

VILLAGE OF MORLEY

ORDINANCE NO. 03-2024

Local Authorization of Marihuana Establishments

WHEREAS, the Michigan electorate voted to enact the Michigan Regulation and Taxation of Marihuana Act by popular vote on November 6, 2018, and

WHEREAS, the Act provides that "a municipality may completely prohibit or limit the number of marihuana establishments within its boundaries," and

WHEREAS, the Village Council has chosen to repeal Ordinance 01-2018 that prohibited marihuana establishments within the Village of Morley,

WHEREAS, the Village Council will allow marihuana establishments in accordance with the Michigan Regulation and Taxation of Marihuana Act as well as providing for the safety of the Village of Morley residents by regulating such establishments,
NOW, THEREFORE,

THE VILLAGE OF MORLEY ORDAINS:

Section 1. Repeal

1.0 Ordinance No. 01-2018 prohibiting marihuana establishments in the Village of Morley is repealed.

Section 2. Definitions

2.1 DEPARTMENT. The Cannabis Regulatory Agency.

2.2 MARIHUANA GROWER. A person licensed to cultivate marihuana and sell or otherwise transfer marihuana to marihuana establishments.

- A.) Class A Grower. Means a grower of not more than 100 marihuana plants.
- B.) Class B Grower. Means a grower of not more than 500 marihuana plants.
- C.) Class C Grower. Means a grower of not more than 2,000 marihuana plants.

2.3 LICENSEE. A person holding a state license.

2.4 MARIHUANA RETAILER. 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.

2.5 MICHIGAN REGULATION AND TAXATION OF MARIHUANA ACT will be referred to as the MRTMA in this ordinance. This is the law passed by the State of Michigan governing the sale and use of marihuana.

2.6 MARIHUANA PROCESSOR. A person licensed to obtain marihuana from marihuana establishments; process and package marihuana; and sell or otherwise transfer to marihuana establishments.

2.7 VILLAGE PERMIT. This refers to a "Village Marihuana Establishment Permit" (**Permit**) received by the applicant from the Village of Morley.

2.8 SAFETY COMPLIANCE ESTABLISHMENT. A person licensed to test marihuana, including certification for potency and the presence of contaminants.

2.9 SECURE TRANSPORTER. A person licensed to obtain marihuana from marihuana establishments in order to transport marihuana to marihuana establishments.

Section 3: Permitted Marihuana Establishments

3.1 Number of permitted establishments in the Village of Morley. The type and number of permitted establishments in the Village of Morley are as follows:

Type of Establishment	Number Allowed
Class A Grower	2
Class B Grower	2
Class C Grower	2
Marihuana Retailer	2
Secure Transporter	2
Safety Compliance Establishment	2

The Village of Morley will allow no more than **2 grower establishments in any combination.**

3.2 License and Annual Fee

(A) No person shall establish or operate a marihuana establishment without first receiving a **Permit** from the Village of Morley and a State operating license for each such establishment to be operated. All State licenses and Village **Permits** shall be kept current and publicly displayed. Failure to maintain or display current licenses and **Permits** shall result in a violation of this ordinance and will be punishable by a \$100 fine and or a loss of the **Permit**.

(B) There shall be an annual non-refundable application and **Permit** fee of \$1,200 to defray

the administrative and enforcement costs associated with marihuana establishments located in the Village.

- (C) The annual nonrefundable fee required under this section shall be due and payable with the application for a Village **Permit** and upon the application for renewal of any such **Permit** under this ordinance. The **Permit** and fee requirements of this ordinance apply to all state licensed marihuana establishments, whether operated for profit or not for profit. The fee requirement set forth in this ordinance shall be in addition to and not in lieu of, any other licensing and permitting requirements imposed by any state regulatory agency.
- (D) A separate Village **Permit** shall be required for each premises on which a marihuana establishment is operated. Operation of multiple types of establishments at the same location is authorized as allowed and licensed according to state law.

Section 4. Location Criteria

4.1 Mobile Establishments:

Mobile and drive-through marihuana establishments are prohibited within the Village Limits.

