

ORDINANCE NO. 2019-01  
Adopted: May 14, 2019  
Effective: June 1, 2019

**AN ORDINANCE TO AMEND ORDINANCE NO. 2017-01 OF THE CITY OF READING, AS AMENDED BY ORDINANCE NO. 2017-02 AND ORDINANCE NO. 2018-02, TO: AMEND SECTION II OF THE ORDINANCE, AS AMENDED, TO CHANGE VARIOUS DEFINITIONS IN RELATIONSHIP TO THE ADOPTION OF THE MICHIGAN REGULATION AND TAXATION OF MARIHUANA ACT; TO AMEND SECTION III OF THE ORDINANCE, AS AMENDED, TO CHANGE THE MAXIMUM POTENTIAL NUMBER OF MEDICAL MARIHUANA FACILITY LICENSES THAT MAY BE AUTHORIZED BY THE CITY AND TO MAKE CERTAIN CHANGES TO THE REQUIREMENTS FOR SUBMITTING AN APPLICATION FOR A LICENSE; AND TO AMEND SECTION V OF THE ORDINANCE TO INCREASE THE APPLICATION AND LICENSING FEE.**

THE CITY OF READING ORDAINS THAT:

Subsection 1a of SECTION II of Ordinance No. 2017-01, as amended, is hereby amended to state as follows:

- a) Nothing in this ordinance is intended to grant immunity from criminal or civil prosecution, penalty, or sanction for the cultivation, manufacture, possession, use, sale, or distribution of marihuana, in any form, that is not in compliance with the Michigan Medical Marihuana Act, Initiated Law 1 of 2008, MCL 333.26421, *et seq*; the Medical Marihuana Facilities Licensing Act, MCL 333.27101, *et seq*; the Marihuana Tracking Act, MCL 333.27901, *et seq*; the Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1 of 2018, MCL 333.27951, *et seq*.; and all other applicable rules or regulations promulgated by the State of Michigan.

IT IS FURTHER ORDAINED THAT:

Subsection 1c of SECTION II of Ordinance No. 2017-01, as amended, is hereby amended to state as follows:

- c) This ordinance shall not limit an individual or entity's rights under the Michigan Medical Marihuana Act, the Medical Marihuana Facilities Licensing Act, or the Michigan Regulation and Taxation of Marihuana Act. The provisions of the Michigan Medical Marihuana Act, the Medical Marihuana Facilities Licensing Act, the Marihuana Tracking Act, and the Michigan Regulation and Taxation of Marihuana Act shall supersede the provisions of this ordinance to the extent there is a conflict between the provisions of this ordinance and the provisions of the Acts.

IT IS FURTHER ORDAINED THAT:

Subsection 2 of SECTION II of Ordinance No. 2017-01, as amended, is hereby amended to state as follows:

2. For purposes of this ordinance;
  - a) Any term defined by the Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951, *et seq*, shall have the definition given in the Regulation and Taxation of Marihuana Act, and any amendments thereto.
  - b) Any term defined by the Michigan Medical Marihuana Act, MCL 333.26421, *et seq*, shall have the definition given in the Medical Marihuana Act, and any amendments thereto.
  - c) Any term defined by the Medical Marihuana Facilities Licensing Act, MCL 333.27101, *et seq*, shall have the definition given in the Medical Marihuana Facilities Licensing Act, and any amendments thereto.
  - d) Any term defined by the Marihuana Tracking Act, MCL 333.27901, *et seq*, shall have the definition given in the Marihuana Tracking Act, and any amendments thereto.

In the event of a conflict between the definition of any term under the Medical Marihuana Facilities Licensing Act and the Michigan Regulation and Taxation of Marihuana Act, for purposes of this ordinance the definition of the term under the Medical Marihuana Facilities Licensing Act, and any amendments thereto, shall be applied.

IT IS FURTHER ORDAINED THAT:

Subsection 1a of SECTION III of Ordinance No. 2017-01, as amended, is hereby amended to state as follows:

1. The following medical marihuana facilities may be authorized to operate within the City by the holder of a state operating license, subject to compliance with PA 281 of 2016, as may be amended, the Rules promulgated thereunder, and this ordinance:
  - a) An unlimited number of growers may be authorized in the City.
  - b) Not more than 5 (five) processor(s) shall be authorized in the City.
  - c) Not more than a total of 3 (three) provisioning centers may be authorized in the City, so long as the total combined number of single locations of provisioning centers authorized under this ordinance and marihuana retailers authorized under the City's Marihuana Establishments Ordinance does not exceed 3 (three) such authorized locations. By way of example, if 2 (two) marihuana retailers under the Marihuana Establishments Ordinance have been authorized at 2 (two) separate locations within the City, then only 1 (one) provisioning center may be authorized at a third (3<sup>rd</sup>) separate location under this ordinance. However, up to 2 (two) additional provisioning centers could be authorized under this ordinance, so long

as they were co-located with the existing marihuana retailers already authorized. Similarly, if 3 (three) marihuana retailers have already been authorized under the Marihuana Establishments Ordinance, then no provisioning centers may be authorized under this ordinance unless they are co-located with the existing marihuana provisioning centers.

d) Not more than 5 (five) safety compliance facilities shall be authorized in the City.

e) Not more than 5 (five) secure transporter(s) shall be authorized in the City.

