

TRAVERSE CITY CODE OF ORDINANCES
ORDINANCE AMENDMENT NO. 1086

Effective Date: December 13, 2018

TITLE: MEDICAL MARIHUANA PERMITTING REGULATIONS

THE CITY OF TRAVERSE CITY ORDAINS:

That Chapter 845, Medical Marihuana Licensing Regulations, be enacted in its entirety to read as follows:

Sec. 845.01. Findings and Purpose.

(a) The purpose of this ordinance is, pursuant to the Medical Marihuana Facilities Licensing Act, MCL 333.27101 *et seq.*, to: authorize the establishment of certain types of medical marihuana facilities in the City of Traverse City; provide for standards and procedures for the review, issuance, renewal, or revocation of permits for such facilities; and establish fees for such permits.

(b) Nothing in this ordinance, or in any companion regulatory provision adopted in any other provision of this Code, is intended to grant, nor shall they be construed as granting, immunity from criminal prosecution for the growing, sale, consumption, use, distribution or possession of marihuana in any form or manner that is not in compliance with the Michigan Medical Marihuana Act, MCL 333.26421 *et seq.*, the Medical Marihuana Facilities Licensing Act, MCL 333.27101 *et seq.*, the Marihuana Tracking Act, MCL 333.27901 *et seq.*, and all other applicable rules promulgated by the state of Michigan.

(c) Because federal law is not affected by state law or rules, nothing in this ordinance, or in any companion regulatory provision adopted in any other provision of this Code, is intended to grant, nor shall any provision of this ordinance or this Code, be construed as granting immunity from criminal prosecution under federal law. The Michigan Medical Marihuana Act, MCL 333.26421 *et seq.*, the Medical Marihuana Facilities Licensing Act, MCL 333.27101 *et seq.*, the Marihuana Tracking Act, MCL 333.27901 *et seq.*, and all other applicable rules promulgated by the state of Michigan do not protect patients, users, care givers, licensees, or the owners or occupants of properties on which the medical use of marihuana is occurring from federal prosecution, or from having their property seized by federal authorities under the Federal Controlled Substances Act.

(d) The City intends to issue permits for and to regulate marihuana facilities to the extent they are permitted under the Medical Marihuana Facilities Licensing Act, MCL 333.27101 *et seq.* The City does not intend that permitting and regulation under this ordinance be construed as a finding that such facilities comply with any law. By requiring a City permit and compliance with the requirements of this chapter, the City intends to protect the public health, safety and welfare by: promoting the safe, regulated manufacturing, production, and sale by state-licensed facilities of medical marihuana, and to ensure the safe access to medical marihuana to the City's patients; discouraging the sale of unsafe and unlicensed medical marihuana products; preserving and protecting the health, safety and welfare of the residents of the City and the general public by minimizing unsafe and unregulated medical marihuana production and sale; and establishing

standards and procedures by which the siting, operation, and maintaining of a Medical Marihuana Facility shall be governed.

(e) This ordinance is to be construed to protect the public over medical marihuana facility interests. The operation of a licensed medical marihuana facility is a revocable privilege and not a right in the City. Nothing in this ordinance is to be construed to grant a property right for an individual or business entity to engage, obtain, or have renewed, a City-issued permit to engage in the use, distribution, cultivation, production, possession, transportation or sale of medical marihuana as a commercial enterprise in the City.

Sec. 845.02. Indemnification of City

(a) By accepting a permit issued pursuant to this ordinance, the holder waives and releases the City, its officers, elected officials, and employees from any liability for injuries, damages or liabilities of any kind that result from any arrest or prosecution of medical marihuana facility owners, operators, employees, clients or customers for a violation of state or federal laws, rules or regulations.

(b) By accepting a permit issued pursuant to this ordinance, the holder agrees to indemnify, defend and hold harmless the City, its officers, elected officials, employees, and insurers, against all liability, claims or demands arising on account of any claim of diminution of property value by a property owner whose property is located in proximity to a licensed operating facility, arising out of, claimed to have arisen out of, or in any manner connected with the operation of a medical marihuana facility or any claim based on an alleged injury to business or property by reason of a claimed violation of the federal Racketeer Influenced and Corrupt Organizations Act (RICO), 18 U.S.C. §1964(c).

Sec. 845.03. Reservation of Legislative Prerogative

(a) The City Commission reserves the right to amend or repeal this ordinance in any manner, including, but not limited to the complete elimination of any type or number of medical marihuana facilities authorized to operate in the City.

(b) Nothing in this ordinance may be held or construed to grant or “grandfather” any medical marihuana facility a vested right, license, permit or privilege to continued operations within the City.

(c) Nothing in this ordinance may be held or construed to authorize recreational use of marihuana in the City. In the event the state of Michigan adopts regulations permitting recreational marihuana in the future, permits issued pursuant to this ordinance shall not be construed to authorize such use.

Sec. 845.04. Definitions.

As used in this article, the following terms shall have the meanings indicated:

- (a) “Act” means the Medical Marihuana Facilities Licensing Act, MCL 333.27101 *et seq.*, as amended.
- (b) “Board” means the medical marihuana licensing board created in section 301 of the Act.
- (c) “Building” means a combination of materials forming a structure affording a facility or shelter for use or occupancy by individuals or property. Building includes a part or parts of the building and all equipment of the building. A building shall not be construed to mean a building incidental to the use for agricultural purposes of the land on which the building is located, or a greenhouse.
- (d) “Duplicative application” means more than one application for a provisioning center facility submitted by or on behalf of the same person. For purposes of this ordinance, an application shall be deemed duplicative if the true parties of interest for more than one application overlaps.
- (e) “Grower” means a licensee and permittee that is a commercial entity located in this city that cultivates, dries, trims, or cures and packages marihuana for sale to a processor or provisioning center.
- (f) “LARA” means the Michigan Department of Licensing and Regulatory Affairs.
- (g) “Licensee” means a person holding a state operating license issued under the Medical Marihuana Facilities Licensing Act, MCL 333.27101 *et seq.*
- (h) “Marihuana” means that term as defined in section 7106 of the public health code, 1978 PA 368, MCL 333.7106.
- (i) “Marihuana facility” means a location at which a licensee and permittee is licensed and permitted to operate as a grower, processor, provisioning center, safety compliance facility, or secure transporter under the Act and this ordinance.
- (j) “Marihuana plant” means any plant of the species *Cannabis sativa* L.
- (k) “Marihuana product” means marihuana or marihuana-infused product, or both, as those terms are defined in the Act unless otherwise provided for in the rules and this article.
- (l) “Permittee” means a person who has been issued a medical marihuana facilities permit pursuant to this ordinance.
- (m) “Person” means an individual, corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited liability limited partnership, trust, or other legal entity, as well as those persons defined as “true party of interest”.
- (n) “Prequalified” means the applicant has submitted all information to LARA required by Rule 5 and LARA has determined the applicant is approved for pre-qualification status. Proof of such determination by LARA shall be provided by the applicant to the City.

