

Medical Marijuana Business Licensing

History of Columbia Medical Marijuana Ordinances

August 2, 2004:

- Sec. 16-255.1 - Prohibition on the arrest, prosecution, punishment or sanction of seriously ill adults who use marijuana for medicinal purposes
- Sec. 16-255.2 - Possession of less than 35 grams of marijuana declared to be low priority for law enforcement and prosecution

June 3, 2019:

- Sec. 29-1.11(a) - to include four Medical Marijuana (MMJ) Facility Types
- Sec. 29-3.2 - Permitted Use Table to allow:
 - Cultivation Facility (IG, A)*
 - Testing Facility (M-C, M-BP, IG)*
 - Dispensary Facility (M-C, M-DT, IG)*
 - Infused Products Manufacturer (M-BP, IG)*
- Sec. 29-3.3 – Use Specific Standards for MMJ

Section 29-3.3(qq) Use specific standards for MMJ Facilities

- **500 feet from existing public or private elementary or secondary school, child day care center, or church**
 - For a freestanding single-use facility
 - measurement will be from closest point of the property line; or
 - For a facility located within a multi tenant building or upon a property where multiple freestanding structures are located
 - measurement will be from closest point of the exterior wall of the tenant space or structure occupied by the use
 - If the applicant does not identify the tenant space, measurement shall be from the closest point of the exterior wall of the structure
- **Dispensary facilities limited to 1 per 20,000 population or fraction thereof**
 - US Census Bureau Population Estimates Program
 - 7 dispensary facilities allowed as of today
- Dispensary **hours of operation** limited to between 6:00 am and 10:00 pm

Section 29-3.3(qq) Use specific standards for MMJ Facilities (con't)

- All facilities must be within a **fully enclosed building**
 - No mobile structures
- **Visual integration** with surrounding structures required
 - No bars or cages on windows visible from exterior
- **No odor** perceptible outside the building
- **Secure disposal of waste** required
- Facility **signage, exterior site/security lighting** subject to DHSS regulations and City Code
- Must submit as part of business license process
 - **Security Plan,**
 - **Operations and Management Plan,** and
 - **Emergency Response Plan**
- Must have valid State and local license

DRAFT: Chapter 13 Article XIII- Medical Marijuana Business Licensing

DRAFT - Sec. 13-420- Definitions.

Medical Marijuana Activities. The cultivation, manufacturing, dispensing, selling, or testing of medical marijuana.

Primary Caregiver. An individual twenty-one (21) years of age or older who has significant responsibility for managing the well-being of a Qualifying Patient and who holds a Primary Caregiver identification card issued by DHSS.

Qualifying Patient. A Missouri resident diagnosed with at least one (1) qualifying medical condition in accordance with state law and holds a Qualifying Patient identification card issued by DHSS.

DRAFT - Sec. 13-421 - License—Required; term; renewal

- A license issued for a period of one (1) year
- Effective January 1

DRAFT - Sec. 13-422 - Qualifications of applicant

- Good moral character

Criminal record check

May seek a license even if an employee of licensee was convicted of a felony unrelated to MMJ Activities so long as any such employee is not directly responsible for the retail sale of medical marijuana

- Resident of Missouri for at least 1 year prior to application

DRAFT - Sec. 13-423 - Premises requirements

- Security Plan (must be approved by CPD)
- Operation and Management Plan (must be approved by Fire, Building and Site, and Utilities), and
- Emergency Response Plan (must be approved by Fire and CPD)

DRAFT - Sec. 13-424 (a) – Application (must be in writing and under oath)

- ☐ Name and birth place of the applicant
- ☐ Length of time the applicant has resided in Missouri, and the residential addresses of the applicant for the preceding five (5) years
- ☐ If application is made on behalf of a corporation, the date of incorporation, the state in which incorporated, the amount of paid in capital, the amount of authorized capital, and the number of shares held or percentage of the business owned by each officers, directors, and stockholders
- ☐ If application is made on behalf of a limited liability company, the date of formation, and the state in which formed
- ☐ Name and address of the individuals who will be actively engaged in control and management of the establishment
- ☐ Name and business address of applicant's employers for the five (5) years immediately prior to the application
- ☐ Whether the applicant has been convicted of a felony, and if so the date, court of conviction, and the specific crime
- ☐ Location, place, or premises for which a license is sought
- ☐ Zoning district in which the proposed location is located
- ☐ Class of license for which the application is made
- ☐ Whether applicant had a license for MMJ Activities suspended or revoked, or has been convicted of the violation of any local, state, or federal law applicable to MMJ Activities, or whether the applicant employs, or will employ in the business, any person with same
- ☐ The business ownership percentage for each individual, officers, directors, members, and managers
- ☐ Any further information reasonably required by the business services administrator

