

VILLAGE OF HOLLY

ORDINANCE NO. 468

An ordinance to provide for the licensing and regulating of recreational marihuana establishments within the Village of Holly, Michigan and to provide penalties for violations of the chapter.

THE VILLAGE OF HOLLY HEREBY ORDAINS:

Section 1. Amendment of Title XV of the Code of Ordinances.

The Village hereby amends Title XV of the Code of Ordinances by adding thereto a new Chapter 158, entitled "Recreational Marihuana Establishments," to read as follows:

158 Recreational Marihuana Establishments

158.01 Purpose.

This Ordinance shall be known and may be cited as the Village of Holly Regulation of Recreational Marihuana Ordinance.

158.02 Legislative Findings and Intent.

The purpose of this Ordinance is to regulate recreational marihuana establishments, which includes marihuana growers, marihuana safety compliance facilities, marihuana processors, marihuana retailers, marihuana secure transporters, or any other type of recreational marihuana-related business licensed by the State of Michigan pursuant to the Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1 of 2018, MCL 333.27951 et seq. ("the Act"). The Village finds that these activities are significantly connected to the public health, safety, security, and welfare of its citizens and it is therefore necessary to regulate and enforce safety, security, fire, policing, health, and sanitation practices related to such activities and to provide a method to defray administrative costs incurred by such regulation and enforcement. It is not the intent of this Ordinance to diminish, abrogate, or restrict the protections for recreational marihuana use found in the Act.

158.03 Definitions.

For purposes of this Chapter, the following shall have the meaning ascribed to them by the Act:

"Department"

"Grower"

"Industrial Hemp"

“Licensee”
“Marijuana”
“Marijuana Concentrate”
“Marijuana Establishment”
“Marijuana-Infused Product”
“Retailer”
“Processor”
“Safety Compliance Facility”
“Secure Transporter”
“State Operating License”

The terms below shall be defined as follows:

“Affiliate” means any person that controls, is controlled by, or is under common control with; is in a partnership or joint venture relationship with; or is a co-shareholder of a corporation, a co-member of a limited liability company, or a co-partner in a limited liability partnership with a licensee or applicant.

“Application” means an application for a permit under this ordinance and includes supplemental documentation attached or required to be attached thereto; the person and/or corporate entity filing the application shall be known as the **“applicant.”** If a corporate entity is the applicant, the term includes any officer, director, or managerial employee of the entity.

“Commercial Marihuana Facility”, “Marihuana Facility” or “Facility” means an enterprise at a specific location at which a licensee is licensed to operate under the Act, including a marihuana grower, marihuana processor, marihuana retailer, marihuana secure transporter, marihuana safety compliance facility, and/or marihuana events.

“Door-to-Door” is a point of measurement from the property line of a parcel to the property line of another parcel.

“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.

“Permit” means a current and valid permit for a Commercial Marihuana Facility issued under this ordinance. A permit shall be granted to an applicant only for, and limited to “specific permitted premise(s)” and “specific permitted property(s)”.

“Permitted Holder” means the person that holds a current and valid permit under this ordinance.

“Permitted Premises” means a particular building or buildings within which the Permit Holder will be authorized to conduct the facility’s activities.

“Permitted Property” means the real property comprised of a lot, parcel or other

designated unit of real property upon which a permitted premises facility is situated.

“**Person**” means an individual, corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited liability limited partnership, trust, other legal entity or any joint venture for a common purpose.

“**Village**” means the Village of Holly, a home rule Village located in Oakland County, Michigan.

158.04 License Required for Recreational Marihuana Establishment.

It shall be unlawful to operate a marihuana establishment, which includes a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana retailer, marihuana secure transporter, or any type of marihuana-related business licensed by the State of Michigan, without first obtaining a Village license to operate pursuant to this Chapter and having a validly issued license in good standing from the State of Michigan, and having paid all applicable fees. Any person violating this Chapter shall be punished by a fine of up to Five Hundred Dollars (\$500.00), or by imprisonment for a period of up to ninety (90) days, or by both such fine and imprisonment. Each day that a violation continues shall be considered a separate and distinct offense.

In addition, a violation of this Chapter shall constitute a nuisance per se subject to abatement at the Village's request by a court of competent jurisdiction.

158.05 Composition of Local Licensing Authority.

A. The Village of Holly Council is designated as the local licensing authority. The Village Council may, by resolution, delegate its authority or a portion of such authority to a new committee or other designee to act as the local licensing authority. The local licensing authority shall have the duty and authority pursuant to the Act in this Chapter to grant or deny an application described in this Chapter and to levy penalties against the licensee in the manner provided by law.

B. The local licensing authority shall consider applications for new business premises, transfer of ownership, change of location, license premises modification, changes in trade name, and any other appropriate application.

C. The local licensing authority shall have the power to promulgate rules and regulations concerning the procedure for hearings before the local licensing authority.

D. The local licensing authority shall have the power to require any application or licensee to furnish such information to the authority as may be reasonably necessary for the authority to perform its duties and functions authorized by this Chapter.

