ORDINANCE NO. 2025-0-02 (Amended 01-14-2025), Amended (01-28-2025)

AN ORDINANCE ENACTING CHAPTER 882 - CANNABIS / MARIJUANA LICENSURE

WHEREAS, the City has amended its Zoning Code to allow one Cannabis Dispensary in the City and Council determines that it is necessary that in addition to the Zoning regulations, it is also necessary to regulate the business operations of the establishment by requiring any such business to obtain a license from the City pursuant to this Chapter of the Codified Ordinances.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Mentor-on-the-Lake, County of Lake and State of Ohio, as follows:

Section 1. That Chapter 882 is enacted and as enacted reads as follows:

CHAPTER 882 - CANNABIS / MARIJUANA LICENSURE

- 882.01 Title, purpose and objectives.
 882.02 Construction, separability and applicability of chapter.
 882.03 Definitions.
 882.04 Marijuana business license required.
 882.05 Authority of Safety Director.
- 882.06 Nature of licenses.
- 882.07 Procedure for obtaining license.
- 882.08 Denial of marijuana business license.
- 882.09 License expiration, suspension or revocation.
- 882.10 License fees.
- 882.11 Operational requirements for marijuana dispensaries.
- 882.99 Penalty.

882.01 TITLE, PURPOSE AND OBJECTIVES.

- (a) $\underline{\text{Title}}$. This chapter shall be known as Cannabis / Marijuana Licensure.
- (b) <u>Purpose</u>. The purpose of this chapter is to establish standards for licensing, regulation and control of cannabis and/or marijuana businesses and adult use consumer cannabis and/or marijuana business, also known as recreational marijuana businesses, and dual use marijuana businesses and the

premises upon which they are located and operated for the cultivation and processing and dispensing of cannabis and/or marijuana as permitted by Ohio law. The objectives of this chapter are to prevent safety and fire hazards, disturbances, odors, disruption, theft of property, and other such nuisances or dangers within the City. The purpose of this Chapter is also to exercise the authority of the City of Mentor on the Lake to allow marijuana businesses in accordance with applicable state law and regulations.

(c) <u>Authority</u>. The City Council hereby declares that this chapter shall be deemed an exercise of the police powers of the City Council of Mentor on the Lake, Ohio, for furtherance and protection of the health, safety, and general welfare of the citizens of Mentor on the Lake.

882.02 CONSTRUCTION, SEPARABILITY AND APPLICABILITY OF CHAPTER.

- (a) <u>Construction</u>. This chapter shall be liberally construed and applied to promote its purpose and objectives.
- (b) Severability. If any provision of this chapter, or the application thereof to any person or circumstances, is held invalid or unconstitutional by any court of competent jurisdiction, such provision shall be deemed a separate, distinct and independent provision, and neither the remainder of this chapter nor the application of such provision to other persons or circumstances shall be affected thereby.
- (c) Except as otherwise specifically provided herein, this Chapter incorporates the requirements and procedures set forth in the state law and regulations for Ohio and adult use cannabis businesses, as the case may be. In the event of any conflict between the provisions of this chapter and the provisions of any other applicable state or local law or regulation, the more restrictive provision shall control. Medical Marijuana is separately licensed under Chapter 880 of the Codified Ordinances.

882.03 DEFINITIONS.

Unless otherwise defined herein, the terms in this chapter shall have the same meaning as set forth in R.C. § 3780.01, and any rules promulgated pursuant thereto. The words and phrases which are defined in Chapter 3780 of the Revised Code, shall have the meanings respectively assigned to them in

Chapter 3780 of the Revised Code. The following words which are not defined in Chapter 3780, or which are additionally defined herein, are defined as follows:

