their businesses "dispensaries," "cultivation facilities," "clubs," "cooperatives," or any other similar label. A person who engaged in any of the activities that are included in the definitions in the State Marihuana Acts of the types of entities that may obtain a state operating license before the effective date of the State

Marihuana Acts or before obtaining a state operating license does not have a vested right to obtain a Township permit.

- (3) The permit requirement in this chapter applies to all facilities whether operated for profit or not for profit.
- (4) The permit requirement in this chapter shall be in addition to any other requirements imposed by any other state or local law, including but not limited to state or local laws applicable to commercial entities performing functions similar to the functions performed by marihuana facilities.
- (5) The issuance of any permit pursuant to this chapter does not create an exception, defense or immunity to any person with regard to any potential criminal or civil liability the person may have under any federal or state law or Township ordinance.
- (6) A permit issued under this chapter shall be valid for 1 year after the date of issuance. To renew an existing permit, the permittee shall submit an application in the same manner as is required to apply for a new permit no sooner than 90 days before the expiration date and no later than 60 days before the expiration date.
- (7) Medical marihuana home occupations do not require permits.

#### **Sec 23-5. - GENERAL PROVISIONS**

- (1) A permit issued under this chapter is valid only for the location of the facility and type of facility that is listed on the permit application and is valid only for the operation of the facility at that location by the permit applicant.
- (2) A permit issued under this chapter is valid only if the permit holder also holds a valid current state operating license and a copy of the valid current license and application for license has been provided to the Township Clerk by the license holder and is in compliance with all other requirements in this chapter.
- (3) The revocation, suspension, and placement of restrictions by the state on a state operating license apply equally to a permit issued by the Township.
- (4) The expiration date of the state operating license that corresponds to a permit issued under this chapter constitutes the expiration date of the permit, however, operation of the facility under the expired permit is permitted to the extent that operation under the expired state operating license is permitted under the State Marihuana Acts.
- (5) A permit issued by the Township under this chapter, shall be conspicuously posted in the facility where it is easily open to public view.
- (6) Acceptance of a permit from the Township under this chapter constitutes consent by the permittee, owners, managers and employees to permit the Township Manager or designee to conduct inspections of the facility to ensure compliance with this chapter.

#### **Sec 23-6. - Application requirements for and issuance of Township permit.**

- (1) *Application for new annual permit.* An application for a new annual permit for a marihuana facility shall be submitted to the Township Clerk on a form provided by the Township, which shall fulfill all of the requirements indicated on the form, including but not limited to:
  - (a) The name and address of the facility and any other contact information requested on the application form.
  - (b) The name and address of all owners of the real property where the facility is located.
  - (c) Name and address of all business managers of the facility.
  - (d) A statement with respect to each person named on the application whether the person has:
    - (i) 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 and, if so, the date of the conviction and the law under which the person was convicted;

- (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.
- (e) Proof of applicant's ownership or legal possession of the premises.
- (f) A Township Zoning Compliance Permit.
- (g) A Township Certificate of Occupancy or Temporary Certificate of Occupancy.
- (h) If the application is for a grower's permit, the maximum number of plants that the applicant intends to grow. However, the application form for a grower's permit is the same regardless of whether the grower is applying for a state operating license for a recreational Class A, recreational Class B, or recreational Class C, medical Class A, medical Class B, or medical Class C license and 1 application fee for a grower's license shall apply without regard to the class of state operating license the permit application seeks.
- (i) Payment of a non-refundable application fee of \$5,000.00.
- (2) Renewal or amendment of existing permits.
  - (a) The same procedures that apply to applying for a new permit shall apply to the renewal or amendment of existing permits.
  - (b) An application for renewal of an existing permit shall be submitted no sooner than 90 days before the existing permit expires.
  - (c) An amended application shall be submitted under both of the following circumstances:
    - (i) When there is a change in any information the permit applicant was required to provide in the most recent application on file with the Township; and,
    - (ii) When there is a change in any information the permit applicant was required to provide in the most recent application for a state operating license on file with the state of Michigan.
  - (d) An application to amend an existing permit to change the location of the facility shall be submitted no later than 90 days before the existing permit expires. An application to amend an existing permit to change any other information on the most recent application on file with the Township may be submitted at any time.
  - (e) Applications for renewal or amendment of existing permits shall be reviewed and granted or denied before applications for new permits are considered.

