



MICHIGAN REGULATION AND TAXATION OF MARIJUANA ACT

Background

CHANGING WORLD OF MARIHUANA



Butane Hash Oil (BHO)



Girl Scout Cookies

Description

Girl Scout Cookies and its sister strain, DOS Eaters, are a hybrid of Blueberry and Girl Scout Kush, with a sweet and earthy taste. They are packed with potent THC and CBD, and are known for their powerful effects which include some cerebral euphoria and a blissful high.

Genetics	Flavor	Effects
Blueberry Girl Scout Kush	Sweet Earthy Spicy	Cerebral Euphoric



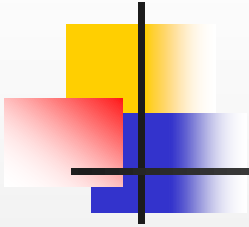
BIG TOBACCO AND LIQUOR INDUSTRY INVESTING IN MARIHUANA

 Constellation Brands



“Wax/Oil/Capsules/Shatter”

(80-90% THC) Concentrates



“Green Crack” wax



“Ear Wax”



Butane Hash Oil (BHO)



Hash Oil Capsules



“Budder”

“Shatter”



Slide Courtesy of
Marijuana Impact on
Public Health & Safety in
Co.

DAB SAFELY!

CANNABIS EXTRACTS,
CONCENTRATES OR
DABS ARE EXTREMELY
STRONG.

SIT DOWN
WHEN DABBING!
DRINK WATER.

CALL AN EMT IF
YOU NEED HELP.

UT

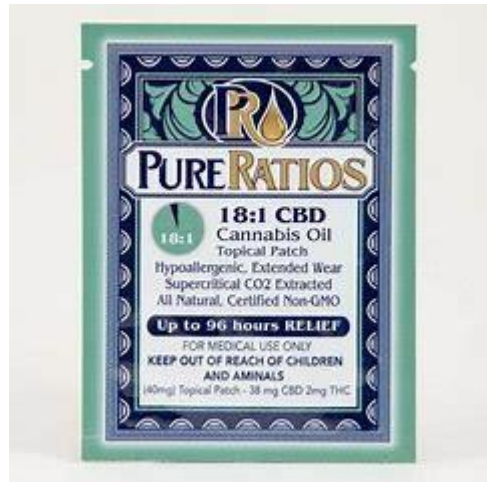


Meet Claude...

- Black Cherry Gummy Bear
 - THC Infused
- 100 milligrams of THC per bear/10 mg per serving
- The foot = one serving



