



Medical Marijuana Facilities

Regulations & Licensing

Town Hall
April 14, 2018
Lathrup Village City Council

Background - Michigan Medical Marihuana Act (MMMA)

- ▶ **Michigan Medical Marihuana Act** (2008), MCL 333.26421, allows qualified patients and registered caregivers identified with patients to use marijuana for specified medical conditions.
- ▶ **Qualifying Patient** - person who has been issued and possesses a registry identification card for the medical use of marihuana in accordance with the act.

Medical Marijuana Facilities Licensing Act (MMFLA)

- ▶ Members have now been appointed to the State **Michigan Medical Marijuana Licensing Board**.
- ▶ Provided that licenses from LARA for Medical Marijuana Facilities could be issued beginning December 15, 2017.
- ▶ Created a **Statewide Monitoring System** for tracking, inventory and verification of medicinal marijuana.

Michigan Medical Marihuana Facility License Applications

- ▶ The Dept. of Licensing and Regulatory Affairs (LARA) is accepting applications online or in a paper form in a 2-step process:
 - ▶ Pre-Qualification
 - ▶ License Qualification
- ▶ The 2-step process allows applicants to begin the application process by completing Step 1 - before a location is established.
- ▶ If applicants have a location secured, they have the option to submit Step 1 and Step 2 materials at the same time.

State Application Process - Bureau of Medical Marihuana Regulation (BMMR)

▶ Step 1 - Pre-Qualification

- ▶ Full background check of applicant and all supplemental applicants
- ▶ \$6,000 application fee

▶ Step 2 - License Qualification

- ▶ Information specific to physical location of applicant's business

▶ Final Approval

- ▶ Applicants must first meet all requirements and administrative rules
- ▶ BMMR presents completed application to the Medical Marihuana Licensing Board (MMLB)
- ▶ Upon approval, applicant pays a regulatory assessment for each license

State Licenses Under The MMFLA For Five Types Of Uses

- ▶ **Growers** - licensees that cultivate, dry, trim, or cure and package marijuana for sale to a processor or provisioning center.
- ▶ **Processors** - licensees that purchase marijuana from a grower and extracts resin from the marijuana or creates a marijuana-infused product for the sale and transfer in packaged form to a provisioning center.
- ▶ **Secure transporters** - licensees that store marijuana or money associated with its purchase or sale between marijuana facilities for a fee.
- ▶ **Safety compliance facilities (Labs)** - licensees that receive marijuana from a marijuana facility or registered primary caregiver and tests it for contaminants, THC other substances
- ▶ **Provisioning Centers (Dispensaries)** - licensees that purchase marijuana from a grower or processor and sell, supply, or provide marijuana to registered qualifying patients, directly or through the patient's caregiver.

Grower licenses

There are three types of Grower Classes:

- ▶ **Class A** - 500 marijuana plants
 - ▶ **Class B** - 1,000 marijuana plants
 - ▶ **Class C** - 1,500 marijuana plants
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- ▶ Authorizes sale of marijuana seeds or marijuana plants only to a GROWER by means of a SECURE TRANSPORTER.
 - ▶ Authorizes the sale of marijuana, other than seeds, only to a PROCESSOR or PROVISIONING CENTER.
 - ▶ Authorizes the GROWER to transfer marijuana only by means of a SECURE TRANSPORTER.
 - ▶ To be eligible for a grower license, the applicant and each investor in the grower must not have an interest in a secure transporter or safety compliance facility.

TAXES AND FEES

- ▶ State of Michigan taxes each provisioning center at rate of **3%** of the provisioning center's gross retail receipts. It is distributed as follows:
 - ▶ **25% to local municipalities** in which a marijuana facility is located, allocated in proportion to the number of marijuana facilities within the municipality.
 - ▶ **30% to counties** in which a marijuana facility is located, allocated in proportion to the number of marijuana facilities within the county.
 - ▶ **5% to county sheriffs** in which a marijuana facility is located, allocated in proportion to the number of marijuana facilities within the county.
 - ▶ **30% to the state**, for deposit in the first responder presumed coverage fund.
 - ▶ **5%** to the Michigan commission on law enforcement standards for **training local law enforcement officers**.
 - ▶ **5%** to the department of state police.

