



## **Frequently Asked Questions**

### **Bureau of Medical Marihuana Regulation Marihuana Facilities Licensing**

#### **When can I apply for my license?**

After December 15, 2017.

#### **What does the Medical Marihuana Licensing Board (“the board”) do?**

The Medical Marihuana Licensing Board is comprised of 5 members, appointed by the Governor (with input from the Senate Majority Leader and the Speaker of the House), to administer the Medical Marihuana Facilities Licensing Act. This includes reviewing applications, issuing licenses, revoking/suspending licenses, renewing licenses, and investigating individuals who are applying for licensure or complaints received about someone who holds a license.

#### **What are the different licenses I can apply for?**

You may apply for the following licenses:

- Grower;
- Processor;
- Transporter;
- Provisioning Center;
- Safety Compliance Facility

#### **Where can I find more information on each type of license?**

Details on each license category can be found in Part 5 of the Michigan Medical Marihuana Facilities Licensing Act, 2016 PA 281. See

<http://legislature.mi.gov/doc.aspx?mcl-281-2016-PART-5-LICENSEES>

#### **What costs are associated with a license?**

- Payment to secure transporters for transferring marihuana, as needed;
- Annual, nonrefundable fee (of up to \$5,000) to be set by, and paid to, your local municipality. These fees are used to offset administrative and enforcement costs associated with the operation of a marihuana facility in the municipality;
- An application fee per category and class of license;

- Investigation and processing fees not covered by the application fee;
- An annual regulatory assessment fee;
- A renewal fee;
- Late fees if renewal fee is not paid on time;
- Provisioning centers will pay 3% on gross retail receipts

**Does my municipality have any involvement with my license?**

Yes, a municipality (city, township or village) has the following involvement:

- Must pass an ordinance which authorizes the type of facility you wish to open;
- May limit the number of each type of facility within the municipality’s boundaries;
- Any other ordinances relating to marijuana facilities;
- May adopt zoning regulations relating to facilities within its jurisdiction;
- The municipality must receive notice from you that you have applied for any one of the five licenses;
- May establish an annual fee to be paid by you; the fee can be as much as \$5,000.00;
- Must approve your request to have your license transferred, sold or purchased.

**Does my criminal history prevent me from obtaining a license?**

It depends on whether the following are true:

- The applicant is ineligible if he or she has been convicted of or released from incarceration for a felony under the laws of this state, any other state, or the United States (federal law) within the past 10 years or has been convicted of a controlled substance-related felony within the past 10 years.
- The applicant is ineligible if he or she has been convicted of a misdemeanor involving a controlled substance, theft, dishonesty, or fraud in any state within the past 5 years.
- The applicant is ineligible if he or she has been found responsible for violating a local ordinance in any state involving a controlled substance, dishonesty, theft, or fraud that substantially corresponds to a misdemeanor in that state within the past 5 years.

The Board may take into consideration the following:

- Whether the applicant has been indicted for, charged with, arrested for, or convicted of, pled guilty or nolo contendere to, forfeited bail concerning, or had expunged any relevant criminal offense under the laws of any jurisdiction, either felony or misdemeanor, not including traffic violations, regardless of whether the offense has been expunged, pardoned, or reversed on appeal or otherwise.

**What prohibits a person from obtaining a license?**

An applicant cannot obtain a license if any of the following is true:

- The applicant is ineligible if he or she has knowingly submitted an application for a license under this act that contains false information.
- The applicant cannot be a member of the Medical Marijuana Licensing Board.

- The applicant is ineligible if he or she fails to demonstrate the ability to maintain adequate premises liability and casualty insurance for its proposed marijuana facility (an insurance policy that covers at a minimum of \$100,000).
- The applicant cannot hold an elective office of a governmental unit of this state, another state, or the federal government; is a member of or employed by a regulatory body of a governmental unit in this state, another state, or the federal government; or is employed by a governmental unit of this state. This subdivision does not apply to an elected officer of or employee of a federally recognized Indian tribe or to an elected precinct delegate.
- The applicant, if an individual, is ineligible if he or she has been a resident of this state for less than a continuous 2-year period immediately preceding the date of filing the application. This requirement does not apply after June 30, 2018.
- The applicant is ineligible if the Board determines he or she failed comply with section 205(1).
- The applicant fails to meet other criteria established by rule.
- The applicant is ineligible if he or she has been convicted of or released from incarceration for a felony under the laws of this state, any other state, or the United States (federal law) within the past 10 years or has been convicted of a controlled substance-related felony within the past 10 years.
- The applicant is ineligible if he or she has been convicted of a misdemeanor involving a controlled substance, theft, dishonesty, or fraud in any state within the past 5 years.
- The applicant is ineligible if he or she has been found responsible for violating a local ordinance in any state involving a controlled substance, dishonesty, theft, or fraud that substantially corresponds to a misdemeanor in that state within the past 5 years.