THC PATCHES



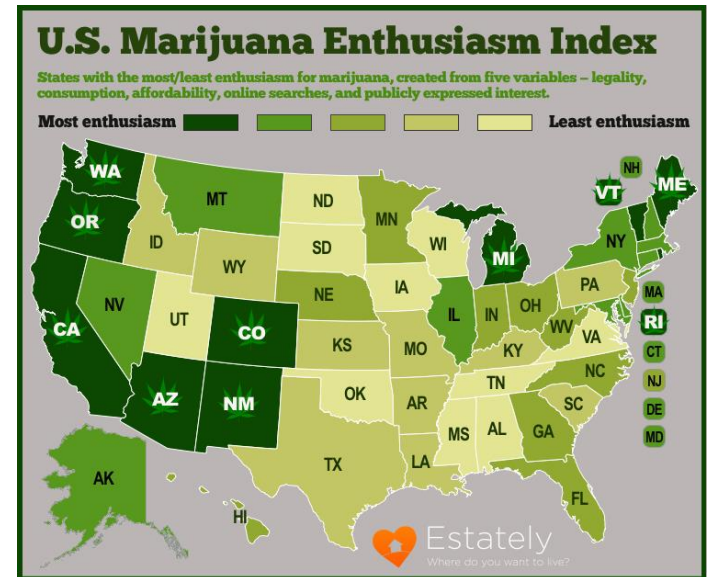
MICHIGAN MARIHUANA ACTS

- The Michigan Medical Marihuana Act (MMMA) (statewide ballot initiative in 2008) (medical marihuana qualified patient and registered caregiver system).
- The Medical Marihuana Facilities Licensing Act (MMFLA) (passed by Legislature in 2016) (State licensing system for licensed medical marihuana facilities, such as provisioning centers and grow operations to serve the patients and caregivers in the medical use of marihuana).
- The Michigan Regulation and Taxation of Marihuana Act (Adopted November 6, 2018 as a statewide ballot initiative): (Individuals anywhere in Michigan may now use marihuana for individual recreational purposes, as long as they comply with the Act; and recreational marihuana establishments, which will be implemented by the state after December 6, 2019).



MEDICAL MARIHUANA STATES


- 1996 - California
- 1998 – Alaska, Oregon & Washington
- 1999 – Maine
- 2000 – Colorado, Hawaii & Nevada
- 2004 – Montana & Vermont
- 2006 – Rhode Island
- 2007 – New Mexico
- 2008 – Michigan
- 2010 – Arizona, DC & New Jersey
- 2011 – Delaware
- 2012 – Connecticut, Massachusetts
- 2013 – Illinois, New Hampshire
- 2014 – Maryland, Minnesota, New York
- 2016 – Pennsylvania, Ohio, North Dakota, Louisiana Arkansas, and Florida
- 2017 – West Virginia
- 2018 – Oklahoma
- 2018 – Utah, Missouri



MARIHUANA IN MICHIGAN

- It is the most readily available drug in Michigan.
- There has been a significant increase in high quality, locally grown marihuana in Michigan.
- Indoor-grown marihuana is the highest in demand and most available type in Michigan.
- There has been an increase in large and sophisticated marihuana.





California. It's legal.

bigbrock



MedMen

Venice
LAX
West Hollywood
Beverly Hills
Orange County
Downtown LA

PLANET 13

RECREATIONAL MARIJUANA AVAILABLE NOW
1/2 MILE AHEAD • LEFT ON SUNSET • 4850 W SUNSET RD

KEEP OUT OF REACH OF CHILDREN | FOR USE ONLY BY ADULTS 21 YEARS OF AGE AND OLDER | MM DEVELOPMENT CO., LLC

KCI

RIGHT LANE
MUST
TURN RIGHT

EAST
George Crockett Rd
Rental Car Return
McCarran Airport

HOOTERS NOW OPEN

PLANT SIZE



IMAGINE 1500 OF THESE PLANTS





SECURED TRANSPORTERS



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LOCATION OF LICENSEES

- http://www.michigan.gov/documents/lara/Municipality_Opt-In_Spreadsheet_2-16-18_614253_7.pdf



RECREATIONAL MARIHUANA STATES

- Alaska
- California
- Colorado
- District of Columbia
- Maine
- Massachusetts
- Nevada
- Oregon
- Vermont
- Washington
- Michigan

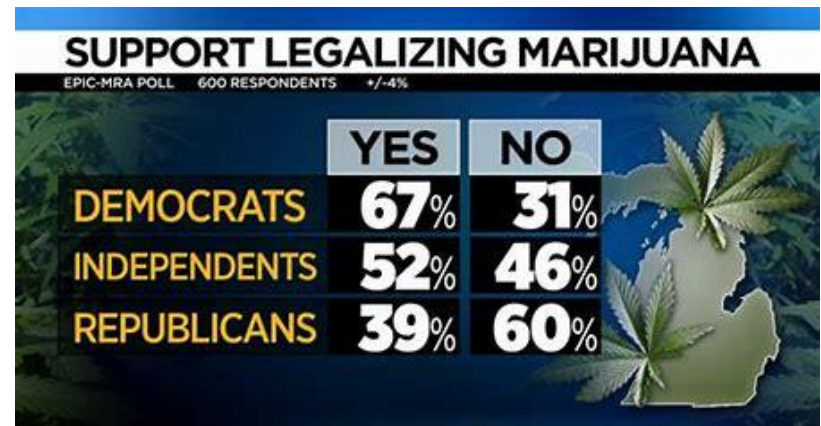




MRTMA

WHY MICHIGAN?