- (a) "Applicant" means the business entity applying for licensure per this chapter.
- (b) "Board of Zoning Appeals" means the City Board of Zoning Appeals.
- (c) "License" means a license or registration granted pursuant to this chapter.
- (d) "Licensed premises" means the building or portion thereof specified in an application for licensure under this chapter and used for conducting the operation of a cannabis dispensary business. The licensed premises shall be owned or in possession of the licensee.
- (e) "Licensee" means the person or persons to whom a license is issued pursuant to this chapter.
- (f) "Cannabis" or "marijuana" means marihuana as defined in section 3719.01 of the Revised Code.
- (g) "Marijuana" means marijuana that is cultivated, processed, dispensed, tested, possessed, or used for a purpose.
- (h) "Cannabis or Marijuana business" means any individual premises upon which any activity to dispense marijuana or marijuana products whether or not such premises have other business purposes of any nature whatsoever.
- (i) "Operator" means the person or persons having authority to control the licensed premises of a cannabis or marijuana dispensary business as authorized by the State Licensing Authority.
- (j) "Owner" means any person who possesses a pecuniary interest, either directly or indirectly, of twenty-five percent or more in a cannabis or marijuana business.
- (k) "Person" means any natural person, firm, partnership, association, corporation or any other form of business organization.
 - (1) "Safety Director" means the City Safety Director.
- (m) "School" means any educational institution, public, private, secular or parochial, which offers instruction of high school grade or lower.

882.04 CANNABIS OR MARIJUANA BUSINESS LICENSE REQUIRED.

No person shall conduct a cannabis or marijuana business in the City without having first obtained a license therefore as provided in this chapter, which license shall be designated as a Cannabis or marijuana dispensary license.

882.05 AUTHORITY OF SAFETY DIRECTOR.

- (a) Authority is hereby established and vested in the Safety Director or his/her designee to act as the local licensing authority for cannabis or marijuana businesses, consider the applications for licenses under this chapter, conduct investigations thereon and issue, suspend, revoke, fine, restrict or deny issuance of such licenses based upon the criteria set forth in this chapter.
- (b) Nothing in this chapter shall be construed to limit a law enforcement agency's ability to investigate unlawful activity in relation to a license issued pursuant to this chapter.
- (c) The local licensing authority is authorized to issue a cannabis or marijuana business license subject to the provisions and restrictions provided in this chapter.

882.06 NATURE OF LICENSE.

- (a) <u>All Licenses</u>. All licenses issued under this chapter shall have the following characteristics:
- (1) Each such license shall be an annual license which covers a period from the date of issuance for one year unless earlier suspended or revoked;
- (2) Each such license shall vest a personal privilege but not any property rights in the licensee;
- (3) Each such license shall be required to be displayed permanently in a conspicuous place upon the premise for which it is issued;
- (4) Each such license shall be in the name of the applicant;
- (5) Each such license shall be neither assignable nor transferable, either as a person or location; and
- (6) Each such license, if lost, destroyed or mutilated, upon application within thirty days thereof may be replaced by a replacement license issued by the Safety Director bearing the word "Replacement" across its face and bearing the same license number as the license which it replaces.
- (b) <u>Marijuana Dispensary Licenses</u>. The cannabis marijuana dispensary license shall permit the holders thereof to conduct any activities permitted to a dispensary under state law.