**What other things may potentially prevent an applicant from getting approved for a license?**

The Board may take into consideration the following:

- The integrity, moral character, and reputation; personal and business probity; financial ability and experience; and responsibility or means to operate or maintain a marijuana facility of the applicant and of any other person that either:
  - i. Controls, directly or indirectly, the applicant.
  - ii. Is controlled, directly or indirectly, by the applicant or by a person who controls, directly or indirectly, the applicant.
- The financial ability of the applicant to purchase and maintain adequate liability and casualty insurance.
- The sources and total amount of the applicant's capitalization to operate and maintain the proposed marijuana facility.
- Whether the applicant has filed, or had filed against it, a proceeding for bankruptcy within the past 7 years.
- Whether the applicant has been served with a complaint or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years.
- Whether the applicant has a history of noncompliance with any regulatory requirements in this state or any other jurisdiction.

- Whether at the time of application the applicant is a defendant in litigation involving its business practices.
- Whether the applicant meets other standards in rules applicable to the license category.
- Whether the applicant has been indicted for, charged with, arrested for, or convicted of, pled guilty or nolo contendere to, forfeited bail concerning, or had expunged any relevant criminal offense under the laws of any jurisdiction, either felony or misdemeanor, not including traffic violations, regardless of whether the offense has been expunged, pardoned, or reversed on appeal or otherwise.

### **Will an application be submitted anonymously?**

The Department of Licensing and Regulatory Affairs (LARA) is currently reviewing the application process to determine what identifying information connected with the application will be available.

### **Will the department be reorganized again?**

The Bureau of Medical Marijuana Regulation (BMMR) was created by the LARA Director within the Department of Licensing and Regulatory Affairs (LARA) in April 2017 to cover all aspects of medical marijuana regulation. The new Bureau combines the existing oversight functions of the state's patient and caregiver registry with the newly established statutory requirements for medical marijuana facility licensing. The Bureau's centralized services will enhance patient protections and make regulations more efficient for Michigan patients and the future commercial entities. Any future reorganization of the Department is under the purview of the LARA Director. The reorganization of an entire State Department is an executive function under the discretion of the Governor.

### **Will co-location of facilities be allowed?**

This is to be determined and information will be forthcoming. The Department, in consultation with the Medical Marijuana Licensing Board, is diligently reviewing this issue.

### **Will the department issue guidance for townships?**

Presently, the Department is working diligently to develop the application process and regulations will be forthcoming. There will also likely be guidance to municipalities on the submittal of the ordinance documents as described in the Medical Marijuana Facilities Licensing Act.

### **What does seed-to-sale tracking mean, at what point does the tracking start?**

The Marijuana Tracking Act, 2016 PA 282, requires the Department to establish a statewide monitoring system for use as an integrated marijuana tracking, inventory, and verification system. The Department has contracted with Franwell, Inc. to use METRC for the statewide monitoring system. For information on the Statewide Monitoring System please refer to the following link for information: <https://www.metrc.com/michigan>.

## **How will information be disseminated to the public and other interested parties?**

The Department has a website devoted to medical marijuana regulation at the [www.michigan.gov/medicalmarihuana](http://www.michigan.gov/medicalmarihuana). Interested parties can view updated information, find a list of scheduled public board meetings, and sign up for email communications from the Department on the website.

## **How will the law help people working with patients who want to make their livelihood as a small business? How will the law help people to make their livelihood as caregivers?**

The Department of Licensing and Regulatory Affairs (LARA) was chosen by the Michigan Legislature to implement the new medical marijuana licensing program. The Department is responsible for the state's regulatory environment and makes the delivery of services more efficient for consumers and business customers. The Legislature provided for a tiered grower license category: class A - 500 plants, class B - 1000 plants, class C - 1500 plants. One of the provisions of the Medical Marijuana Facilities Licensing Act is that the regulatory assessment for a class A grower license shall not exceed \$10,000. In addition, both grower and processor licenses require that an applicant be a caregiver or employ a caregiver who has a minimum of 2 years' experience.

