

ORDINANCE NO. 2024 – 08

AN ORDINANCE RELATING TO THE ALLOWANCE OF CANNABIS BUSINESS OPERATIONS IN THE CITY OF RACELAND, KENTUCKY

WHEREAS, on April 15, 2024, the Kentucky General Assembly passed 2024 House Bill 829, signed into law by Governor Andy Beshear on April 17, 2024, that amends KRS Chapter 218B, which codifies the statutes governing the Kentucky Medical Cannabis Program;

WHEREAS, KRS 218B.090 and 218B.130 authorize local governments to prohibit cannabis business operations within their territory through the passage of an ordinance;

WHEREAS, KRS 218B.130 also authorizes the legislative body of a city located within a county, consolidated local government, charter county government, or unified local government that has prohibited all cannabis business operations to approve cannabis business operations within the city through the passage of an ordinance;

WHEREAS, the City of Raceland, Kentucky, wishes to utilize the authority granted to it by KRS 218B.130 to allow cannabis business operations within Raceland.

NOW, THEREFORE, BE IT ORDAINED by the City Council of Raceland, Kentucky:

SECTION 1 - General Provisions

(A) Each section is enacted separately and will continue in force even if another section is declared unconstitutional. That all conflicting ordinances are specifically repealed to the extent of said conflict only.

(B) This Ordinance will become effective and enforceable upon its passage, approval, and publication as required by law.

(C) The facts and recitations set out in the recitals of this Ordinance are adopted and incorporated as a part hereof, and the terms defined in the recitals will have the same meanings when used herein.

SECTION 2 - Purpose

A. It is the purpose of this ordinance to authorize the establishment of certain types of medical cannabis businesses in the City of Raceland, Kentucky, and provide for the adoption of reasonable restrictions to protect the public health, safety, and general welfare of the community at large; retain the character of the neighborhoods; and mitigate potential impacts on surrounding properties and persons. It is also the intent of this ordinance to help defray administrative and enforcement costs associated with the operation of a cannabis business in the City of Raceland.

B. Nothing in this ordinance is intended to grant immunity from criminal or civil prosecution, penalty, or sanction for the cultivation, manufacture, possession, use, sale, or distribution of

marijuana in any form that is not in compliance with Kentucky Revised Statutes or Kentucky Administrative Regulations.

C. As of the effective date of this ordinance, marijuana remains classified as a Schedule 1 controlled substance under the Federal Controlled Substances Act, 21 U.S.C. Sec. 801 et seq., which makes it unlawful to manufacture, distribute, or dispense marijuana, or possess marijuana with intent to manufacture, distribute, or dispense marijuana. Nothing in this ordinance is intended to grant immunity from any criminal prosecution under federal laws.

SECTION 3 - Definitions

The definitions within KRS 218B.010 are hereby adopted as if set out herein and as relevant to this ordinance.

A. Definitions

- (1) "Cabinet" means the Cabinet for Health and Family Services, Commonwealth of Kentucky.
- (2) "Cannabis business" means an entity licensed under KRS 218B.010, et. seq. as a cultivator, dispensary, processor, producer, or safety compliance facility.
- (3) "Cultivator" means an entity licensed as such under KRS 218B.080, 218B.085, and 218B.090.
- (4) "Dispensary" means an entity licensed as such under KRS 218B.080, 218B.085, and 218B.090.
- (5) "Medicinal cannabis" means:
 - (a) marijuana as defined in KRS 218A.010 when cultivated, harvested, processed, produced, transported, dispensed, distributed, sold, possessed, or used in accordance with KRS 218B.010, et. seq.
 - (b) includes medicinal cannabis products and raw plant material; and
 - (c) does not include industrial hemp or industrial hemp products as defined in KRS 260.850.
- (6) "Processor" means an entity licensed as such under KRS 218B.080, 218B.085, and 218B.090.
- (7) "Producer" means an entity licensed as such under KRS 218B.080, 218B.085, and 218B.090.
- (8) "Safety compliance facility" means an entity licensed as such under KRS 218B.080, 218B.085, and 218B.090.

SECTION 4 - Authorization of Facilities and Fees

A. The maximum number of each type of cannabis business allowed in the City of Raceland will be as follows:

1. Cultivator - 3
2. Processor - 3
3. Safety Compliance Facility - 3
4. Dispensary - One

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

1. Initial fees:

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

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

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

SECTION 5 - Business License Requirements

A. No person or entity will operate a cannabis business within the City of Raceland 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 Raceland. 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 Raceland.

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 6 - 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.

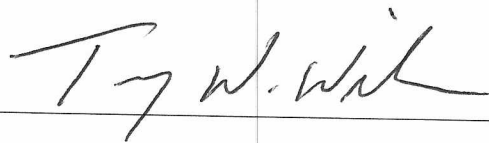
1. Business licenses for a cannabis business obtained after July 1st will be valid until June 30th of the following year. The fee for this business license will not be prorated.

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 Raceland 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.

APPROVED BY:



TONY WILSON, MAYOR

CITY OF RACELAND, KENTUCKY