(o) "Processor" means a licensee and permittee 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 provisioning center or another processor.

(p) "Proposed marihuana facility" means a location at which an applicant plans to operate under the Act, rules, and this ordinance if the applicant is issued a state license, and a permit under this ordinance.

(q) "Provisioning center" means a licensee and permittee that is a commercial entity located in this city 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 Michigan Department of Licensing and Regulatory Affairs' (LARA) marihuana registration process in accordance with the Michigan Medical Marihuana Act is not a provisioning center for purposes of this ordinance.

(r) "Qualified applicant" means an applicant whose application has not been denied as provided in this Chapter and the zoning provisions of this code and has been approved by the City Clerk to participate in the lottery.

(s) "Rules" mean the emergency and general rules of the Michigan Department of Licensing and Regulatory Affairs adopted pursuant to the Medical Marihuana Facilities Licensing Act, MCL 333.27101 *et seq.*, and the Marihuana Tracking Act, MCL 333.27901 *et seq.*, as may be amended from time to time.

(t) "Safety compliance facility" means a licensee and permittee 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.

(u) "Secure transporter" means a licensee and permittee that is a commercial entity located in this city that stores marihuana and transports marihuana between marihuana facilities for a fee.

(v) "Stacked license" means more than one state operating license issued to a single licensee to operate as a grower of class C (1,500 plants) as specified in each license at a marihuana facility.

(w) "State operating license" or "license" means a license that is issued pursuant to the Act that allows the licensee to operate as 1 of the following, specified in the license:

- (i) A grower.
- (ii) A processor.
- (iii) A secure transporter.
- (iv) A provisioning center.

(v) A safety compliance facility.

(x) “Statewide monitoring system” or, unless the context requires a different meaning, “system” means an internet-based, statewide database established, implemented, and maintained by the department under the marihuana tracking act, that is available to licensees, law enforcement agencies, and authorized state departments and agencies on a 24-hour basis for all of the following:

- (i) verifying registry identification cards.
- (ii) Tracking marihuana transfer and transportation by licensees, including transferee, date, quantity, and price.
- (iii) Verifying in commercially reasonable time that a transfer will not exceed the limit that the patient or caregiver is authorized to receive under section 4 of the Michigan Medical Marihuana Act.

(y) “Tracking Act” means the Marihuana Tracking Act, MCL 333.27901 *et seq.*

(z) “True party of interest” means the following:

- (1) For an individual or sole proprietorship: the proprietor and spouse.
- (2) For a partnership and limited liability partnership: all partners and their spouses. For a limited partnership and limited liability limited partnership: all general and limited partners and their spouses. For a limited liability company: all members, managers, and their spouses.
- (3) For a privately held corporation: all corporate officers or persons with equivalent titles and their spouses and all stockholders and their spouses.
- (4) For a publicly held corporation: all corporate officers or persons with equivalent titles and their spouses.
- (5) For a multilevel ownership enterprise: any entity or person that receives or has the right to receive a percentage of the gross or net profit from the enterprise during any full or partial calendar or fiscal year.
- (6) For a nonprofit corporation: all individuals and entities with membership or shareholder rights in accordance with the articles of incorporation or the bylaws and their spouses.

“True party of interest” does not mean:

- (1) A person or entity receiving reasonable payment for rent on a fixed basis under a bona fide lease or rental obligation, unless the lessor or property manager exercises control over or participates in the management of the business.
- (2) A person who receives a bonus as an employee if the employee is on a fixed wage or salary and the bonus is not more than 25% of the employee's pre-bonus annual compensation or if the bonus is based on a written incentive/bonus program that is not out of the ordinary for the services rendered.

(aa) Unless the context requires a different meaning, any term used in this article that is defined by the Michigan Medical Marihuana Act, MCL 333.26421 *et seq.* shall have the definition given in that act.

(bb) Unless the context requires a different meaning, any term used in this article that is defined by the Medical Marihuana Facilities Licensing Act, MCL 333.27101 *et seq.*, shall have the definition given in that act.

(cc) Unless the context requires a different meaning, any term used in this article that is defined by the Marihuana Tracking Act, MCL 333.27901 *et seq.* shall have the definition given in that act.

Sec. 845.05. Number of Permitted Facilities.

The maximum number of each type of medical marihuana facilities permitted in the City is as follows:

Type of Facility	Number
Grower	no limit
Processor	no limit
Secure Transporter	no limit
Provisioning Center	thirteen (13)
Safety Compliance Facility	no limit

Sec. 845.06. Permit required.

(a) No person shall own or operate a marihuana facility in the City without holding a valid Medical Marihuana Facilities Permit from the City Clerk and a state operating license.

(b) No person or entity that was open or operating any facility purporting to produce, manufacture, test, transfer or transport medical marihuana or marihuana prior to the adoption of this ordinance by the City Commission shall be considered a lawful use or lawful nonconforming use.

(c) The permit requirement in this ordinance 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 medical marihuana facilities.

(d) This ordinance does not apply to, or regulate, any protected patient or caregiver conduct pursuant to the Michigan Medical Marihuana Act of 2008.

(e) A permit issued under this ordinance 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, provided the facility remains in compliance with all of the requirements of this ordinance.

(f) The revocation, suspension, and placement of restrictions by the state on a state operating license shall apply equally to a permit issued by the City.

(g) Acceptance of a permit from the City under this ordinance constitutes consent by the permittee, owners, managers and employees to permit the City Manager or designee to conduct inspections of the facility to ensure compliance with this ordinance.

Sec. 845.07. Application for permit.

(a) Permit applications for medical marijuana facilities shall be received by the City Clerk annually during a period specifically designated by the City Clerk for that purpose, and at no other time. The City Clerk will initially begin receiving permit applications for marijuana facilities on a date determined by the City Clerk as soon after the effective date of this section as the City Clerk deems practicable.

(b) Except as provided in this section, the City Clerk shall be responsible for establishing the procedure for receiving, reviewing and processing permits, establishing the beginning and ending dates during which permits will initially be received, establishing the beginning and ending dates during which permits may be received each year, and providing public notice regarding the permitting process and of the time period within which the City will receive permit applications.

(c) Any person desiring to secure a permit shall make application to the City Clerk upon a form provided by the City Clerk. All permit applicants must be prequalified for a medical marijuana facilities license by the Michigan Department of Licensing and Regulatory Affairs (LARA) before submitting an application. A copy of all applications received shall be distributed by the City Clerk to any other necessary City departments for review to determine that the application is complete. If an application is incomplete or missing information the City Clerk shall notify the applicant of the incomplete or missing information in writing by mail or electronic mail sent to the address provided by the applicant in the application or notification. The applicant shall have ten (10) business days of the date of mailing of the written notice to provide the incomplete or missing information to the City Clerk.