E. The local licensing authority shall have the power to administer oaths and issue subpoenas to require the presence of persons and the productions of papers, books, and records at any hearing in which the authority is authorized to conduct. Any subpoena shall be served in the same manner as a subpoena issued by a District Court of

the State. The District Court Judge shall have the power and authority to enforce such subpoena.

158.06 License Application.

A. The Village shall review each application submitted to determine whether the applicant and the premises qualify for the license and comply with this Chapter and the Act. The Village shall notify the State whether the proposed marihuana establishment is in compliance with the provisions of this Chapter.

B. No person shall hold an ownership interest in a marihuana safety compliance facility within the Village and any of the following facilities also located within the Village: (a) a marihuana secure transporter; (b) a marihuana grower; (c) a marihuana processor; or (d) a marihuana retailer. Further, no person shall hold an ownership interest in more than five marihuana growers within the Village.

C. All Village licenses are effective for one (1) year. The Village license may be renewed upon receipt of a complete renewal application and renewal fee for any marihuana establishment in good standing.

D. Buildings used for grow facilities, grower, processor facility, safety compliance facility, provisioning center, marihuana retailer, and secure transporter shall be equipped with an activated carbon filtration system for odor control to ensure that air leaving the building through an exhaust vent first passes through an activated carbon filter. The filtration system shall consist of one or more fans and activated carbon filters. At a minimum, the fan(s) shall be sized for cubic feet per minute (CFM) equivalent to the volume of the building (length multiplied by width multiplied by height) divided by three. The filter(s) shall be rated for the applicable CFM. The filtration system shall be maintained in working order and shall be in use. The filters shall be changed a minimum of once every 365 days or as determined by the manufacturer's recommendations. Negative air pressure shall be maintained inside the building. Doors and windows shall remain closed, except for the minimum length of time needed to allow people to ingress or egress the building. An alternative odor control system is permitted if the applicant submits, and the Village accepts, a report by a mechanical engineer licensed in the State of Michigan demonstrating that the alternative system will control odor as well or better than the activated carbon filtration system otherwise required. The Village of Holly may hire an outside expert to review the alternative system design and advise as to its comparability and whether, in the opinion of the expert, it should be accepted.

E. All sanitary discharge must not violate the Village of Holly NPDES permit and must meet all other local ordinances.

F. The separation of plant resin from a marihuana plant by butane extraction, or any other method that utilizes a substance with a flashpoint below 100 degrees fahrenheit in any public place or licensed facility is prohibited.

158.07 Permitted Locations.

Marihuana establishments shall not be permitted in the R1A, R1B, RM, MHP or CBD zoning districts.

158.08 Buffering Requirements.

Marihuana establishments must satisfy the following minimum distance requirements from the described uses below. Prior to issuing a marihuana establishment license, the Village shall confirm that the proposed licensed premises boundaries meet with the following Buffering Requirements:

A. Distance from schools. Marihuana establishments shall be located a minimum of Five Hundred (500) feet, measured door-to-door, from any public or private elementary, secondary or vocational school.

B. Distance from churches/religious institutions. Retail marihuana establishments shall be located a minimum of Five Hundred (500) feet, measured door-to-door, from any church or religious institution defined as exempt by the Village Assessor.

158.09 Lawful Activities by Persons Twenty-One (21) Years of Age or Older.

A. Except as otherwise provided in the Act and this chapter, the following acts by a person twenty-one (21) years of age or older are not unlawful, are not an offense, are not grounds for seizing or forfeiting property, are not grounds for arrest, prosecution, or penalty in any manner, are not grounds for a search or inspection, and are not grounds to deny any other right or privilege:

1. Except as permitted by subdivision (B), possessing, using or consuming, internally possessing, purchasing, transporting, or processing 2.5 ounces or less of marihuana, except that not more than 15 grams of marihuana may be in the form of marihuana concentrate;
2. Within the person's residence, possessing, storing, and processing not more than 10 ounces of marihuana and any marihuana produced by marihuana plants cultivated on the premises and cultivating not more than 12 marihuana plants for personal use, provided that no more than 12 marihuana plants are possessed, cultivated, or processed on the premises at once;
3. Assisting another person who is 21 years of age or older in any of the acts described in this section; and
4. Giving away or otherwise transferring without remuneration up to 2.5 ounces of marihuana, except that not more than 15 grams of marihuana may be in the form of marihuana concentrate, to a person 21 years of age or older, as long as the transfer is not advertised or promoted to the public.

B. Notwithstanding any other law or provision of this Chapter, except as otherwise provided in section 158.04 of this Chapter, the use, manufacture, possession, and purchase of marihuana accessories by a person 21 years of age or older and the distribution or sale of marihuana accessories to a person 21 years of age or older is authorized, is not unlawful, is not an offense, is not grounds for seizing or forfeiting

property, is not grounds for arrest, prosecution, or penalty in any manner, and is not grounds to deny any other right or privilege.

