

ORDINANCE NO: 801

AN ORDINANCE TO ADD CHAPTER 15 MARIHUANA “MEDICAL MARIHUANA FACILITIES” TO THE CITY OF ALMA CODE OF ORDINANCES

THE CITY OF ALMA ORDAINS:

1. **Section 1.** The City of Alma Code of Ordinances is amended by the addition of Chapter 15 Marihuana “Medical Marihuana Facilities” to read as follows:

Article 1-General Provisions:

Section 1: Purpose and Intent

a. Purpose: The purpose of this Chapter is to implement the provisions of Public Act 281 of 2016, being the Michigan Medical Marihuana Licensing Act, so as to protect the public health, safety and welfare of the residents of the City of Alma by setting forth the manner in which medical marihuana facilities can be operated in the City.

b. Relationship to Federal Law: As of the effective date of this Ordinance, marihuana is classified as a Schedule 1 Controlled Substance under Federal Law which makes it unlawful to manufacture, distribute, cultivate, produce, possess, dispense or transport marihuana. Nothing in this ordinance is intended to grant immunity from any criminal prosecution under Federal Law.

c. Relationship to State Law:

1. Nothing in this ordinance is intended to grant immunity from criminal or civil prosecution, penalty or sanction for the cultivation, manufacture, possession, use, sale, distribution or transport of marihuana in any form that is not in strict compliance with the Michigan Medical Marijuana Act, the Medical Marihuana Facilities Licensing Act, the Marihuana Tracking Act, and all applicable rules promulgated by the State of Michigan regarding Medical Marihuana. Strict compliance with any applicable State law or regulation shall be deemed a requirement for the issuance or renewal of any license issued under this Chapter, and non-compliance with any applicable State law or regulation shall be grounds for revocation or non-renewal of any license issued under the terms of this Chapter.

2. In the event of any conflict, the terms of this Chapter are preempted and the controlling authority shall be the statutory regulation set forth by the Medical Marihuana Facilities Licensing Act or the rules adopted by the Board to implement, administer or enforce said Act.

d. City Liability and Indemnification:

1. By accepting a license issued pursuant to this Chapter, the licensee 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.

2. By accepting the license issued pursuant to this Chapter, all licensees agree 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 bodily injury, sickness, disease, death, property loss or damage or any other loss of any kind, including but not limited to, any claim of diminution of property value by a property owner whose property is located in proximity to licensed marihuana facility, arising out of, claimed to have arisen out of, or in any manner connected with the operation of a medical marihuana facility or use of a product cultivated, processed, distributed or sold that is subject to the license, 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. r Influenced and Corrupt Organizations Act (RICO), 18 U.S.C. §1964(c).

3. By accepting a license issued pursuant to this Chapter, a licensee agrees to indemnify, defend and hold harmless the City, its officers, elected officials, employees and insurers against all liability, claims, penalties or demands arising on account of any alleged violation of the federal Controlled Substances Act 21 U.S.C. §801 et seq. or Article 7 of the Michigan Public Health Code, MCL 333.7101 et seq.

Article 2-Definitions:

- A. “Applicant” means a person who applies for a state operating license. With respect to disclosures in an application, or for purposes of ineligibility for a license, the term applicant includes an officer, director, and managerial employee of the applicant and a person who holds any direct or indirect ownership interest in the applicant.
- B. “Application Coordinator” means a person or persons designated by the City of Alma to accept and review applications under this Chapter.
- C. “Board” means the medical marihuana licensing board created pursuant to Part 3 of the Medical Marihuana Facilities Licensing Act.
- D. “Cultivate” or Cultivation” means all phases of marijuana growth, from seed to harvest, and the preparation, packaging and labeling of harvested usable marihuana.
- E. “Department” means the Michigan Department of Licensing and Regulatory Affairs, or its successor agency.
- F. “Grower” means a licensee that is a commercial entity that cultivates, dries, trims or cures or packages marihuana for sale to a processor or provisioning center.
- G. “Key Employee” means any employee of any marihuana facility who has supervisory authority, and has been back ground checked and listed with the City of Alma as a designated and trained key employee.
- H. “Licensee” means a person or entity holding a state operating license.
- I. “Marihuana” means that term is defined in Section 7106 of the Public Health Code, MCL 3.7106.
- J. “Marihuana commercial entity” means any and all of the following marihuana facilities:
 - 1. grower
 - 2. processor
 - 3. secure transporter

4. provisioning center
5. safety compliance facility

K. “Marihuana facility” means a location at which a licensee is licensed to operate under the Medical Marihuana Facilities Licensing Act and this Chapter.

L. “Marihuana Plant” means any plant of species *Cannabis sativa* L.

M. “Marihuana-infused product” means a topical formulation, tincture, beverage, edible substance, or similar product containing any usable marihuana that is intended for human consumption in a manner other than smoke inhalation. Marihuana infused products shall not be considered a food for purposes of the food law, 2000 PA 92, MCL 289.1101, et seq.