(d) Information requested in the application shall be provided for each True Party of Interest in the application; any other person who controls, directly or indirectly, the applicant; any other person who is controlled, directly or indirectly, by the applicant; and each stockholder or other person having a 1% or greater beneficial interest in the proposed marijuana facility. The application for a permit shall include at a minimum the information and documentation listed below under oath:

(1) The name, business address, business telephone number, social security number, and, if applicable, federal tax identification number of the applicant.

(2) All residential addresses of the applicant for the past 3 years.

- (3) The business, occupation or employment of the applicant for 5 years immediately preceding the date of application.
- (4) A copy of the application submitted to LARA for prequalification and documentation evidencing that the applicant has been prequalified for a medical marijuana facilities license by LARA.
- (5) Whether the applicant has been indicted for, charged with, arrested for, convicted of, pled guilty or nolo contendere to, or forfeited bail concerning, a felony under the laws of this state, any other state, or the United States, or a controlled substance-related felony, within the past ten (10) years preceding the date of the application.
- (6) Whether the applicant has been indicted for, charged with, arrested for, convicted of, pled guilty or nolo contendere to, or forfeited bail concerning, a misdemeanor involving a controlled substance, theft, dishonesty, or fraud in any state or been found responsible for violating a local ordinance in any state involving a controlled substance, dishonesty, theft, or fraud that substantially corresponds to a misdemeanor in that state within the past five (5) years.
- (7) Whether the applicant has previously violated this ordinance or a substantially similar ordinance in another municipality preceding the date of the application.
- (8) A comprehensive operating plan for the marijuana facility for which the application is being submitted that includes all of the information required for the Marijuana Facilities Plan to be submitted in connection with a state license pursuant to the rules, the operational standards in this Chapter, as applicable, and the following at a minimum:
 - a) A description of the type of marijuana facility applied for.
 - b) A security plan for the marijuana facility that addresses all required security measures of the rules and addresses at a minimum the ability to meet the security measures of the rules. The security plan must contain the specific details of each piece of security equipment to be utilized by the marijuana facility and comply with the provisions of this ordinance, as well as any other applicable provisions of the rules adopted by LARA.
 - c) An HVAC plan for the marijuana facility describing in detail among other things the equipment or systems that will be used to prevent any odor of marijuana from leaving the premises.
 - d) A staffing plan that addresses the number of persons estimated to be employed at the facility, and employee hiring, and an employee training manual that includes, but is not limited to, employee safety procedures, employee guidelines, security protocol, and educational training, including, but not limited to, where appropriate, marijuana product information, dosage and daily limits, or educational materials.
 - (e) A marketing plan that at a minimum:
 - i. details how the marijuana facility will comply with all municipal ordinances and state law regulating signs and advertising;

- ii. provides that marihuana products must be marketed or advertised as “medical marihuana” for use only by registered qualifying patients or registered primary caregivers;
 - iii. provides that marihuana products must not be marketed or advertised to minors aged 17 years or younger.
- (f) An inventory and record keeping plan.
- (g) A scaled conceptual site plan.
- (h) Written policies and procedures to timely address any concerns or complaints expressed by residents and businesses within the neighborhood surrounding the proposed location of the medical marihuana facility.
- (i) For growers, the operational plan shall also include a cultivation plan that includes but is not limited to:
- i. the cultivation process or processes that will be used including a description of the grow medium, the equipment, and the fertilizer, herbicides and any other chemicals to be used;
 - ii. the estimated electrical and water usage and a statement of the projected daily average and peak electrical load anticipated to be used by the marihuana facility, a certification from a licensed electrician that the premises are equipped to safely accept and utilize the required or anticipated electric load for the facility, and a certification from the electrical utility supplying electricity to the facility that the anticipated electrical loads required for the facility will not exceed the capacity of the electrical supply system;
 - iii. a waste water plan that details how wastewater generated during the cultivation of marihuana shall be disposed of in compliance with applicable state and local laws and regulations;
 - iv. a plant waste disposal plan that at a minimum:
 - (a) details how marihuana product waste will be destroyed, or rendered into an unusable and unrecognizable form and recorded in the statewide monitoring system. Disposal by on-site burning or via the sewer system is prohibited;
 - (b) provides that all waste that is hazardous waste shall be disposed of pursuant to MCL 324.11101 to 324.90106;
 - (c) provides that marihuana product waste shall be disposed of in a secured waste receptacle using 1 or more of the following:
 - 1) a manned and permitted solid waste landfill;
 - 2) a manned compostable materials operation or facility;
 - 3) an in-vessel digester; and
 - 4) provides disposal will be in a manner in compliance with applicable state and local laws and regulations.
 - v. a mold, mildew and pest prevention plan;
 - vi. an air quality plan addressing monitoring, clearance, temperature and humidity control, Co₂, ozone, fumigation, and odor mitigation;
 - vii. a pesticide and chemical safety plan which shall include a detailed description of all toxic, hazardous, or flammable materials, chemicals and

pesticides, that will be kept or used at the marihuana facility, and a detailed plan describing where and how such materials, chemicals and pesticides will be stored in the marihuana facility, and the means of disposing of unused toxic or flammable materials, chemicals, and pesticides.

- (j) For a provisioning center, the operational plan shall also include:
 - i. a detailed description of the products and services to be provided;
 - ii. a plant waste disposal plan that at a minimum:
 - (a) details how marihuana product waste will be destroyed, or rendered into an unusable and unrecognizable form and recorded in the statewide monitoring system. Disposal by on-site burning or via the sewer system is prohibited;
 - (b) provides that all waste that is hazardous waste shall be disposed of pursuant to MCL 324.11101 to 324.90106;
 - (c) provides that marihuana product waste shall be disposed of in a secured waste receptacle using 1 or more of the following:
 - 1) a manned and permitted solid waste landfill;
 - 2) a manned compostable materials operation or facility;
 - 3) an in-vessel digester; and
 - 4) provides disposal will be in a manner in compliance with applicable state and local laws and regulations.
- (k) For a processor, the operational plan shall also include:
 - i. a detailed description of the products to be produced;
 - ii. a waste water plan that details how wastewater generated during the processing of marihuana products shall be disposed of in compliance with applicable state and local laws and regulation;
 - iii. a plant waste disposal plan that at a minimum:
 - (a) details how marihuana product waste will be destroyed, or rendered into an unusable and unrecognizable form and recorded in the statewide monitoring system. Disposal by on-site burning or via the sewer system is prohibited;
 - (b) provides that all waste that is hazardous waste shall be disposed of pursuant to MCL 324.11101 to 324.90106;
 - (c) provides that marihuana product waste shall be disposed of in a secured waste receptacle using 1 or more of the following:
 - 1) a manned and permitted solid waste landfill;
 - 2) a manned compostable materials operation or facility;
 - 3) an in-vessel digester; and
 - 4) provides disposal will be in a manner in compliance with applicable state and local laws and regulations.