DRAFT - Sec. 13-424 - Application (con't)

- ☐ Proof of a valid and current license or certificate issued by the DHSS for each Medical Marijuana Facility type for which a license is sought.

May supplement application to provide this documentation upon issuance by the DHSS if they have not received their license by the close of the filing period

- ☐ **May** be accompanied by a State of Missouri or other equivalent government certification showing that the applicant is a

- Minority-owned Business Enterprise,
- Women-owned Business Enterprise,
- Service Disabled Veteran-owned Business Enterprise, or
- Veteran Owned Small Business, and
- any additional information showing ownership percentages for persons who are minority as defined under Section 37.013, RSMo., women, or veterans

- ☐ Payment of a processing fee in the amount of \$2,000.00 plus a fee to cover costs incurred in obtaining any required criminal record checks.

Application Renewal

- Renewal application submitted to the business services administrator no later than October 1
- Renewal processing fee of \$500.00
- Late charge for failure to submit renewal by October 1:

| | |
|---------------------------|----------|
| October 2 to October 31 | \$100.00 |
| November 1 to November 30 | \$200.00 |
| December 1 to December 31 | \$300.00 |
- **Any renewal application not submitted by December 31 shall result in automatic forfeiture of the license**

Approval process for MMJ-Infused Products Manufacturing Facility, Cultivation Facility, or Testing Facility

DRAFT - Sec. 13-426. - Standards for issuance of license

- ☐ Application form
- ☐ State License or certification
- ☐ The application contains proof of the applicant's right to occupy and use the premises in the manner proposed by the application
- ☐ The application, applicant, including each individual owner and manager, and proposed MMJ Facility comply with all of the requirements of this article, City Code, state law and rules promulgated by the DHSS
- ☐ Good moral character and are without a disqualifying felony offense as that term is defined by state law
- ☐ The proposed location of the Medical Marijuana Facility is permitted under Chapter 29

Approval Process and Additional Regulations for MMJ Dispensary Facilities

DRAFT - Sec. 13-427 - Limit on number of licenses for MMJ Dispensary Facilities

Limited to 1 per 20,000 population, or fraction thereof, as established by the most recent U.S. Census Bureau, Population Estimates Program (PEP)

DRAFT - Sec. 13-428 - Time period for Initial MMJ Dispensary license Applications

- The business services administrator will accept applications for the initial issuance of medical marijuana dispensary facility licenses under this article for a 2 week period beginning on October 1, 2019 and ending at 5:00 pm on October 15, 2019.
 - An applicant for consideration of issuance of an initial medical marijuana dispensary facility license issued by the city must submit a **complete** application during the identified two (2) week period
 - **Exception** - An applicant may supplement the application materials with a copy of the state license or certificate at a later date if not issued by October 15
 - Any application filed after the close of the initial application filing period will be based on availability of licenses and will only be processed after all of the applications filed during the initial application filing period have been either issued or denied
- The business services administrator shall review all applications within sixty (60) days after the close of the initial application filing period
 - **Exception** - In the event DHSS has not issued its medical marijuana dispensary license by December 1, 2019, the time period for the business services administrator to review such applications shall be extended to thirty (30) days following the last date a license is issued by DHSS

DRAFT - Sec. 13-430 - MMJ Dispensary licenses scoring criteria

1) Complete Application – 10 points

2) Disadvantaged Business Enterprise Points:

A government certified Minority Business Enterprise, Women Business Enterprise, Service Disabled Veteran Business Enterprise, or Veteran Owned Small Business – 5 points ++

- For every 10% ownership share above 50% held by an MBE, WBE, SDVBE or VOSM – add 1 additional point
- Maximum of 10 points for this criteria
- A single individual may not qualify for points under more than one qualifying criteria
- EXAMPLE: If an application has a woman veteran who owns 77% of the business, then that application will receive 7 bonus points

