

MARIHUANA ESTABLISHMENTS ZONING ORDINANCE

ORDINANCE NO. 2019-03

ADOPTED: May 14, 2019

EFFECTIVE: June 1, 2019

AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF READING TO ALLOW FOR VARIOUS TYPES OF LICENSED MARIHUANA ESTABLISHMENTS AS SPECIAL USES WITHIN CERTAIN ZONING DISTRICTS IN THE CITY, AND TO ESTABLISH STANDARDS AND REQUIREMENTS FOR THE APPROVAL AND OPERATION OF SUCH ESTABLISHMENTS AS AUTHORIZED PURSUANT TO ORDINANCE NO. 2019-02 OF THE CITY OF READING AND THE MICHIGAN REGULATION AND TAXATION OF MARIHUANA ACT; AND TO AMEND CERTAIN PROVISIONS OF THE SPECIAL LAND USE APPROVAL PROCESS FOR MARIHUANA ESTABLISHMENTS AND MEDICAL MARIHUANA FACILITIES.

THE CITY OF READING ORDAINS THAT:

Section 152.009(B) of the Reading City Code is hereby amended to amend and add the following definitions:

MARIHUANA means that term as defined in: the Public Health Code, MCL 333.1101, *et seq.*; the Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951, *et seq.*; the Michigan Medical Marihuana Act, MCL 333.26421, *et seq.*; the Medical Marihuana Facilities Licensing Act, MCL 333.27101, *et seq.*; and the Marihuana Tracking Act, MCL 333.27901, *et seq.*

MARIHUANA ACCESSORIES means that term as defined in the Michigan Regulation and Taxation of Marihuana Act, MCL 333.26421, *et seq.*

MARIHUANA CONCENTRATE means that term as defined in the Michigan Regulation and Taxation of Marihuana Act, MCL 333.26421, *et seq.*

MARIHUANA ESTABLISHMENT means an enterprise at a specific location at which a licensee is licensed to operate under the Michigan Regulation and Taxation of Marihuana Act., MCL 333.27901, *et seq.*, and under the City of Reading's Marihuana Establishments Ordinance, including a marihuana grower establishment, marihuana safety compliance facility establishment, marihuana processor establishment, marihuana microbusiness establishment, marihuana retailer establishment, marihuana secure transporter establishment, or any other marihuana-related business licensed by the Michigan Department of Licensing and Regulatory Affairs under the Michigan Regulation and Taxation of Marihuana Act and by the City of Reading under the City's Marihuana Establishments Ordinance.

MARIHUANA ESTABLISHMENT LICENSEE means a person or legal entity holding a state operating license issued under the Michigan Regulation and Taxation of Marihuana Act, MCL 333.27901, *et seq.*, and a license issued by the City of Reading pursuant to its Marihuana Establishments Ordinance.

MARIHUANA FACILITY means an enterprise at a specific location at which a licensee is licensed to operate under the Michigan Medical Marihuana Facilities Licensing Act , MCL 333.27101, *et seq.*, and under the City of Reading's Medical Marihuana Facilities Ordinance, including a marihuana grower facility, marihuana processor facility, marihuana provisioning center facility, marihuana secure transporter facility, or marihuana safety compliance facility. The term does not

include or apply to a “primary caregiver” or “caregiver” as that term is defined in the Michigan Medical Marihuana Act, MCL 333.26421, *et seq.*

MARIHUANA FACILITY LICENSEE means a person or legal entity holding a state operating license issued under the Michigan Medical Marihuana Facilities Licensing Act, MCL 333.27101, *et seq.*, and a license issued by the City of Reading pursuant to its Medical Marihuana Facilities Ordinance.

MARIHUANA GROWER ESTABLISHMENT means a marihuana establishment licensee licensed under the City’s Marihuana Establishments Ordinance and under the Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951, *et seq.*, that is a commercial entity located in this state that cultivates marihuana and sells or otherwise transfers marihuana to marihuana establishments pursuant to the Ordinance and the Act.