**IT IS FURTHER ORDAINED THAT:**

Subsection 3 of SECTION III of Ordinance No. 2017-01, as amended, is hereby amended to state as follows:

3. On and after December 15, 2017, the City shall accept applications for authorization to operate a medical marihuana facility within the City. Application shall be made on a City form and must be submitted to the City Clerk and/or other designee of the City Council (hereinafter referred to as "Clerk"). In order for the application to be eligible for review under this ordinance, the applicant must submit with the application proof that the applicant has applied for and received prequalification from the state for a state operating license. Once the Clerk receives a complete application including the initial annual marihuana establishment fee and proof of prequalification for a state operating license, the application shall be time and date stamped. If at the time of application a license is available for the type of marihuana facility referenced in the application, then the completed application shall be considered for authorization as provided in this ordinance. Upon the consideration and approval of the application by the City Council as provided in this ordinance, the applicant shall receive conditional authorization to operate such medical marihuana facility within the City. If at the time an application is submitted for a type of marihuana facility as to which no licenses are currently available pursuant to this ordinance, the completed application shall be held for future consideration, in the event a license for the type of facility that is the subject of the application becomes available. Any such application for waiting for future consideration and authorization may be withdrawn by the submission of a written notice to the Clerk at any time, and upon the submission of such written notice the applicant shall receive refund of the initial annual medical marihuana fee submitted with the application.

**IT IS FURTHER ORDAINED THAT:**

Subsection 5 of SECTION III of Ordinance No. 2017-01, as amended, is hereby amended to state as follows:

5. Within thirty days from conditional authorization from the City or from December 15, 2017, whichever is later, the conditionally authorized applicant must submit proof to the Clerk that the applicant has submitted a full application to the State of Michigan for the issuance of a state operating license. If the applicant fails to submit such proof, then such conditional authorization shall be canceled by the Clerk and the conditional authorization shall be available to the next applicant in consecutive time and date stamped order as provided for in Subsection 3 herein.

IT IS FURTHER ORDAINED THAT:

Subsection 6 of SECTION III of Ordinance No. 2017-01, as amended, is hereby amended to state as follows:

6. If a conditionally authorized applicant is denied on full application for a state operating license, then such conditional authorization will be canceled by the Clerk and the conditional authorization shall be available to the next applicant in consecutive time and date stamped order as provided for in Subsection 3 herein.

IT IS FURTHER ORDAINED THAT:

Subsection 8 of SECTION III of Ordinance No. 2017-01, as amended, is hereby amended to state as follows:

8. If a conditionally authorized applicant fails to obtain full authorization from the City within one year from the date of conditional authorization, then such conditional authorization shall be canceled by the Clerk and the conditional authorization shall be available to the next applicant in consecutive time and date stamped order as provided for in Subsection 3 herein. The City Council shall have authority to extend the deadline to obtain full authorization for up to an additional six months on written request of the applicant, within thirty days prior to cancellation, upon the reasonable discretion of the City Council finding good cause for the extension.

IT IS FURTHER ORDAINED THAT:

Subsection 6 of SECTION IV of Ordinance 2017-01, as amended, is hereby amended to state as follows:

6. If at any time an authorized medical marijuana facility violates this ordinance the City Council may request that the state revoke or refrain from renewing the facility's state operating license. Once such state operating license is revoked or fails to be renewed, the Clerk shall cancel the City authorization and the authorization shall be available to the next applicant in consecutive time and date stamped order as provided for in Subsection 3 of Section III of this Ordinance.

IT IS FURTHER ORDAINED THAT:

SECTION IV of Ordinance 2017-01, as amended, is hereby amended to add subsections 10 and 11, which shall state as follows:

10. An authorized medical marihuana facility may be located in the same facility as one or more marihuana establishments that is a marihuana grower, a marihuana processor, or a marihuana retailer authorized under the City's Marihuana Establishments Ordinance to the extent permitted under that Ordinance and under the Michigan Regulation and Taxation of Marihuana Act.

11. This ordinance does not restrict the transportation of marihuana through the City of Reading.

IT IS FURTHER ORDAINED THAT:

Subsection 1 of SECTION V of Ordinance 2017-01, as amended, is hereby amended to state as follows:

1. There is hereby established an initial nonrefundable City medical marihuana facility fee in the amount of \$5,000 for each application submitted for a medical marihuana licensing facility within the City, to help defray administrative and enforcement costs associated therewith. In the event that a license is granted, the licensee shall thereafter pay an annual medical marihuana facility fee of \$5,000, payable each year upon the renewal of the license as provided in this ordinance, said fee to help defray administrative and enforcement costs associated therewith. The amount of the fees provided for in this subsection may be revised from time-to-time by a resolution duly adopted by the Reading City Council in conformity with provisions of the Michigan Medical Marihuana Facilities Licensing Act.

IT IS FURTHER ORDAINED THAT:

All remaining provisions of Ordinance No. 2017-01, as amended by Ordinance No. 2017-02 and by Ordinance No. 2018-02, not specifically amended herein, shall remain and continue in full force and effect.

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 14<sup>th</sup> day of May, 2019.

Melani Matthews, Mayor  
Kimberly Blythe, City Clerk/Treasurer