



Legislation Text

File #: 19-0001, **Version:** 1

An Ordinance to Amend Sections 7:605 and 7:607 of Chapter 96 (Medical Marijuana Facilities) of Title VII of the Code of the City of Ann Arbor (Ordinance No. ORD-19-01)
Chapter 96, Medical Marijuana Facilities, was originally approved on November 9, 2017. The City Clerk's Office began processing permit applications under the new Code in early 2018 and temporary permits have been issued to applicants pending issuance of a State license.

Final approval of a City permit, per the current Code, requires applicants to return to the City Clerk with their State license, a complete copy of the State application, proof of insurance requirements and a certification that all security measures required in the Code have been met. Several applicants who are now ready for final local approval and have been issued State licenses are attempting to meet the final City requirements and it has come to staff's attention that the requirement to provide all State application documents is not needed by the City and proving to be onerous for applicants. To simplify the final local approval process, staff is recommending changes to the ordinance to require only proof of issuance of a State license, not the application materials, and to remove the proof of insurance requirements, as this is also not needed by the City. Final permit approval will still require an attestation by the applicant that security measures are in place.

Staff recommends these ordinance changes.

Prepared by: Kristen Larcom, Assistant City Attorney and Jacqueline Beaudry, City Clerk
Reviewed and Approved by: Howard S. Lazarus, City Administrator
ORDINANCE NO. ORD-19-01

First Reading: January 7, 2019
Public Hearing: January 22, 2019

Approved: January 22, 2019
Published: January 24, 2019
Effective: February 3, 2019

MEDICAL MARIJUANA FACILITIES

AN ORDINANCE TO AMEND SECTION 7:605 AND 7:607 OF CHAPTER 96 (MEDICAL MARIJUANA FACILITIES) OF TITLE VII OF THE CODE OF THE CITY OF ANN ARBOR

The City of Ann Arbor ordains:

Section 1. That Section 7:605 and 7:607 be amended as follows:

7:605. - General provisions.

- (1) A permit issued under this chapter is valid only for the location of the facility and type of facility that is listed on the permit application and is valid only for the operation of the facility at that location by the permit applicant.

- (2) A permit issued under this chapter is valid only if the permit holder also holds a valid current state operating license and a copy of the valid current license and application for license has been provided to the City Clerk by the license holder and is in compliance with all other requirements in this chapter.
- (3) The revocation, suspension, and placement of restrictions by the state on a state operating license apply equally to a permit issued by the city.
- (4) The expiration date of the state operating license that corresponds to a permit issued under this chapter constitutes the expiration date of the permit, however, operation of the facility under the expired permit is permitted to the extent that operation under the expired state operating license is permitted under the MMFLA.
- (5) A permit issued by the city under this chapter, shall be conspicuously posted in the facility where it is easily open to public view.
- (6) Acceptance of a permit from the city under this chapter constitutes consent by the permittee, owners, managers and employees to permit the City Administrator or designee to conduct inspections of the facility to ensure compliance with this chapter.

7:607. - Issuance of permit and authorization to operate facility under permit.

- (1) If the permit applicant has successfully demonstrated compliance with all requirements for issuance of a permit the City Administrator shall issue a new permit to the permit applicant if a permit is available or grant renewal of an existing permit.
- (2) The issuance of a permit under this chapter authorizes operation of the facility only after the following additional requirements are met:
 - (a) The applicant has provided the City Clerk with copies **a copy** of the applicant's application for a state operating license and the license.
 - (b) The applicant has installed the following security measures on the premises:
 - (i) Security cameras to monitor all areas of the premises where persons may gain or attempt to gain access to marijuana or cash. Recordings from security cameras shall be maintained for a minimum of 72 hours. The City Administrator may adopt regulations implementing this requirement, including but not limited to regulations on the design, location, maintenance, and access to the cameras and recordings. Those regulations shall take effect 30 days after being filed with the City Clerk unless modified or disapproved by the City Council.
 - (ii) A monitored alarm system.
 - (iii) A storage room for overnight storage of any marijuana product and cash on the premises. The storage room shall have only 1 door for entry and no other potential

means of entry, lawful or unlawful, such as a window or crawl space, The door shall be equipped with a locking mechanism that is different from other locks on any door within the facility.

(c) The applicant provides the city with a certificate signed by a qualified agent of an insurance company evidencing the existence of valid and effective policies of the following types of insurance, as well as a copy of an endorsement placed on each policy requiring 10 days' notice by mail to the city before the insurer may cancel the policy for any reason:

(i) Workers' compensation insurance in accordance with Michigan statutory limits and Employers Liability Insurance with a minimum limit of \$100,000.00 each accident for any employee.

(ii) Public liability and personal injury insurance with minimum limits of \$500,000.00 for each occurrence as respect to bodily injury liability or property damage liability, or both combined.

Documentation must explicitly state the following:

(a) the policy number; (b) name of insurance company; (c) name and address of the agent or authorized representative; (d) name and address of the insured; (e) location of coverage; (f) policy expiration dates; and (g) specific coverage amounts. An original certificate of insurance may be provided as an initial indication of the required insurance. Applicant shall be required to continue without interruption during the term of the permit the above named insurance coverages. If any of the above coverages expire by their terms during the term of a permit, the applicant shall deliver proof of renewal and/or new policies to the City Clerk at least 10 days prior to the expiration date.

Insurance companies, named insureds and policy forms shall be subject to the approval of the City Attorney, within 5 business days. Insurance policies shall not contain endorsements or policy conditions which reduce coverage required under the terms of the permit.

Section 2. This ordinance shall take effect on the tenth day following legal publication.

CERTIFICATION

I hereby certify that the foregoing ordinance was adopted by the Council of the City of Ann Arbor, Michigan at its regular session of January 22, 2019.

(Date)

Jacqueline Beaudry, Ann Arbor City Clerk

Christopher Taylor, Mayor

I hereby certify that the foregoing ordinance received legal publication on the City Clerk's Webpage on January 24, 2019.

Jacqueline Beaudry, Ann Arbor City Clerk