

## **Licensure Eligibility Under the Michigan Regulation and Taxation of Marihuana Act (MRTMA)**

To minimize the illegal market for marijuana in this state, the Cannabis Regulatory Agency (CRA) will begin accepting applications from any applicant under the authority of Section 9(6) of the Michigan Regulation and Taxation of Marihuana Act (MRTMA) beginning on March 1, 2021.

The CRA began accepting applications for licensure under the MRTMA on November 1, 2019. Eligibility for licensure under the act is restricted under Section 9(6) of the act for 24 months after the CRA began accepting applications as follows:

- for a class A marijuana grower or marijuana microbusiness, from persons who are residents of Michigan.
- for a marijuana retailer, marijuana processor, class B marijuana grower, class C marijuana grower, or marijuana secure transporter, from persons holding a state operating license pursuant to the Medical Marihuana Facilities Licensing Act (MMFLA).
- for a marijuana safety compliance facility, from any applicant.

Pursuant to Section 9(6) of the MRTMA, one year after the CRA begins to accept applications for licensure under the MRTMA, the agency shall begin accepting applications from any applicant for licensure as a marijuana retailer, marijuana processor, class B marijuana grower, class C marijuana grower, or marijuana secure transporter if the CRA determines that additional state licenses are necessary to:

- minimize the illegal market for marijuana in this state, or
- efficiently meet the demand for marijuana, or
- provide for reasonable access to marijuana in rural areas.

### **Minimizing the Illegal Market for Marijuana in Michigan**

As the commercial marijuana market in the state grows, the impact of the illicit market remains a primary concern. Products from the illicit market are not grown or processed under the strict conditions required in the regulated market or tested by state licensed safety compliance facilities for harmful contaminants. Where the regulated market is not available to meet consumer demand, the illicit market stands ready to fill that void.

According to data provided by the Michigan State Police – Marijuana Tobacco Investigation Section, 83% of the seizures of illicit marijuana plants and products occur in municipalities that do not have regulated marijuana establishments. In the past year, the city of Detroit has seen a 36% increase in narcotics-related homicides and a 214% increase in specifically marijuana-related non-fatal shootings.

As municipalities throughout the state consider ordinances to allow marijuana establishments, the current eligibility restriction acts as a barrier to approaching local authorization in a way that is equitable. Greater municipal participation is a critical element in reducing the impact of the illicit market.