PURPOSE:

This goal of this policy is to promote and encourage participation in the marihuana industry by people from communities that have been disproportionately impacted by marihuana prohibition and enforcement and to positively impact communities. This policy applies to all marihuana licenses. Current license holders will be required to abide by this policy upon renewal including the requirement to submit a social equity plan.

SCOPE:

This policy seeks to:

- Allow targeted focus on disproportionally impacted individuals and neighborhoods
- Reduce barriers to entering the marihuana industry specific to Kalamazoo residents
- Provide funding for the development and activities that support the Kalamazoo community in alignment with Shared Prosperity in Kalamazoo (SPK)

POLICY:

A. Fee reductions

The City marihuana business permit fee required of qualifying individuals and business entities is reduced as follows:

1) A 25% reduction in the City permit fee for a sole proprietor who is a resident, or a business entity composed of majority (51% or more) ownership by one or more persons who are residents, of City Census Tracts 1 (Eastside), 9, 10, (Edison), and/or 2.02, 3 (Northside) for 3 years prior to applying for a marihuana business permit.

2) A reduction in the City permit fee for one, but not both, of the following:

- A 25% reduction in the City permit fee for a City resident or group of City residents with a marihuana-related misdemeanor conviction that does not involve distribution of a controlled substance to a minor, who have 51% or more ownership interest in the business, and who has or have resided in the City for 3 years prior to applying for a marihuana business permit.

- A 40% reduction in the City permit fee for a City resident or group of City residents with a marihuana-related felony conviction that does not involve distribution of a controlled substance to a minor, who have 51% or more ownership interest in the business, and who has or have resided in the City for 3 years prior to applying for a marihuana business permit.
3) An additional 10% reduction in the City permit fee if a sole proprietor or a member of the business entity holding at least a 10% ownership interest in the business has been a registered primary caregiver for at least 2 years between 2008 and 2017.

B. Zoning Code Exceptions

1) A business entity operating as a marihuana retailer may locate 500 feet from another retailer in conformity with the City zoning code if:

- An applicant, or a majority (51% or more) of the applicant-owners is a City resident within City Census Tracts 1 (Eastside), 9, 10 (Edison), and/or 2.02, 3 (Northside) for the 3 years prior to applying for a marihuana business permit; or

- A City resident or group of City residents with a marihuana-related misdemeanor or felony conviction that does not involve delivery or distribution of a controlled substance to a minor and who has 51% or more ownership interest in the business

2) A business entity operating as a marihuana microbusiness may locate 250 feet from another microbusiness in conformity with the City zoning code if:

- An applicant, or a majority (51% or more) of the applicant-owners is a City resident within City Census Tracts 1 (Eastside), 9, 10 (Edison), and/or 2.02, 3 (Northside) for the past 3 years; or

- A City resident or group of City residents with a marihuana-related misdemeanor or felony conviction that does not involve delivery or distribution of a controlled substance to a minor and who has 51% or more ownership interest in the business

C. Community Impact

1) At least 25% of marihuana business fee and tax revenue received by the City will be set aside and used to support the following programs/initiatives:

a. Training to help educate people of color to prepare for ownership/operations of future marihuana establishments.

b. Provide community outreach and education on topics such as use of marihuana by pregnant women, the difference between state and federal laws concerning marihuana and adult use of marihuana in general.
Subject: Marihuana Social Equity Policy

Date: June 1, 2020

EFFECTIVE DATE: June 1, 2020

HISTORY:

This policy was initially adopted on May 18, 2020 by the City Commission in conjunction with zoning and licensing ordinances authorizing the establishment of adult-use marihuana businesses. The following day, the Michigan Marijuana Regulatory Agency announced changes to its Social Equity Program effective June 1, 2020. On June 1, 2020 the City Commission amended this policy to incorporate a 40% reduction in permit fees for a marihuana felony conviction not involving delivery or distribution to a minor.