- Momentum
- Resources
- History
 - Medical Marihuana
 - Election Trends
- Polling



MICHIGAN REGULATION AND TAXATION OF MARIHUANA ACT (MRTMA)

- MCL 333.27951 – MCL 333.27967:

- MCL 333.27951 – Short Title
- MCL 333.27952 – Purpose
- MCL 333.27953 – Definitions
- MCL 333.27954 – Restrictions on act
- MCL 333.27955 – Permitted acts
- MCL 333.27956 – Ordinances
- MCL 333.27957 – Implementation of act
- MCL 333.27958 – Promulgation of rules
- MCL 333.27959 – Application for state license
- MCL 333.27960 – Additional permitted acts
- MCL 333.27961 - Cultivation, processing, sale, or display of marihuana or marihuana accessories visible from public place prohibited
- MCL 333.27962 – State deductions for marihuana establishments
- MCL 333.27963 – Excise tax
- MCL 333.27964 – Marihuana regulation fund
- MCL 333.27965 – Punishment for prohibited conduct
- MCL 333.27966 – Submission of application to municipality
- MCL 333.27967 – Construction of act



REGULATE MARIJUANA
• LIKE ALCOHOL •

WHAT THE MTRMA LAW ALLOWS

- Individuals age 21 and older can:
 - Possess, use, purchase, transport, or process up to 2.5 ounces of marihuana or marihuana-infused products - MCL 333.27955.1(a)
 - Possess, use, purchase, transport, or process up to 15 grams of marihuana concentrate – MCL 333.27955.1(a)
 - Possess, store, or process up to 10 ounces of marihuana in their home – MCL 333.27955.1(b)
 - Grow a total of 12 plants or less in their home, and possess all marihuana produced by those marihuana plants – MCL 333.27955.1(b)
 - Assist another person with the possession, use, purchase, transport, or processing of marihuana - MCL 333.27955.1(c)
 - Give away up to 2.5 ounces of marihuana or infused products to individuals who are 21 years of age or older – MCL 333.27955.1(d)
 - Use, manufacture, possess, or purchase marihuana accessories – MCL 333.27955.2
 - Sell or distribute marihuana accessories to individuals who are age 21 years of age or older – MCL 333.27955.2





Gram
~1-2 joints worth



Eighth (1/8)
~3.5 grams



Quarter (1/4)
~7 grams



Half (1/2)
~14 grams



1 Ounce
~28 grams



WHAT THE MTRMA LAW DOES NOT ALLOW

- Operating or being in control of a motor vehicle, aircraft, snowmobile, ORV or motorboat while under the influence of marihuana – MCL 333.27954.1(a)
- Transferring marihuana, marihuana-infused products, or marihuana accessories to anyone under 21 – MCL 333.27954.1(b)
- Possessing, consuming, purchasing, cultivating, transporting or selling marihuana if under the age of 21 – MCL 333.27954.1(c)
- Separation of plant resin by butane extraction or another method that utilizes a substance with a flashpoint below 100 degrees Fahrenheit in any public place, motor vehicle, or within the curtilage of any residential structure – MCL 333.27954.1(d)
- Consuming marihuana in a public place or smoking marihuana where the owner, occupant, or manager of a property prohibits it – MCL 333.27954.1(e)
- Cultivating marihuana plants that are visible from a public place without use of binoculars, aircraft or other optical aids – MCL 333.27954.1(f)
- Consuming marihuana or marihuana-infused products while operating, navigating or being in control of a motor vehicle, aircraft, snowmobile, ORV or motorboat or smoking marihuana within the passenger area of a vehicle upon a public highway – MCL 333.27954.1(g)
- Possessing marihuana, marihuana-infused products, or marihuana accessories on school grounds, in a school bus, or in a correctional facility – MCL 333.27954.1(h)
- Possessing more than 2.5 ounces of marihuana within your residence unless the excess is in a locked container or locked area – MCL 333.27954.1(i)