(9) The address of the proposed marihuana facility to be operated by the applicant.

(10) Proof that the applicant has or will have lawful possession of the premises proposed for the marihuana facility for the period during which the permit will be issued, which proof may consist of: a deed, a lease, a real estate contract contingent upon successful

licensing, or letter of intent by the owner of the premises indicating an intent to lease the premises to the applicant contingent upon the applicant successfully obtaining a state operating license and local permit.

(11) Whether the applicant holds an elective office of a governmental unit of this state, another state, or the federal government; is a member of or employed by a regulatory body of a governmental unit in this state, another state or the federal government; or is employed by a governmental unit of this state.

(12) The mailing address and electronic address at which the applicant desires to receive notification under this ordinance, and phone numbers at which the applicant desires to be contacted.

(13) Whether the applicant has ever applied for or has been granted any commercial license or certificate issued by LARA or any other jurisdiction concerning medical marihuana or marihuana that has been denied, restricted, suspended, revoked or not renewed, and a statement describing the facts and circumstances concerning the application, denial, restriction, suspension, revocation, or nonrenewal, including the licensing authority, the date each action was taken, and the reason for each action.

(14) Whether the applicant has an interest in any other application for a permit or approved permit under this ordinance at the time of application.

(15) Whether the applicant has an interest in any other marihuana facility under the Act, and if so the type of facility, name, and location of the facility the applicant has an interest in.

(16) A statement that the applicant will not violate any of the laws of the State of Michigan or the ordinances of the City of Traverse City in conducting the business in which the permit will be used, and that a violation on the premises may be cause for nonrenewal of a permit issued under this section, or for revocation of the permit.

(17) A statement that the applicant understands that the issuance of a permit under this section is not intended to grant, nor shall be construed as granting, immunity from criminal prosecution for growing, sale, consumption, use, distribution, or possession of marihuana in any form or manner that is not in compliance with the Michigan Medical Marihuana Act, MCL 333.26421 *et seq.*, the Medical Marihuana Facilities Licensing Act, MCL 333.27101 *et seq.*, the Marihuana Tracking Act, MCL 333.27901 *et seq.*, and all other applicable rules promulgated by the state of Michigan, or from criminal prosecution or the seizure of property by federal authorities under the Federal Controlled Substances Act.

(18) A statement that the applicant understands and agrees to be bound by the indemnification provision of this Ordinance.

(19) A statement by the applicant indicating acceptance of a permit from the City under this ordinance constitutes consent by the permittee, owners, managers and employees to permit the City Manager or designee to conduct inspections of the facility to ensure compliance with this ordinance.

(20) A statement by the applicant indicating that all true parties in interest consent to criminal history investigations performed by the City Police Department.

(21) All marihuana facilities licensed and permitted to operate in the City shall at all times maintain in full force and effect insurance in amounts and coverage type required by the City Clerk. Applicants shall provide evidence of such insurance in the form of a certificate of insurance evidencing the existence of a valid and effective policy, or, evidence that the applicant is able to obtain such insurance and state the limits of each policy, the name of the insurer, the effective date and expiration date of each policy, policy number if known, and the names of additional insured which shall include the City of Traverse City, its officials, and employees.

(22) Whether the applicant has filed, or been served with a complaint or other notice filed with any public body regarding the delinquency in the payment of or dispute over the filings concerning the payment of any tax required under federal, state, or local law, including the amount of any tax, taxing agency and time periods involved.

(23) Applicants have a continuing duty to provide the City with up-to-date information and shall notify the City Clerk in writing of any changes to its mailing address, phone numbers, electronic mail address or other contact information and changes to any other information the applicant has provided to the City as a part of the permit application within ten (10) days of any such change occurring.

(24) The City Clerk may from time to time establish other qualifications for the application and permit which shall be provided in writing to prospective applicants with the application form.

Sec. 845.08. Acceptance or Denial of application.

(a) Applications received may be denied by the City Clerk if the applicant, upon written notice, fails to provide missing or incomplete information within the time specified in this section. The City Clerk may deny an application for any of the following reasons:

(1) The applicant has not been prequalified for a marihuana facility state license by LARA.

(2) The applicant did not pay the required application fee at the time of submission of the application.

(3) The applicant has not provided satisfactory proof that the applicant has or will have lawful possession of the premises proposed for the location of the marihuana facility for the period during which the permit will be issued.

- (4) The applicant's proposed location does not comply with the zoning of this code.
- (5) The applicant has not satisfactorily complied with all of the permit requirements in this Chapter.
- (6) The applicant is subject to a commercial license or certificate issued by a licensing authority in Michigan or any other jurisdiction concerning medical marihuana or marihuana that has been suspended or revoked.
- (7) The City determines that the applicant has submitted an application containing false, misleading, or fraudulent information, or who has intentionally omitted pertinent information on the application for a medical marihuana facilities permit.
- (8) The applicant is delinquent in the payment of any taxes, fees or other charges owed to or collected by the City.
- (9) The comprehensive operating plan submitted by the applicant with the application does not comply with the requirements for a marihuana facilities plan as required by the rules, the requirements of this ordinance, or the Act.
- (10) It is a duplicative application.
- (11) Notice of denial of an application shall be sent to the applicant in writing by mail or electronic mail to the last known address of the applicant on file with the City. If a permit is denied by the City Clerk, the applicant may appeal to the City Manager and provide any additional evidence to rebut the basis of the denial within 21 days from the date of the denial. The City Manager shall determine within 21 days whether or not the grounds for denial are true. If the City Manager determines that such grounds are supported by a preponderance of the evidence, the action of the City Clerk shall be sustained. The City Manager's decision may be reviewed by a court of competent jurisdiction.

(b) All applications for provisioning centers that are not denied as provided in subsection (a) above, and comply with all of the requirements for an application in this ordinance and the zoning provisions of this code shall be accepted by the City Clerk and shall be known as "Qualified Applicants." All Qualified Applicants will be entered in a lottery as provided in this Chapter to determine which of those applications will be accepted and issued a provisional permit. The first lottery held pursuant to this ordinance shall take place on a date determined by the City Commission by resolution.

Sec. 845.09. Provisional permit.

(a) Provisional permits will be issued by the City Clerk to Qualified Applicants whose applications are accepted as provided in this section.

(b) The City Clerk, in connection with the initial permit application period, shall issue provisional permits to Qualified Applicants whose application has been accepted as follows:

(1) All Qualified Applicants shall be entered in a lottery to determine which applicants will receive a provisional permit.