MARIHUANA GROWER FACILITY means a marihuana facility licensee licensed under the City’s Medical Marihuana Facilities Ordinance and under the Michigan Medical Marihuana Facilities Licensing Act that is a commercial entity located in this state that cultivates, dries, trims, or cures and packages marihuana for sale to a processor or provisioning center.

MARIHUANA-INFUSED PRODUCT means a topical formulation, tincture, beverage, edible substance, or similar product containing any usable marihuana and other ingredients as defined in Section 3(j) of the Michigan Regulation and Taxation of Marihuana Act and in Section 102(l) of the Michigan Medical Marihuana Facilities Licensing Act. Marihuana-infused product shall not be considered a food for purposes of the food law, 2000 PA 92, MCL 289.1101 to 289.8111.

MARIHUANA MICROBUSINESS means a marihuana establishment licensee licensed under the City’s Marihuana Establishments Ordinance and under the Michigan Regulation and Taxation of Marihuana Act to cultivate not more than 150 marihuana plants; process and package marihuana; and sell or otherwise transfer marihuana to individuals who are 21 years of age or older or to a marihuana safety compliance facility establishment, but not to other marihuana establishments.

MARIHUANA OUTDOOR PRODUCTION means growing marihuana in an expanse of open or cleared ground or in a greenhouse, hoop house, or similar non-rigid structure that does not utilize any artificial lighting, including, but not limited to, electrical lighting sources.

MARIHUANA PROCESSOR ESTABLISHMENT means a marihuana establishment licensee licensed under the City’s Marihuana Establishments Ordinance and under the Michigan Regulation and Taxation of Marihuana Act to obtain marihuana from marihuana establishments; process and package marihuana; and sell or otherwise transfer marihuana to marihuana establishments.

MARIHUANA PROCESSOR FACILITY means a marihuana facility licensee licensed under the City’s Medical Marihuana Facilities Ordinance and under the Michigan Medical Marihuana Facilities Licensing Act that is a commercial entity located in this state that purchases marihuana from a grower and that extracts resin from the marihuana or creates a marihuana-infused product for sale and transfer in packaged form to a marihuana provisioning center.

MARIHUANA PROVISIONING CENTER means a marihuana facility licensee licensed under the City’s Medical Marihuana Facilities Ordinance and under the Michigan Medical Marihuana Facilities Licensing Act that is a commercial entity located in this state that purchases marihuana from a grower or processor and sells, supplies, or provides marihuana to registered qualifying patients, directly or through the patients’ registered primary caregivers. Provisioning center

includes any commercial property where marihuana is sold at retail to registered qualifying patients or registered primary caregivers. A noncommercial location used by a primary caregiver to assist a qualifying patient connected to the caregiver through the department's marihuana registration process in accordance with the Michigan Medical Marihuana Act, MCL 333.26421, *et seq.*, is not a provisioning center for purposes of this chapter.

MARIHUANA RETAILER means a marihuana establishment licensee licensed under the City's Marihuana Establishments Ordinance and under the Michigan Regulation and Taxation of Marihuana Act 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.

MARIHUANA SAFETY COMPLIANCE FACILITY means a marihuana facility licensee licensed under the City's Medical Marihuana Facilities Ordinance and under the Michigan Medical Marihuana Facilities Licensing Act that is a commercial entity that receives marihuana from a marihuana facility or registered primary caregiver, tests it for contaminants and for tetrahydrocannabinol and other cannabinoids, returns the test results, and may return the marihuana to the marihuana facility.

MARIHUANA SAFETY COMPLIANCE FACILITY ESTABLISHMENT means a marihuana establishment licensee licensed under the City's Marihuana Establishments Ordinance and under the Michigan Regulation and Taxation of Marihuana Act to test marihuana, including certification for potency and the presence of contaminants.