158.10 Lawful Activities by Growers, Processors, Transporters or Retailers.

A. Notwithstanding any other law or provision of the Act and this Chapter, the following acts are not unlawful, are not an offense, are not grounds for seizing or forfeiting property, are not grounds for arrest, prosecution, or penalty in any manner, are not grounds for search or inspection except as authorized by this act, and are not grounds to deny any other right or privilege:

1. A marihuana grower or an agent acting on behalf of a marihuana grower who is 21 years of age or older, cultivating not more than the number of marihuana plants authorized by the state license class; possessing, packaging, storing, or testing marihuana; acquiring marihuana seeds or seedlings from a person who is 21 years of age or older; selling or otherwise transferring, purchasing or otherwise obtaining, or transporting marihuana to or from a marihuana establishment; or receiving compensation for goods or services;
2. A marihuana processor or agent acting on behalf of a marihuana processor who is 21 years of age or older, possessing, processing, packaging, storing, or testing marihuana; selling or otherwise transferring, purchasing or otherwise obtaining, or transporting marihuana to or from a marihuana establishment; or receiving compensation for goods or services;
3. A marihuana secure transporter or an agent acting on behalf of a marihuana secure transporter who is 21 years of age or older, possessing or storing marihuana; transporting marihuana to or from a marihuana establishment; or receiving compensation for services;
4. A marihuana safety compliance facility or an agent acting on behalf of a marihuana safety compliance facility who is 21 years of age or older, testing, possessing, repackaging, or storing marihuana; transferring, obtaining, or transporting marihuana to or from a marihuana establishment; or receiving compensation for services;
5. A marihuana retailer or an agent acting on behalf of a marihuana retailer who is 21 years of age or older, possessing, storing, or testing marihuana; selling or otherwise transferring, purchasing or otherwise obtaining, or transporting marihuana to or from a marihuana establishment; selling or otherwise transferring marihuana to a person 21 years of age or older; or receiving compensation for goods or services; or
6. Leasing or otherwise allowing the use of property owned, occupied, or managed for activities allowed under this Chapter;
7. Enrolling or employing a person who engages in marihuana-related activities allowed under this Chapter;
8. Possessing, cultivating, processing, obtaining, transferring, or transporting industrial hemp; or
9. Providing professional services to prospective or licensed marihuana establishments related to activity under this Chapter.

B. A person acting as an agent of a marihuana retailer who sells or otherwise transfers marihuana or marihuana accessories to a person under 21 years of age is not subject to arrest, prosecution, forfeiture of property, disciplinary action by a professional licensing board, denial of any right or privilege, or penalty in any manner, if the person reasonably verified that the recipient appeared to be 21 years of age or older by means of government-issued photographic identification containing a date of birth, and the person complied with any rules promulgated pursuant to this Chapter.

158.11 License Allocation and Annual Fees.

A. No person shall operate a marihuana grower facility, safety compliance facility, processor facility, retail business, or secure transporter service in the Village of Holly without first obtaining a license from the Village and the State of Michigan.

B. The term of each license shall be one (1) year.

C. The non-refundable application fee for a marihuana establishment license or the transfer of an existing license or renewal of a license shall be set by Resolution of the Village Council from time to time. All fees are non-refundable.

D. The Village of Holly will allow the following types and number of licenses as approved by Village Council:

TYPE	NUMBER
Marihuana grow facility	5
Marihuana safety compliance facility	5
Marihuana processing facility	5
Marihuana retail facility	2
Marihuana secure transport facility	5

158.12 License Application Submission.

A. Applications for each marihuana establishment license required by this Chapter shall be made in writing to the Village, and must be approved by the Village, and approved by the State of Michigan, prior to commencing operation. Upon the expiration of an existing license, a license will be automatically renewed by the Village of Holly for one (1) year if (1) there are no uncured administrative violations in the prior year; (2) the applicant has paid the annual licensing fee for the renewal period; (3) any Stakeholder changes have been fully disclosed to the Village of Holly; and (4) the applicant has paid and received the renewal of its State license.

B. An application for a marihuana establishment license required by this Ordinance shall contain the following:

1. The appropriate non-refundable application fee in the amount determined by the Village.

2. If the applicant is an individual, the applicant's name, date of birth, physical address, copy of government issued photo identification, email

address, and one or more phone numbers, including emergency contact information;

3. If the applicant is not an individual, the names, dates of birth, physical addresses, copy of government issued photo identification, email addresses, and one or more phone numbers of each stakeholder of the applicant, including designation of the highest-ranking stakeholder as an emergency contact person and contact information for the emergency contact person, articles of incorporation, assumed name registration documents, Internal Revenue Service SS-4 EN confirmation letter, and a copy of the operating agreement of the applicant, if a limited liability company, a copy of the partnership agreement, if a partnership, or a copy of the by-laws or shareholder agreement, if a corporation;

4. The name and address of the proposed marihuana establishment and any additional contact information deemed necessary and requested by the Village.

5. For the applicant, for each stakeholder of the applicant, an affirmation under oath as to whether they are at least 21 years of age and are not currently under indictment or have never been convicted of, pled guilty or nolo contendere to, forfeited bail concerning any criminal offense under the laws of any jurisdiction, either felony or controlled-substance-related misdemeanor not including traffic violations.

