What We Know about Michigan’s Evolving Marijuana Licensing

Monday, March 18, 2019

December 6, 2018, the effective date of the Michigan Regulation and Taxation of Marijuana Act, marked the first day of legalized recreational marijuana use in the state. But what does that mean?

Who can smoke it? ● Who can buy it? ● Who can sell it? ● Where can people smoke? ● Are there regulations on the amount of THC? ● How much can one person carry? ● Can a city restrict the law? ● What does the law mean for those charged with possession?

Unfortunately, reading the new legislation does not answer all the questions within this evolving area. There will be a lot of litigation before the smoke clears. But what do we know?

Licenses won’t be granted for recreational sales until the legislature approves the rules and regulations on or before its December 2019 deadline. After that, the State will begin accepting applications for recreational licenses. However, it is unclear exactly how long the vetting process will take. For some context: medical marijuana, which was initially approved by Michigan voters in 2008, was not legalized for sales until 2016, and applicant licensees were not approved to begin operating until 2018.

To avoid a similar situation, newly elected Governor Gretchen Whitmer signed an executive order on March 1, 2019, abolishing the board currently in charge of approving licensing applications effective April 30, 2019. A new entity within the state Department of Licensing and Regulatory Affairs – the Marijuana Regulatory Agency – will take over licensing for both medical and recreational markets. The executive order still may be vetoed, but leadership in the Legislature was consulted prior to its issuance.

With the executive order just issued, it is hard to say how the new licensing agency will operate. However, Whitmer signed the order to effectuate a more efficient application and licensing process.

It is likely that recreational licenses will have similar rules and regulations to medical licenses:

- Applications for marijuana licenses require a $6,000 nonrefundable application fee.
- Medical marijuana licenses are available in three forms: growing, processing and provisioning.
- Applicants may apply for more than one license, each at an additional cost, and must maintain separate locations for each license.
- The statute requires a background check, including fingerprinting, for any and all employees, owners and those with any interest in the proposed facility.
- A license is issued for a one-year period and is renewable annually.

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