

Date: May 10, 2023
To: Planning and Zoning Commission Members
From: Patrick R. Zenner, Development Services Manager
Re: UDC Text Change – Marijuana Micro-business Regulations

On November 8, 2022, Missouri voters approved Amendment 3, a ballot initiative that amends Article XIV of Missouri’s constitution to permit non-medical marijuana use for individuals over the age of 21. The effective date of the provisions of Amendment 3 was December 8, 2022. Amendment 3 makes amendments to Section 1 of Article XIV relating to medical marijuana and adds a new Section 2 relating to non-medical marijuana. Article XIV identifies four distinct facility types: medical facilities, comprehensive facilities, microbusiness facilities, and testing facilities.

During the Commission’s regular meeting of January 5, 2023, a public hearing was held that presented revised UDC text to address the impending changes to the City’s marijuana regulations relating to comprehensive facilities. The text changes revised/added definitions, modified the Permitted Use Table, and revised the “use-specific standards” to authorize comprehensive facilities but did not address microbusiness facilities).

The Missouri Department of Health and Senior Services (DHSS) recently announced that it will begin accepting applications for the first round of marijuana microbusiness licenses on July 27, 2023, which is earlier than constitutionally required (applications will be made available on June 6, 2023). The release of applications necessitates that the City’s regulatory structure be modified such that it can accommodate these new facility types and any requests for zoning verification relating to them precipitated by the licensure process. The Planning Division cannot issue “preliminary” or “final” compliance letters without proper authorization of the use within the UDC. The first round of licenses for microbusinesses are required to be issued on or before October 4, 2023.

Given the changed DHSS application acceptance date and the required processing time for a text change through the Commission and Council, this matter will need to be addressed during a Planning Commission public hearing on June 8, introduced to Council on June 20, and receive final reading on July 17. Final approval of this matter will be one Council meeting later than normal given that the July 3 Council meeting has been cancelled due the July 4 holiday. A delay in action on the proposed text changes will not afford the staff sufficient time to generate zoning verification letters, if necessary, prior to the July 27 opening date announced by DHSS to start accepting applications.

It should be noted that marijuana microbusiness facilities are broken down into two subclasses:

- Microbusiness dispensary facilities
- Microbusiness wholesale facilities (cultivate and manufacture)

A total of 18 microbusiness licenses will be issued per congressional district (as those districts were drawn on December 6, 2018), consisting of 6 microbusiness dispensary facilities and 12 microbusiness wholesale facilities. The approval of the 18 microbusiness licenses occurs in three separate groups, over a 2.5 year period, as follows:

- October 4, 2023 – First group of marijuana microbusiness facility licenses issued (2 dispensary, 4 wholesale).
- June 30, 2024 – Second group of marijuana microbusiness facility licenses issued (2 dispensary, 4 wholesale).
- April 4, 2025 – Final group of marijuana microbusiness facility licenses issued (2 dispensary, 4 wholesale).

In reviewing the necessary changes to accommodate these types of facilities into UDC, the proposed revisions are relatively simple. They will be almost identical to those made in January when the UDC was amended to incorporate comprehensive facilities. Amendments will include new definitions for the microbusiness facilities, updates to the Permitted Use Table to allow microbusiness facilities where their equivalent medical and comprehensive facilities are allowed, and updates to the use specific standards such that they are applicable to all types of marijuana facilities capable of being licensed within the State.

There was discussion on the potential for creating a new application procedure that would establish a different set of spacing limits for the new facility types. However, after internal staff discussion, it was concluded that the current application and evaluation criteria found within the existing use-specific standards are sufficient. Additionally, the slow release of licenses will afford the opportunity to adjust the regulations, if necessary. Finally, it should be understood that adjustments to Chapter 13 (Licenses, Permits and Miscellaneous Business Regulations) and Chapter 16 (Offenses and Miscellaneous Provisions) will be accompanying the proposed revisions to Chapter 29 under separate cover. These revisions will address marijuana-related matters covered within those chapter that have not been previously amended.

A copy of the proposed text changes to Chapter 29 is attached to this application.

Please let me know if you have questions.