MARIHUANA SECURE TRANSPORTER ESTABLISHMENT means a marihuana establishment licensee licensed under the City's Marihuana Establishments Ordinance and under the Michigan Regulation and Taxation of Marihuana Act to obtain marihuana from marihuana establishments in order to transport marihuana to marihuana establishments.

MARIHUANA SECURE TRANSPORTER FACILITY means a marihuana facility licensee licensed under the City's Medical Marihuana Facilities Ordinance and under the Michigan Medical Marihuana Facilities Licensing Act that is a commercial entity located in this state that stores marihuana and transports marihuana between marihuana facilities for a fee.

SECURITY PLAN means a plan for preventing unauthorized access to, or theft and pilferage from, a marihuana facility, approved for operation in the City of Reading.

Section 152.045(B) of the Reading City Code is hereby amended to provide as follows:

(B) *Special land uses.*

- (1) Radio and television sending or boosting stations;
- (2) Outdoor lawn and garden supplies and equipment;
- (3) Outdoor motor vehicle, trailer, boat sales and service;
- (4) Drive-in theaters;
- (5) Animal clinics and kennels;
- (6) Automobile sales and repair;

(7) Professional offices and services;

(8) Convalescent homes;

(9) Marihuana provisioning center;

(10) Marihuana retailer;

(11) Marihuana microbusiness; and

(12) Other similar and compatible uses as determined by the Planning Commission and approved as a special land use.

Section 152.046(B) of the Reading City Code is hereby amended to provide as follows:

(B) *Special land uses.*

(1) Ambulance service;

(2) Automobile service stations;

(3) Automobile repair;

(4) Small animal clinics, except kennels;

(5) Offices;

(6) Marihuana provisioning centers

(7) Marihuana retailers; and

(8) Other similar and compatible uses as determined by the Planning Commission and approved as a special land use.

Section 152.047(B) of the Reading City Code is hereby amended to provide as follows:

(B) *Special land uses.*

(1) All manufacturing actually involved in the conversion, treatment, or processing of raw material or previously processed material into another form;

(2) Bulk fuel storage;

(3) Sewage disposal plants;

(4) Incineration plants;

(5) Airports;

(6) Sanitary landfills;

- (7) Power generating plants;
- (8) Marihuana grower establishment;
- (9) Marihuana grower facility;
- (10) Marihuana processor establishment;
- (11) Marihuana processor facility;
- (12) Marihuana secure transporter establishment;
- (13) Marihuana secure transporter facility;
- (14) Marihuana safety compliance facility;
- (15) Marihuana safety compliance facility establishment;

Section 152.105(F) of the Reading City Code is hereby amended to add subsection (3), providing as follows:

(3) A marihuana grower establishment, marihuana grower facility, marihuana microbusiness, marihuana processor establishment, marihuana processor facility, marihuana provisioning center, marihuana retailer, marihuana secure transporter establishment, marihuana secure transporter facility, marihuana safety compliance facility establishment, and marihuana safety compliance facility, in accordance with the provisions of state law and applicable City ordinance, may be permitted through the issuance of a special use permit pursuant to this section in a district where such facility is allowed as a special land use, provided that:

(a) At the time of the application for a special use permit the applicant must have submitted a completed application to the City for a medical marihuana facility license under the City's Medical Marihuana Facilities Ordinance or for a license under the City's Marihuana Establishments Ordinance and have paid the required application fee in full, must have provided proof that the applicant has applied for and received prequalification from the State of Michigan for a state operating license under either the Michigan Medical Marihuana Facilities Licensing Act or the Michigan Regulation and Taxation of Marihuana Act, and must be at all times in compliance with the laws of the State of Michigan, applicable City ordinance, and all applicable rules promulgated by the State of Michigan.

(b) The marihuana facility or marihuana establishment must be licensed by the City and by the State of Michigan prior to commencing operation, and must be at all times in compliance with the laws of the State of Michigan, applicable City ordinance, and all applicable rules promulgated by the State of Michigan.

