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PETITION TO INITIATE LEGISLATION

To the Clerk of the Township of Lima: We, the undersigned qualified and registered electors, residents of the Township of Lima, County of Washtenaw, State of Michigan, pursuant to Sec. 6.1 of the Michigan Regulation and Taxation of Marihuana Act, respectively petition for initiation of an ordinance to provide the number of Marihuana Establishments within the Township, including regulatory and application provisions incidental to a system of safe and legal access to marihuana within the Township. We respectfully request that the Lima Township Board of Trustees adopt the proposed ordinance, and that if it be not so adopted, that it be submitted to a vote of the electors of Lima Township in the next applicable election.

SUMMARY: A petition to authorize and regulate adult-use marihuana establishments within Lima Township, including regulatory and application provisions incidental to a system of safe and legal access to marihuana within the Township. The authorized marihuana establishments are limited to one of each license type allowed by the State of Michigan.

TOWNSHIP OF LIMA
WASHTENAW COUNTY, MICHIGAN
MARIHUANA ESTABLISHMENTS
INITIATED ORDIANCE NO. _____

An ordinance to provide a title for the ordinance; to define words; to provide the number of marihuana establishments within the boundaries of Lima Township; to authorize and regulate with Lima Township the business operations of persons licensed by the State of Michigan to operate Marihuana Establishments consistent with the Initiated Law 1 of 2018, MCL 333.27951, et seq., as may be amended; to provide requirements and procedures for issuing a municipal license; to provide for an annual fee; to provide penalties for violation of this ordinance; to provide for severability; to repeal all ordinances or parts of ordinances in conflict therewith and to provide an effective date.

TOWNSHIP OF LIMA, WASHTENAW COUNTY, MICHIGAN, HEREBY ORDAINS:

SECTION TITLE

This ordinance shall be known as and may be cited as the Lima Township Marihuana Establishments Ordinance.

SECTION II DEFINITIONS

Words used herein shall have the definitions as provided for in Michigan Medical Marihuana Act, MCL333.26421, et seq.; the Marihuana Facilities Licensing Act, MCL 333.27101 et seq.; and the Marihuana Tracking Act, MCL333.27901 et seq.; and Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951 et seq., as may be amended (the "State Marihuana Laws").

SECTION III AUTHORIZATION OF MARIHUANA ESTABLISHMENTS

The following marihuana establishments may be authorized to operate within the Township by the holder of a state operating license, subject to compliance with the State Marihuana Laws, as may be amended, the Rules promulgated thereunder and this ordinance:

- a) Marihuana Safety Compliance Facility one (1) license
- b) Marihuana Secure Transporter one (1) license
- c) Marihuana Microbusiness one (1) license
- d) Marihuana Retailer one (1) license
- e) Marihuana Processor one (1) license
- f) Marihuana Grower (any class) one (1) license

SECTION IV REQUIREMENT AND PROCEDURE FOR ISSUING A MUNICPAL LICENSE

No person shall operate a marihuana establishment in the Township without a valid municipal license issued by the Township pursuant to the provisions of this ordinance.

No person who is employed by the Township, acts as a consultant for the Township or acts as an advisor to the Township, and is involved in the implementation, administration or enforcement of this Ordinance shall have an interest, directly or indirectly, in a Marihuana Establishment.

Every applicant for a municipal license to operate a marihuana establishment shall file an application in the Township Clerk's office upon a form provided by the Township. The application shall include:

- a) The appropriate nonrefundable municipal license application fee in the amount determined by the Township;
- b) If the applicant is an individual, the applicant's name; date of birth; Social Security number; physical address, including residential and any business address; copy of government-issued photo identification; email address; one or more phone numbers, including emergency contact information;
- c) If the applicant is not an individual, the names; dates of birth; physical addresses, including residential and any business address; copy of government-issued photo identifications; email address; and one or more phone numbers of each stakeholder of the

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applicant, including designation of the highest-ranking representative as an emergency contact person; contact information for the emergency contact person;

articles of incorporation or organization; assumed name registration; Internal Revenue Service EIN confirmation letter; copy of the operating agreement of the applicant, if a limited liability company; copy of the partnership agreement, if a partnership; names and addresses of the beneficiaries, if a trust, or a copy of the bylaws or shareholder agreement, if a corporation;