MCL 333.27954.5

All other laws inconsistent with this act do not apply to conduct that is permitted by this act –

MCL 333.27954.5



MRTMA

- MCL 333.27954.1. - This act does not authorize:
 - (a) operating, navigating, or being in physical control of any motor vehicle, aircraft, snowmobile, off-road recreational vehicle, or motorboat while under the influence of marihuana;
 - (g) consuming marihuana while operating, navigating, or being in physical control of any motor vehicle, aircraft, snowmobile, off-road vehicle, or motorboat, or smoking within the passenger area of a vehicle upon a public highway.
- MCL 333.27954.5 - All other laws inconsistent with this act do not apply to conduct that is permitted by this act.



People v Koon, No. 145259 (Mich. Sup. Ct., May 21, 2013)

- The Michigan Supreme Court ruled that, “[t]he immunity from prosecution provided under the MMMA to a registered patient who drives with indications of marihuana in his or her system but is not otherwise under the influence of marihuana inescapably conflicts with MCL 257.625(8), which prohibits a person from driving with any amount of marihuana in her or system.”
- “Under the MMMA, all other acts and parts of acts inconsistent with the MMMA do not apply to the medical use of marihuana. Consequently, MCL 257.625(8) does not apply to the medical use of marihuana.”



KEY TERMS – MARIHUANA CONCENTRATE

Resin extracted from marihuana that is intended for vaporization or smoking



KEY TERMS – MARIHUANA-INFUSED PRODUCT

Topical formulation, tincture, beverage, edible substance or similar product containing marihuana or an extract from marihuana



MARIHUANA TINCTURES

- Cannabis tinctures, also known as green or golden dragon, is an alcohol-based cannabis extract-essentially infused alcohol (180 proof or higher).
- The tinctures are put into juices, ice cream, soups, gelatin, mashed potatoes and gravy, or salad dressing.
- Grind your flower or extract, and then mix the flower or extract in a mason jar with high-proof alcohol (preferably Everclear).



MARIHUANA TINCTURES



LICENSES

- Types of licenses:
 - Grower
 - Class A – up to 100 plants
 - Class B – up to 500 plants
 - Class C – up to 2,000 plants
 - Processor
 - Retailer
 - Safety compliance facility
 - Secure transporter
 - Microbusiness



LICENSING CRITERIA

- LARA must approve an application if:
 - Applicant submits a complete application and has paid the required fee
 - Applicant is in compliance with local ordinance
 - Applicant will not operate in a residential area or within 1,000 feet of a K-12 school
 - Individual with ownership interest
 - Will not also hold an ownership interest in more than 5 growers
 - Will not hold an ownership interest in a secure transporter or safety compliance facility if they have an ownership interest in a grower, processor, retailer, or microbusiness
 - Will not hold an ownership interest in a microbusiness if they have an ownership interest in any other license

LICENSING GENERALLY

- Licenses are valid for 1 year unless LARA issues them for longer terms
- LARA must begin accepting applications 12 months after initiated law becomes effective
- For first 24 months after LARA begins to receive applications, certain restrictions apply:
 - For Class A grower or microbusiness, applicant must be resident of Michigan
 - For retailer, processor, Class B or Class C grower, applicant must have license under MMFLA
 - For secure transporter, applicant must have secure transporter license under MMFLA and must have experience transporting products for which excise tax is collected, apply tax stamps and remitting taxes to Treasury



RIGHTS OF EMPLOYERS

- Does not require an employer to permit or accommodate conduct allowed by the act in the workplace or on the employer's property
- Does not prohibit an employer from disciplining an employee for violating a workplace drug policy or for working under the influence of marijuana
- Does not prevent an employer from refusing to hire, discharging, disciplining, or taking an adverse employment action against an individual because of that person's use or possession of marijuana in violation of a workplace drug policy or because the person was working under the influence of marijuana
- *Braska v LARA* (2014)



RIGHTS OF LANDLORDS

- Does not prohibit a person from prohibiting or regulating the consumption, cultivation, distribution, processing, sale, or display of marihuana, infused products, or accessories on property they own, occupy, or manage
- Lease cannot prohibit a tenant from possessing and consuming marihuana by means other than smoking