N. “Medical cannabis dispensary” means a provisioning center operated and whose licensed to operate is held solely by one or more registered qualifying patients and/or registered primary care givers operating at a fixed location.

O. “Michigan medical marihuana act”, or “MMMA” means MCL 333.26421 et seq as may be amended.

P. “Michigan medical marihuana facilities licensing act”, or “MMFLA” means MCL 333.27101, et seq as may be amended.

Q. “Michigan marihuana tracking act” means MCL 333.27901, et seq as may be amended.

R. “Paraphernalia” means any equipment, product, or material of any kind that is designed for or used in growing, cultivating, producing, manufacturing, compounding, converting, storing, processing, preparing, transporting, injecting, smoking, ingesting, inhaling, or otherwise introducing into the human body, marihuana.

S. “Person” means an individual, corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited liability limited partnership, trust, or other legal entity.

T. “Plant” means any living organism that produces its own food through photosynthesis and has observable root formation or is in growth material.

U. “Processor” means a licensee that is a commercial entity that purchases marihuana from a grower and that extracts resin from that marihuana, or creates a marihuana infused product for sale and transfer in packaged form to a provisioning center.

V. “Provisioning center” means a licensee that is a commercial entity that purchases marihuana from a grower or processor and sells, supplies or provides marihuana to registered qualified patients, directly or through the patients registered primary care givers. Provisioning center includes any commercial property where marihuana is sold at retail to registered qualifying patients or registered primary care givers or includes medical cannabis dispensaries. A noncommercial location used by a primary care giver to assist a qualifying patient connected to a care giver through the Department’s marihuana registration process in accordance with the Michigan Medical Marihuana Act is not a provisioning center for the purposes of this Chapter.

W. “Registered primary care giver” means a primary care giver who has been issued a current registry identification card under the Michigan Medical Marihuana Act, MCL 333.26421 et seq.

X. “Registered qualifying patient” means a qualifying patient who has been issued a current registry identification card under the Michigan Medical Marihuana Act, MCL 333.26421, et seq.

Y. “Registry identification card” means that term as defined in the Michigan Medical Marihuana Act, MCL 333.26421, et seq.

Z. “Rules” means rules promulgated by the Department in consultation with the Board to implement this Act.

AA. “Safety compliance facility” means a licensee that is a commercial entity that received 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.

BB. “Secure transporter” means a licensee that is a commercial entity that stores marihuana and transports marihuana between marihuana facilities for a fee.

CC. “State operating license” means a license that is issued under the Medical Marihuana Facilities Licensing Act and this Chapter that allows the licensee to operate as one of the following marihuana commercial entities as specified in the license:

1. Grower
2. Processor
3. Secure transporter
4. Provisioning center
5. Safety compliance facility

DD. “Statewide monitoring system” means an internet based statewide data base 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:

1. Verifying registry identification cards
2. Tracking marihuana transfer and transportation by licensees, including transferee, date, quantity and price.
3. 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, MCL 333.26424.

EE. “True party of interest” means:

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 spouse. 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.

7. For a trust: the names of the beneficiaries

However, “true party of interested” 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 or bonus program that is not out of the ordinary for the services rendered.

FF. “Usable marihuana” means the dried leaves, flowers, plant resin or extract of the marihuana plant, but does not include the seeds, stalks and roots of the plant.

Article 3-Licensing of Medical Marihuana Facilities:

Section 1: Number of Permitted Facilities:

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

Type of Facility	Number
Grower	Two (2)
Processor	Two (2)
Secure Transporter	Two (2)
Provisioning Center	Three (3)
Safety Compliance Facility	Two (2)

Section 2: Location criteria:

A. No medical marihuana facility shall be eligible to be issued a license unless at that time of application for such license, the location of the proposed facility complies with the zoning and separation distances from other uses as set forth in the City of Alma Zoning Ordinance as required for this specific type of medical marihuana facility for which licensure is being sought.

B. A licensee shall not operate a marihuana facility at any place in the City of Alma other than the address provided in the application on file with the City Clerk.

Section 3: Application Requirements

A separate application must be submitted for each license for a medical Marihuana establishment. A grow, processing, and provisioning center license may occupy the same facility, based on the Bureau of Medical Marihuana Regulation’s conditions.

The application for each medical Marihuana establishment license must include:

A. A complete application on forms prescribed by the *City of Alma* for the applicant and

each person with an ownership interest in the proposed medical Marihuana establishment, including the name and address of the proposed facility, all owners of the real property where the facility is located, and the proposed business managers of the facility.

B. Evidence that no owner or owner controlled enterprise, owes taxes to the State of Michigan or other taxing body within the state. This includes the *City of Alma* where application is being filed.