4.2 Physical Address:

- (A) A marihuana state licensee shall not operate a marihuana establishment outside of the registered address on the application and **Permit** which is to be kept on file with the Village Clerk.
- (B) An address may be changed with the approval of the Village Council at a scheduled monthly meeting. An address change request must be submitted to the Village Clerk no less than 14 days prior to a scheduled Village meeting.
- (C) A marihuana establishment shall not be within 500 feet of a school in the Village of Morley.

Section 5: General Application Requirements

Permit Application.

- (A) An application for a **Permit** to operate a Marihuana Establishment in the Village shall be submitted to the Village Clerk along with a non-refundable application fee of \$1,200 to offset any expenses incurred by the Village.
- (B) The applicant must submit a suitable copy of a government issued photo identification to be kept on file with the Village Clerk's office.
- (C) The applicant shall provide the following information, under the penalty of perjury,

on the Village-issued form approved by or acceptable to, the Village Council. Such information is required for the applicant, the proposed manager of the marihuana establishment, and all persons who are true parties of interest in the marihuana establishment that is the subject of the application:

- (1) A copy of the applicant's State Application for Prequalification for the Department and a copy of the applicant's Notice of Prequalification Status from the Department. If the applicant is an individual or sole proprietorship, the proprietor and their spouse, if any, shall provide their name, address, date of birth, business address, business telephone number, email address, social security number, and if applicable, federal tax identification number.
- (2) If the applicant is not an individual or sole proprietorship, information regarding the business entity, including, without limitation, the name and address of the entity, website address, (if any), type of business organization, proof of registration with, or a certificate of good standing from the State of Michigan, and the names, dates of birth, addresses, email addresses, phone number(s), and the federal tax identification number of the business entity;
- (3) The identity of every person having any ownership interest in the application with respect to which the license is sought.
- (4) If the applicant is not the owner of the proposed licensed premises, a notarized statement from the owner of such property authorizing the use of the property for a marihuana establishment.
- (5) A copy of any deed reflecting the applicant's ownership of, or lease reflecting the right of the applicant to possess, or an option reflecting the applicant's right to purchase or lease, the proposed permitted premises for use as a state licenses marihuana establishment.
- (6) A description of the type of the proposed marihuana commercial operation and its physical address.
- (7) A staffing plan which describes the anticipated or actual number of employees, including an estimate of the number and type of jobs that the establishment is expected to create, the amount and type of compensation, including benefits, expected to be paid for the jobs.
- (8) A statement that neither the applicant nor any true party of interest is ineligible from holding a license for any of the reasons set forth in the MRTMA.
- (9) A statement that the applicant consents to inspections, examinations, searches and seizures required or undertaken pursuant to enforcement of this ordinance; and applicable state law.
- (10) Any additional information that the Village Council and/or the Police Chief reasonable determines necessary in connection with the investigation and review of the application.

5.2 Application Review

Upon receipt of a completed application, the Village Clerk will circulate the application to all affected Village services such as the Chief of Police, Fire Chief, and the Village Council. The application will be either approved or denied at the next regular Village Council meeting following the submission of the application by at least 14 days.

5.3 Application Corrections

If the Village Clerk identifies or is informed of a deficiency in an application, the applicant shall have one period of ten business days to correct the deficiency after notification by the Village Clerk.

Section 6: Application Denial

6.1 Reasons for Denial

- (A) The Village Council has the authority to deny any application that is received for any reason within this ordinance, including but not limited to:
- (1) False or Misleading information submitted by or for the applicant.
 - (2) Incomplete Applications and supporting documentation.
 - (3) Does not meet the requirements in the MRTMA.

Section 7: Issuance of a Permit by the Village of Morley.

7.1 Permit

- (A) Any **Permit** issued by the Village of Morley must be displayed in a public area within the establishment.
- (B) An inspection of the establishment is to be conducted by the Village of Morley Police Department or a qualified representative of the Village at random three times per year to ensure that all criteria of this ordinance have been met.
- (C) A **Permit** will only be issued after the Village Clerk receives all necessary documents and proofs as required by the State of Michigan and the Village of Morley.