(2) The name of each Qualified Applicant shall be drawn individually by the City Clerk in sequence, with each Qualified Applicant being assigned a number corresponding to the order in which their name was drawn.

(3) The lottery will continue until the names of all Qualified Applicants are drawn and assigned a number, which shall create an Eligibility List to be maintained by the City Clerk.

(4) Provisional permits will be issued in order of the Eligibility List starting with the first Qualified Applicant on the list.

(8) All lottery drawings shall be conducted publicly with all entrants in the lottery advised in advance of the date, time and location of the lottery.

(9) The Eligibility List shall remain valid until a new lottery. In the event a provisional permit becomes available, it shall be approved by offering it to the next Qualified Applicant in order of the Eligibility List. If a Qualified Applicant declines a provisional permit when one becomes available or if their provisional permit lapses they shall be removed from the Eligibility List.

(c) A provisional permit does not authorize the applicant to operate a medical marijuana facility without first obtaining a state operating license for the facility, and obtaining all other permits, inspections, and approvals required by this ordinance and all other applicable provisions of this code. Upon issuance of a provisional permit the City Clerk is authorized to execute an affirmation to accompany an application for a facilities license that discloses that the City has adopted an ordinance under section 205 of the act, the limitations on the number and type of each facility if any imposed by the ordinance, a description of the City zoning regulations that apply, and any other information that may be required by the act or the rules for such an attestation.

(d) A provisional permit will lapse and be void 6 months from the date it has been issued if a state operating license, or all inspections and other permits and approvals required by City ordinance are not obtained, or if an applicant is denied a state operating license. The City Clerk shall notify LARA of all persons whose provisional permit has lapsed or become void. A provisional permit may be extended upon a showing of good cause, such as a delay in obtaining

a state license, or other good cause that is not the fault of the applicant, for an additional period not to exceed 6 months.

(e) A provisional permittee has a continuing duty to provide the City with up-to-date information including contact information or changes to any other information it has submitted with its permit application and shall notify the City Clerk in writing of any changes to its mailing address, phone numbers, electronic mail address or other information the provisional permittee provides to the City.

Sec. 845.10. Termination, revocation, suspension, or restriction of provisional permit.

(a) A provisional permit may be terminated, revoked, suspended or restricted by the City Clerk in writing for any of the following reasons:

- (1) The provisional permittee is denied a state operating license;
- (2) The marihuana facility is substantially different from the comprehensive operating plan, marihuana facility plan, conceptual plan or other representations contained in the application;
- (3) Officers of the city are unable to access the proposed facility for permit inspections or are denied access by the provisional permittee;
- (4) The provisional permittee fails, refuses, or becomes unable to obtain site plan approval and certificate of occupancy.
- (5) Noncompliance with the Act, rules, or this ordinance.

(b) If a provisional permit is terminated, revoked, suspended or restricted, the City Clerk or his or her designee will notify in writing by mail or electronic mail both the permit holder, at the last known address on file with the city for notification of the applicant, and the Michigan Department of Licensing and Regulatory Affairs of the termination, revocation, suspension, or restriction of the permit and the reasons therefore in writing.

(c) The holder of a provisional permit under this article that is terminated, revoked, suspended or restricted may appeal the termination, revocation, suspension or restriction to the City Manager as provided in this Chapter.

Sec. 845.11. Medical marihuana facilities permit.

(a) Medical marihuana facilities permits will be issued by the City Clerk. In order to be issued a marihuana facilities permit an applicant who holds a valid provisional permit shall:

- (1) submit proof to the City Clerk it has been issued a State Operating License;
- (2) successfully complete the inspection required by subsection (c) of this section;
- (3) submit proof to the City Clerk of obtaining all permits and approvals required by all applicable ordinances of the City including but not limited to an approved site plan; and
- (4) proof of insurance required by this section in the form of a certificate of insurance evidencing the existence of a valid and effective policy, stating the limits of each policy, the name of the insurer, the effective date and expiration date of each policy, policy number, and the names of additional insureds which shall include the city of Traverse City, its officials, and employees. An applicant who holds a provisional permit for a

secure transporter permit shall additionally show proof of auto insurance, vehicle registration and registration as a commercial motor vehicle as applicable for any transporting vehicles used to transport marihuana product in order to be issued a marihuana facilities permit by the City Clerk.

(b) The site plan required for issuance of a marihuana facilities permit shall be consistent with the requirements the Zoning Ordinance.

(c) Before issuance of a marihuana facilities permit the City shall conduct an inspection of the proposed marihuana facility to verify that the premises of facility are constructed and can be operated in accordance with the application submitted, the approved site plan, the requirements of this code and any other applicable law, rule, or regulation. No marihuana facilities permit may be issued and no marihuana facility may conduct any business or operations until the inspection is completed and it is determined that the premises of facility are constructed and can be operated in accordance with the application, marihuana facilities plan, and comprehensive operating plan submitted with the application as well as the approved site plan, and the facility is in compliance with the requirements of this code and any other applicable law, rule, or regulation.

(d) The marihuana facilities permit shall be issued only in the name of the true party of interest.

(e) A marihuana facilities permit issued under this section is a revocable privilege granted by the City and is not a property right. Granting the permit does not create or vest any right, title, franchise or other property interest.

(f) Each permit is exclusive to the person who is issued the permit and that person must apply for and receive approval of the City Clerk pursuant to this Chapter before a permit is transferred, sold, or purchased or otherwise amended.

(g) The marihuana facilities permit and state operating license shall be displayed in a conspicuous public place in the business establishment.

(h) Acceptance of a marihuana facilities permit under this section shall constitute permission to the City Manager or his or her designee, within the authority granted him or her by this code under which such permit was granted, to enter upon and inspect the premises of the marihuana facility at all reasonable times.

(i) A permittee has a continuing duty to provide the City with up-to-date information including contact information or changes to any other information it has submitted with its permit application and shall notify the City Clerk in writing of any changes to its mailing address, phone numbers, electronic mail address or other information the permittee provides to the City.

Sec. 845.12. Renewals and Amendments of Existing Permits.

(a) Renewal or amendment of existing permits.

(1) Applications of renewal or amendment of existing permits shall be reviewed and granted or denied before applications for new permits are considered.

(2) The same application procedures, including the non-refundable fee, that apply to the submittal of a new permit application shall apply to renewal or amendment of existing permits.

(3) An application for renewal of an existing permit shall be submitted no sooner than 90 days before the existing permit expires and no later than 30 days before the existing permit expires.

(b) Amended Applications.

(1) An amended application shall be submitted under either or both of the following circumstances:

(A) when there is a change in any information the permit applicant was required to provide in the most recent application on file with the City, including but not limited to change in location or any change of ownership; and/or

(B) 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, including but not limited to change in location or any change of ownership.