C. A one-time, non-refundable business license application fee of \$5,000.00. If an applicant submits applications **at the same time** for more than one medical Marihuana establishment, the application fee for any additional applications shall be \$5,000.00.

D. A complete description of the products and services to be produced or sold by the medical Marihuana establishment.

E. A copy of official paperwork issued by LARA indicating that the applicant has successfully completed the pre-qualification step of the application for a state operating license, and documentation proving that the applicant has pre-qualification (Step 1 approval) under the Medical Marihuana Facilities Licensing Act, Act 281 of 2016, as amended.

F. A complete and accurate copy of their application for the state license and the following business documentation if not already a part of their State License application.

1. All proposals for operations, business plans, staff training plans, attestations, financial documentation, and required tax reports;
2. All documents detailing proposed organizational structure, all narratives, and resumes;
3. All documentation required concerning the adequacy of the proposed building and construction plans with supporting details in the form specified by the *City of Alma* Building Official and the payment of all required review and inspection fees;
4. All testing, transportation, policy and operations manuals, financial plan, and an environmental plan that includes how waste Marihuana product will be handled.
5. Certification that the facility will comply with all *City of Alma* water and waste water requirements.
6. A security plan, including a depiction of the location and configuration of security cameras, and the backgrounds and certifications of any hired security guards indicating how the applicant intends to comply with the requirements related to monitoring and securing the licensed premises.
7. An accounting plan that includes how sales and inventory will be tracked on a daily, weekly, and monthly basis, and how this information will be stored and safeguarded and the enterprise's usage of the State Tracking system.
8. A copy of all contracts, proposed contracts for consulting, management, renting or leasing the premises for the proposed medical Marihuana establishment, including written documentation stating that the property owner of the proposed location for the establishment is fully aware of the property's intended use or a copy of the deed to such property showing ownership vested in the applicant;

G. A written statement acknowledging that the applicant understands applicable federal laws, any guidance or directives issued by the U.S. Department of Justice, the laws of the State of Michigan and the laws and regulations of the *City of Alma* applicable thereto concerning the operation of a medical Marihuana establishment. The written statement shall also acknowledge

that any violation of any laws or regulations of the State of Michigan or of the *City of Alma*, or any activity in violation of any guidance or directives issued by the U.S. Department of Justice, in such place of business, or in connection therewith, or the commencement of any legal proceeding relating to such medical Marihuana establishment by federal authorities, may render the license subject to immediate suspension or revocation.

H. A written statement to the *City of Alma* that the applicant will hold harmless, indemnify, and defend the City against all claims and litigation arising from the issuance of a license, including any claims and litigation arising from the establishment, operation, or ownership of the medical Marihuana establishment, and that a bond to secure such obligation in the amount established by the State of Michigan will be provided prior to the issuance of any license.

I. An acknowledgment that the applicant is seeking a privileged license, and understands that each person with an ownership interest must be found suitable to hold such license by the *City of Alma* Commission prior to the issuance of any license; that the applicant understands and acknowledges that the burden of proving qualifications to receive such a license is at all times on the applicant; that the granting of a license for a medical Marihuana establishment is at the discretion of the City Commission; and that the applicant agrees to abide by the decision.

J. Proof that the proposed location complies with all required applicable zoning regulations.

Section 3a: *City of Alma* Review.

A. The *Application Coordinator* shall complete a review of all submitted applications for a medical Marihuana establishment business licenses to determine whether the application is complete. An application shall be deemed complete by the *Application Coordinator* only when it contains each of the items listed in section 1 above.

B. All application fees have been paid.

C. All waivers, acknowledgments, and statements are properly signed and acknowledged by the applicant and every principal and person with an ownership interest; and each person with an ownership interest has filed complete applications and each individual has submitted to fingerprinting and background checks.

D. The *Application Coordinator* shall reject and return to the applicant any application that is incomplete or otherwise fails to meet the criteria herein established, or the regulations of the State regulating authority. License application fees are non-refundable, and shall not be refunded in the event of rejection or withdrawal of an application.

E. The *Application Coordinator* shall review all complete medical Marihuana establishment business license applications that satisfy the applicable criteria, and may refer such applications in part, or in whole, to other *City of Alma* departments review and comment, as the *Application Coordinator* deems appropriate.

D. The submission of an application for a license constitutes permission for the *City of Alma* to inspect or cause to be inspected each proposed location for a medical Marihuana establishment, and allows the *Application Coordinator* to call for and conduct interviews. The *Application Coordinator* may require an inspection by the Fire Department and the Building Inspection Official. Applicants shall pay all related inspection fees that may be required.

Section 4: Medical Marihuana Establishment - Licenses

A. Applications for licenses must comply with all requirements contained herein and will not be forwarded to *City of Alma* Commission for approval until all application requirements are deemed met and all fees are paid, including but not limited to inspection and background investigation fees.

