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Medical and Adult Use (Recreational)

A close-up, horizontal photograph of a row of white, oval-shaped pills. One pill in the center is a vibrant red color, standing out from the others. The background is blurred, focusing attention on the texture and color of the pills.

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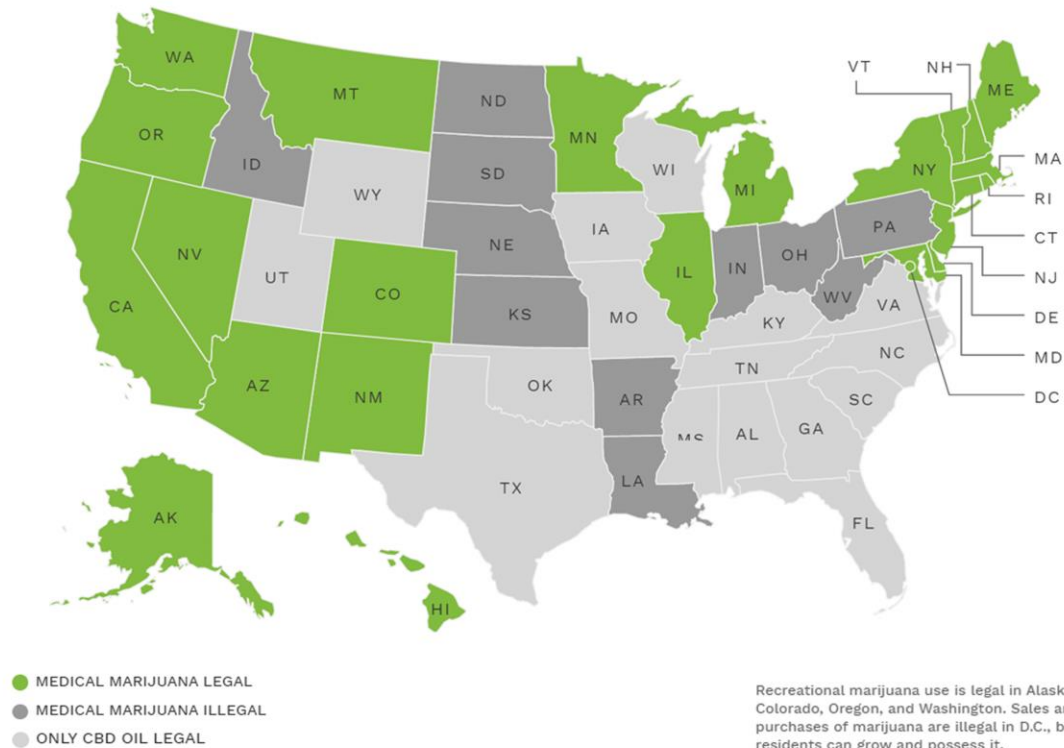
MECA July 2019

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A Status of the States...

WHERE MEDICAL MARIJUANA IS LEGAL AND ILLEGAL



Legal Landscape - Michigan

- Michigan Medical Marihuana Act (MMMA) (2008)
 - Protections for qualified patients and caregivers with registry cards: “not subject to arrest, prosecution, or penalty in any manner” for use in conformity with MMMA.
 - Caregivers can assist up to 5 patients who are doctor certified of eligible conditions; up to 12 plants per patient.
 - Michigan is second to California in medical patients; approximately 290,000.

Medical Facility License Act (MMFLA) 2016

- MMFLA allows commercial medical marijuana operations. Doesn't displace caregiver system that runs in parallel.
- 5 Types of licenses:
- Grower Facilities: Grower A, B, C = plants from 500 to 1500; Class C can be stacked.
- Processor Facilities (production/manufacturing)
- Safety Compliance Facilities (labs)
- Provisioning Centers (retail)
- Secure Transporters (transportation)

Regulations for MMFLA

- Municipalities must affirmatively pass a resolution to “**opt in**” for facilities within their municipal bounds.
- Municipalities can limit license types; zone and regulate locally as long as doesn’t conflict with MMFLA.
- Applicants/licenses must submit to inspections, searches and seizures.
- Licenses are renewable every year.
- Currently 221 licenses in active status. Grower A (9); B(2); C(68); Processor(12); Provisioning Center(116)(16 with home delivery); Safety Compliance Facility(6); Secure Transporter(8)

New Changes: Executive Order 2019-07

- Governor Whitmer signed Executive Order 2019-07 creating the Marijuana Regulatory Agency as a Type 1 Entity to house all things marijuana under one roof.
- The Executive Order took effect April 30, 2019.
- Eliminated the Licensing Board; vested authority in an Executive Director and the Agency.
- Created efficiencies to streamline application processing.

Legalization: Adult Use/Recreational

- Michigan voters passed a ballot initiative legalizing “adult-use” for marijuana in the fall of 2018.
- First mid-western state to allow recreational use.
- Persons over 21 will be allowed to purchase and possess without action 2.5 oz or less of marijuana and process up to 10 oz of marihuana.
- A person may grow 12 plants at their residence
- MRA issued Emergency Rules to begin taking applications for new licenses by November 1st.
- MRA must issue or deny a license in 90 days after a completed application submitted.

Regulations: Local Control

- Municipalities must “**opt out**” to not participate.
- Municipalities can *limit* the type of facilities/licenses if they choose to stay in.
- Municipalities can be subject to a referendum vote by the people to enact and/or repeal their action.
- Municipalities can regulate time, place, manner as long as not conflicting with state law and rules.
- Municipalities can charge up to \$5000 for the application.

New Licenses For Adult Use

- New licenses consist of:
 - Microbusiness – Up to 150 plants; vertically integrated operation of grow, process, sell. (Think craft brew)
 - Consumption License- Ability for a location for persons to utilize marijuana
 - Event License – When there is an event – Cannabis Cup, Trade Shows, a license will be required.
 - Excess Grower License – For those already existing with 5 or more Class C licenses, a person can apply for this.
- * MMFLA license holders get an initial 2 year entry into the market before it is opened further.*

Economics...

- Cannabis business is projected to be over \$23 Billion by 2022. (*Marijuana Moment*)
- Ancillary business growth can add to a tax base.
- Expansion for utilities, jobs, advances in manufacturing, robotics, lighting industries.
- Ability to turn delapidated properties back onto the tax rolls in more robust fashion.

Why an “H” not a “J”?

- The Public Health Code 1978 statutorily provides that marihuana be spelled with an “H”. Since 1978 and the Acts that followed, each has used an “H” and not a “J”.
- However, MRA is using the “J” because it is recognized as common usage.

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