MUNICIPAL AUTHORITY

- Initiative creates an “opt-out” system
- May adopt other ordinances that do not conflict with initiative or rules promulgated thereunder
 - Reasonable restrictions on signage
 - Time, place, and manner restrictions
 - Authorize the sale of marijuana and infused products for consumption in designated areas
 - Authorize the sale of marijuana and infused products for consumption at special events
 - Designate a violation of the ordinance as a civil infraction with a penalty of up to \$500
- May charge annual fee of up to \$5,000
- May not prohibit transport of marijuana through municipality
- May not prohibit growers, processors, and provisioning centers from operating in single facility
- May not prohibit recreational facilities from co-locating with medical facilities
- Electors may petition to initiate an ordinance (5% of the votes cast for governor in the last election)
- If ordinance limits the number of facilities, municipality must create competitive process to determine which applicants are best suited to operate in compliance with the initiative



AUTHORITY OF LARA

- Responsible for implementing the initiative and controlling commercial production and distribution of marijuana
- Must promulgate rules necessary to implement, administer and enforce initiative
- Grant or deny licenses
- Conduct background check on each person with ownership interest
- Perform inspections and compliance investigations
- Collect fees for licensure and fines
- Must hold at least 4 public meetings each year
- Must submit annual report to Governor



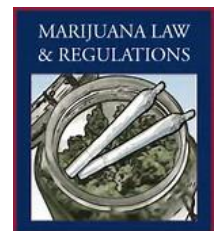
RULE PROMULGATION

- LARA may not promulgate rules that:
 - Limit the number of facility licenses
 - Require a customer to provide retailers with identifying information other than ID
 - Prohibit a facility from operating in the same location as a medical marijuana facility
 - Are unreasonably impracticable



RULE PROMULGATION

- If LARA does not timely promulgate rules, beginning one year after effective date, applicant may apply directly to municipality
- Municipality must issue a license within 90 days unless the municipality finds that the applicant is not in compliance with a local ordinance
- If municipality issues a license, it must notify LARA
- Municipal license has the same force and effect as a state license
- The licensee is not subject to state regulation during license term



RECREATIONAL MARIHUANA PASSED

- Michigan Compiled Law 333.27601 reads in pertinent part as follows: “If a law authorizing the recreational or nonmedical use of marihuana in this state is enacted, this section does not apply beginning 90 days after the effective date of the law.”
- Essentially, if recreational marihuana becomes a reality in Michigan, whether through initiative or by the Legislature, medical marihuana will not be taxed.

Green Consumers' Guide
To Shopping For
Recreational Marijuana



REVENUE FROM RECREATIONAL MARIHUANA SALES

- Marijuana Regulation Fund created in Treasury
 - Until 2022, \$20 million annually goes to research efficacy in treating medical conditions of veterans
 - 15% to municipalities with retailers or microbusinesses, allocated proportionately to number of establishments
 - 15% to counties with retailers or microbusinesses, allocated proportionately to number of establishments
 - 35% to School Aid Fund for education
 - 35% to Michigan Transportation Fund for repair and maintenance of roads and bridges
- All initial costs of LARA appropriated from GF and reimbursed from Marijuana Regulation Fund



TAXES

- Marijuana businesses can take ordinary business deductions
- Excise tax on each retailer and microbusiness at rate of 10% of all sales.
- Products may not be bundled with an untaxable product or service unless allowed by rule



MCL 333.27965.1

Sec. 15. A person who commits any of the following acts, and is not otherwise authorized by this act to conduct such activities, may be punished only as provided in this section and is not subject to any other form of punishment or disqualification, unless the person consents to another disposition authorized by law:

1. Except for a person who engaged in conduct described in sections **4(1)(a), 4(1)(b), 4(1)(c), 4(1)(d), 4(1)(g), or 4(1)(h)**, a person who possesses not more than the amount of marihuana allowed by section 5, cultivates not more than the amount of marihuana allowed by section 5, delivers without receiving any remuneration to a person who is at least 21 years of age not more than the amount of marihuana allowed by section 5, or possesses with intent to deliver not more than the amount of marihuana allowed by section 5, is responsible for a civil infraction and may be punished by a fine of not more than \$100 and forfeiture of the marihuana.