3) Geographical Dispersion Points:

2 miles or more from 701 East Broadway - 10 points

1 ½ miles or more from 701 East Broadway - 5 points

DRAFT - Sec. 13-430 - MMJ Dispensary licenses scoring criteria (con't)

4) Vested Community Interest Points:

“Local Owner” defined as an owner who has resided within the City of Columbia corporate limits for three (3) consecutive years immediately before the date of the application *AND* owns at least 10% of the business

For every 10% ownership share held by a local owner – 1 point

Maximum of 10 points for this criteria

EXAMPLE #1: If an application has three (3) total owners that include two (2) local owners and together the local owners own sixty-six percent (66%) of the business, then that application will receive 6 points

EXAMPLE #2: If an application has one local owner with 75% ownership interest and a second local owner with 5% ownership, the application will receive 7 points (the second owner did not meet the 10% ownership threshold to qualify as a “local owner” under the definition)

5) Cultural Competency Plan Points:

Inclusion of a plan that describes how the facility will ensure services are provided effectively to people of all cultures, races, ethnic backgrounds and religions - 10 points

DRAFT - Sec. 13-431 - Process to determine how MMJ Dispensary Facility licenses are issued

MMJ Dispensary Facility licenses shall be issued in the following order:

- 1) The business services administrator shall issue a maximum of 7 initial MMJ Dispensary Facility licenses based on the priority point system to the 7 initial applicants with the highest number of points
 - Initial Application Deadline of October 15
- 2) If one or more applicants have the same total points the business services administrator shall utilize the scores issued by DHSS to determine the priority rank for the applicants who have the same scores
- 3) If one or more applicants have the same total points after using both of the processes set forth above, then the business services administrator shall hold a random lottery between the remaining tied complete applications to award the remaining available licenses

Miscellaneous - Issuance of Temporary Conditional License

- Inspection of premises required prior to issuance of license
- Business services administrator may issue a temporary conditional license contingent upon the satisfaction of facility inspection
- A temporary conditional license does not authorize the applicant to operate a MMJ Facility

Miscellaneous - Appeal Process

- Establishes an appellate process for license denials, revocations, and suspensions
- Appeals go to a newly established Marijuana Facility License Review Board comprised of the following:
 - director of finance,
 - director of public health and human services, and
 - citizen member appointed by the city council to serve a three (3) year term
- Board decisions may be appealed to the Circuit Court

Miscellaneous - Penalty for Violation

- Any person convicted of violating any of the provisions of this article shall be deemed guilty of a misdemeanor, punishable by:
 - confinement not to exceed 30 days, and/or
 - payment of the following fines:
 - Individuals subject to a fine of not less than \$500.00 no more than \$1,000.00
 - Corporation or partnership subject to a fine not less than \$5,000.00 nor more than \$10,000.00
- The City is authorized to seek civil penalties of up to \$50,000.00
- Each day that a violation continues shall be deemed a separate violation

QUESTIONS?

DRAFT - Sec. 13-429 – Prerequisite standards for issuance of license for MMJ Dispensary Facility

The business services administrator determines that an application is complete by determining the following are met:

- ☐ The application including any required attachments and submissions is complete and signed by the applicant, and all plans are approved by the appropriate City Departments
- ☐ The applicant currently holds a valid Medical Marijuana Dispensary Facility license issued by the DHSS
- ☐ The applicant has paid the application fee and any other fees required
- ☐ The application does not contain any falsehood, material misstatement, or misrepresentation
- ☐ Copy of all materials submitted by the applicant to the DHSS as part of applicant's state Medical Marijuana Dispensary Facility license application
- ☐ The application includes all scores issued by the DHSS on applicant's state Medical Marijuana Dispensary Facility license application
- ☐ The application contains proof of the applicant's right to occupy and use the premises in the manner proposed by the application
- ☐ The applicant has good moral character and are without a disqualifying felony offense
- ☐ There are sufficient licenses remaining for issuance in accordance with Sec. 13-427 and Chapter 29
- ☐ The proposed location of the Medical Marijuana Facility is permitted under Chapter 29