6. An affirmation under oath as to whether the applicant or stakeholder has ever applied for or has been granted any commercial license or certificate issued by a licensing authority in Michigan or any other jurisdiction that has been denied, restricted, suspended, revoked, or not renewed and a statement describing the facts and circumstances concerning the application, denial, restriction, suspension, revocation, or nonrenewal, including the licensing authority, the date each action was taken, and the reason for each action;

7. One of the following: (a) proof of ownership of the entire premises wherein the marihuana establishment is to be operated; or (b) written consent from the property owner for use of the premises in a manner requiring licensure under this Chapter along with a copy of the lease for the premises;

8. Proof of an adequate premise liability and casualty insurance policy in the amount not exceeding the requirements addressed in the Act or applicable State laws, covering the marihuana establishment and naming the Village as an additional insured party, available for the payment of any damages arising out of an act or omission of the applicant or its stakeholders, agents, employees, or subcontractors;

9. A description of the security plan for the marihuana establishment, including, but not limited to, any lighting, alarms, barriers, recording/monitoring devices, and/or security guard arrangements proposed for the facility and premises. The security plan must contain the specification details of each piece of security equipment;

10. A floor plan of the marihuana establishment, as well as a scale diagram illustrating the property upon which the marihuana establishment is to be operated, including all available parking spaces, and specifying which parking spaces, if any, are handicapped-accessible;

11. An affidavit that neither the applicant nor any stakeholder of the applicant is in default to the Village. Specifically, that the applicant or stakeholder of the applicant has not failed to pay any property taxes, special assessments, fines, fee or other financial obligations to the Village;

12. An affidavit that the transfer of marihuana to and from marihuana establishment shall be in compliance with the Act or other applicable state laws;

13. A staffing plan;

14. Any proposed text or graphical materials to be shown on the exterior of the proposed marihuana establishment;

15. A location area map of the marihuana establishment and surrounding area that identifies the buffer zones identified in Section 158.08, if applicable, to a public or private elementary, vocational or secondary school; and for retail establishments to church or religious institutions if recognized as a tax-exempt entity as determined by the Assessor's Office;

16. 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 in the sewerage system is prohibited;

17. As it relates to a grower facility, the following additional items shall be required:

i. A grower plan that includes, at a minimum, a description of the grower methods to be used, including plans for the growing mediums, treatments and/or additives;

ii. A production testing plan that includes, at a minimum, a description of how and when samples for laboratory testing by a state approved Safety Compliance Facility will be selected, what type of testing will be requested, and how the test results will be used;

iii. An affidavit that all operations will be conducted in conformance with the Act or other applicable State laws and such operations shall not be cultivated on the premises at any one time more than the permitted number of marihuana plants per the Act;

iv. A chemical and pesticide storage plan that states the names of pesticides to be used in grower and where and how pesticides and chemicals will be stored in the facility, along with a plan for the disposal of unused pesticides;

v. All growing must be performed within an enclosed locked facility which may include indoors or in an enclosed greenhouse or outdoor grow.

C. Upon receipt of a completed marihuana establishment application meeting the requirements of this Chapter and confirmation that the number of existing licenses does not exceed the maximum number established by Council pursuant to Section 158.11 above, the Village shall refer a copy of the application to each of the following for their review: the Village Attorney or their designee, the Police Department or their designee, the Fire Department or their designee, the Building Department, the Zoning

Administrator or their designee. Once applications are verified by each department to be sufficiently complete and comprehensive, it will be submitted to the Clerk.

D. Upon review and scoring of the applications, the Clerk shall submit them to the Village Council for consideration of issuance of a license. All licenses issued are contingent upon the State of Michigan issuing a license for the operation under State law;

E. Licensees shall report any other change in the information required by this Chapter to the Village within ten days of the change. Fees shall be set by Council Resolution for any stakeholder added after the original application is filed.

158.13 License Application Evaluation.

A. The Village Council shall assess all applications referred to it by the Village Clerk.

B. In its application deliberations, the Village Council shall assess each application in each of the following categories:

1. The applicant's experience in operating other similarly licensed businesses.
2. The applicant's general business management experience.
3. The applicant's general business reputation.
4. The integrity, moral character, and reputation; personal and business probity; financial ability and experience; and responsibility or means to operate or maintain a marihuana establishment of the applicant.
5. The financial ability of the applicant to purchase and maintain adequate liability and casualty insurance.
6. Whether the applicant or stakeholder is currently under indictment for or has been arrested for, or convicted of, pled guilty or nolo contendere to, forfeited bail concerning any relevant criminal offense under the laws of any jurisdiction, either felony or misdemeanor, not including traffic violations.
7. A felony or misdemeanor of such nature that it may impair the ability of the applicant or stakeholder to operate a licensed business in a safe and competent manner.
8. Whether the applicant or stakeholder has filed, or had filed against it, a proceeding for bankruptcy within the past seven (7) years.
9. Whether the applicant or stakeholder has been served with a complaint or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for one (1) or more years.
10. Whether the applicant or stakeholder has a history of non-compliance with any regulatory requirements in this state or any other jurisdiction.
11. As it relates to operation of a marihuana retailer, the applicant's type of service and product that will be offered and the overall theme and atmosphere of the proposed retail center.

C. The Village Council shall assess each application according to the above categories and may issue a license to the selected applicant if an applicant has satisfactorily met all requirements.

