

## Marijuana Ordinance Brief for Public Information Session and Public Comment

This two-page brief has been created by the Ad Hoc Recreational Marijuana Committee of the City of Hancock to help prepare the public to discuss licensing of Marijuana businesses within the city limits. The following sections will be important to consider for discussion on opting in or opting out of marijuana business licenses.

### Global

There are global trends toward the legalization of non-lethal recreational drugs. A primary goal of legalization is to reduce black market control over drugs which feed into violence and criminal industries. The costs associated with drug prohibition, including policing and incarceration, are borne by taxpayers. Communities that have been disproportionately impacted by marijuana prohibition are also seeking better social justice outcomes. The generation of new revenue opportunities through the licensing and taxation of marijuana while controlling marijuana business practices is being pursued through state regulation. There is also hope that marijuana can play a role in combating the opioid epidemic.

### State of Michigan

Timeline of State Rules:

- ❑ 2008- MICHIGAN MEDICAL MARIHUANA ACT (medical use legalized)
- ❑ 2018- [MICHIGAN REGULATION AND TAXATION OF MARIHUANA ACT](#) (recreational use legalized)
  - ❑ Adults can possess, consume, and gift up to 2.5 oz of recreational marijuana
  - ❑ Adults can grow up to 12 plants for personal consumption
  - ❑ The state will begin developing rules for recreational marijuana licensing
  - ❑ Municipalities are automatically opted-in (Hancock opted out in Nov. 2018 until state rules were made clear)
  - ❑ Excise tax plan outlined
- ❑ 2019- [LARA EMERGENCY RULES](#)
  - ❑ Thorough state rules that govern marijuana businesses including:
    - ❑ Business types: Grower, Microbusiness, Processor, Retailer, Secure Transporter, Safety Compliance Facility, Event Organizer, Consumption Establishment
    - ❑ [Application process](#), fees, and [capitalization requirements](#)
    - ❑ Facilities requirements (safety, odor, visibility, security)
    - ❑ Quality control

Other State Considerations:

- ❑ Driving under the influence of marijuana is illegal in MI ([MCL 257.625\(7\)](#))
- ❑ [Minor in possession](#) of marijuana and sale to minors is prohibited.

Overall, Michigan has learned from other states that have legalized marijuana and improved many individual and commercial rules. Due to these evolutions, exact policy comparisons are limited.

## City of Hancock

57.3% of Hancock residents voted to legalize recreational marijuana in 2018. A marijuana committee was appointed to investigate the topic. Adults in Hancock have been able to grow, possess, and consume marijuana for almost 1 year. Our city has been contacted by several businesses interested in opening retail and microbusinesses in the area, likely due to our status as a tourist destination and college town. Not all adult residents or visitors are able to exercise new freedoms because of housing status. Hancock is eligible for the state excise tax (15% of what the state takes) if microbusinesses or retail businesses are licensed within the city.

### Committee Recommendation

1. Adopt an ordinance to opt-in for municipal permitting of marijuana businesses
2. Set yearly application fee at the maximum \$5,000/year per business, with reimbursements to businesses for unused fees
3. Restrict the business by location, rather than be number or type, with zoning overlay with 2 main options:
  - a. Either Downtown Hancock: Quincy St., from its intersection with Reservation St. until its intersection with Dakota St. (Quincy St., beginning to the west of La Cantina and ending just to the east of Keweenaw Chevrolet)
    - i. Encourage downtown investment and redevelopment
    - ii. Ensure efficient enforcement of marijuana and other city ordinances
    - iii. Clustered with other age-restricted goods and services (tattoo, tobacco, vape, alcohol, CBD, and firearm sales)
    - iv. Let the market dictate business fitness
    - v. Requires a reduction in the buffer between the ISD and the first block of Quincy St.
    - vi. Include agricultural overlay to allow microbusinesses to open within that area
  - b. Or open a wider area, allowing businesses in B-2 (Community Business) and B-3 (General Business) [zones](#)
    - i. Include agricultural overlay to allow microbusinesses to open within that area

Brief Justification: The proposed ordinance changes are intended to minimize the effort and administration by the city as they work synergistically with state rules. Future city ordinances could add or reduce regulation. If the city opts in, but restricts the number or type of license, a justification will need to be made on how licenses were allocated by the city. Setting restrictions by area reduces the administrative burden that would be incurred in requiring a competitive selection process. A 'green boom and bust' is forecasted as marijuana legalization spreads across the country. The committee hopes that a downtown overlay would increase the value of downtown properties and prevent the hasty construction of new buildings that may be vacated in 5-10 years. Many concerns about nuisances are already covered in state and city codes. The administrative fees from marijuana licenses should supplement the creation of a code enforcement position. Parking, building conditions, noise/light violations, and other concerns with the impact of Marijuana Business and downtown corridor can be explicitly connected to the duties of a city code enforcer.