B. The *City of Alma* may issue licenses for the following types of medical Marihuana establishments:

1. Medical Marihuana Provisioning Center. A medical Marihuana dispensary license allows the licensee to acquire, possess, supply and sell or dispense usable Marihuana, edible Marihuana products, Marihuana infused products, and Marihuana paraphernalia exclusively to state regulating authority-designated medical Marihuana registry card holders.

2. Grow/Cultivation Facility. A cultivation facility license allows the licensee to acquire, possess, cultivate, deliver, transfer, transport, supply and sell wholesale Marihuana and related supplies to a licensed medical Marihuana dispensary, licensed medical Marihuana production facility, or to other licensed cultivation facilities only.

3. Safety & Compliance Facility. An independent testing laboratory license allows the licensee to independently test Marihuana, edible Marihuana products and Marihuana-infused products that are to be sold at medical Marihuana establishments operating in accordance with the requirements State of Michigan laws.

4. Medical Marihuana Process/Production Facility. A medical Marihuana production facility license allows the licensee to acquire, process, manufacture, deliver, transfer, transport, package, and label usable Marihuana and Marihuana-infused products for sale at wholesale to licensed medical Marihuana Provisioning Centers only.

5. Medical Marihuana Transport Service. Like Independent Testing labs, locals should rely on the state licensing of these operators and simply issue an appropriate license when they confirm that they have the state transporter license.

C. A medical Marihuana establishment license applicant may not exercise any of the privileges of a medical Marihuana establishment license until the *City of Alma* Commission approves the license and suitability of each person with an ownership interest in the medical Marihuana establishment, and final pre-operational inspections if any, have been conducted and all applicable inspections and license fees are paid.

D. Licenses shall expire one year from the date of issuance, and a licensee must apply for Annual renewal pursuant to applicable State of Michigan laws and *City of Alma* ordinance.

E. A medical Marihuana establishment licensee shall provide and maintain at all times and at its own expense a certificate of insurance at amounts and terms approved by the *City of Alma* Finance Director prior to issuance or renewal of a license. Any failure to maintain insurance or provide proof of insurance is grounds for the *City of Alma* to suspend the license.

F. The minimum amount which may be required by the *City of Alma* shall be \$1,000,000 per occurrence, \$2,000,000 general aggregate for bodily injury and property damage arising out of licensed activities and \$1,000,000 products and completed operations aggregate, Commercial Automobile Coverage in a minimum of \$1,000,000 and excess liability in a

minimum of \$3,000,000.

G. Additional insured: The *City of Alma* shall be named as an additional insured on all general liability, umbrella, and excess insurance policies as *City of Alma*, its elected officials, officers, agents, employees and volunteers are included as additional insured. All policies shall be primary over any other valid and collectible insurance.

H. Prior to issuance or renewal of a license, medical Marihuana establishment licensees shall provide proof of financial responsibility of at least \$100,000.00 as required by the Medical Marihuana Licensing Act, specifically MCL 333.27408.

I. Upon the issuance of medical Marihuana registration certificate by the State of Michigan regulating authority and receipt of a complete license application, the *City of Alma* shall forward the application to the City Commission. The *City of Alma* shall not issue a temporary license for a medical Marihuana establishment.

Section 4a: Commission Action on Medical Marihuana Licenses

A. The *City of Alma* Commission may approve, deny or take such other action with respect to such applications as it considered appropriate. The burden of showing the qualifications, acceptability or fitness for such license and the location is upon the applicant.

B. *City of Alma* Commission shall act to approve, deny, or take such other action with respect to the medical Marihuana license application not more than 60 days from the date the *Application Coordinator* both accepts an application, and receives a proof of a state license issued by the State of Michigan.

C. The *City of Alma* Commission may not approve more licenses for Provisioning Centers than allowed by State law.

Section 5: General Requirements

A. Each medical Marihuana establishment licensee shall operate only in compliance with all State of Michigan regulations and all *City of Alma* regulations, and the plans, procedures and policies submitted with the permit and approved by the *Application Coordinator*, and any restrictions imposed in connection with issuance of the license.

B. At least one key employee shall be on the premises of a dispensary at all times during the hours of operation.

C. A medical Marihuana establishment may not allow the use, smoking, ingestion or consumption of any Marihuana, edible Marihuana, or Marihuana-infused product on the licensed premises.

D. Any person or premises licensed as a medical Marihuana establishment shall comply with all City ordinances and be in compliance with the State regulating authority.

E. Material that is misleading, deceptive or false, as evidenced either by the content of the advertising material or by the medium or the manner, in which the advertising is disseminated, is designed to appeal to minors or promote the use of Marihuana is prohibited.

F. The presence of minors, under the age of 18, on the premises of a medical Marihuana establishment is prohibited unless the minor is a qualified patient on the premises of a dispensary and is accompanied by his or her parent or legal guardian. No licensee shall cause, permit or allow, either by act or by failure to act, the violation of this subsection.