158.14 Licenses Generally.

A. To the extent permissible, all information submitted in conjunction with an application for a license or license renewal required by this Chapter is confidential and exempt from disclosure under the Michigan Freedom of Information Act, 1976 PA 442, MCL 15.231 et.seq.

B. A Village operating license shall be for a specific fixed location, which shall be considered the licensed premises. A Village operating license may be transferred to another qualifying location within the Village upon application and approval of a transfer request. Each Village operating license is exclusive to the Village Licensee and is non-assignable and shall not be sold, transferred, assigned or purchased. A Village operating license is a revocable privilege granted by the Village and is not a property right. Granting a license does not create or vest any right, title, franchise, or other property interest. A licensee or any other shall not lease, pledge, or borrow or loan money against a Village operating license. A license transfer fee shall be established by Village Council through resolution.

C. Licensees shall report any other change in the information required by this Chapter to the Village within ten (10) business days of the change. Failure to do so may result in suspension or revocation of the license.

158.15 Operational Standards for Retailers.

The following minimum standards for retail centers shall apply:

A. No retail center shall be open to the public between the hours of 9:00 PM and 6:00 AM.

B. Consumption of marihuana shall be prohibited in the retail center, and a sign shall be posted on the premises of each retail center indicating that consumption is prohibited on the premises.

C. Retail centers shall continuously monitor the entire premises on which they are operated with surveillance systems that include security cameras. The video recordings shall be maintained in a secure, off-site location for a period of 14 days.

D. The public or common areas of the retail center must be separated from restricted or non-public areas of the marihuana establishment.

E. All marihuana storage areas within the retail center must be separated from any customer areas by a permanent barrier. Marihuana may be displayed only in a sales area.

F. Any usable marihuana remaining on the premises of a retail center while the retail center is not in operation shall be secured from the public.

G. A drive-through window on the premises of a retail center shall not be permitted.

H. A retail center shall not allow the sale, consumption, or use of alcohol or tobacco products on the premises.

I. No retail center shall be operated in a manner creating noise, dust, vibration, glare, fumes, or odors detectable to normal senses beyond the boundaries of the property on which the retail center is operated.

J. The license required by this Chapter shall be prominently displayed on the premises of a marihuana establishment.

K. Disposal of marihuana shall be accomplished in a manner that prevents its acquisition by any person who may not lawfully possess it and otherwise in non-conformance with state laws.

L. All marihuana shall be packaged and labeled as provided by state laws.

M. The premises shall be open, at all times, to any Michigan Licensing Board investigators, agents, auditors, Holly Police, Holly Fire Department, Code Enforcement, or Building Department Inspector/Official(s), without a warrant and without notice to the holder of the license, to enter the premises, offices, facilities, or other places of business of a licensee, if evidence of compliance or non-compliance with the Act or applicable state laws is likely to be found and consistent with constitutional limitations, for the following purposes:

1. To inspect and examine all premises of the marihuana establishment.
2. To inspect, examine, and audit relevant records of the licensee and, if the holder of the license or any of the managerial employees or employees fails to cooperate with an investigation, the investigator may impound, seize, assume physical control of, or summarily remove from the premises all books, ledgers, documents, writings, photocopies, correspondence, records, and videotapes, including electronically stored records, money receptacles, or equipment in which the records are stored as well as any other property.
3. To inspect the person, and inspect or examine personal effects present in a marihuana establishment, of any holder of state operating license while that person is present in a marihuana establishment.
4. To investigate alleged violations of the Act or applicable state laws.

N. It shall be prohibited to display any signs that are inconsistent with local laws or regulations or state law.

O. It shall be prohibited to use advertising material that is misleading, deceptive,

or false, or that is designed to appeal to minors.

P. It shall be prohibited to use the symbol or image of a marijuana leaf in any exterior building signage.

Q. No licensed marijuana establishment shall place or maintain, or cause to be placed or maintained, an advertisement of marijuana in any form or through any medium within five hundred (500) feet of the real property comprising a public or private elementary, vocational or secondary school.

158.16 Operational Standards for Grower Facility.

The following minimum standards for grower facility shall apply:

A. The grower facility shall comply at all times and in all circumstances with the Act and the general rules of the Department of Licensing and Regulatory Affairs, as they may be amended from time to time.

B. The premises shall be open, at all times, to any Michigan Licensing Board investigators, agents, auditors, or Holly Police, Holly Fire Department, Code Enforcement or Building Inspector/Official(s) without a warrant and without notice to the holder of the license, to enter the premises, offices, facilities, or other places of business of a licensee, if evidence of compliance or non-compliance with the Act or applicable state laws is likely to be found and consistent with constitutional limitations, for the following purposes:

1. To inspect and examine all premises of the marijuana establishment;
2. To inspect, examine, and audit relevant records of the licensee and, if the holder of the license or any of the managerial employees or employees fails to cooperate with an investigation, the investigator may impound, seize, assume physical control of, or summarily remove from the premises all books, ledgers, documents, writings, photocopies, correspondence, records, and videotapes, including electronically stored records, money receptacles, or equipment in which the records are stored as well as any other property;
3. To inspect the person, and inspect or examine personal effects present in a marijuana establishment, of any holder of state operating license while that person is present in a marijuana establishment;
4. To investigate alleged violations of the Act or applicable state laws.