**Sec 23-7. -ISSUANCE OF PERMIT AND AUTHORIZATION TO OPERATE FACILITY UNDER PERMIT.**

- (1) If the permit applicant has successfully demonstrated compliance with all requirements for issuance of a permit the Township Manager shall issue a new permit to the permit applicant if a permit is available or grant renewal of an existing permit.
- (2) The issuance of a permit under this chapter authorizes operation of the facility only after the following additional requirements are met:
  - (a) The applicant has provided the Township Clerk with copies of the applicant's application for a State operating license and the issued license, and a non-refundable fee of \$5,000.00
  - (b) The applicant has installed the following security measures on the premises:
    - (i) Security cameras to monitor all areas of the premises where persons may gain or attempt to gain access to marijuana or cash. Recordings from security cameras shall be maintained for a minimum of 72 hours and shall be made available to the Township Police Department personnel upon request.
    - (ii) A monitored alarm system.
    - (iii) A storage room for overnight storage of any marijuana product and cash on the premises. The storage room shall have only 1 door for entry and no other potential means of entry, lawful or

- unlawful, such as a window or crawl space, the door shall be equipped with a secure locking mechanism. Plant materials in grow facilities shall also be secured, as required by State Acts.
- (c) The applicant has provided the Township Clerk with a certificate signed by a qualified agent of an insurance company evidencing the existence of valid and effective policies of the following types of insurance, as well as a copy of an endorsement placed on each policy requiring 10 days' notice by mail to the Township before the insurer may cancel the policy for any reason:
- (i) Workers' compensation insurance in accordance with Michigan statutory limits and Employers Liability Insurance with a minimum limit of \$100,000.00 each accident for any employee.
  - (ii) Public liability and personal injury insurance with minimum limits of \$500,000.00 for each occurrence as respect to bodily injury liability or property damage liability, or both combined. Documentation must explicitly state the following:
    - (a) the policy number; (b) name of insurance company;
    - (c) name and address of the agent or authorized representative;
    - (d) name and address of the insured;
    - (e) location of coverage;
    - (f) policy expiration dates; and
    - (g) specific coverage amounts. An original certificate of insurance may be provided as an initial indication of the required insurance. Applicant shall be required to continue without interruption during the term of the permit the above named insurance coverages. If any of the above coverages expire by their terms during the term of a permit, the applicant shall deliver proof of renewal and/or new policies to the Township Clerk at least 10 days prior to the expiration date.
- (d) Insurance companies, named insureds and policy forms shall be provided to the Township Clerk as defined in Sec. 23-7 (2)(c). The Township Clerk may request approval of documentation by the Township Attorney. Insurance policies shall not contain endorsements or policy conditions which reduce coverage required under the terms of the permit.

#### **Sec 23-8. - Conduct of business at a facility.**

- (1) A facility shall be conducted in compliance with the State Marihuana Acts, the rules promulgated pursuant to the State Marihuana Acts, and all other laws, rules, and regulations of the state of Michigan and the Township of Northfield Township.
- (2) All marihuana in any form kept at the location of the marihuana facility shall be kept within an enclosed, secured building and shall not be visible from any location outside of the building.
- (3) Marihuana facilities shall be closed for business, and no sale or other distribution of marihuana in any form shall occur upon the premises or be delivered to or from the premises, between the hours of 9:00 p.m. and 7:00 a.m.
- (4) An authorized person shall consent to the entry into a marihuana facility by the Building Official and/or designees and the Zoning Administrator and/or designees for the purpose of inspection to determine compliance with this chapter pursuant to a notice posted in a conspicuous place on the premises 2 or more days before the date of the inspection or sent by registered mail to the address of the premises 4 or more calendar days before the date of the inspection.
- (5) All security measures required in this chapter shall be maintained in good working order. The premises shall be monitored and secured 24 hours per day.
- (6) All marihuana in any form on the premises of a marihuana facility shall be marihuana cultivated, manufactured, and packaged in the State of Michigan.

**Sec 23-9. - Prohibited acts.**

It shall be unlawful for any person to:

- (1) Violate any provision of this chapter or any condition of any permit granted pursuant to this chapter.
- (2) Produce, distribute or possess more marihuana than allowed by any applicable state or local law.
- (3) Produce, distribute or possess marihuana in violation of this chapter or any other applicable state or local law.
- (4) Make any changes or allow any changes to be made in the operation of the marihuana facility as represented in the permit application, without first notifying the Township by amending its application.

**Sec 23-10. - Permit revocation.**

A permit issued under this chapter may be suspended or revoked for any of the following violations:

- (1) Any person required to be named on the permit application is convicted of or found responsible for violating any provision of this chapter;
- (2) A permit application contains any misrepresentation or omission of any material fact, or false or misleading information, or the applicant has provided the Township with any other false or misleading information related to the facility;
- (3) Any person required to be named on the permit application is convicted of a crime which, if it had occurred prior to submittal of the application, could have been cause for denial of the permit application;
- (4) Marihuana is dispensed on the business premises in violation of this chapter or any other applicable state or local law, rule or regulation;
- (5) The facility is operated or is operating in violation of the specifications of the permit application, any conditions of approval by the Township or any other applicable state or local law, rule or regulation.
- (6) The Township, the county, or any other governmental entity with jurisdiction, has closed the facility temporarily or permanently or has issued any sanction for failure to comply with health and safety provisions of this chapter or other applicable state or local laws related to public health and safety.
- (7) The facility is determined by the Township to have become a public nuisance.
- (8) The facility's state operating license has been suspended or revoked.

**Sec 23-11. - Revocation not exclusive penalty.**

Nothing in this chapter shall be deemed to prohibit the Township Manager or designee from imposing other penalties authorized by the Northfield Township Code or other ordinance of the Township, including filing a public nuisance action or any other legal action in a court of competent jurisdiction.