7.2 Permit Forfeiture

(A) In the event that a marihuana establishment does not commence and maintain operations within one year of issuance of a **Permit**, the **Permit** shall be deemed forfeited, the business may not recommence operations and the **Permit** is not eligible for renewal. In the event that a **Permit** is forfeited the applicant must submit a new application and all supporting documents for reapproval.

(B) The **Permit** fee of \$1,200 is a non-refundable fee paid to the Village of Morley.

7.3 Permit Renewal

(A) A valid **Permit** may be renewed on an annual basis by a renewal application upon a form provided by the Village and payment of the annual application and **Permit** fee of \$1,200. An application to renew a **Permit** shall be filed no sooner than 90 days and at least 60 days prior to the date of its expiration. The failure to timely file for renewal is sufficient grounds to deny renewal of a **Permit** to operate a marihuana establishment in the Village.

(B) Prior to the issuance of a renewed **Permit** by the Village, the premises shall be inspected to assure that site and operations are in compliance with the requirements of this ordinance.

(C) If a state licensee demonstrates compliance with the requirements for renewal of a **Permit**, the Village Council shall renew the existing **Permit** for a period of one year, on proof that the state marihuana license for the establishment is renewed or still in effect.

7.4 Transfer of Permit Prohibited

Under no circumstance is the **Permit** to be transferred from one owner to another.

7.5 Permit as Revocable

A **Permit** granted by this ordinance is a revocable privilege granted by the Village and is not a property right. Granting a **Permit** does not create or vest any right, title, franchise, or other property interest in the applicant or **Permit** holder.

7.6 Nonrenewal or Suspension of Permit

(A) The Village Council has the authority to refuse a renewal of a **Permit** and/or suspend a **Permit** for the following reasons:

- (1) Upon inspection of the establishment the requirements laid out in this ordinance as well as by the State of Michigan have not been met, or
- (2) The safety and health of the community are deemed to be at risk by having the marihuana establishment in the Village, or
- (3) The **Permit** holder failed to submit all required documentation for the renewal in a timely manner as laid out by this ordinance, or
- (4) Evidence indicates a rise in drug related criminal activity in and around the premises of the marihuana establishments.

(B) In the event that a **Permit** is suspended during the year all operations of the establishment are to be ceased immediately.

Section 8: Specific Establishment Requirements

8.1 Grower Classes

A grower may hold more than one class of a state operating grower license, if allowed by the state at a single location.

8.2 Separation of Licenses Premises

A grower establishment and processor establishment in the same location are separate Marihuana commercial operations requiring separate licenses and separate **Permits**. In addition to all other application requirements for separate establishments, each business, if sharing a building or structure, shall be distinctly partitioned from each other from floor to roof, have separate operations, ventilation, security and fire suppression systems, and separate entrances and exits.

8.3 Secure Transporter

(A) A secure transporter which operates from a marihuana establishment located within the Village shall secure a **Permit** from the Village. There will be a \$1,200 fee for the **Permit** and application. A state-licensed secure transporter which does not have an establishment located in the Village, may, without securing a license from the Village, operate on public streets and highways within the Village.

(B) Each vehicle engaged in the transportation of marihuana or marihuana-infused products must always be operated by a two-person crew with at least one individual remaining with the vehicle, or as otherwise required by state law.

(C) A secure transporting vehicle must not bear any markings or other indication that it is carrying marihuana or marihuana-infused products.

8.4 Provisioning Centers

(A) It is unlawful for any licensed Provision center to:

(1) Permit the sale, consumption, or use of alcoholic beverages or tobacco products on the licensed premises or the consumption of service of food on the licensed premises; Sell, give, dispense, or otherwise distribute recreational marihuana, marihuana-infused products, or recreational marihuana paraphernalia from any outdoor location except curbside sales, and dispensing is lawful with an approved "curbside sales and dispensing designation."

