



## MEMORANDUM

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**DATE:** September 28, 2021

**TO:** Mayor Eveleth and the Owosso City Council

**FROM:** Planning Commission

**SUBJECT:** Chapter 16.6 Adult Use Marihuana Establishments Licensing – Police Power Ordinance Amendments

**RECOMMENDATION:**

The Planning Commission recommends amending the Chapter 16.6 Adult Use Marihuana Establishments Licensing – Police Power Ordinance to allow for Excess Marihuana Grower Licenses.

**BACKGROUND:**

When the City of Owosso adopted an ordinance for Adult Use Recreational Marihuana, the Special Licenses were prohibited. The City has since received a request from a local Grower to allow for the Excess Marihuana Grower License. See attachment from the MRA and clarification on excess marijuana grow licenses.

The Planning Commission voted at its regular meeting on September 27, 2021 to recommend to the City Council to approve the ordinance amendment.

**FISCAL IMPACTS:**

The Excess Marihuana Grower License application fee is \$5,000 per year.

Document originated by: Tanya S. Buckelew, Planning & Building Director

LARA

# Marijuana Regulatory Agency

MRA



## Could you provide clarification on excess marijuana grower licenses?

To be issued an excess marijuana grower license, you must:

- Hold five marijuana grower class C licenses under the **Michigan Regulation and Taxation of Marijuana Act (MRTMA)**

AND

- Hold at least two grower class C licenses under the **Medical Marijuana Facilities Licensing Act (MMFLA)**.

The number of MMFLA grower class C licenses held determines the number of Excess marijuana plants allowed. Based on the medical marijuana plant count, a licensee is allowed to grow in increments of 2,000 plants under the excess marijuana grower license, up to what is allowed on the medical side.

### Examples:

If a licensee had five grower class C licenses under the MRTMA and had:

- Two class C grower licenses under the MMFLA (growing up to 3,000 medical marijuana plants)
  - Under the excess marijuana grower license, a licensee can grow in increments of 2,000 plants – up to what is allowed on the medical side.
  - In this example, the licensee would be authorized to grow 2,000 marijuana plants under the excess marijuana grower license.
  - The 2,000 plants authorized to be grown under the excess marijuana grower license would be in addition to the 10,000 plants authorized to be grown under the five grower class C licenses issued under the MRTMA.
- Three class C grower licenses under the MMFLA (growing up to 4,500 medical marijuana plants)
  - Under the excess marijuana grower license, a licensee can grow in increments of 2,000 plants – up to what is allowed on the medical side.
  - In this example, the licensee would be authorized to grow 4,000 marijuana plants under the excess marijuana grower license.
  - The 4,000 plants authorized to be grown under the excess marijuana grower license would be in addition to the 10,000 plants authorized to be grown under the five grower class C licenses issued under the MRTMA.



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RESOLUTION NO.

**AUTHORIZING FIRST READING & SETTING A PUBLIC HEARING FOR  
THE PROPOSED AMENDMENT TO SECTION 16.6-3, AUTHORIZATION OF FACILITIES AND FEE,  
OF CHAPTER 16.6, ADULT USE MARIHUANA ESTABLISHMENTS LICENSING – POLICE POWER  
ORDINANCE, OF THE CODE OF ORDINANCES  
TO ALLOW EXCESS MARIHUANA GROWER LICENSES**

WHEREAS, the City of Owosso, Shiawassee County, Michigan, permits certain adult use marihuana establishments within the City; and

WHEREAS, the Planning Commission recommended, at its September 27, 2021 meeting, addition of the Excess Marihuana Grower License to the list of permitted establishments; and

WHEREAS, it is the long-standing practice of the City Council to hold a public hearing to receive citizen comment regarding any and all proposed ordinance amendments.