882.07 PROCEDURE FOR OBTAINING LICENSES.

- (a) Applications for Licenses. All applications for licenses under this chapter shall be in writing on a form approved by and filed with the Safety Director. The application shall be signed by the owner or owners and shall contain information required by this section supplied in detail as to each such person, including general and limited partners, or partnerships, shareholders of corporations and principals of any other type of business entity. In the event that no person owns twenty-five percent or more of marijuana business, such application shall be signed by an authorized representative of the business. Every owner and operator of the business shall be fingerprinted by the Mentor on the Lake Police Department and said persons shall pay for the costs associated with obtaining said fingerprints.
- (b) <u>Contents of Applications</u>. The application shall contain the following information:
 - (1) For each individual owner:
- A. True name and all other names used in the past five years;
 - B. Date of birth;
- C. Permanent home address and all other home addresses used in the past five years;
 - D. Business and home telephone numbers;
 - E. Employment history for the past five years;
- F. A statement as to whether or not the owner has been convicted of any crime other than traffic offenses and, if convicted, the date and court of conviction, the specific crime convicted of, and the penalty imposed;
- G. A statement as to whether or not the owner has ever had ownership interest in a cannabis or marijuana business, and, if so, the specific location of the business and the dates of such operation;
- H. A statement as to whether or not the owner has been denied an application for a cannabis or marijuana business license in any jurisdiction or has had such license suspended or revoked.
- (2) A description of the nature and operation of the main type of business activity to be conducted upon the premises including a description of the products and the services to be provided by the cannabis or marijuana business;
- (3) A description of the nature and operation of any other business to be conducted in conjunction with the cannabis or marijuana business, and the anticipated percentage of gross revenue to be derived from each respective business;

- (4) The address and telephone number of the premises and the business, if different from the premises;
- (5) The name under which the business and premises will be operated and verification of trade name filed with the Secretary of State;
- (6) A statement as to whether or not the owner will directly operate the cannabis or marijuana business, or whether an operator who is not an owner will operate it, and if the latter, the application shall contain information required by this section supplied in detail as to each such operator;
- (7) A floor plan of the premises and the immediate vicinity drawn to scale, showing the square footage, interior dimensions, plans and specifications for the interior of the building, and layout for the business. Layout shall include, but is not limited to restricted access areas, principal uses for each floor area, areas of ingress and egress, and all security cameras;
- (8) A map showing any school, church, public library, public playground, or public parks within a radius of 500 feet of the premises;
- (9) The name, address and telephone number of the agent of the business upon whom service of process can effectively and validly be made;
- (10) A security plan that the business intends to install, employ and operate to meet all requirements of the state law and administrative code provisions including policies and procedures to ensure a secure, safe facility to prevent theft, loss, or diversion and protection of facility personnel;
- (11) A delivery and transportation plan detailing the method and explanation of delivery and transportation and shipping services to the location in compliance with the Ohio Cannabis / Marijuana Program, which plan shall include the names and registration numbers of the licensed employees transporting cannabis or marijuana or cannabis or marijuana products and proof of compliance state law requirements;
- (12) A copy of the title or lease to the premises and verification that all activities at the proposed licensed premises are permitted under the Mentor on the Lake Planning and Zoning Code;
- (13) A copy of the articles of incorporation, if the owner is a corporation;
- (14) A copy of the operating agreement, if the owner is a limited liability company;
- (15) A copy of the partnership agreement, if the owner is a partnership;

- (16) Specification of the days of the week and the hours of the day during which the licensed activity will be conducted;
- (17) Statement that the information contained therein is complete, accurate and truthful to the best knowledge of all applicants; and
- (18) Any other information which the Safety Director may deem reasonably necessary for the full interest of the public in the application.
- (c) Report of the Planning Commission. Upon receipt of an application for a license under this chapter, the Safety Director shall refer the application to the Planning Commission for hearing. The Planning Commission shall make specific findings on their record, and issue a written report to the Safety Director within ten days of the hearing which contains the following information:
- (1) Whether the licensed activity will not be materially detrimental to the public welfare, health, safety or morals, or alter the essential character of the locality;
- (2) Evidence that the premises and cannabis / marijuana business thereon will create a fire, police or safety hazard;
- (3) Whether any owners and operators have any convictions for any felony or for any misdemeanor involving physical violence, gambling activity, controlled substances, minors or any crime involving moral turpitude; and
- (4) Whether the location proposed for licensing complies with any and all zoning and land use laws of the City and any and all restrictions on cannabis / marijuana businesses as set forth in this chapter.
- (d) <u>Determination Process</u>. The process to issue a marijuana license subsequent to the public hearing and the issuance of the report of the Planning Commission as set forth in this section shall proceed as follows:
- (1) <u>Safety Director</u>. The Safety Director shall, within ten days of the receipt of the written report to either issue such license or deny such license. The Safety Director has authority to refuse to issue any license for good cause, subject to judicial review;
- (2) Appeal to Board of Zoning Appeals. In the event of the denial of the issuance of a license, the applicant shall be notified of such denial, and the specific reasons therefore,