(2) An application to amend an existing permit to change any information on the most recent application on file with the City shall follow the procedure listed in this Chapter.

(3) Applications of renewal or amendment of existing permits shall be reviewed and granted or denied before applications for new permits are considered.

(c) It shall be unlawful for any person to make changes or allow any changes to be made in the operation of the medical marihuana facility as represented in the permit application without first obtaining an amended permit from the City Clerk.

(d) A marihuana facilities permit shall run concurrent with the state operating license issued for the facility and shall be renewed annually unless revoked as provided by law.

(e) Renewal of permits issued in connection with class C grower stacked licenses will require only a single application form for the original class C grower permit and all stacked license permits issued to the applicant. The renewal application shall indicate that the application is for the renewal of permits issued in connection with class C grower stacked licenses and the permit or permits the applicant is seeking to renew.

(f) Notice of denial of a renewal application shall be sent to the applicant in writing by mail or electronic mail to the last known address of the applicant on file with the city for notification of the applicant. An applicant whose renewal application is denied may appeal denial to the City Manager as provided in this Chapter.

(g) The City Clerk shall inform in writing by mail or electronic mail the Michigan Department of Licensing and Regulatory Affairs of all permittees whose permit is renewed and if a permittee fails to renew a permit or the permittee's renewal application is denied.

(h) A medical marihuana facility shall not be in violation of the spacing requirements in the zoning code in the event a school was located less than the minimum spacing distance from the

medical marihuana facility at any time after a permit under this article and a state license to operate the facility were issued.

Sec. 845.13. Revocation, termination or suspension of permit.

(a) Any marihuana facilities permit shall automatically terminate and become void if the state license for the permitted use is revoked, terminates or becomes void.

(b) Any marihuana facilities permit may be revoked or suspended by the City Clerk upon the occurrence of any of the following:

- (1) Operation of the permitted use is not commenced within 1 year of the date of issuance of the marihuana facilities permit.
- (2) If the permitted use ceases or is discontinued for 90 days or more including during a change of ownership of the marihuana facility.
- (3) Any change has occurred for which an amendment to the permit is required, without the permittee having obtained an amendment to the permit pursuant to this ordinance.
- (4) Any noncompliance with any of the provisions of this code of ordinances, the Act, the Tracking Act, and the rules. A medical marihuana facility shall not be in violation of the spacing requirements of the zoning code to a school at any time after a permit under this article and a state license to operate the facility were issued.
- (5) The conduct of business in an unlawful manner or in such a way as to constitute a public nuisance or negatively impacts the health, safety, or general welfare of surrounding property or city residents. Evidence to support such a finding may include, but is not limited to, a continuing pattern of disorderly conduct or drug related criminal conduct upon or in the immediate vicinity of the premises, continuing pattern of criminal conduct directly related to or arising from the operation of the medical marihuana facility, or an ongoing nuisance condition emanating from or caused by the medical marihuana facility.

(c) A medical marihuana facilities permit shall be suspended for the transfer or attempted transfer of the permit or any interest in such permit without first obtaining an amendment to the permit.

(d) Any marihuana facilities permit shall automatically be suspended if the state operating license for the permitted use is suspended. The terms and conditions of suspension shall correspond to the suspension of the state operating license.

(e) Any medical marihuana facilities permit shall automatically be restricted if the state license for the permitted use is restricted. The terms and conditions of the restriction shall correspond to the restriction of the state license.

(f) If a medical marihuana facilities permit is terminated, revoked, suspended or restricted, the City Clerk will notify the permittee, at the permittee's last known address on file with the city for notification of the permittee, and the Michigan Department of Licensing and Regulatory Affairs of the termination, revocation, suspension, or restriction of the permit and the reasons therefore in writing by mail or electronic mail. In the event the permit is terminated, revoked, suspended or

restricted as a result of the permittee's state license being terminated, revoked, suspended or restricted, the notification requirement of this subsection does not apply.

(g) The holder of a marihuana facilities permit under this article that is terminated, revoked, suspended or restricted may appeal the termination, revocation, suspension or restriction to the City Manager as provided in this Chapter.

Sec. 845.14. Fees.

A nonrefundable permit fee set by resolution of City Commission, but not to exceed \$5,000.00, shall be submitted with the application for a permit. This fee shall be in addition to, and not in lieu of, any other fees for licensing or permitting requirements including but not limited to site plan review, zoning, or building permits.

Sec. 845.15. Minimum operational standards for all marihuana facilities.

All marihuana facilities shall at a minimum comply with the following operational standards:

(a) Marihuana facilities shall be open for inspection upon request by the building official, the fire division, or law enforcement officials for determination of compliance with all applicable laws and rules, and regulations during the stated hours of operation/use and at such other times as anyone is present on the premises. Inspections may include inspection of the facility premises, surveillance records, camera recordings, reports, records or other materials required as a condition of a permit under this article or a state operating license. Acceptance of a marihuana facilities permit or leasing property to a marihuana facility constitutes consent to such inspections and the seizure of any surveillance records, camera recordings, reports record or other materials required as a condition of the permit under this article or a state operating license without a search warrant. The person issued a permit, or an employee or agent of the thereof shall not hinder or obstruct a law enforcement officer or employee of the city from conducting inspections pursuant to this ordinance, and shall not refuse, fail, or neglect to cooperate with a law enforcement officer or city employee in the performance of his or her duties in enforcing this ordinance, the Act, or applicable state administrative rules.

(b) Marihuana facilities shall conduct the activities of the marihuana facility, including, without limitation, the cultivating, growing, processing, displaying, manufacturing, selling, storage of marihuana and marihuana-infused products, and storage of all materials used in connection with the cultivating, growing, processing, displaying, manufacturing, and selling of marihuana and marihuana-infused products indoors in a building and out of public view.

(c) Marihuana facilities shall install a fire alarm and a burglar alarm system. The fire alarm system shall meet the requirements of this code for a newly installed system and be monitored by a listed central station. All burglar alarm systems shall be monitored by a company that is staffed twenty-four hours a day, seven days a week.

(d) Marihuana facilities shall have a video surveillance system that complies with the rules at a minimum, and that makes, retains, and stores surveillance recordings as provided in the rules.

(e) Surveillance recordings of marihuana facilities shall be subject to inspection and review by the city upon request. All surveillance recordings shall be kept in a manner that allows the city to view and obtain copies of the recordings immediately upon request.

(f) Marihuana facilities shall utilize sufficient measures and means to prevent smoke, odor, debris, dust, fluids and other substances from exiting the premises of the facility at any time. In the event that any smoke, odor, debris, dust, fluids or other substances exit the marihuana facility in a detectable amount sufficient to interfere with the reasonable and comfortable use and enjoyment of adjacent property, or that causes damage to property, the permittee for the facility and the owner of the premises shall be jointly and severally liable for such conditions and shall be responsible for immediate, full cleanup and correction of such condition. The permittee shall properly dispose of all such materials, items and other substances in a safe, sanitary, and secure manner in compliance with all federal and state laws and regulations, and this ordinance.