G. Medical Marihuana, edible Marihuana products, and/or Marihuana-infused products may only be transported by a licensed medical Marihuana establishment. Transportation must meet all requirements of the state regulating authority. Product must be placed in unmarked, non-transparent transportation containers.

1. All required transportation logs must be in the vehicle and made available to law enforcement at any time the log is inspected. Each driver must identify to any law enforcement officer that the product contained within the vehicle is medical Marihuana, edible Marihuana products or Marihuana-infused products from a licensed medical Marihuana establishment and must present a state agent registration card, the route the vehicle was authorized to travel and the actual travel log for inspection.

H. Each licensee shall obtain a building inspection from the Building Official prior to renewal of any license.

I. Any closure, either temporary or permanent must be noticed in writing to the *Application Coordinator* 15 days prior to such closure, unless an emergency requires the closure of such facility which must be reported to the *Application Coordinator* within 24-hours of such closure.

J. A medical Marihuana establishment licensee shall give the *City of Alma* access to its accounting procedures to track and record all sales for audit purposes. The *City of Alma* must have access to such records.

1. If an annual audit is required by the state regulating authority, the licensee shall have the auditor submit the audit report to the *City of Alma* within 60 days of the completion of the audit. All reports or evaluations submitted hereunder shall be confidential and shall not be available for public inspection, except as may be required under State or Federal law.

2. In compliance with all State and Federal privacy laws, the licensee shall allow the *Application Coordinator* or a designee unrestricted access to all financial documents, books, records, facilities, and all audio and video surveillance pertaining to the facilities. Any information obtained pursuant to this section or any statement filed by the licensee shall be deemed confidential in character and shall not be subject to public inspection or as determined by State and Federal privacy laws.

K. The *City of Alma* may, upon receipt of a complaint against a medical Marihuana establishment, except for a complaint concerning the cost of services, conduct an investigation, with or without notice, into the premises, facilities, qualifications of personnel, methods of operation, policies, procedures and records of that establishment or any other establishment which may have information pertinent to the complaint.

L. The *City of Alma* may enter and inspect any building or premises at any time, with or without notice, to:

1. Secure compliance with any provision of this ordinance.
2. Prevent a violation of any provision of State or local laws relative to the facility.
3. Conduct an unannounced inspection of an establishment in response to an allegation of noncompliance.

Section 5a: Specific Operating Standards/Requirements

A. Customers

1. All customers will have the validity of their medical Marihuana card verified each and every time they come in to the establishment.
2. All staff will receive training in how to confirm customer card validity and proper identification. This training will be recorded in the employee training logs. All employees will receive a refresher course in this training twice per year.

Customers will be verbally informed that no use of product is allowed on the premises and there will be prominently placed signage within the establishment stating this.

B. Neighborhood Compatibility

1. Grow and/or processing facilities will be located indoors in commercial/industrial zoned areas.
2. Location of marihuana facilities shall be governed by the City of Alma Zoning Ordinance.

C. Signage

1. Grow & Processing Facilities may have outdoor signage within existing *City of Alma* codes but it may not indicate through words, logo, or picture what the facility does or produces.
2. Provisioning Centers may have a single outdoor sign not to exceed more than 15 square feet in total area. It may make use of logos, pictures and type but must meet any other existing signage regulations that the *City of Alma* has in place.
3. No Marihuana licensee may make use of temporary advertising signs such as portable billboards, inflatables, spotlights, etc.

D. Employees

Staff ServSafe certified

ServSafe is a nationally recognized food safety program and provides an excellent base knowledge for all areas of ingest-able products. Each licensed Grow operator must have a single ServSafe certified person on staff. Each licensed Processor or Dispenser must have a ServSafe certified individual employed ***on each shift*** of operations at all times.

E. Background Checks

All staff shall undergo a State Approved background check. No staff shall work in a licensed establishment that has been imprisoned or on probation for drug related offenses unless three years have passed since the successful completion of sentence or probation term.

Owner or owners of any licensed medical Marihuana business within the

City of Alma who have a criminal conviction of any type shall not be granted a license.

F. Training

Ongoing training of staff in issues of security, reporting requirements, product usage, recognition of valid ID, reporting of violations, uses of products, and other topics as may be needed for the smooth operation of the enterprise will be made available to all staff. Training logs will be kept of the programs they have participated in and how they performed in their completion of the training.

G. Odor Control

All facility odors may not permeate beyond the property line, so as to become a public nuisance. To the extent the odors emanating from the facility become a public nuisance, the facility must mitigate the odors immediately, or the facility must be shut down.