(2) Offer or distribute samples of marihuana or marihuana-infused products to a consumer free of charge;

(3) Permit the use or consumption of marihuana or marihuana-infused products on the licensed premises;

(4) Operate a licensed provisioning center at any time other than between the hours of 8:00 a.m. and 6:00 p.m. daily;

(5) Keep or grow marihuana plants within the provisioning center.

(B) Registered patients and registered primary caregivers with valid registry cards are permitted in a dedicated point of sale area; a separate waiting area may be created for visitors not authorized to enter the marihuana establishment. Provisioning centers shall be wheelchair accessible and disability accommodations shall be provided to caregivers or patients upon request.

- (C) A provisioning center may NOT engage in the home delivery of marihuana and marihuana-infused products.

Section 9: General Provisions

9.1 Compliance with Rules: Inspections

- (A) Any licensed marihuana establishment must abide by all State rules and regulations as laid out by the Department.
- (B) Failure to abide by any State regulation or any regulation laid out in this ordinance will result in the immediate suspension or revocation of any **Permit** granted by the Village, and denial of any later application for a **Permit** within two years of any violation.

9.2 Signage and Advertising

- (A) Advertisements should be in compliance with State laws as well as any ordinance found within the Village. It should be unlawful for any licensee to:
 - (1) Use advertising material that is misleading, deceptive or false, or
 - (2) Use material to advertise the sale or use of marihuana toward minors aged 17 and under.

9.3 Security Requirements

- (A) Security measures should be satisfactory to the Village and meet all requirements set forth by this ordinance and the Department. Prior to commencing operations, a security plan shall be submitted to the Village Clerk and/or the Village Chief of Police. The security plan should include a security video system and meet or exceed all State rules regarding security.
- (B) The security system should be maintained and in good working order. It should provide 24/7 recorded coverage. A separate security system is required for each establishment. It should also include the following as required by the State of Michigan;
 - (1) Security surveillance to monitor all entrances, along with the interior and exterior of the permitted premises and all safes or containers in which cash or marihuana is stored and all "curbside sales and dispensing designated" spaces;
 - (2) Burglary alarm system that is monitored 24 hours per day 7 days per week.
 - (3) A locking safe that is permanently affixed and shall store all marihuana or cash stored at the establishment overnight.
 - (4) All marihuana in whatever form stored at the permitted premises shall be kept in a secure manner and shall not be visible from outside the permitted premises, nor shall it be grown, processed, exchanged, displayed or dispensed outside the permitted premises, except curbside sales and dispensing is lawful with an approved "curbside

sales and dispensing designation”;

(5) All security recordings and documentations shall be preserved for at least 30 days by the **Permit** holder and made available to law enforcement or Village of Morley upon request for inspection.

(6) Video footage should be made available to the Village of Morley Police Department and the Mecosta County Sheriff department upon request.

9.4 Fire Suppression System

(A) An establishment shall install a fire alarm and suppression system which is up to code and in compliance with applicable state licensing regulations.

(B) An installed fire suppression system shall be subject to inspection by the Village.

(C) A description of all toxic, flammable, or other materials, including all chemical compounds and pesticides used for cultivation, processing or testing of marihuana that will be used or kept at the establishment, specifying the location of such materials on the premises, and how such materials, will be stored and disposed of shall be filed with the Village Council and the Fire Chief at the Morley Area Fire Department prior to the establishment commencing operations.

9.5 Waste Management

An establishment shall institute and employ a waste management protocol and practices that comply with applicable rules and regulations that includes a plan for disposal of any marihuana or marihuana-infused product that is not sold according to State law.

9.6 Visibility of Activities

(A) All activities of Marihuana industrial operations shall be conducted indoors and out of public view, except cultivation may occur in an outdoor area provided that the area is contiguous with the establishment building, fully enclosed by fences or barriers that block outside visibility of the marihuana plants from public view, with no marihuana plants growing above the height of the fence or barrier and the fences are secured and only accessible to authorized persons and emergency personnel.

(B) No marihuana, marihuana-infused product, or paraphernalia shall be displayed or kept in a business so as to be visible from outside the licensed premises.