in writing. Such notice shall be mailed or delivered to the applicant at the address specified in the application. The applicant shall have ten days after receipt of such notice to appeal such denial, by filing a written notice of appeal and the fee associated therewith with the Board of Zoning Appeals. Thereafter, the applicant shall have not less than ten days' notice of the date, time and place of the hearing. The appeal shall be heard by the Board of Zoning Appeals, which, after hearing, shall recommend to City Council whether to confirm or deny the determination made by the Safety Director. The Board of Zoning Appeals shall, at its discretion, recommend to City Council whether to issue a conditional or probationary license;

- (3) <u>City Council</u>. After a recommendation by the Board of Zoning Appeals, the Mentor on the Lake City Council shall either adopt or reject the recommendation of the Board of Zoning Appeals;
- (4) Appeal to court. The decision of Mentor on the Lake City Council may be appealed to a court of competent jurisdiction pursuant to R.C. Chapter 2506.
- Authority. Each marijuana business license shall be approved only conditionally upon approval by the appropriate state licensing authority. Until such time as the appropriate state licensing authority has granted a certificate of occupancy to the marijuana business, the license granted pursuant to this chapter shall be considered a conditional license.
- (f) <u>License Renewal</u>. Each marijuana business license must be annually renewed. At the time of renewal, a statement shall be filed with the Safety Director that the information listed on the original application for the license is still complete, accurate and truthful to the best knowledge of all applicants, or a statement shall be filed with the Safety Director listing each and every item of information which has changed since the original application. The Safety Director shall determine whether to accept such statement and issue the license requested, or he or she may determine to enforce the procedure required for an original license. The Local Licensing Authority may deny the renewal of a license for good cause.

882.08 DENIAL OF MARIJUANA BUSINESS LICENSE.

No marijuana business license shall be issued or renewed for any business or premises where any of the following facts or circumstances exist:

- (a) The applicant has been found guilty of any offense set forth in R.C. Chapters 2925, 3719, or 4729, the violation of which constitutes a felony or misdemeanor of the first degree.
- (b) The applicant has been found guilty of any theft offense set forth under division (K) in R.C. § 2913.01, the violation of which constitutes a felony.
- (c) The applicant has been found guilty of any violation for which a penalty was imposed under R.C. § 3715.99.
- (d) The applicant has been found guilty of a crime of moral turpitude as defined in R.C. \$ 4776.10.
- (e) A violation of any former law of this state, any existing or former law of another state, any existing or former law applicable in a military court or Indian tribal court, or any existing or former law of any nation other than the United Sates that is or was substantially equivalent to any of the offenses listed in divisions (a) through (d) of this section.

Any first-degree misdemeanor offense listed in divisions (a) through (e) of this section will not automatically disqualify an applicant from licensure if the applicant was convicted of or pleaded guilty to the offense more than five years before the date the application for licensure is filed. Notwithstanding anything to the contrary in this section, no misdemeanor offense, including misdemeanors of the first degree, related to marijuana possession, marijuana trafficking, illegal cultivation of marijuana, illegal use or possession of drug paraphernalia or marijuana drug paraphernalia, or other marijuana related crimes shall be considered a disqualifying offense.

- (f) The premises do not have adequate security installed, employed and operated to address any and all safety concerns of the Safety Director.
- (g) The premises are located within 500 feet of any school, church, public library, public playground, or public park.

