

**ORDINANCE NO. 14-2024**

**AN ORDINANCE PERMITTING THE SALE OF MEDICAL CANNABIS AND THE OPERATION OF MEDICAL CANNABIS BUSINESSES WITHIN THE CITY OF FLATWOODS, KENTUCKY, PURSUANT TO THE AUTHORITY GRANTED IN KRS 218B.090 AND 218B.130; AND OTHER MATTERS**

WHEREAS, on April 15, 2024, the Kentucky General Assembly adopted House Bill 829, which was signed into law by the Governor on April 17, 2024, amending KRS 218B, the Kentucky law permitting medical cannabis; and

WHEREAS, the medical cannabis statutes provide that local governments have the option of allowing or not allowing the sale of medical cannabis and operation of medical cannabis businesses within their jurisdictions, or submitting the question to voters; and

WHEREAS, City of Flatwoods, Kentucky enacted an ordinance prohibiting the sale of medical cannabis and operation of medical cannabis businesses within its jurisdiction; and

WHEREAS, KRS 218b.130(3)(a) authorizes local governments to permit the sale of medical cannabis and operation of medical cannabis businesses within their territories through the passage of an ordinance when the county that local government is located within prohibits all medical cannabis sales and operations; and

WHEREAS, the City of Flatwoods has decided to utilize the authority of KRS 218B.090 and 218B.130 to allow the sale of medical cannabis and operation of medical cannabis businesses within the City of Flatwoods, Kentucky.

**NOW THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF CITY OF FLATWOODS, GREENUP COUNTY, KENTUCKY, AS FOLLOWS:**

**SECTION 1. MEDICAL CANNABIS.**

The definitions within KRS 218B.010 are hereby adopted and incorporated by reference as if fully rewritten herein.

**SECTION 2. SALE OF MEDICAL CANNABIS AND OPERATION OF ALL MEDICAL CANNABIS BUSINESSES PERMITTED.**

The sale of medical cannabis to a registered qualified patient and the operation of all medical cannabis businesses permitted by Kentucky law are permitted within the city limits of Flatwoods, Kentucky.

The zoning districts where the operation of a dispensary offering for sale of medical cannabis directly to registered qualified patients is a permitted use under the Flatwoods Zoning Ordinance shall be highway commercial, highway commercial inclusive, and central commercial.

The operation of a medical cannabis cultivator business is permitted in highway commercial, highway commercial inclusive, and central commercial.

The operation of a medical cannabis processor business is permitted in highway commercial, highway commercial inclusive, and central commercial.

The operation of a medical cannabis safety compliance facility business is permitted in highway commercial, highway commercial inclusive, and central commercial.

The operation of a medical cannabis producer business is permitted in highway commercial, highway commercial inclusive, and central commercial.

### **SECTION 3.**

A. A cannabis business operating within the city limits of Flatwoods will have a business license and pay an annual nonrefundable fee to help defray administrative and enforcement costs.

1. Initial fees:

- Cultivator I: \$500.00
- Cultivator II: \$500.00
- Cultivator III: \$500.00
- Cultivator IV: \$500.00
- Processor: \$500.00
- Cultivator/Producer: \$500.00
- Dispensary: \$500.00
- Safety Compliance Facility: \$500.00

B. Licensed cannabis businesses will collect a five percent (5%) regulatory fee on the sale of cannabis products, remitted to the City of Flatwoods by the twentieth (20th) day of the month for the preceding month.

C. The City Council of Flatwoods will review these fees at least once every three (3) years to determine if a new fee schedule should be enacted.

#### **SECTION 4 - Business License Requirements**

- A. No person or entity will operate a cannabis business within the City of Flatwoods without a valid business license issued by the City pursuant to the provisions of this ordinance.
- B. Every applicant for a business license to operate a cannabis business will file an application with the Office of the City Clerk.
- C. Every applicant for a business license to operate a cannabis business will submit with the application a photocopy of the applicant's valid and current license issued by the Commonwealth of Kentucky in accordance with the Kentucky Medical Cannabis Program.
- D. Upon an applicant's completion of the above-provided form and furnishing of all required information and documentation, the City Clerk or their designee will accept the application and assign it a business license number. This business license will be considered a provisional license.
- E. A provisional license means only that the applicant has submitted a valid application for a business license, and the applicant will not locate or operate a cannabis business without obtaining all other permits and approvals required by all other applicable ordinances and regulations of the City of Flatwoods. A provisional license will lapse and be void if such permits and approvals are not completed within one hundred and eighty (180) days of the issuance of the provisional license.
- F. Within fourteen (14) days from the applicant submitting proof of obtaining all other required permits and approvals and payment of the license fee, the City Clerk or their designee will approve a business license allowing the cannabis business to operate within the city limits of Flatwoods.
- G. Maintaining a valid cannabis business license issued by the Commonwealth of Kentucky is a condition for the issuance and maintenance of a cannabis business license under this ordinance and continued operation of any cannabis business.
- H. A business license to operate a cannabis business issued under this ordinance is not transferable.

#### **SECTION 5 - License Renewal**

- A. A business license to operate a cannabis business will be valid for one year from July 1st until June 30th, unless revoked as provided by law.
1. Business licenses for a cannabis business obtained after July 1st will be valid until June 30th of the following year. The fee for this business license will be prorated.
- B. A valid business license to operate a cannabis business may be renewed on an annual basis by submitting a renewal application upon a form provided by the City of Flatwoods and payment of the annual fee.
1. This business license will be valid from July 1st of each year to June 30th of the following year.

C. Application to renew a business license to operate a cannabis business will be filed at least thirty (30) days prior to the date of its expiration.

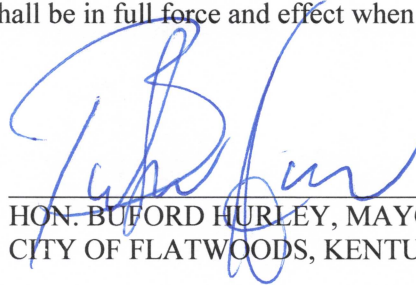
**SECTION 6 – RESTRICTED LOCATIONS**

1. In addition to the State Law on restricted locations, the City of Flatwoods requires.
  - a. A cannabis business shall not be located within (500) feet of a recreational facility or property (playground, park, sports complex, pool or water attraction) used by youth.
  - b. A cannabis business shall not be located within (200) feet of a Church or house of Worship.

**SECTION 7.** All Ordinances or parts of Ordinances in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict.

**SECTION 8:** This Ordinance may be published in summary pursuant to KRS 183A.060(9).

**SECTION 9:** This Ordinance shall be in full force and effect when passed and published according to law.



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HON. BUFORD HURLEY, MAYOR  
CITY OF FLATWOODS, KENTUCKY

ATTEST:

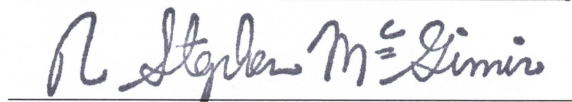


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CITY CLERK-TREASURER

FIRST READING: 8/6/2024

SECOND READING: 8/22/2024



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PREPARED BY:

CITY ATTORNEY, R. STEPHEN MCGINNIS