C. Any grower facility shall maintain a log book and/or database indicating the number of marijuana plants therein. Each marijuana plant will be tagged as required by the Act.

D. All marijuana shall be contained within an enclosed locked facility;

E. All necessary building, electrical, plumbing and mechanical permits shall be obtained for any portion of the structure in which electrical wiring, lighting and/or

watering devices that support the grower, growing or harvesting of marihuana are located.

F. That portion of the structure storing any chemicals such as herbicides, pesticides, and fertilizers shall be subject to inspection and approval by the Village of Holly Fire Department to ensure compliance with all applicable statutes, codes and ordinances;

G. The dispensing of marihuana at the grower facility shall be prohibited.

H. All persons working in direct contact with marihuana shall conform to hygienic practices while on duty, including but not limited to:

1. Maintaining adequate personal cleanliness;
2. Washing hands thoroughly in adequate hand-washing areas before starting work and at any other time when the hands may have become soiled or contaminated;
3. Refraining from having direct contact with marihuana if the person has or may have an illness, open lesion, including boils, sores or infected wounds, or any other abnormal source of microbial contamination, until the condition is corrected.

I. Litter and waste shall be properly removed and the operating systems for waste disposal shall be maintained in an adequate manner so that they do not constitute a source of contamination in the areas where marihuana is exposed.

J. Floors, walls and ceiling, shall be constructed in such a manner that they may be adequately cleaned and kept clean and in good repair.

K. There shall be adequate screening or other protection against the entry of pests. Rubbish shall be disposed of so as to minimize the development of odor and minimize the potential for the waste development of odor and minimize the potential for waste becoming an attractant, harborage or breeding places for pests.

L. Any buildings, fixtures and other facilities shall be maintained in a sanitary condition.

M. Each grower facility shall provide its occupants with adequate and readily accessible toilet facilities that are maintained in a sanitary condition and good repair.

N. Marihuana that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms;

O. Grower facility shall be free from infestation by insects, rodents, birds, or vermin of any kind;

P. Exterior signage or advertising identifying the facility as a grower facility shall be prohibited.

Q. Pursuant to state law, consumption and/or use of any marihuana product is prohibited on licensed premises.

158.17 Operational Standards of Safety Compliance Facilities.

The following minimum standards for Safety Compliance Facility shall apply:

A. The Safety Compliance Facility shall comply at all times and in all circumstances with the Act and or applicable State laws, and the general rules of the Department of Licensing and Regulatory Affairs, as they may be amended from time to time.

B. Consumption and/or use of marihuana shall be prohibited at the facility;

C. The premises shall be open, at all times, to any Michigan Licensing Board investigators, agents, auditors, or Holly Police, Holly Fire Department, Code Enforcement, or Building Inspector/Official(s) without a warrant and without notice to the licensee, to enter the premises, offices, facilities, or other places of business of a licensee, if evidence of compliance or non-compliance with the Act or applicable state laws is likely to be found and consistent with constitutional limitations, for the following purposes.

1. To inspect and examine all premises of marihuana establishment.
2. To inspect, examine, and audit relevant records of the licensee and, if the licensee or any managerial employees or employees fails to cooperate with an investigation, the investigator may impound, seize, assume physical control of, or summarily remove from the premises all books, ledgers, documents, writings, photocopies, correspondence, records, and videotapes, including electronically stored records, money receptacles, or equipment in which the records are stored as well as any other property.
3. To inspect the person, and inspect or examine personal effects present in a marihuana establishment, of any holder of state operating license while that person is present in a marihuana establishment.
4. To investigate alleged violations of the Act or applicable state laws.

D. Any safety compliance facility shall maintain a log book and/or database which complies with the Act or applicable state laws.

E. All marihuana shall be contained within the building in an enclosed locked facility in accordance with the Act, as amended, or applicable state laws.

F. There shall be no other accessory uses permitted within the same facility other than those associated with testing marihuana

G. All persons working in direct contact with marihuana shall conform to hygienic practices while on duty.

H. Litter and waste shall be properly removed and the operating systems for waste disposal shall be maintained in an adequate manner so that they do not constitute

a source of contamination in areas where marihuana is exposed.

I. Floors, walls and ceilings shall be constructed in such a manner that they may be adequately cleaned and kept clean and in good repair.

J. Any buildings, fixtures and other facilities shall be maintained in a sanitary condition.

K. Marihuana that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms.

L. Exterior signage or advertising identifying the facility as a Safety Compliance Facility shall be prohibited.

158.18 Operational Standards of Processor Facilities.

The following minimum standards for processor facility shall apply:

A. The processor shall comply at all times and in all circumstances with the Act, and the general rules of the Department of Licensing and Regulatory Affairs, as they may be amended from time to time.

