

Racial Equity Advisory Workgroup

July 2021 Update



License Type Proposal

Summary

To create a new license type, to be known as a class A marijuana microbusiness, pursuant to the Marijuana Regulatory Agency's (MRA) authority under Sec. 8(2)(a) of the Michigan Regulation and Taxation of Marijuana Act (MRTMA) that combines attributes of the existing marijuana microbusiness license.

Update

The MRA's intentions are to provide more information concerning this recommendation in the draft rule set currently under review.

Social Equity Ownership Pathways

Summary

Creation of a Joint Venture Pathway Program (JVPP) and Social Equity Employment to Ownership (SEEO) program for social equity and other qualified applicants with corporate partners for licensing, capitalization and operational development of social equity businesses.

Update

The MRA has established the Joint Venture Pathway Program (JVPP), which will facilitate communication between qualified social equity candidates, adult-use licensees, and prospective adult-use licensees for the purpose of potential joint business ventures, employment, incubator programs, and mentoring opportunities.

A survey regarding interest was sent to 1,498 qualifying social equity participants and 271 responded (18.1%). 244 of the 271 respondents provided their email address and were willing to authorize the MRA to release identifying information, including being a qualified social equity applicant, to individuals interested in contacting them about potential joint ventures.

The MRA created an authorization form and an informational survey that were sent to all social equity participants. The MRA will continue to raise awareness of the JVPP with follow up email blasts to all potential participants as well as a general press release to the media.

Marijuana Education

Summary

Mandate continuing education (CE) on cannabis studies for Public Health Code (PHC) professionals under the existing pain and symptom management requirement. The MRA would also require that all license owners, operators, and employees complete certification to obtain

licensure and maintain competency through CE requirements. A scholarship program would be available for social equity license holders to obtain and maintain certification through this requirement.

Update

The MRA has engaged with the Bureau of Professional Licensing, the agency that oversees public health code continuing education, on ways to support continuing education on the use of cannabis as an alternative for pain and symptom management.

The MRA is beginning its analysis on changes that would be required to implement pre-licensure education requirements and continuing education for MRA licensees and will engage stakeholders on these concepts.

Michigan Marijuana Market

Summary

The Michigan Marijuana Market (MMM) is a crowdfunding platform housed and supported on the Marijuana Regulatory Agency's (MRA) website that serves as a portal for local investors and local marijuana businesses located in disproportionately impacted communities (DIC) to gather and invest.

The Michigan Uniform Securities Act (MUSA) provides a regulatory framework for the operation of an intrastate market. The markets would be regulated at the state level as broker-dealers and would deal solely with Michigan-based investors and securities.

Update

The creation of an intrastate market utilizing the Michigan Investment Market Act (Article 4a of the Michigan Uniform Securities Act), while a good recommendation in principle, is incompatible with existing federal exemptions from registration for exchanges. The MRA is considering alternative approaches to assist social equity applicants and licensees in finding ways to generate capital.

Municipal Education

Summary

Create a municipal manual and webinar and establish training sessions for municipalities. The webinar will include opportunities for municipalities to learn about social equity programs throughout the state and, potentially, the nation.

Update

The MRA has facilitated interviews with industry professionals and local municipal officials to assist municipalities who are interested in learning more about – or opting into - the Michigan Taxation of Marijuana Act (MRTMA). The MRA also included representatives of its divisions that have touchpoints with municipal authorities regarding internal processes potentially affecting local jurisdictions. The content of the video is intended to be informational only and is not intended to provide legal advice. The estimated date of publication for this video is August 2021.

Social Equity Presentation Tour

Summary

The MRA will create more available times for individuals to attend social equity presentations and provide bilingual content. The MRA will also create licensing infographics for applicant educational purposes.

Update

In the past, the MRA has provided various dates, times, and locations for the social equity education and outreach sessions. Data has shown that these in-person sessions have not been the most efficient way to impact community engagement due to relatively low registration numbers. With the restrictions during the COVID-19 pandemic, the social equity team turned their attention to facilitating education and outreach sessions using virtual platforms to expand their outreach efforts. Participation numbers and community feedback from the virtual sessions has exceeded in-person session participation numbers and feedback.

The social equity team will continue to explore new ways to improve the social equity program in an effort to increase education and outreach in the future. The MRA intends to review all necessary documents needed for bilingual translation upon the completion of the draft rule set.

Integration with Local Economic Development

Summary

Integrating commercial marijuana with local economic development and land bank agencies.

Update

The MRA will begin its analysis to determine if statutory changes are necessary to effectuate this recommendation.

MMFLA Social Equity Model

Summary

Amend the Medical Marijuana Facilities Licensing Act (MMFLA) to establish a social equity model for the MMFLA.

Update

The MRA will begin its analysis to determine if statutory changes are necessary to effectuate this recommendation.

Corporate Spend Plans

Summary

In spirit of Governor Whitmer's Executive Directive 2019-08, licensed cannabis companies would be required to provide corporate spending plans.

Update

This recommendation is currently in the planning process. The MRA will send out a survey to current adult-use and medical licensees to gather additional information and gauge interest in the corporate spending plan. This survey will give the MRA insight regarding if the recommendation should be executed, and if so, the best way to do so.

Registry Fund Grants

Summary

To allocate monies within the Marijuana Registry Fund for social equity grants.

Update

The MRA will consider this recommendation as part of its Fiscal Year 2023 budget proposal (beginning October 1, 2022).

Survey Data Collection Tool

Summary

Create a voluntary survey/data collection tool to identify barriers and challenges for existing licensees and prequalified applicants of color in both medical and adult-use marijuana licensing.

Update

The MRA has implemented a social equity adult-use survey that is currently being sent out to stakeholders at various stages in the licensing process to continue to identify challenges and barriers during and after the application process. The survey is sent with the prequalification determination, upon notice of initial licensure, and with the renewal notification. The questions are customized at each stage based on issues that the social equity program has identified through data analysis and previous workgroups.

Event Permits

Summary

To create more value to the event organizer license type, the MRA would promote further inclusion and equity to the industry by modifying the Attestation 4-C for an event permit to require product liability insurance to be on the licensed retailer.

Update

The MRA's intentions are to provide more information concerning this recommendation in the draft rule set currently under review.

Licensee Exit Interview and Annual Assessment Survey

Summary

The Marijuana Regulatory Agency (MRA) would create a licensing exit interview and annual assessment survey for social equity applicants upon licensing and for annual license reviews and existing licensees and prequalified applicants of color in both medical and recreational marijuana programs.

Update

The MRA has combined this proposal suggestion with the Survey Data Collection Tool proposal during implementation. Please see the Survey Data Collection Tool proposal for the summary update.

Clinical Research Proposal

Summary

Introduce and pass Michigan version of state-based marijuana medical and clinical research.

Update

The MRA is not currently pursuing the recommendations of the advisory workgroup that increase taxes. The MRA may consider other means to fund clinical research initiatives in the future.

Intra-Licensee Transaction Tax

Summary

New commercial marijuana intra-licensee transaction tax under the Michigan Regulation and Taxation of Marijuana Act (MRTMA) and the Medical Marijuana Facilities Licensing Act (MMFLA).

Update

The MRA is not currently pursuing the recommendations of the advisory workgroup that increase taxes. The MRA may consider other means to fund social equity initiatives in the future.

Medical Excise Tax

Summary

Reinstitute the Medical Marijuana Excise Tax on provisioning center sales.

Update

At this time, the MRA's intention is to not recommend a legislative change to reinstitute the Medical Marijuana Excise Tax as this would increase the cost to Michigan's medical marijuana patients.