Section 5B: Requirements specific to the type of License - Growers, Processors, Dispensers, Transport Services & Testing Labs

A. Growers

1. A cultivation facility must meet all odor control regulations established by the State of Michigan and/or *City of Alma*. Within 24-hours of any complaints concerning odors, a cultivation facility shall respond to the complaints and file with the *Application Coordinator* and the Building Inspection Official all action taken to address odor complaints. The Building Inspection Official, upon determination of the existence of detectable odor from any cultivation facility, may require additional measures by the facility to control such odor and a timeframe for the implementation of such measures at any cultivation facility. Failure to complete required improvements within the timeframe specified by the Building Inspection Official is grounds for suspension of the license by the *City of Alma*.
2. Any medical Marihuana that is transported to a medical Marihuana dispensary must be packaged for retail sale in tamper evident containers and placed in unmarked, non-transparent transportation containers.
3. Any medical Marihuana that is transported to a medical Marihuana production facility or testing lab must meet all State regulating authority standards.
4. Prior to accepting any plant materials into the cultivation facility for the first time, the cultivation facility shall notify the *City of Alma* to conduct a pre-operational inspection and shall pay all related inspection fees.
5. Permitted pesticides. Grow facilities will use only pesticides meeting established "Organic Standards" and will have all staff trained in their use and cautions. Any staff person charged with applying pesticides will have received more advance training and records of who applied what will be kept for each grow lot should there be a need for a recall.

B. Medical Marihuana Processing Facility.

1. Inspections. The *City of Alma* will conduct a pre-operational inspection at all medical Marihuana production facilities to determine whether the facilities comply with the approved building and construction plans and any other requirements of this ordinance. The licensee is responsible for the costs of all inspections.

2. Products and Labeling. Products sold at *City of Alma* licensed medical Marihuana dispensaries must meet the following:

- a. No infused products may be added to alcoholic beverages;
- b. No product shall have the appearance or packaging of candies, characters, shapes or other like products which are commonly marketed to children;
- c. Packaging must be opaque. Products must not be visible from or depicted on the packaging;
- d. Labels must be simple in appearance without pictures or depictions of objects, such as toys, characters, pictures of children, or cartoon characters or any other depiction which are commonly marketed to children.
- e. Labels must comply with the labeling requirements established by the State of Michigan;

3. Any edible Marihuana products or Marihuana infused products that are transported to a licensed medical Marihuana dispensary must be packaged for retail sale in tamper evident containers and placed in unmarked, non-transparent transportation containers;

4. The maximum number of servings in any one single unit of Marihuana-infused product meant to be eaten or swallowed is ten servings of no more than ten milligrams of active THC per serving and or 15 milligrams of active CBDs. A single unit of Marihuana-infused extract for inhalation cannot exceed one gram.

5. Processing of concentrates. Hydro carbon extraction is discouraged due to extreme volatility of the process and the known carcinogen effects of the hydro carbons.

- a. If a processor wishes to use a hydro carbon extraction they must have a fire inspection of the facility twice a year and are responsible for the cost of said inspection.
- b. Only the following brands of equipment will be permitted. These brands are based on research from the State of Colorado on safer Hydro Carbon systems.
See Appendix A, for the document.
- c. No self-made systems are permitted unless process can provide outside documentation that the system meets the same standards as the approved systems.
- d. Concentrates from all types of processes shall be held at 41 degrees or colder at all times until used in final products.

C. Medical Marihuana Provisioning Center

Each licensed medical Marihuana Provisioning shall comply with the following requirements:

1. All staff will receive training in the value of THC and CBDs in a product with recommendations for which should be used by whom and in what quantity and form, for specific medical needs and conditions. Specifics of this training should be on file in the Staff Training Plan that was a part of their application.

2. Prices for all products shall be prominently posted in the waiting area in a

location and manner readily visible to prospective and actual clients. Prices shall not be posted on the exterior of the licensed premises.

3. All edible Marihuana products and Marihuana infused products offered for sale at licensed provisioning center shall meet the requirements, restrictions and labeling of edible Marihuana products and Marihuana infused products in accordance with the State of Michigan and this ordinance.

4. Any Provisioning Center that sells edible Marihuana products or Marihuana infused products must display a placard that states the following:

- a. Edible Marihuana and Marihuana Infused Products: There may be health risks associated with consumption of edible Marihuana products or Marihuana infused products
- b. Edible products and Marihuana infused products contain Marihuana or active compounds of Marihuana.
- c. Should not be used by women who are pregnant or breast feeding.
- d. When eaten or swallowed, the intoxicating effects of this product can be delayed two or more hours.
- e. Follow all recommended dosage and serving guidelines and recommendations.
- f. “KEEP OUT OF REACH OF CHILDREN”

The placard shall be no smaller than 8 inches tall by 12 inches wide, with font size letters no smaller than 48. The placard shall be clearly visible and readable by customers and shall be written in English and Spanish.