CIVIL INFRACTIONS IN BOLD FOR SECTION 1

- Operating or being in control of a motor vehicle, aircraft, snowmobile, ORV or motorboat while under the influence of marihuana – MCL 333.27954.1(a)
- Transferring marihuana, marihuana-infused products, or marihuana accessories to anyone under 21 – MCL 333.27954.1(b)
- Possessing, consuming, purchasing, cultivating, transporting or selling marihuana if under the age of 21 – MCL 333.27954.1(c)
- Separation of plant resin by butane extraction or another method that utilizes a substance with a flashpoint below 100 degrees Fahrenheit in any public place, motor vehicle, or within the curtilage of any residential structure – MCL 333.27954.1(d)
- **Consuming marihuana in a public place or smoking marihuana where the owner, occupant, or manager of a property prohibits it – MCL 333.27954.1(e)**
- **Cultivating marihuana plants that are visible from a public place without use of binoculars, aircraft or other optical aids – MCL 333.27954.1(f)**
- Consuming marihuana or marihuana-infused products while operating, navigating or being in control of a motor vehicle, aircraft, snowmobile, ORV or motorboat or smoking marihuana within the passenger area of a vehicle upon a public highway – MCL 333.27954.1(g)
- Possessing marihuana, marihuana-infused products, or marihuana accessories on school grounds, in a school bus, or in a correctional facility – MCL 333.27954.1(h)
- **Possessing more than 2.5 ounces of marihuana within your residence unless the excess is in a locked container or locked area – MCL 333.27954.1(i)**



MCL 333.27965.2

Sec. 15. 2. Except for a person who engaged in conduct described in section 4, a person who possesses not more than twice the amount of marihuana allowed by section 5, cultivates not more than twice the amount of marihuana allowed by section 5, delivers without receiving any remuneration to a person who is at least 21 years of age not more than twice the amount of marihuana allowed by section 5, or possesses with intent to deliver not more than twice the amount of marihuana allowed by section 5:

- (a) for a first violation, is responsible for a civil infraction and may be punished by a fine of not more than \$500 and forfeiture of the marihuana;
- (b) for a second violation, is responsible for a civil infraction and may be punished by a fine of not more than \$1,000 and forfeiture of the marihuana;
- (c) for a third or subsequent violation, is guilty of a misdemeanor and may be punished by a fine of not more than \$2,000 and forfeiture of the marihuana.



WHAT THE MTRMA LAW DOES NOT ALLOW

- Operating or being in control of a motor vehicle, aircraft, snowmobile, ORV or motorboat while under the influence of marihuana – MCL 333.27954.1(a)
- Transferring marihuana, marihuana-infused products, or marihuana accessories to anyone under 21 – MCL 333.27954.1(b)
- Possessing, consuming, purchasing, cultivating, transporting or selling marihuana if under the age of 21 – MCL 333.27954.1(c)
- Separation of plant resin by butane extraction or another method that utilizes a substance with a flashpoint below 100 degrees Fahrenheit in any public place, motor vehicle, or within the curtilage of any residential structure – MCL 333.27954.1(d)
- Consuming marihuana in a public place or smoking marihuana where the owner, occupant, or manager of a property prohibits it – MCL 333.27954.1(e)
- Cultivating marihuana plants that are visible from a public place without use of binoculars, aircraft or other optical aids – MCL 333.27954.1(f)
- Consuming marihuana or marihuana-infused products while operating, navigating or being in control of a motor vehicle, aircraft, snowmobile, ORV or motorboat or smoking marihuana within the passenger area of a vehicle upon a public highway – MCL 333.27954.1(g)
- Possessing marihuana, marihuana-infused products, or marihuana accessories on school grounds, in a school bus, or in a correctional facility – MCL 333.27954.1(h)
- Possessing more than 2.5 ounces of marihuana within your residence unless the excess is in a locked container or locked area – MCL 333.27954.1(i)



