

**BILL NO. 19-166**

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AN ORDINANCE AMENDING CHAPTER 28. TAXATION, ARTICLE II OF THE CODE OF ORDINANCES FOR THE CITY OF LEE’S SUMMIT, MISSOURI, BY CREATING DIVISION 8 – MEDICAL MARIJUANA FACILITIES; CITY OF LEE’S SUMMIT, APPLICANT.

WHEREAS, Chapter 28 of the City of Lee’s Summit (“City”) Code of Ordinances (“Code”) sets forth rules and regulations regarding taxation; and,

WHEREAS, Article II of Chapter 28 of the Code deals with rules and regulations pertaining to business licenses; and,

WHEREAS, the City Council desires to amend provisions of the City’s Code regarding City of Lee’s Summit business licenses creating a new class of business in order to comply with Article 14 of the Missouri Constitution dealing with medical marijuana facilities.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEE’S SUMMIT, MISSOURI, as shown on the attached copy, appended hereto and made a part hereof.

SECTION 1. Chapter 28. Taxation, Article II, is hereby amended in the manner shown on the copy appended hereto as Exhibit “A” and incorporated herein by reference.

SECTION 2. That it is the intention of the City Council and is hereby ordained that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances, and the sections of this Ordinance may be renumbered as appropriate to accomplish such intention.

SECTION 3. That this ordinance shall be in full force and effect from and after the date of its passage, adoption, and approval by the Mayor.

PASSED by the City Council of the City of Lee’s Summit, Missouri, this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

ATTEST: \_\_\_\_\_  
Mayor *William A. Baird*

\_\_\_\_\_  
City Clerk *Trisha Fowler Arcuri*

APPROVED by the Mayor of said city this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

ATTEST: \_\_\_\_\_  
Mayor *William A. Baird*

\_\_\_\_\_  
City Clerk *Trisha Fowler Arcuri*

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney *Brian W. Head*

EXHIBIT A

**Chapter 28 – TAXATION**

**Article II. – BUSINESS LICENSE TAXES**

**DIVISION 8 – MEDICAL MARIJUANA FACILITIES**

**Sec. 28-285. – Definitions.** The following words and terms as used in this Division 8 shall have the following meanings:

*Chief of Police* means the City’s Chief of Police or his or her designees.

*Department* means the Missouri Department of Health and Senior Services.

*Marijuana* shall have the meaning assigned to such term in Article 14, Section 1 of the Missouri Constitution, which is *Cannabis indica*, *Cannabis sativa*, and *Cannabis ruderalis*, hybrids of such species, and any other strains commonly understood within the scientific community to constitute marijuana, as well as resin extracted from the plant and marijuana-infused products. “Marijuana” or “marihuana” do not include industrial hemp containing a cropwide average tetrahydrocannabinol concentration that does not exceed three-tenths of one percent on a dry weight basis, or commodities or products manufactured from industrial hemp.

*Medical marijuana dispensary facility* shall have the meaning assigned to such term in Article 14, Section 1 of the Missouri Constitution, which is a facility licensed by the state to acquire, store, sell, transport, and deliver marijuana, marijuana-infused products, and drug paraphernalia used to administer marijuana to a qualifying patient, a primary caregiver, another medical marijuana dispensary facility, a medical marijuana testing facility, or a medical marijuana-infused products manufacturing facility.

*Medical marijuana cultivation facility* shall have the meaning assigned to such term in Article 14, Section 1 of the Missouri Constitution, which is a facility licensed by the state to acquire, cultivate, process, store, transport and deliver marijuana, marijuana-infused products, and drug paraphernalia used to administer marijuana to a qualifying patient, primary caregiver, another medical marijuana dispensary facility, a medical marijuana testing facility, or a medical marijuana infused products manufacturing facility.

*Medical marijuana-infused products manufacturing facility* shall have the meaning assigned to such term in Article 14, Section 1 of the Missouri Constitution, which is a facility licensed by the state to acquire, store, manufacture, transport, and sell marijuana-infused products to a medical marijuana dispensary facility, a medical marijuana testing facility, or to another medical marijuana-infused products manufacturing facility.