(g) Marihuana facilities shall install and maintain in operable condition a system to preclude marihuana odors from emanating from the property of the marihuana facility in a detectable amount sufficient to interfere with the reasonable and comfortable use and enjoyment of adjacent property as determined by the objective standards of a reasonable person of normal sensitivity.

(h) Subject to the laws of this state, before hiring a prospective employee, a permittee shall conduct a background check of the prospective employee. If the background check indicates a pending charge or conviction within the past 10 years for a controlled substance-related felony, the permittee shall not hire the prospective employee without written permission of the board.

(i) Access to the marihuana facility is restricted to the permittee, employees of the permittee, and registered qualifying patients and registered primary caregivers with valid registry cards, if applicable, LARA through its investigators, agents, auditors or the state police, and, local law and code enforcement officers and any other designees of the City Manager.

(j) All marihuana facilities must be at a fixed location. Mobile marihuana facilities and drive through operations are prohibited. Sale or transfer of marihuana products by internet or mail order, consignment, or at wholesale is prohibited. This provision shall not be construed to prohibit sale or transfer of marihuana products by marihuana facilities as otherwise expressly authorized by the Act.

(k) All marihuana facilities shall comply with all provisions of this ordinance, state law and administrative rules regulating signs and advertising.

(l) The business, operations, marketing and advertising of all marihuana facilities and marihuana products shall comply at all times with applicable state law and regulations, and this ordinance.

(m) Marihuana products not identified and recorded in the statewide monitoring system pursuant to the Act, the Tracking Act, and the rules are prohibited from being on the premises of any marihuana facility, and shall not be sold or transferred by any permittee.

- (n) Any marihuana product without a batch number or identification tag pursuant to the rules is prohibited from being at or on the premises of any medical marihuana facility.
- (o) Marihuana facilities shall comply with the building and fire safety provisions of the rules as are applicable to the particular type of facility at all times.
- (p) Marihuana product waste will be destroyed, or rendered into an unusable and unrecognizable form in a manner that prevents its acquisition by any person who may not lawfully possess it, and recorded in the statewide monitoring system. Marihuana product waste shall be disposed of in a secured waste receptacle using 1 or more of the following:
- (1) a manned and permitted solid waste landfill;
 - (2) a manned compostable materials operation or facility;
 - (3) an in-vessel digester.
- (q) All marihuana product waste that is hazardous waste shall be disposed of pursuant to MCL 324.11101 to 324.90106.
- (r) All marihuana product waste or marihuana products that are to be destroyed, or that LARA orders to be destroyed, shall not be sold.
- (s) All inventory of marihuana products must be stored in a secured, limited-access area or restricted-access area, and identified and tracked consistent with the statewide monitoring system under the Act, the Tracking Act, and the rules.
- (t) All containers used to store marihuana products for transfer or sale between marihuana facilities shall meet the requirements of the rules for such containers.
- (u) All chemicals or solvents must be stored separately from marihuana products and kept in locked storage areas.
- (v) Marihuana-infused products or materials used in direct contact with such products must have separate storage areas from toxic or flammable materials.
- (w) Each permittee shall post and keep at all times visible to the public, in a conspicuous place on the premises, a sign to be furnished by the City Clerk's office, which sign shall be in the following form: "WARNING: THE TRAVERSE CITY POLICE DEPARTMENT MUST BE NOTIFIED IMMEDIATELY OF ALL UNLAWFUL ACTS AND DISTURBANCES IN THIS ESTABLISHMENT." Permittees shall immediately report to the police department any unlawful act, conduct, or disturbance committed upon the premises. (Corresponds to Rule 15)
- (x) Respond to inquiry. The Permittee is required to respond by phone or email within twenty-four (24) hours of contact by the City concerning its medical marihuana establishment at the phone number or email address provided to the City as the contact for the business. Each twenty-four hour period during which an owner or manager does not respond to the City shall be considered a separate violation.

Sec. 845.16. Minimum Operational standards applicable to provisioning centers.

All provisioning centers shall, in addition to the minimum operational standards for all marihuana facilities, comply with the following operational standards at a minimum:

- (a) Provisioning centers shall open no earlier than 8:00 a.m. and close no later than 8:00 p.m.
- (b) No alcohol or tobacco products may be sold, used, or consumed on the premises. No marihuana or marihuana-infused products may be used or consumed on the premises.
- (c) No marihuana plants shall be allowed on the premises.
- (d) During times when the provisioning center is not open to the public, processed marihuana, marihuana products, cash and currency shall be stored in a safe or security vault that is incorporated into the building structure or securely attached to the building structure or a safe room with a security vault or other secure door.
- (e) A provisioning center shall purchase marihuana only from a grower or processor.
- (f) All transfers of marihuana to a provisioning center from a separate marihuana facility shall be by means of a secure transporter.
- (g) A provisioning center shall sell or transfer marihuana only to a registered qualifying patient or registered primary caregiver.
- (h) A provisioning center shall transfer marihuana to or from a safety compliance facility for testing only by means of a secure transporter.
- (i) The sale or transfer marihuana to a registered qualifying patient or registered primary caregiver shall only occur after it has been tested and bears the label required for retail sale by the act and the rules.
- (j) Before selling or transferring marihuana to a registered qualifying patient or to a registered primary caregiver on behalf of a registered qualifying patient, a provisioning center shall inquire of the statewide monitoring system to determine whether the patient and, if applicable, the caregiver hold a valid, current, unexpired, and unrevoked registry identification card and that the sale or transfer will not exceed the daily purchasing limit established by the board under the Act.
- (k) All transactions, current inventory, and other information of the provisioning center shall be entered into the statewide monitoring system as required by the Act, rules, and the marihuana tracking act.
- (l) A provisioning center shall not allow a physician to conduct a medical examination or issue a medical certification document on the premises for the purpose of obtaining a registry identification card.

(m) Marihuana and marihuana paraphernalia shall not be sold, given away, or dispensed from any outdoor location.

(n) A provisioning center shall have a separate room that is dedicated as the point of sale area for the transfer or sale of marihuana products.

(o) All marihuana products shall be kept behind a counter or other barrier to ensure a registered qualifying patient or registered primary caregiver does not have direct access to the marihuana products.

(p) A provisioning center shall comply with all packaging and labeling requirements of the rules before selling or transferring marihuana products.

Sec. 845.17. Minimum Operational standards applicable to grow facilities.

All grow facilities shall, in addition to the minimum operational standards for all marihuana facilities, comply with the following operational standards at a minimum:

(a) Until December 31, 2021, the permittee or an active employee shall have a minimum of 2 years' experience as a registered primary caregiver.

