



Marijuana Policy Project
P.O. Box 77492
Washington, DC 20013
p: (202) 462-5747 • f: (202) 232-0442
info@mpp.org • www.mpp.org

“We change laws.”

Michigan’s Revised Medical Marijuana Law

On September 20, 2016, Gov. Rick Snyder signed three bills into law that create a regulatory system for medical marijuana businesses, along with new protections for patients. The new system introduces several big changes for those already in the program.

Michigan’s voters adopted a program in 2008 that provided basic protections for patients, but fell short of establishing regulations for those who provide to them. As the patient population grew in Michigan, businesses increasingly took on a larger presence, and the lack of a regulatory infrastructure or basic protections created a great deal of uncertainty and risk. While some communities allowed and regulated businesses, many people who were trying to operate businesses in the state — particularly in rural communities — fell victim to law enforcement efforts. The new law seeks to address these shortcomings.

When will the changes go into effect?

The law technically went into effect immediately when the governor signed the bills, and patients received protections for the possession of marijuana extracts and infused products. But most of the changes — those related to businesses — will not go into effect until rules are considered and adopted. Under the new law, regulators have up to 360 days from the effective date until prospective businesses can begin applying, which is no later than September 15, 2017.

What’s different for patients?

While most of the changes relate to businesses, the law clearly establishes an important new protection for patients. Under the new state system, a patient may possess a combined total of 2.5 ounces of raw medical marijuana and what the state calls “usable marijuana equivalents.” For weight calculation purposes, the state determined that one ounce of dried cannabis is equal to 16 ounces of marijuana-infused product if in a solid form, 7 grams of marijuana-infused product if in a gaseous form, or 36 fluid ounces of marijuana-infused product if in a liquid form. No matter what the form, patients may not possess more than 2.5 ounces of dried cannabis or its equivalent.

What’s different for caregivers and businesses?

Since 2008, the law was designed to allow patients to get access to medical marijuana through caregivers, who would cultivate it and provide it directly to their designated patients. As the program grew, some caregivers began operating provisioning centers (dispensaries), while others supplied provisioning centers with medical marijuana. While a large percentage of patients gained access to medical marijuana through provisioning centers, state courts determined that they operated outside the protections of the medical marijuana law, throwing the system into turmoil. The new law establishes a regulatory framework in which cultivators, processors, testing labs, transporters, and provisioning centers may become licensed and regulated at the state level.

Here are some of the key features in Michigan's new regulatory approach:

Regulatory authority

The Department of Licensing and Regulatory Affairs (LARA) will continue to be the regulatory authority, but will include a new Medical Marijuana Licensing Board. The board will advise on rules for the department, and ultimately review and approve business license applications.

Types of businesses

The law creates several types of medical marijuana businesses, including growers who cultivate medical marijuana, processors who extract and infuse extractions into products, safety compliance facilities to test and provide analytics, and secure transporters, which transport medical marijuana between facilities.

Cultivation limits

Growers will be subdivided into three classes. Class A licensees may grow up to 500 plants, Class B may grow up to 1,000 plants, and Class C may grow up to 1,500.

Taxes and fees

In addition to the state's sales tax, an additional tax of 3% will apply at the register for patients at the new provisioning centers. Business applicants will pay to apply to operate, and those that are licensed will pay an annual assessment fee, similar to an annual licensing fee. Regulators will set both of these fees.

Transporters

The new law comes with a new type of license — transporters — specifically for those who move medical cannabis and medical cannabis products between businesses. Unlike distributors in the alcohol industry, however, transporters do not take ownership of medical cannabis or arrange contracts among other businesses.

Testing labs

Under the new system, medical marijuana or medical marijuana products must be tested before they can be sold. Known as "safety compliance facilities," testing labs will measure the amount of THC and CBD present, and look for the presence of contaminants that could make the product unsafe.

Specific protections

The law now contains very specific protections for businesses, which were formerly missing in Michigan. These include protections for employees, and clearly articulated provisions related to growing, processing, possessing, and providing marijuana. It also includes limitations on law enforcement's use of seizure and forfeiture — both for those who are licensed, and for those who rent property or facility space to licensees.