NOW, THEREFORE, BE IT RESOLVED, THAT THE CITY OF OWOSSO ORDAINS THAT:

SECTION 1. AMENDMENT. That Chapter 16.6, Adult Use Marihuana Establishments Licensing – Police Power Ordinance, Sec. 16.6-3, *Authorization of facilities and fee*, of the Code of Ordinances of the City of Owosso be amended as follows:

**Sec. 16.6-3. - Authorization of facilities and fee.**

- (a) The maximum number of each type of adult use marihuana establishment allowed in the city shall be as follows:

Establishment	Number
Grower	Unlimited
Processor	Unlimited
Retailer	4 (see Sec 16.6-3(e))
Safety compliance facility	Unlimited
Secure transporter	Unlimited
<b>Excess Marihuana Grower</b>	<b>Unlimited</b>

- (b) *Special licenses prohibited.* Pursuant to the MRTMA, section 6(1), the city elects to prohibit the licensing and operation of **SPECIFIC** special licenses within its boundaries to the extent it is permitted to prohibit them under the Act, which shall specifically prohibit as follows:

License Type	Number
Designated consumption establishment license	Prohibited
<b>Excess marihuana grower license</b>	<b>Prohibited</b>
Marihuana event organizer license	Prohibited
Temporary marihuana event license	Prohibited
Marihuana microbusiness	Prohibited

- (c) Planning commission shall review the number of allowed adult use marihuana establishments at the one (1) year mark of implementation to re-evaluate and determine if the number allowed needs to be

adjusted. From that point on, every three (3) years, city council shall review the maximum number of each type of marihuana establishment allowed and determine whether this maximum number should be changed. The review and its findings shall be recorded in the minutes of the relevant meeting of the city council.

- (d) A nonrefundable fee shall be paid by each marihuana establishment licensed under this chapter in an annual amount as set by resolution of the city council.
- (e) Not more than a total of four (4) marihuana retailers may be authorized in the city, so long as the total combined number of single locations of marihuana retailers authorized under this chapter and marihuana provisioning centers authorized under the city's medical marihuana facilities ordinance does not exceed four (4) such authorized locations. By way of example, if three (3) marihuana provisioning centers under the medical marihuana facilities ordinance have been authorized at three (3) separate locations within the city, then only one (1) marihuana retailer may be authorized at a fourth separate location under this chapter. However, up to three (3) additional marihuana retailers could be authorized under this chapter, so long as they were co-located with the existing marihuana provisioning centers already authorized. Similarly, if four (4) marihuana provisioning centers have already been authorized under the medical marihuana facilities ordinance at four (4) separate locations, then no marihuana retailers may be authorized under this chapter unless they are co-located with the existing marihuana provisioning centers.
- (f) All adult use marihuana establishments as permitted by this chapter, shall be subject to the same zoning restrictions as the medical marihuana facilities as set forth in chapter 38 "zoning" of the City's Code of Ordinances. Specifically:
  - (1) Adult use marihuana growers **and excess marihuana growers** shall be subject to the same zoning restrictions and requirements applicable to medical marihuana growers;
  - (2) Adult use marihuana processors shall be subject to the same zoning restrictions and requirements applicable to medical marihuana processors;
  - (3) Adult use marihuana retailers shall be subject to the same zoning restrictions and requirements applicable to medical marihuana provisioning centers;
  - (4) Adult use marihuana safety compliance facility shall be subject to the same zoning restrictions and requirements applicable to medical marihuana safety compliance facility;
  - (5) Adult use marihuana secure transporter shall be subject to the same zoning restrictions and requirements applicable to medical marihuana secure transporter.

SECTION 2. PUBLIC HEARING. A public hearing is set for Monday, October 18, 2021 at 7:30 p.m. for the purpose of hearing citizen comment regarding the proposed addition to the Code of Ordinances.

SECTION 3. EFFECTIVE DATE. This amendment shall become effective twenty days after passage.

SECTION 4. AVAILABILITY. This ordinance may be purchased or inspected in the city clerk's office, Monday through Friday between the hours of 9:00 a.m. and 5:00 p.m.