*Medical marijuana transportation facility* shall have the meaning assigned to such term in as set forth in Title 19, Division 30, Chapter 95, Section 95.010 of the Code of State Regulations (19 CSR 30-95.010), which is a facility certified by the department to transport marijuana to a qualifying patient, a primary caregiver, a primary caregiver, a medical marijuana cultivation facility, a medical marijuana-infused products manufacturing facility, a medical marijuana

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dispensary facility, a medical marijuana testing facility, or another medical marijuana-transportation facility

*Medical marijuana facility* shall mean a medical marijuana cultivation facility, medical marijuana dispensary facility, medical marijuana-infused products manufacturing facility and medical marijuana testing facility, medical marijuana transportation facility and any facility that contains one of these uses.

*Medical marijuana testing facility* shall have the meaning assigned to such term in Article 14, Section 1 of the Missouri Constitution, which is a facility certified by the department to acquire, test, certify, and transport marijuana.

### **Sec. 28-286. – Medical marijuana dispensary facility**

- A. It shall be unlawful for any person to operate or maintain a medical marijuana dispensary facility in the City of Lee's Summit without first obtaining a medical marijuana dispensary facility business license pursuant to this article. A complete application shall be submitted to the Director of Finance.
- B. *License.* An applicant for a medical marijuana dispensary facility business license must furnish the Director of Finance with the original medical marijuana dispensary facility business license issued to the applicant by the Department, and a fee as set forth in the City's Schedule of Fees and Charges for each medical marijuana dispensary facility.
- C. *Application review.* The Director of Finance shall obtain confirmation from the Department that the medical marijuana dispensary facility business license presented to the City by the applicant is not under suspension or revocation, and remains in good standing. Approval by the Director of Finance of a medical marijuana facility business license shall also be contingent on the following:
  1. *Location of facility.* The medical marijuana dispensary facility must be located in an appropriate zoning district and at a location that is allowed by the Unified Development Ordinance.
  2. *Compliance with State Retail Sales Tax Requirements.* All applicants with possession of a medical marijuana dispensary facility license as issued by the State are required to submit a statement from the Missouri Department of Revenue that the licensee owes no tax due under RSMo 144.010 to 144.510 or 143.191 to 143.261. The date of issuance on the statement shall not be more than ninety days before the date of submission of the application or renewal of the City license.
- D. *License Display.* The medical marijuana dispensary facility business license shall be displayed at all times by the licensee openly and conspicuously on the premises of the medical marijuana dispensary facility where sales take place.

### **Sec. 28-287. – Medical marijuana cultivation facility business license**

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- A. It shall be unlawful for any person to operate or maintain a medical marijuana cultivation facility in the City of Lee's Summit without first obtaining a medical marijuana cultivation facility business license pursuant to this article. A complete application shall be submitted to the Director of Finance.
- B. *License.* An applicant for a medical marijuana cultivation facility business license must furnish the Director of Finance with the original medical marijuana cultivation facility business license issued to the applicant by the Department, and a fee as set forth in the City's Schedule of Fees and Charges for each medical marijuana cultivation facility.
- C. *Application review.* The Director of Finance shall obtain confirmation from the Department that the medical marijuana cultivation facility business license presented by the applicant is not under suspension or revocation, and remains in good standing. Approval by the Director of Finance of a medical marijuana cultivation facility business license shall also be contingent on the following:
  - 1. *Location of facility.* The medical marijuana cultivation facility must be located in an appropriate zoning district and at a location that is allowed by the Unified Development Ordinance.
- D. *License Display.* The medical marijuana cultivation facility business license shall be displayed at all times by the licensee openly and conspicuously on the premises of the medical marijuana cultivation facility where the cultivation takes place.

### **Sec. 28-288. – Medical marijuana–infused products manufacturing facility**

- A. It shall be unlawful for any person to operate or maintain a medical marijuana-infused products manufacturing facility in the City of Lee's Summit without first obtaining a medical marijuana-infused products manufacturing facility business license pursuant to this article. A complete application shall be submitted to the Director of Finance.
- B. *License.* An applicant for a medical marijuana-infused products manufacturing facility business license must furnish the Director of Finance with the original medical marijuana-infused products manufacturing facility business license issued to the applicant by the Department, and a fee as set forth in the City's Schedule of Fees and Charges for each medical marijuana-infused products manufacturing facility.
- C. *Application review.* The Director of Finance shall obtain confirmation from the Department that the medical marijuana-infused products manufacturing facility business license presented by the applicant is not under suspension or revocation, and remains in good standing. Approval by the Director of Finance of a medical marijuana-infused products manufacturing facility business license shall also be contingent on the following:
  - 1. *Location of facility.* The medical marijuana-infused products manufacturing facility must be located in an appropriate zoning district and at a location that is allowed by the Unified Development Ordinance.
- D. *License Display.* The medical marijuana-infused products manufacturing facility business license shall be displayed at all times by the licensee openly and conspicuously on the premises

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of the medical marijuana-infused products manufacturing facility where the manufacturing is performed.