5. A medical Marihuana Provisioning Center is not allowed to sell gifts, novelties or participate in ancillary business sales activity within a medical Marihuana Provisioning Center with the exception of the following;

- a. Paraphernalia as defined by State law or regulation.
- b. Ancillary services which may be outlined in the State regulating authority, and which also must be approved for an ancillary license by the *City of Alma*.

6. A Provisioning Center may locate one automatic teller machine for access to patients only for the dispensing of money if the person operating the machine has been approved by the *Application Coordinator* and the business is licensed to operate such by the *City of Alma*. Money and legal tender may not be stored onsite except as detailed in the approved security plan.

7. The following activities to promote the use of Marihuana are prohibited:

- a. The giving of free samples or free product to any person, employee or customer;
- b. No employee shall be paid for services in the form of Marihuana product;
- c. Reward programs, customer loyalty programs, promotional activities that result in free product;
- d. No novelty merchandise may be produced or allowed to have any

approved logo or business name to be used on such merchandise;
e. The display of any product in any manner visible to the general public from the right of way or outside of the facility.

8. The following activities are prohibited for all licensed medical Marihuana Provisioning Centers:

- a. A drive-thru or walk-up window for transactions or product transfer.
- b. A Provisioning Center shall not dispense or distribute, sell, transfer or in any other way provide Marihuana, edible Marihuana products or Marihuana infused products other than by direct, face-to face, in-person transaction with the holder of a registry identification card or designated primary care-giver at the licensed facility. Marihuana shall not be provided by any other means of delivery including, without limitation: including Internet sales, the transport, mail or private delivery of product.

9. Provisioning Centers must inform each customer either by signage, written receipt or on product labeling that it is illegal to re-sell medical Marihuana, edible Marihuana products or Marihuana infused products to any person.

10. The Provisioning Center shall provide the *Application Coordinator*, the *City of Alma* Police Department and all neighbors located within fifty (50) feet of the premises with the name, phone number, email address of an on-site community relations staff person to whom one can provide notice if there are operating problems associated with the Provisioning Center.

11. No advertising, materials or postings within the waiting areas may advertise locations, devices or activities promoting the consumption of Marihuana or other facilities selling or purporting to provide locations for the private or public consumption of Marihuana.

12. Medical Marihuana, edible Marihuana products and/or Marihuana infused products shall be obtained from licensed medical Marihuana establishments only.

13. Medical Marihuana Provisioning Center must maintain an electronic verification system in accordance with the requirements of the State regulating authority to record and track all transactions.

D. Safety/Compliance - Testing Lab

As long as the lab has a State verified license they will be subject to the same local requirements for any medical testing laboratory.

E. Medical Marihuana Transport service

As long as the transport service has a State verified license they will be subject to all local requirements for any secured/bonded transport service.

Section 6: Unlawful Acts regarding all license types.

A. It shall be unlawful for any person to operate any Marihuana establishment in the City

without a valid license duly issued by the State regulating authority, and a license issued pursuant to this ordinance and operating in compliance with any and all applicable state laws and *City of Alma* Code.

B. It shall be unlawful for any person to provide Marihuana, edible Marihuana products or Marihuana infused products to a medical Marihuana establishment within the *City of Alma* without a license duly issued by the State regulating authority and a license issued by the *City of Alma*.

C. It shall be unlawful for any licensed medical Marihuana establishment located within the *City of Alma* to accept for sale any Marihuana, edible Marihuana, Marihuana products, or any Marihuana infused products from any person who has not obtained a license from the State regulating authority, or who is not duly licensed under this ordinance for the provision of such products.

D. It shall be unlawful for a person to engage in any form of business or commerce involving the cultivation, processing, manufacturing, storage, sale, distribution, transportation or consumption of Marihuana other than those forms of businesses and commerce that are expressly contemplated by State Law and any administrative rules duly adopted by the State regulating authority.

E. It shall be unlawful for any medical Marihuana dispensary to sell medical Marihuana without complying with State requirements concerning use of the electronic tracking system maintained by the State regulating authority, including authenticating the validity of the medical Marihuana registry identification card with the State system.

Section 7: Food Safety Standards & Tracking

1. All Growers, Processors, and Provisioning Centers will use appropriate FSMA standards as their model in their operation. Growers and Processors are encouraged to seek food safety certification under one of the non-government programs such as SQF, ISO or other recognized system. All safety audits performed by Third Party Auditors under recognized food safety systems or simply at the request of the licensee, will be forwarded by the auditor to the *City of Alma* within 30 days of when the audit was conducted.
2. All grow lots shall be tested for content of THC and CBDs as well as pesticides, and the Big Six food borne illnesses as a minimum. A copy of the COA (Certificate of Analyses) shall be provided at the time of transport to whichever processor or dispensary the lot will go to.
3. All processors and growers will track lot production and have a recall plan in place should it be needed.
4. All grow lots will be segregated and held until a certificate of Analyses is completed and available.
5. Processors producing concentrate will test and receive a COA for each lot. The lots will be segregated and held until the COA is available. A copy of the COA will follow the concentrate to any other licensed processor using the concentrate.
6. Processors using the concentrate to produce other ingest-able products will select, at random, three lots of their finished product, once each quarter to send out for testing. Those lots will

be segregated until the COA is available. If contaminants show up in the tested lots at any level, the processor will cause to be tested six additional lots. If the processor becomes certified under a recognized food safety system, this requirement will be waived for whatever is called for under the approved food safety system.