B. Consumption and/or use of marihuana shall be prohibited at the processor facility.

C. All activity related to the processor facility shall be done indoors.

D. The premises shall be open, at all times, to any Michigan Licensing Board investigators, agents, auditors, or Holly Police, Holly Fire Department, Code Enforcement, or Building Inspector/Official(s) without a warrant and without notice to the licensee, to enter the premises, offices, facilities, or other places of business of a licensee, if evidence of compliance or non-compliance with the Act or applicable state laws is likely to be found and consistent with constitutional limitations, for the following purposes:

1. To inspect and examine all premises of the marihuana establishment;
2. To inspect, examine, and audit relevant records of the licensee and, of the licensee or any managerial employees or employees fails to cooperate with an investigation, the investigator may impound, seize, assume physical control of, or summarily remove from the premises all books, ledgers, documents, writings, photocopies, correspondence, records, and videotapes, including electronically stored records, money receptacles, or equipment in which the records are stored as well as any other property;
3. To inspect the person, and inspect or examine personal effects present in a marihuana establishment, of any holder of state operating license while that person is present in a marihuana establishment.
4. To investigate alleged violations of the Act or applicable state laws.

E. Any processor facility shall maintain a log book and/or database which complies with the Act, as amended, or applicable state laws.

F. All marihuana shall be tagged as required by the Act or applicable state laws.

G. All marihuana shall be contained within enclosed locked facility in accordance with the Act, as amended.

H. All necessary building, electrical, plumbing and mechanical permits shall be obtained for any portion of the structure in which electrical wiring for devices that support the processing of marihuana are located.

I. That portion of the structure where the storage of any chemicals is located shall be subject to inspection and approval by the Village of Holly Fire Department to ensure compliance with all applicable statutes, codes and ordinances.

J. The dispensing of marihuana at the processor facility shall be prohibited.

K. All persons working in direct contact with marihuana shall conform to hygienic practice while on duty, including but not limited to:

1. Maintaining adequate personal cleanliness;
2. Washing hands thoroughly in adequate hand-washing areas before starting work and at any other time when the hands may have become soiled or contaminated;
3. Refraining from having direct contact with marihuana if the person has or may have an illness, open lesion, including boils, sores or infected wounds, or any other abnormal source of microbial contamination, until the condition is corrected.

L. Litter and waste shall be properly removed and the operating systems for waste disposal are maintained in an adequate manner so that they do not constitute a source of contamination in areas where marihuana is exposed.

M. Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately cleaned and kept clean and in good repair.

N. There shall be adequate screening or other protection against the entry of pests. Rubbish shall be disposed of so as to minimize the development of odor and minimize the potential for the waste development of odor and minimize the potential for waste becoming an attractant, harborage or breeding places for pests.

O. Any buildings, fixtures and other facilities shall be maintained in a sanitary condition.

P. Each processor facility shall provide its occupants with adequate and readily accessible toilet facilities that are maintained in a sanitary condition and good repair.

Q. Marihuana that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms.

R. Processor facilities shall be free from infestation by insects, rodents, birds, or vermin of any kind.

S. Processor facilities shall produce no products other than useable marihuana intended for human consumption.

T. Exterior signage or advertising identifying the facility as a processor facility shall be prohibited.

158.19 Operational Standards for Secure Transporters.

The following minimum standards for secure transporters shall apply:

A. The secure transporter shall comply at all times with the Act and the general rules of the Department of Licensing and Regulatory Affairs, as they may be amended from time to time.

B. Consumption and/or use of marihuana shall be prohibited at a storage facility of a Secure Transporter.

C. Storage of marihuana by a secure transporter shall comply with the following:

1. The storage facility shall be continuously monitored with a surveillance system that includes security cameras. The video recording shall be maintained in a secure, off-site location for a period of fourteen (14) days;
2. The storage facility shall not be used for any other commercial purpose;
3. The storage facility shall not be open or accessible to the general public;
4. The storage facility shall be maintained and operated so as to comply with all state and local rules, regulations and ordinances;
5. The storage facility shall be open at all times to any Michigan Licensing Board investigator or Holly Police, Holly Fire Department, Code Enforcer or Building Inspector/Official(s) without a warrant and without notice to the holder of the license, to enter the premises, offices, facilities or other places of business of a licensee, if evidence of compliance or non-compliance with the Act or applicable state laws is likely to be found and consistent with constitutional limitations for the following purposes:

i. To inspect and examine all premises of the marihuana establishment;

ii. To inspect, examine and audit relevant records of the licensee and, if the holder of the license or any of the managerial employees or employees fails to cooperate with an investigation, the investigator may impound, seize, assume physical control of, or summarily remove from the premises all books, ledgers, documents, writings,

photocopies, correspondence, records, and videotapes, including electronically stored records, money receptacles, or equipment in which the records are stored as well as any other property;

iii. To inspect the person, and inspect or examine personal effects present in a marihuana establishment, of any holder or state operating license while that person is present in a marihuana establishment;

iv. To investigate alleged violations of the Act or applicable state laws.

6. All marihuana stored within the facility shall be stored within enclosed locked facilities in accordance with the Act as amended.

7. All persons working in direct contact with marihuana being stored by a secure transporter shall conform to hygienic practices while on duty, including but not limited to:

i. Maintaining adequate personal cleanliness;

ii. Washing hands thoroughly in adequate hand washing areas before starting work and at any other time when the hands may have become soiled or contaminated;

iii. Refrain from having direct contact with marihuana if the person has or may have an illness, open lesion, including boils, sores or infected wounds, or any other abnormal source of microbial contamination, until the condition is corrected.