### **Sec. 28-289. – Medical marijuana testing facility**

- A. It shall be unlawful for any person to operate or maintain a medical marijuana testing facility in the City of Lee's Summit without first obtaining a medical marijuana testing facility business license pursuant to this article. A complete application shall be submitted to the Director of Finance.
- B. *License.* An applicant for a medical marijuana testing facility business license must furnish the Director of Finance with the original medical marijuana testing facility business license issued to the applicant by the Missouri Department of Health and Senior Services, and a fee as set forth in the City's Schedule of Fees and Charges for each medical marijuana testing facility.
- C. *Application review.* The Director of Finance shall obtain confirmation from the Missouri Department of Health and Senior Services that the medical marijuana testing facility business license presented by the applicant is not under suspension or revocation, and remains in good standing. Approval by the Director of Finance of a medical marijuana testing facility business license shall also be contingent on the following:
  - 1. *Location of facility.* The medical marijuana testing facility must be located in an appropriate zoning district and at a location that is allowed by the Unified Development Ordinance.
- D. *License Display.* The medical marijuana testing facility business license shall be displayed at all times by the licensee openly and conspicuously on the premises of the medical marijuana testing facility where the testing is performed.

### **Sec. 28-290. – Medical marijuana transportation facility**

- A. It shall be unlawful for any person to operate or maintain a medical marijuana transportation facility in the City of Lee's Summit without first obtaining a medical marijuana transportation facility business license pursuant to this article. A complete application shall be submitted to the Director of Finance.
- B. *License.* An applicant for a medical marijuana transportation facility business license must furnish the Director of Finance with the original medical marijuana transportation facility business license issued to the applicant by the Missouri Department of Health and Senior Services, and a fee as set forth in the City's Schedule of Fees and Charges for each medical marijuana transportation facility.
- C. *Application review.* The Director of Finance shall obtain confirmation from the Missouri Department of Health and Senior Services that the medical marijuana transportation facility business license presented by the applicant is not under suspension or revocation, and remains in good standing. Approval by the Director of Finance of a medical marijuana transportation facility business license shall also be contingent on the following:

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1. *Location of facility.* The medical marijuana testing facility must be located in an appropriate zoning district and at a location that is allowed by the Unified Development Ordinance.

D. *License Display.* The medical marijuana transportation facility business license shall be displayed at all times by the licensee openly and conspicuously on the premises of the medical marijuana transportation facility where the testing is performed.

### **Sec. 28-291. – No transfer of license.**

- A. A business license for a medical marijuana dispensary facility, medical marijuana cultivation facility, medical marijuana-infused products manufacturing facility, and medical marijuana testing facility are not transferable to any other person or entity and the authority granted by the license is conferred only at the location and for the person identified on such license.
- B. Fees paid and licenses obtained pursuant to this article shall be in addition to and not in lieu of any other fees or licenses required to be paid or obtained pursuant to this Code or any other ordinances of this City for the operation of the medical marijuana facility.

### **Sec. 28-292. – Inspections, immediate right of entry.**

- A. The Lee's Summit Police Department and/or the Health Officer may from time to time inspect a licensed medical marijuana facility to determine compliance with any provisions of this Article.
- B. It shall be unlawful for any person holding a license for any medical marijuana facility, or an employee of such licensee, to refuse an inspection officer's immediate access to the premises or to hinder such officer in any manner. A refusal or hindrance on the part of any license holder or employee shall be grounds for the immediate revocation or suspension of the business license for any medical marijuana facility.

**Sec. 28-293. – Suspension and revocation.** In addition to the provisions in Section 28-41 regarding the suspension or revocation of a business license by the City Council, the following additional regulations shall apply to the suspension or revocation of a business license for the operation of a medical marijuana facility.