- d) The name and address of the proposed marihuana establishment;
- e) A copy of the Special Use Permit issued by the Lima Township Planning Commission;
- f) A location area map of the marihuana establishment and surrounding area that identifies the relative locations and the distances (closest property line to the subject marihuana establishment's building) to the closest real property comprising a public or private elementary, vocational or secondary school;
- g) A signed acknowledgment that the applicant is aware and understands that all matters related to marihuana growing, cultivation, possession, testing, safety compliance and transporting, are currently subject to state and federal laws, rules and regulations, and that the approval or granting of a license hereunder does not exonerate or exculpate the applicant from abiding by the provisions and requirements and penalties associated with those laws, rules, and regulations, or exposure to any penalties associated therewith; and further, the applicant waives and forever releases any claim, demand, action, legal redress, or recourse against the Township, its elected and appointed officials, and its employees and agents for any claims, damages, liabilities, causes of action, damages, or attorney fees that the applicant may incur as a result of the violation by the applicant, its Stakeholders and agents of those laws, rules, and

regulations; and

h) Any other information which may be required by the Township Clerk.

Upon an applicant's completion of the above-described form and furnishing of all required information and documentation, the Township Clerk shall file the same and assign it a sequential application number by establishment type based on the date and time of acceptance. The Township Clerk shall act to approve or deny an application not later than ninety (90) days from the date the completed application is filed. If approved, the Township Clerk shall issue the applicant a provisional License. A final license shall be approved by the Lima Township Board of Trustees after issuance by the state of Michigan of an operating license. Such approval will occur at Board of Trustee's regularly scheduled meeting after Township has received notice of state approval of an operating license. If the application is denied, the Township Clerk shall issue a written notice of denial to the Applicant and mail the same by first class mail to the address for the Applicant provided in the application. Should the Township Clerk deny an application, the Applicant shall have thirty (30) days from the mailing of the denial to appeal the denial to the Township Board of Trustees. To appeal the decision of the Township Clerk the Applicant must file a notice of appeal with the Township Clerk. The Lima Township Board of Trustees shall hear the appeal at its next regular meeting, but not sooner than 7 days from the receipt of the appeal. Maintaining a valid license issued by the state is a condition for the maintenance of a license under this ordinance and continued operation of a marihuana establishment. A provisional license does not authorize operations until a final license is issued, which will only occur upon issuance of the appropriate license by the state of Michigan and the issuance of a Certificate of Occupancy. A License issued under this ordinance is not transferable without the prior approval of the Township under the same terms and conditions required for the initial issuance of a license under this Ordinance.

The MRTMA in Section 9.4. (MCL 333.27959 4.) requires that the Township establish a competitive process to select applicants who are best suited to operate in compliance with the MRTMA and this Ordinance, when more than one applicant has applied for a single available license. The process for scoring and ranking applications in competition shall be detailed in the Township's Marihuana Business Scoring and Ranking Policy. Pursuant to this requirement the Township requires that applicants provide:

- a) An estimate of the number and type of jobs that the marihuana establishment is expected to create, and the amount and type of compensation expected to be paid for such jobs;
- b) A business plan which contains, but is not limited to, the following: The applicant's experience in operating other similarly permitted or licensed businesses and the applicant's general business management experience; The proposed ownership structure of the establishment, including percentage ownership of each person or entity; A current organizational chart that includes position descriptions and the names of each person holding each position; Planned tangible capital investment in the Township, including if multiple permits are proposed, an explanation of the economic benefits to the Township and job creation, if any, to be achieved through the award of such multiple permits, with supporting factual data; Expected job creation from the proposed marihuana establishment(s); If a Marihuana Grower Establishment is proposed, the number of plants anticipated; Financial structure and financing of the proposed marihuana establishment(s); and; Community outreach/education plans and strategies;
- c) A written description of the training and education that the Applicant will provide to all employees, including planned continuing education for existing employees. Further, a written description of the method(s) for record retention of all training provided to existing and former employees; and
- d) A facility sanitation plan to protect against any marihuana being ingested by any person or animal, indicating how the waste will be stored and disposed of, and how any marihuana will be rendered unusable upon disposal. Disposal by on-site burning or introduction into the sewerage system is prohibited.