D. A secure transporter licensee and each stakeholder shall not have an interest in another marihuana establishment.

E. A secure transporter shall enter all transactions, current inventory, and other information as required by the state into the statewide monitoring system as required by law.

F. A secure transporter shall comply with all of the following:

1. Each driver transporting marihuana must have a chauffeur's license issued by the state.

2. Each employee who has custody of marihuana or money that is related to a marihuana transaction shall not have been convicted of or released from incarceration for a felony under the laws of this state, any other state, or the United States within the past five (5) years or have been convicted of a misdemeanor involving a controlled substance with the past five (5) years.

3. Each vehicle shall be operated with a two-person crew with at least one individual remaining with the vehicle at all times during the transportation of marihuana.

4. A route plan and manifest shall be entered into the statewide monitoring system, and a copy shall be carried in the transporting vehicle and presented to a law enforcement officer upon request.

5. The marihuana shall be transported by one or more sealed containers and not be accessible while in transit.

6. A secure transporting vehicle shall not bear markings or other indication that it is carrying marihuana or a marihuana infused product.

G. A vehicle used by a secure transporter is subject to administrative inspection by a law enforcement officer at any point during the transportation of marihuana to determine compliance with all state and local laws, rules, regulations and ordinances.

158.20 Denial and Revocation.

A. A license issued under this Chapter may be revoked after an administrative hearing at which the Village Council, by majority vote of the members present, determines that any grounds for revocation under this Chapter exist. Notice of the time and place of the hearing and the grounds for revocation must be given to the holder of the license at least five days prior to the date of the hearing, by first class mail to the address given on the license application; a licensee whose license is the subject of such hearing may present evidence and/or call witnesses at the hearing.

B. A license applied for or issued under this Chapter may be denied or revoked on any of the following basis:

1. Violation of this Chapter;
2. Any conviction of or release from incarceration for a felony under the laws of this State, any other state, or the United States within the past five (5) years by the Applicant or any stakeholder of the Applicant as measured from the date of the Application or the date of becoming a stakeholder, whichever occurs later, or while licensed under this Chapter; or any conviction of a substance-related felony by the Applicant or any stakeholder of the Applicant ever or while licensed under this Chapter;
3. Commission of fraud or misrepresentation or the making of a false statement by the applicant or any stakeholder of the Applicant while engaging in any activity for which this ordinance requires a license;
4. Sufficient evidence that the Applicant(s) lack, or have failed to demonstrate, the requisite professionalism and/or business experience required to assure strict adherence to this ordinance and the rules and regulations governing the Act and the State of Michigan;
5. The marihuana establishment is determined by the Village of Holly to have become a public nuisance;
6. The State of Michigan Licensing Board has denied, revoked or suspended the applicant's state license.

158.21 Penalties and Discipline.

A. The Village of Holly may require an applicant or holder of a license of a marihuana establishment to produce documents, records, or any other material pertinent to the investigation of an application or alleged violation of this Chapter. Failure to provide the required material may be grounds for application denial, license revocation, or discipline.

B. Any person in violation of any provision of this Chapter or any provision of a license issued under this ordinance is responsible for a misdemeanor, punishable by a fine of up to \$500.00 plus cost of prosecution, 90 days imprisonment, or both, for each violation. This section is not intended to prevent enforcement of any provision of the State law by the Village of Holly Police Department.

C. The Village Council may temporarily suspend a marihuana establishment license without a hearing if the Village Council finds that public safety or welfare requires emergency action. The Village Council shall cause the temporary suspension by issuing a Suspension Notice by majority vote of members present and voting thereon in connection with institution of proceedings for a hearing.

E. If the Village Council temporarily suspends a license without a hearing, the holder of the license is entitled to a hearing within thirty (30) days after the Suspension Notice has been issued. The hearing shall be limited to the issues cited in the Suspension Notice.

F. If the Village Council does not hold a hearing within thirty (30) days after the date of suspension was issued, then the suspended license shall be automatically reinstated and the suspension vacated.

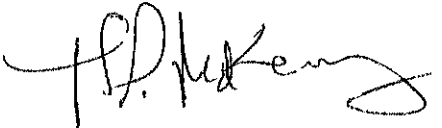
Section 2. Effective Date.

This ordinance shall take effect immediately upon publication.


At a regular meeting of the Village of Holly Council held on February 8, 2022, adoption of the foregoing ordinance was moved by Delaney and supported by Powers.

Voting for: Powers, Winebrenner, Delaney, McKenney
Voting against: Kinnamon, Perkins, Musgrave
Absent: None

The Village President declared the ordinance adopted.



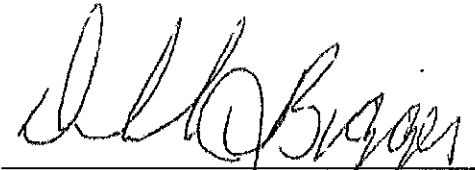
Thomas P. McKenney, President



Deborah J. Bigger, Clerk/Treasurer

Certification

The foregoing is a true copy of Ordinance No. 468 which was enacted by the Village Council of the Village of Holly at a regular meeting held on February 8, 2022.



Deborah J. Bigger, Clerk/Treasurer