- (h) The premises or operation thereof would be in violation of any provision of the Building Code, Zoning Code, Fire Code of the City or any other pertinent provisions of local, state or federal law.
- (i) The applicant made a false statement or misrepresentation as to a material matter upon the application or in a hearing concerning the license.
- (j) The application failed to provide all of the required information.
- (k) The applicant has failed to demonstrate compliance with this chapter and all other applicable state and local ordinances and statutes

882.09 LICENSE EXPIRATION, SUSPENSION OR REVOCATION.

- (a) Expiration. Any marijuana business license issued under this chapter shall expire upon the transfer or sale of a majority interest in the business, or the discontinuation of the business for a continuous period of thirty days. Any marijuana business license issued under this chapter shall expire upon the transfer or sale of such business.
- (b) <u>Suspension and Revocation</u>. All licenses issued under this chapter shall be suspended or revoked upon recommendation of the Board of Zoning Appeals upon its finding of the occurrence of any of the following events:
- (1) A false statement by any licensee as to a material matter made in an application for license or in a hearing concerning the license;
- (2) Conviction of any licensee for any crime referenced in Section 882.08.
- (c) <u>Hearing</u>. The suspension or revocation of any license under this chapter shall not occur without a hearing. The licensee shall be given at least ten days written notice of the intent to suspend or revoke said license, which shall set forth the date, time and place of the hearing and the specific reasons for such suspension or revocation. The licensee shall have the right at that hearing to present testimony and other relevant evidence and to orally examine any person offering evidence as to the reasons for suspension or revocation.

- (d) <u>Review by Council</u>. The recommendation of the Board of Zoning Appeals shall be forwarded to City Council who shall either approve or deny the recommendation of the Board of Zoning Appeal pursuant to the provisions of the Codified Ordinances of the City of Mentor on the Lake.
- (e) <u>Appeal</u>. The decision of City Council may be appealed to a court of competent jurisdiction under R.C. Chapter 2506.

882.10 OPERATIONAL REQUIREMENTS FOR CANNABIS OR MARIJUANA DISPENSARIES.

- (a) Drive-in or drive-through sales shall not be permitted.
- (b) A cannabis or marijuana dispensary must use a commercial-grade filtration system to mitigate the impact of odor at the premises.
- (c) A cannabis or marijuana dispensary shall post, in a visible location at its premises, contact information for local drug abuse treatment centers, and shall make available to customers upon request educational materials regarding the hazards of substance abuse.
- (d) The interior and exterior of a cannabis or marijuana dispensary shall be designed, constructed and maintained in a manner consistent with its purposes as dispensing a substance to address a condition. The interior and exterior shall never be maintained to appear or encourage illicit cannabis or marijuana use and shall otherwise comply with the following regulations:
 - (1) There shall be no tinted or darkened windows on the cannabis or marijuana dispensary.
 - (2) There shall be no moving, flashing or strobing signage or lighting in the interior or exterior of the cannabis or marijuana facility.
 - (3) There shall be no loitering permitted at or near the entrance to the cannabis or marijuana dispensary.
 - (4) Only one cannabis or marijuana dispensary shall be allowed as a permitted use within the Business II Zoning District.
- (e) The number and location of off-street non-public parking spaces for the premises, which number shall

not be less than one space for every 100 square feet of gross floor space.

882.99 PENALTY.

Unless otherwise provided herein, whoever violates any of the provisions of this chapter is guilty of a misdemeanor of the first degree. A separate offense shall be deemed to have been committed each day during or on which a violation occurs or continues.

Section 2. That all formal actions of this Council concerning the passage of this Ordinance were adopted in an open meeting, and that all deliberations of this Council, or any of its Committees, which resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

WHEREFORE, this Ordinance shall be in full force and effect as provided by law upon its passage by Council and approval by the Mayor.

ROBERT JOHNSON

PRESIDENT OF COUNCIL

DAVID R. EVA

MAYOR

Dated: 3-11-2025

ADOPTED: 3-11-2025

Clerk of Council