7. All Growers and Processor will have a detailed Recall Plan, updated and on hand at their facility.
8. Copies of COAs will be kept for a period of 36 months.

Section 8: Enforcement of this ordinance

A. *City of Alma* has full authority for enforcement of this ordinance. Its authority is independent of any State of Michigan actions and it may terminate a license for cause at any time.

B. Abatement of Violations

The *City of Alma* may require corrective action and fines as it sees fit. Minor violations may be handled through corrective actions taken with no interruption of the licensee's business. More severe, or repeated infractions will result in a shutdown of operations until the *City of Alma* deems the violations corrected. Repeated violations or severe violations may result in the removal of the license.

C. Fees

The *City of Alma* may establish a table of fees to cover the enforcement and follow-up of any corrective actions.

D. Violations and penalties. In addition to the possible denial, suspension, revocation or nonrenewal of a license under the provisions of this Chapter, any person, including, but not limited to, any licensee, manager or employee of a marihuana commercial entity, or any customer of such business, who violates any of the provisions of this Chapter, shall be guilty of a misdemeanor punishable by up to 90 days in jail and/or a \$500.00 fine, unless a different penalty is provided herein.

Section 9: Ordinances Repealed.

All former ordinances or parts of ordinances conflicting or inconsistent with the provisions of this ordinance are repealed.

Section 10: Separability

If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, said portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity and enforceability of the remaining portions of this ordinance.

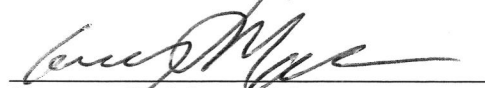
Section 11: Effective Date

The provisions of this ordinance shall become effective fifteen (15) days after publication, and only if an ordinance is adopted by the City Commission amending the City Zoning Ordinance to permit the location of medical marihuana facilities in the City.

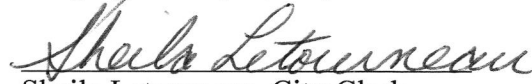
Passed and approved by the City Commission of the City of Alma, Michigan, in regular session, held July 24, 2018.

We, the undersigned, Mayor and Clerk of the City of Alma, Michigan, do hereby certify that the above and foregoing Ordinance, known as Ordinance No. 801 of the City of Alma, Michigan, was reintroduced at a regular meeting of the City Commission, held on June 26, 2018, and was thereafter passed at a regular meeting on July 24, 2018, at least two weeks elapsing between the introduction and the enactment.

Dated at Alma, Michigan, this 24th day of July, 2018

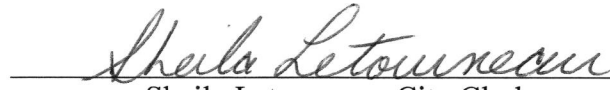


Gregory S. Mapes, Mayor



Sheila Letourneau, City Clerk

I, the undersigned, Sheila Letourneau, City Clerk, DO HEREBY CERTIFY that the foregoing and above Ordinance No. 801 of the City of Alma, Michigan, is a true and compared copy of the original ordinance executed at the Alma City Commission meeting held on July 24, 2018 at 6:00 p.m.

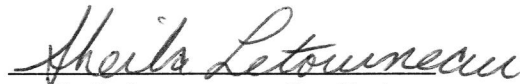


Sheila Letourneau, City Clerk

I, the undersigned, City Clerk, DO HEREBY CERTIFY that the foregoing and above Ordinance No. 801 of the City of Alma, Michigan, is a true and compared copy of the original ordinance, now on file in my office, and of the whole thereof; that the same was published within 10 days from its adoption in the Morning Sun, a newspaper printed, published and circulated in the City of Alma, Michigan, on August 3, 2018 and that the Affidavit of Publication thereof is now on file in my office and is a part of the original records pertaining to the adoption of the aforesaid ordinance.

I FURTHER CERTIFY that in accordance with the provisions of Section 5.3 and 5.5 of Chapter V of the Charter of Alma, Michigan, the foregoing ordinance shall take effect 15 days after its enactment as aforesaid.

Dated August 3, 2018 at Alma, Michigan.

A handwritten signature in cursive script that reads "Sheila Letourneau". The signature is written in black ink and is positioned above the printed name.

Sheila Letourneau, City Clerk