SECTION V

GENERAL REGULATIONS REGARDING AUTHORIZED MARIHUANA ESTABLISHMENTS

- 1. An authorized marihuana establishment shall only be operated within the Township by the holder of a state operating license issued pursuant to the State Marihuana Laws, as may be amended, and the Rules promulgated thereunder. The establishment shall only be operated as long as the state operating license remains in effect.
- 2. Prior to operating an authorized marihuana establishment within the Township pursuant to a state operating license, the establishment must comply with all applicable zoning regulations. The establishment shall only be operated as long as it remains in compliance with all applicable zoning ordinance regulations.
- 3. Prior to operating an authorized marihuana establishment within the Township pursuant to a state operating license, the establishment must comply with all Township construction and building ordinances, all other Township ordinances specifically regulating marihuana establishments, and generally applicable Township police power ordinances. The establishment shall only be operated as long as it remains in compliance with all such ordinances now in force or which hereinafter may be established or amended.
- 4. An authorized marihuana establishment shall consent to inspection of the establishment by Township officials and the Ordinance Enforcement Officer of the Township or by such other person(s) as designated by the Township Board during hours of operation to verify compliance with this ordinance.

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- 5. If at any time an authorized marihuana establishment violates this ordinance the Township Board may request that the state revoke or refrain from renewing the establishment's state operating license. Once such state operating license is revoked or fails to be renewed, the Clerk shall cancel the Township authorization.
- 6. It is hereby expressly declared that nothing in this ordinance be held or construed to give or grant to any authorized marihuana establishment a vested right, license, privilege or permit to continued authorization from the Township for operations within the Township.
- 7. The Township expressly reserves the right to amend or repeal this ordinance in any way including, but not limited to, complete elimination of or reduction in the type and/or number of authorized marihuana establishments authorized to operate within the Township.

<u>SECTION VI</u> <u>ANNUAL MARIHUANA ESTABLISHMENT FEE</u>

There is hereby established an annual nonrefundable Township marihuana establishment fee in the amount of \$5,000, for each authorized marihuana establishment within the Township, to help defray administrative and enforcement costs associated therewith. An initial annual marihuana establishment fee of \$5,000 shall be payable at the time of application for Township authorization and thereafter the same amount shall be payable each year by the anniversary of the date of full Township authorization to operate the marihuana establishment. Together with the annual marihuana establishment fee, each authorized marihuana establishment must certify, on a form provided by the Township, that no material information has changed since the most recent application or certification provided by the establishment, or detailing changes in material information. For purposes of this ordinance, material information includes but is not necessarily limited to information relating to ownership, criminal or other legal violations, and any other information which the State of Michigan requires to be reported.

SECTION VII VIOLATIONS AND PENALTIES

- 1. Any person who disobeys neglects or refuses to comply with any provision of this ordinance or who causes allows or consents to any of the same shall be deemed to be responsible for the violation of this ordinance. A violation of this ordinance is deemed to be a nuisance per se.
- 2. A violation of this ordinance is a municipal civil infraction, for which the fines shall not be less than \$100 nor more than \$500 for the first offense and not less than \$250 nor more than \$1,000 for subsequent offenses, in the discretion of the Court. For purposes of this section, "subsequent offenses" means a violation of the provisions of this ordinance committed by the same person within 12 months of a previous violation of the same provision of this ordinance for which said person admitted responsibility or was adjudicated to be responsible. The foregoing sanctions shall be in addition to the rights of the Township to proceed at law or equity with other appropriate and proper remedies. Additionally, the violator shall pay costs which may include all expenses, direct and indirect, which the Township incurs in connection with the municipal civil infraction.
- 3. Each day during which any violation continues shall be deemed a separate offense.
- 4. In addition, the Township may seek injunctive relief against persons alleged to be in violation of this ordinance, and such other relief as may be provided by law.
- 5. This ordinance shall be administered and enforced by the Ordinance Enforcement Officer of the Township or by such other person (s) as designated by the Township Board from time to time.

SECTION VIII SEVERABILITY

The provisions of this ordinance are hereby declared to be severable. If any clause, sentence, word, section or provision is hereafter declared void or unenforceable for any reason by a court of competent jurisdiction, it shall not affect the remainder of such ordinance which shall continue in full force and effect. The provisions herein shall be construed as not interfering or conflicting with the statutory regulations for licensing marihuana establishments pursuant to the State Marihuana Laws, as may be amended.

SECTION IX REPEAL

All ordinance or parts of ordinances in conflict herewith are hereby repealed, including, but not limited to, Ordinance No. 33.

SECTION X EFFECTIVE DATE

This ordinance shall take effect

WARNING

A person who knowingly signs this petition more than once, signs a name other than his or her own, signs when not a qualified and registered elector, or sets opposite his or her signature on a petition, a date other than the actual date the signature was affixed, is violating the provisions of the Michigan election law.