(b) While holding a permit for grower facility, no permittee shall be a registered primary caregiver and shall not employ an individual who is simultaneously a registered primary caregiver.

(c) All transactions, current inventory, and other information of the grow facility shall be entered into the statewide monitoring system as required by the Act, rules, and the tracking act.

(d) All activities and operations of the grow facility, including cultivation, shall take place indoors within a building.

(e) The use of compressed gases such as carbon dioxide in multiple processes in the cultivation of marihuana shall meet the requirements of the rules for such processes.

(f) A grow facility shall not use any pesticides in the cultivation of marihuana that has not been approved by LARA for such purpose.

Section 845.18. Minimum Operational standards applicable to processor facilities.

All processor facilities shall, in addition to the minimum operational standards for all marihuana facilities, comply with the following operational standards at a minimum:

(a) A processor shall purchase marihuana only from a grower and shall sell marihuana-infused products or marihuana only to a provisioning center.

(b) A processor shall transfer marihuana only by means of a secure transporter.

(c) Until December 31, 2021, the permittee or an active employee shall have, a minimum of 2 years' experience as a registered primary caregiver.

(d) While holding a permit for processor facility, no permittee shall be a registered primary caregiver and shall not employ an individual who is simultaneously a registered primary caregiver.

(e) All transactions, current inventory, and other information of the processor facility shall be entered into the statewide monitoring system as required by the Act, rules, and the Tracking Act.

(f) Processes that extract oil from marijuana plants and marijuana products using flammable gas, flammable liquid, or compressed gases of varying materials including, but not limited to, butane, propane, and carbon dioxide shall meet the requirements of the rules for such processes.

Sec. 14-265. Minimum standards applicable to secure transporters.

All secure transporter facilities shall, in addition to the minimum operational standards for all marijuana facilities, comply with the following operational standards at a minimum:

(a) May take physical custody of marijuana or money but legal custody belongs to the transferor or transferee.

(b) May not sell or purchase marijuana products.

(c) May store and transport marijuana and money associated with the purchase or sale of marijuana between marijuana facilities for a fee.

(d) Marijuana may not be transported to a registered qualifying patient or registered primary caregiver.

(e) Marijuana product may only be transported in a locked, secured, sealed container that is not accessible while in transit. Money associated with the purchase or sale of marijuana product between facilities shall be locked in a sealed container kept separate from the marijuana product and only accessible to the secure transporter licensee/permittee and its employees.

(f) Each driver transporting marijuana must have a chauffeur's license issued by the State of Michigan.

(g) Each employee who has custody of marijuana or money that is related to a marijuana transaction shall not have been convicted of or released from incarceration for a felony under the laws of this state, any other state, or the United States within the past 5 years or have been convicted of a misdemeanor involving a controlled substance within the past 5 years.

(h) Each vehicle shall be operated with a 2-person crew with at least 1 individual remaining with the vehicle at all times during the transportation of marijuana.

(i) A route plan and manifest shall be entered into the statewide monitoring system, and a copy shall be carried in the transporting vehicle and presented to a law enforcement officer upon request.

(j) A secure transporting vehicle shall not bear markings or other indication that it is carrying marihuana or a marihuana-infused product.

(k) A secure transporter is subject to administrative inspection by a law enforcement officer at any point during the transportation of marihuana to determine compliance with the Act and this ordinance.

(l) All transactions, current inventory, and other information of the secure transporter shall be entered into the statewide monitoring system as required by the Act, rules, and the Tracking Act.

Sec. 845.19. Minimum standards applicable to safety compliance facilities.

All safety compliance facilities shall, in addition to the minimum operational standards for all marihuana facilities, comply with the following operational standards at a minimum:

(a) A safety compliance facility is authorized to only receive marihuana from, test marihuana for, and return marihuana to a marihuana facility.

(b) A safety compliance facility must be accredited by an entity approved by the board by 1 year after the date the license is issued or have previously provided drug testing services to the State of Michigan or Michigan's court system and be a vendor in good standing in regard to those services unless a variance from this requirement is granted by the board as provided by the act.

(c) A safety compliance facility shall:

(1) Perform tests to certify that marihuana is reasonably free of chemical residues such as fungicides and insecticides.

(2) Use validated test methods to determine tetrahydrocannabinol, tetrahydrocannabinol acid, cannabidiol, and cannabidiol acid levels.

(3) Perform tests that determine whether marihuana complies with the standards the board establishes for microbial and mycotoxin contents.

(4) Perform other tests necessary to determine compliance with any other good manufacturing practices as prescribed in rules.

(5) Enter all transactions, current inventory, and other information into the statewide monitoring system as required in the Act, rules, and the Tracking Act.

(6) Have a secured laboratory space that cannot be accessed by the general public.

(7) Retain and employ at least 1 staff member with a relevant advanced degree in a medical or laboratory science.

(8) Comply with all provisions of the rules regarding the testing, retesting, and sampling of marihuana and marihuana products.

(9) Establish an adequate chain of custody and instructions for sample and storage requirements.

Sec. 845.20. Conflicts, Future laws and regulations.

Should the State of Michigan in the future adopt additional or stricter laws or regulations governing the production, processing, transporting, testing, sale and distribution of marihuana, the additional or stricter laws and regulations shall control the establishment or operation of any marihuana facility in the city, as well as the issuance, denial, suspension, or revocation of any permit under this article.

Sec. 845.21. Penalty and remedies.

(a) Any violation of this article is a municipal civil infraction subject to penalties imposed on municipal civil infractions by Section 202.99 of this code and state law.

(b) In addition to the penalties provided in this ordinance, any condition caused or permitted to exist in violation of this ordinance, shall be deemed a new and separate offense for each day that such condition continues to exist.

(c) In addition to the penalties in this ordinance, any violation of this ordinance, the Act, or the rules may result in the denial of a permit, or the revocation, suspension, or non-renewal of a permit issued under this ordinance.

(d) Nothing in this ordinance shall prevent the city from pursuing any other remedy provided by law and equity, including an injunction, in conjunction with or in lieu of prosecuting persons under this section for violation of this ordinance.

Sec. 845.22. Effect tie-barred.

This amendment to Chapter 845 shall only take effect if the Zoning Code is amended as needed to zone for the activities contemplated in this Chapter.

I certify that the above ordinance amendment was introduced on November 5, 2018, at a regular meeting of the City Commission and was enacted on December 3, 2018, at a regular meeting of the City Commission by a vote of Yes: 5, No: 2, at the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Jim Carruthers, Mayor

Benjamin Marentette, City Clerk

I certify that a notice of adoption of the above ordinance was published in the

Traverse City Record-Eagle, a daily newspaper published in Traverse City, Michigan, on December 9, 2018.

Benjamin Marentette, City Clerk