Medical Marihuana Excise Fund

- ▶ Estimated to generate over **\$5.3 million** for local municipalities with licensed Medical Marihuana Facilities

Medical Marihuana Excise Fund Earmark	Percentage	Amount
Local Municipalities - <i>in which a MM facility is located, allocated in proportion to the number of MM facilities within the municipality</i>	25%	\$ 5,335,500
Counties - <i>in which a MM facility is located, allocated in proportion to the number of MM facilities within the county</i>	30%	\$ 6,402,600
County Sheriffs - <i>in which a MM facility is located, allocated in proportion to the number of MM facilities within the county to support county Sheriffs.</i>	5%	\$ 1,067,100
Local Law Enforcement Training - <i>to MCOLES for training local law enforcement officers</i>	5%	\$ 1,067,100
State Police	5%	\$ 1,067,100
State General Fund - <i>to the State for the First Responder Presumed Coverage Fund</i>	30%	\$ 6,402,600
TOTAL	100%	\$21,342,000

The Municipality's Role and Power

- ▶ A marijuana facility may not operate in a municipality unless that municipality has adopted an ordinance that authorizes that type of facility. [MCL 333.27205\(1\)](#).

The City of Lathrup Village may choose to:

- ▶ Adopt an ordinance and regulate through zoning.
- ▶ Decline to allow by adopting ordinance.
- ▶ Do nothing.

MMFLA Options:

- ▶ If enacting an ordinance, we could allow anywhere from **1-5 types of facilities (licenses)**.
- ▶ **Limit the number** of each type of facility
- ▶ Establish an annual, nonrefundable license fee, not exceeding **\$5,000** for administrative and enforcement costs associated with the operation of facilities within the city.
- ▶ If ordinance limits the number of facilities, must create a **competitive process** to determine which applicants are best suited to operate in compliance with the initiative.
- ▶ Adopt ordinances relating to marijuana facilities, including **zoning**

MMFLA Guidelines

- ▶ If we choose to adopt an ordinance, the guidelines/limitations are:
 - ▶ Cannot impose regulations regarding the purity or pricing of marijuana;
 - ▶ Cannot interfere or conflict with the state licensing regulations; and
 - ▶ We may adopt zoning regulations related to marijuana facilities.
- ▶ A marijuana facility and all articles of property in that facility are subject to examination at any time by ADPS or MSP.

License Eligibility

- ▶ The City may request information from those who apply for a facilities license
- ▶ Final approval of the license goes to the State.
- ▶ Applicants have to be Michigan residents for two years. This requirement goes away after June 30, 2018.

- ▶ People are ineligible to receive a state license if any of the following is true:
 - ▶ Convicted of a felony in the U.S., or released from incarceration for a felony, within the last 10 years;
 - ▶ Convicted of a misdemeanor involving a controlled substance, theft, dishonesty or fraud in the last 5 years;
 - ▶ Knowingly submitted an application with false information, or can't provide liability and casualty insurance; or
 - ▶ Holds elected office or is employed by a regulatory body of a governmental unit.

SURVEY OF SOME SURROUNDING MUNICIPALITIES

- ▶ In Oakland County, some cities have already opted in and have adopted ordinance language
 - ▶ Walled Lake
 - ▶ Hazel Park
 - ▶ Orion Township

DIRECTION FROM CITY COUNCIL

- ▶ What are the pros/cons to consider?
- ▶ Is there interest in enacting a MM ordinance?
- ▶ If so, for which of the 5 types of licenses?
- ▶ Do we want to limit the number of licenses available in those categories?

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**Questions
of staff?**