MCL 333.27965.3

Sec. 15. 3. **Except for a person who engaged in conduct described by section 4(1)(a), 4(1)(d), or 4(1)(g),** a person under 21 years of age who possesses not more than 2.5 ounces of marihuana or who cultivates not more than 12 marihuana plants:

- (a) for a first violation, is responsible for a civil infraction and may be punished as follows: (1) if the person is less than 18 years of age, by a fine of not more than \$100 or community service, forfeiture of the marihuana, and completion of 4 hours of drug education or counseling; or (2) if the person is at least 18 years of age, by a fine of not more than \$100 and forfeiture of the marihuana.
- (b) for a second violation, is responsible for a civil infraction and may be punished as follows: (1) if the person is less than 18 years of age, by a fine of not more than \$500 or community service, forfeiture of the marihuana, and completion of 8 hours of drug education or counseling; or (2) if the person is at least 18 years of age, by a fine of not more than \$500 and forfeiture of the marihuana



CIVIL INFRACTIONS IN BOLD FOR SECTION 3

- Operating or being in control of a motor vehicle, aircraft, snowmobile, ORV or motorboat while under the influence of marihuana – MCL 333.27954.1(a)
- **Transferring marihuana, marihuana-infused products, or marihuana accessories to anyone under 21 – MCL 333.27954.1(b)**
- **Possessing, consuming, purchasing, cultivating, transporting or selling marihuana if under the age of 21 – MCL 333.27954.1(c)**
- Separation of plant resin by butane extraction or another method that utilizes a substance with a flashpoint below 100 degrees Fahrenheit in any public place, motor vehicle, or within the curtilage of any residential structure – MCL 333.27954.1(d)
- **Consuming marihuana in a public place or smoking marihuana where the owner, occupant, or manager of a property prohibits it – MCL 333.27954.1(e)**
- **Cultivating marihuana plants that are visible from a public place without use of binoculars, aircraft or other optical aids – MCL 333.27954.1(f)**
- Consuming marihuana or marihuana-infused products while operating, navigating or being in control of a motor vehicle, aircraft, snowmobile, ORV or motorboat or smoking marihuana within the passenger area of a vehicle upon a public highway – MCL 333.27954.1(g)
- **Possessing marihuana, marihuana-infused products, or marihuana accessories on school grounds, in a school bus, or in a correctional facility – MCL 333.27954.1(h)**
- **Possessing more than 2.5 ounces of marihuana within your residence unless the excess is in a locked container or locked area – MCL 333.27954.1(i)**



MCL 333.27965.4

Sec. 15. 4. **Except for a person who engaged in conduct described in section 4**, a person who possesses more than twice the amount of marihuana allowed by section 5, cultivates more than twice the amount of marihuana allowed by section 5, or delivers without receiving any remuneration to a person who is at least 21 years of age more than twice the amount of marihuana allowed by section 5, shall be responsible for a misdemeanor, but shall not be subject to imprisonment unless the violation was habitual, willful, and for a commercial purpose or the violation involved violence.



WHAT THE MTRMA LAW DOES NOT ALLOW

- Operating or being in control of a motor vehicle, aircraft, snowmobile, ORV or motorboat while under the influence of marihuana – MCL 333.27954.1(a)
- Transferring marihuana, marihuana-infused products, or marihuana accessories to anyone under 21 – MCL 333.27954.1(b)
- Possessing, consuming, purchasing, cultivating, transporting or selling marihuana if under the age of 21 – MCL 333.27954.1(c)
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- Possessing more than 2.5 ounces of marihuana within your residence unless the excess is in a locked container or locked area – MCL 333.27954.1(i)



ROOTS

UNLEADED

2.13⁹/₁₀

DIESEL

2.19⁹/₁₀

Brookside

gas
+
grass

NOW

ROOTS

QUESTIONS?