## **What will the costs be for a license?**

The Section 401(5) of the Medical Marijuana Facilities Licensing Act (MMFLA) requires the Department, in consultation with the Board, to set the application fee amounts for each category and class of license by rule. The Department is diligently working with the Board to set the application fees and information will be forthcoming. Presently, there is no estimation but there will likely be guidance as soon as possible. If you have not already done so, you may wish to sign up for email updates and Board hearing notifications in the box provided at [www.michigan.gov/medicalmarihuana](http://www.michigan.gov/medicalmarihuana). In the meantime, the following are some of the costs of a future state license based on the statutory language:

- Payment to secure transporters for transferring marijuana, as needed;
- Annual, nonrefundable fee (of up to \$5,000.00) to be set by and paid to your local municipality (city, village or township), these costs are to offset administrative and enforcement costs associated with the operation of a marijuana facility in the municipality;
- An application fee per category and class of license;
- Investigation and processing fees not covered by the application fee;
- An annual regulatory assessment fee; (MMFLA has a limit on the regulatory assessment fee for one license type - the fee cannot be more than \$10,000 for a Class A (500 plants) grower license.)
- Late fees if renewal fee not paid on time;
- Provisioning centers will pay 3% on gross retail receipts;
- Proof of financial responsibility for liability for bodily injury such as liability insurance (see Section 408 of the MMFLA).

### **What will the cost be for transportation and will there be limits on charges?**

The Medical Marihuana Facilities Licensing Act requires the use of a licensed secured transporter to transfer marihuana. It is unknown at this juncture what the costs will be for the secured transportation of marihuana.

### **Can the department clarify sales of up to 1% interest in a license?**

Presently, the Department is diligently reviewing the statute and will consult with the Board to provide guidance on statutory provisions.

### **What is the impact on caregiver center applicants in the pipeline in Detroit?**

The Department does not currently license caregiver centers. However, the Department will begin taking license applications for future provisioning centers on December 15, 2017. The Medical Marihuana Facilities Licensing Act specifies that a municipality (village, township or city) may adopt an ordinance that authorized 1 or more types of marihuana facilities for a marihuana facility to operate.

### **How can people get information from the board and department?**

The Department's website has information available on the Medical Marihuana Facilities Licensing Act and a person can sign up for updates at: [www.michigan.gov/medicalmarihuana](http://www.michigan.gov/medicalmarihuana). In addition, a person may contact the Bureau of Medical Marihuana Regulation (BMMR) by email at: [LARA-MedicalMarihuana@michigan.gov](mailto:LARA-MedicalMarihuana@michigan.gov).

### **What will the fees be for the regulatory assessment and license applications?**

The regulatory assessment fees are to be determined. The Department and the Board are working diligently to establish the regulatory assessments and information will be forthcoming.

### **Can a person apply for a license prior to a municipality adopting the ordinance?**

The Department is working diligently to establish the application procedure and guidance will be forthcoming.

### **How will the growing of marihuana interact with current agricultural practices?**

The Department is researching this area and will likely provide future guidance.

### **Will the process include input from medical professionals?**

The Medical Marihuana Facilities Licensing Act (MMFLA) created a Marihuana Advisory Panel within the Department that may make recommendations to the Board. The MMFLA provides that governor will appoint specific members to the panel, one of which is a physician licensed under article 15 of the Public Health Code.

**What will be the amount of the license fees?**

The license fees are to be determined and information will be forthcoming.

**Who are the rules being created by?**

The Department in consultation with the Board. Section 206 of the Medical Marihuana Facilities Licensing Act (MMFLA), requires the Department, in consultation with the Medical Marihuana Licensing Board, to promulgate rules to implement, administer, and enforce the MMFLA. This section also requires that the rules ensure the safety, security, and integrity of the operation of marihuana facilities, by including specific regulations.

**What banks will do business with medical marihuana businesses?**

The Department, in consultation with the Board, is researching this issue but it is an unknown at this juncture whether banks that are federally regulated financial institutions will establish business relationships with the future state licensed medical marihuana facilities.

For more information visit: [www.michigan.gov/medicalmarihuana](http://www.michigan.gov/medicalmarihuana)