- A. Action by the Director of Finance.
1. If the Director of Finance determines, during an inspection or otherwise, that a medical marijuana facility is not in compliance with the Department's regulations or the City's regulations regarding the operation, upkeep, maintenance and licensing of such facility, then the Director of Finance will issue an initial notice of violation to the license holder that explains how the license holder has violated the applicable regulations and what remedial actions the City expects the license holder to take to correct the violations.
  2. Once a license holder has been notified of violations, the license holder shall correct the violations within fifteen (15) days, and the Director of Finance will conduct a follow-up inspection within fifteen (15) to thirty (30) days to confirm the license holder has corrected the violations. The license holder shall notify the Director of

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Finance if the license holder believes that additional time is needed to correct the violations, which the Director of Finance may grant for good cause.

3. If the Director of Finance's follow-up inspection reveals the violations have not been corrected, the Director of Finance will issue a Final Notice of Violation to the license holder explaining how the license holder continues to violate the Department's or the City's regulations, what remedial actions the Director of Finance expects the facility to take, and notifying the license holder that the license or certification will be suspended if the specified remedial action is not taken and the violations corrected within thirty (30) days after issuance of the notice.
  4. If the violations have not been corrected thirty (30) days after a Final Notice of Violation was sent, the license holder's license or certification will be suspended, the facility will be required to cease operations, and the license holder must sign a corrective action plan designed to bring the facility into compliance.
  5. If the license holder thereafter fails to complete the corrective action plan in the required time, then the Director of Finance may revoke the business license and the operations at the medical marijuana facility shall permanently cease.
  6. A license holder may appeal the decision to revoke a business license by filing with the City Clerk a notice of appeal within thirty (30) days after the date that the Director of Finance issued the order to revoke the business license.
- B. Upon receipt of a complaint against a medical marijuana facility, the Director of Finance will determine whether an inspection is warranted to investigate the allegations in the complaint, and, if so, the Director of Finance will, at the time of inspection, provide the license holder with a copy of the complaint and an opportunity to respond to the complaint. Employees of a medical marijuana facility who report potential violations at a facility to the Director of Finance shall not be subjected to retaliation of any kind, including termination, because of their report.
- C. If, at any time, the Director of Finance or the Chief of Police determines that a facility presents an immediate and serious threat to the health, safety or welfare of the public or of the employees at the facility or an immediate threat to life, property or the preservation of peace, the Director of Finance or the Chief or Police may order the facility to immediately suspend all or a part of its operations for up to ten (10) days or for such longer period as deemed necessary to address the issue and eliminate the threat.
- D. If the state license associated with any medical marijuana facility is revoked for any reason, the business license granted pursuant to this Chapter shall be deemed to be automatically revoked at the time that the state license is revoked, unless the Director of Finance finds that such business license should not be revoked for any reason that he or she shall set forth in writing.

### **Sec. 28-294. – Renewal of licenses.**

- A. A business license for a medical marijuana facility must be obtained annually. The first license shall be effective upon approval. Renewal notices will be mailed by the Director of Finance at least two months prior to expiration of the current license to the licensee at the address

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appearing on the licensee's most recent application, or the most recent address the licensee has provided to the Director of Finance.

- B. Renewal applications must be received by the Director of Finance no later than thirty (30) days prior to expiration of the current license. Applications to renew a business license for a medical marijuana facility shall satisfy the requirements of an original application and, in the case of an application to renew a business license, be accompanied by confirmation from the Department that the State certificate or license presented by the applicant is not under suspension or revocation and remains in good standing.
- C. If any renewal application contains information that, in the Director of Finance's opinion, does not warrant renewal, or if other information known to the Director of Finance indicates that renewal is not allowed pursuant to all applicable State and City regulations, then the Director of Finance shall notify the applicant in writing, mailed by United States mail within ten (10) days after receipt of the renewal application. Notice of such denial will be mailed to the applicant at the address on the renewal application. After receipt of such denial, the applicant may contact the Director of Finance within fifteen (15) days from the date that the notice was mailed and request a public hearing before City Council. Upon receipt of such notice, the Director of Finance shall schedule the hearing and City Council shall decide the matter.
- D. If a licensee fails to obtain renewal in the manner required and within the time limits prescribed by this Division, then the business license shall expire at midnight on the day before the end of the current license term.

### **Sec. 28-295 – Persons under age eighteen (18).**

- A. No person shall permit any person under the age of eighteen (18) years to come or remain on the premises of a medical marijuana facility, except as expressly allowed pursuant to state law or state regulation.