



## Governor Snyder Signs Medical Marihuana Facilities Licensing Act

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On September 21, Gov. Snyder signed HB 4209 (now called the Medical Marihuana Facilities Licensing Act, Public Act 281 of 2016). The Act imposes a licensure mandate and authorizes a regulatory scheme for certain medical marijuana facilities including growers, transporters, processors and dispensaries. The relevant portion of the Act to municipalities (defined as cities, townships and villages in the Act) is Section 205. Marijuana facilities may not operate in a municipality unless the municipality has adopted an ordinance (zoning or otherwise) that authorizes that type of facility. The regulation can impose an annual, nonrefundable fee on facilities of not more than \$5,000 to defray administrative/enforcement costs. The regulations cannot be related to the purity or pricing of marijuana or conflict with statutory regulations for licensing marijuana facilities. When an applicant applies for a state license under the Act, the municipality must provide the following information to the state Medical Marihuana Licensing Board (new entity created by the Act within LARA) within 90 days of receiving notice of the application:

- Copy of the local ordinance authorizing the facility.
- Copy of any zoning regulations applicable to the facility.
- Description of any violations of these ordinances, but only if they relate to activities licensed under the Act or the Michigan Medical Marihuana Act.

Other key points:

- Any information that the municipality obtains from an applicant related to licensure is exempt from disclosure under the FOIA. (Section 205(4)).
- Licenses are exclusive to the licensee. The licensee must receive approval from the municipality and the state Licensing Board before a license may be transferred, sold or purchased. (Section 409).

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- Municipalities in which a marihuana facility is located receive 25 percent of the money in the newly created state medical marihuana excise fund (allocated in proportion to the number of marihuana facilities in the municipality). (Section 602(5)(a)). Counties get a greater percentage.
  - Licensees have to submit financial statements of their total operations annually to the municipality. (Section 701).
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