9.7 Odor Control

(A) Growers, processors, and safety compliance establishments are required to install and maintain in operable condition an appropriate exhaust ventilation system which precludes the emission of detectable marihuana odor resulting from any grow or production process or operations from the premises. Exhaust and ventilation equipment must be installed, operated, and maintained in compliance with the Michigan Mechanical Code.

(B) No marihuana establishment shall permit the emission of marihuana odor resulting in detectable odors that leave the establishment premises upon which they originated and

interfere with the reasonable and comfortable use and enjoyment of another's property. Whether or not a marihuana odor emission interferes with the reasonable and comfortable use and enjoyment of a property shall be measured against the objective standards of a reasonable person of normal sensitivity.

9.8 Reports of Crime

All criminal activities or attempted violations of any law at any marihuana establishment shall be reported promptly to the Village Chief of Police and/or Mecosta County Sheriff's office within 24 hours of occurrence, or its discovery, whichever is sooner. The failure to timely report criminal activity is a violation of this ordinance and may result in sanctions up to and including the suspension, revocation or non-renewal of the establishment's **Permit**.

9.9 Other Laws Remain Applicable

To the extent the state adopts any additional or stricter law or regulation governing the sale or distribution of marihuana, the additional or stricter regulation shall control the establishment or operation of any marihuana commercial entity in the Village. Compliance with any applicable State law or regulation shall be deemed an additional requirement for issuance or denial of an **Permit** under this ordinance, and noncompliance with any applicable State law or regulation shall be grounds for revocation or suspension of an **Permit** issued hereunder.

9.10 Permits, Applications and Fees

No marihuana related business may be established and operated within the Village without receiving a **Permit** first. All fees must be paid at the time of application as described in this ordinance.

Section 10. Penalties

10.1 Penalties for noncompliance of this ordinance

(A) Any person, including, but not limited to, any licensee, manager or employee of a marihuana commercial operation, or any customer of such business, who violates any of the provisions of this chapter, shall be responsible for a municipal civil infraction punishable by a civil fine of \$500, plus court-imposed costs and any other relief that may be imposed by the court for the first violation; and \$1,000, plus court-imposed costs and any other relief that may be imposed by the court for a subsequent violation committed within one year of any previous offense.

(B) In addition to any civil fine imposed for a municipal civil infraction violation, a violation of this ordinance shall also be sufficient grounds for the suspension, revocation, or non-renewal of the establishment's **Permit**.

Section 11: Appeals

Decisions by the Village to grant, deny, suspend, or revoke a Village **Permit** for a State licensed marihuana establishment shall be appealable in writing to the Village Council by filing the claim of appeal with the Village Clerk and paying an administrative filing fee of \$750. The appeal will be heard and decided by the Village Council at a regular or special meeting within 30 days of the date the appeal is filed.

Austin Korpall motioned to accept Ordinance 03-2024 with S. Petersen's support. Motion passed with five yeas and one abstention.

This ordinance will take effect twenty (20) days after publication.

Yeas: Austin Korpall, Serine Petersen, Henry Petersen, Paul Block and Sandra Leal.

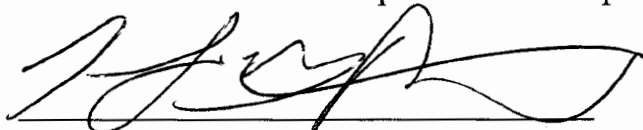
Nays: None

Abstention: Steven Weed

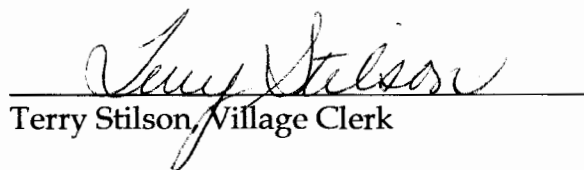
Absent: Linda Kizer

The President declared the ordinance to be approved.

I hereby certify to the adoption of this ordinance at the March 11, 2024 regular council meeting and cause the same to be published as required by law.



Henry Petersen, Village President



Terry Stilson, Village Clerk

Publish date: 3-18-2024