(c) The City may suspend or revoke a special use permit based on a finding that the provisions of the special use standards in this section, all other applicable provisions of this zoning ordinance, the City's Medical Marihuana Facilities Ordinance, the City's Marihuana Establishments Ordinance, or the terms of the special use permit and approved site plan are not met.

(d) A marihuana facility, marihuana establishment, or activities associated with the licensed growing, processing, testing, transporting, or sale of marihuana, may not be permitted as a home business or accessory use, nor may they include accessory uses except as otherwise provided in this ordinance.

Section 152.106(E) of the Reading City Code is hereby amended to add subsection (4), providing as follows:

(4) In addition to the requirements provided for in subsection (E)(3) above, site plans submitted for a marihuana facility under the City's Medical Marihuana Facilities Ordinance or a marihuana establishment under the City's Marihuana Establishments Ordinance must meet the following minimum requirements:

(a) For all marihuana facilities and marihuana establishments:

i. Maintain a minimum 300 foot setback from all school properties.

ii. Except for marihuana provisioning centers, marihuana retailers, or a marihuana microbusiness, a six (6) foot tall perimeter fence, though fencing requirements may be included as part of the special use permit requirements for marihuana provisioning centers, marihuana retailers, or a marihuana microbusiness where they are located on property adjacent to residential property or where it is otherwise deemed appropriate due to the location of the property.

iii. A satisfactory exterior lighting system.

iv. A satisfactory building security system.

v. A satisfactory on-site security guard program.

vi. An off-site official contact list.

vii. Established hours of operation.

viii. Appropriate signage.

ix. A plan for facility inspection by the City, which shall include no less than an annual comprehensive fire and security inspection.

x. A security plan approved by Planning Commission with the advice of the City Police Department.

xi. All waste and by-products must be securely stored in a locked and enclosed space.

xii. Co-location and stacking of marihuana facility or marihuana establishment licenses as permitted by applicable ordinance and state law, shall be permitted up to, but not beyond, any applicable lot coverage limitations set forth in this Chapter.

xiii. Such other conditions as may be suitable for the particular license, or facility to be operated by the marihuana facility or marihuana establishment licensee.

xiv. No outdoor grow facilities or establishments will be allowed

- (b) For a marihuana grower facility or marihuana grower establishment, in addition to all other applicable requirements:
 - i. The odor must be managed at the site and by the installation of a suitable operable filtration system connected to appropriate ventilation and exhaust equipment, and odors must otherwise be effectively confined to the interior of the building from which the odor is generated.
 - ii. For a facility using artificial light for night time growing periods, a plan satisfactorily demonstrating that the marihuana facility or marihuana establishment licensee can contain all artificial light within the interior space of the facility.
- (c) For a marihuana processor facility or a marihuana processor establishment, in addition to all other applicable requirements:
 - i. The odor must be managed at the site and by the installation of a suitable operable filtration system connected to appropriate ventilation and exhaust equipment, and odors must otherwise be effectively confined to the interior of the building from which the odor is generated.
 - ii. No marihuana shall be manufactured or processed in any manner that would create excessive noise beyond the interior of the structure if occupants of adjoining structures or properties may be disturbed by said noise.
 - iii. For a facility using artificial light for night time operations, a plan satisfactorily demonstrating that the marihuana facility licensee can contain all artificial light within the interior space of the facility.
- (d) For a marihuana provisioning center or a marihuana retailer, in addition to all other applicable requirements:
 - i. The odor must be managed at the site and by the installation of a suitable operable filtration system connected to appropriate ventilation and exhaust equipment, and odors must otherwise be effectively confined to the interior of the building from which the odor is generated.

This Ordinance shall take effect ten (10) days after publication, as provided by City Charter.

The foregoing Ordinance was duly adopted at a meeting of the Reading City Council held on the 14th day of May, 2019.

Melani Matthews, Mayor
Kimberly Blythe, City Clerk/Treasurer