

MEDICAL MARIHUANA FACILITIES LICENSING ACT (EXCERPT)
Act 281 of 2016
PART 6. TAXES AND FEES

333.27601 Provisioning center; imposition of tax; rate; administration.

Sec. 601.

(1) A tax is imposed on each provisioning center at the rate of 3% of the provisioning center's gross retail receipts. By 30 days after the end of the calendar quarter, a provisioning center shall remit the tax for the preceding calendar quarter to the department of treasury accompanied by a form prescribed by the department of treasury that shows the gross quarterly retail income of the provisioning center and the amount of tax due, and shall submit a copy of the form to the department. If a law authorizing the recreational or nonmedical use of marihuana in this state is enacted, this section does not apply beginning 90 days after the effective date of that law.

(2) The taxes imposed under this section shall be administered by the department of treasury in accordance with 1941 PA 122, MCL 205.1 to 205.31, and this act. In case of conflict between the provisions of 1941 PA 122, MCL 205.1 to 205.31, and this act, the provisions of this act prevail.

History: 2016, Act 281, Eff. Dec. 20, 2016

Compiler's Notes: Enacting section 2 of Act 281 of 2016 provides: "Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare." For transfer of powers and duties of the medical marihuana licensing board, marihuana advisory panel, and department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the medical marihuana licensing board, marihuana advisory panel, and bureau of marijuana regulation, see ERO No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27602 Medical marihuana excise fund.

Sec. 602.

(1) The medical marihuana excise fund is created in the state treasury.

(2) Except for the application fee under section 401, the regulatory assessment under section 603, and any local fees, all money collected under section 601 and all other fees, fines, and charges, imposed under this act must be deposited in the medical marihuana excise fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(3) Money in the medical marihuana excise fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

(4) The state treasurer is the administrator of the medical marihuana excise fund for auditing purposes.

(5) The money in the medical marihuana excise fund must be allocated, upon appropriation, as follows:

(a) 25% to municipalities in which a marihuana facility is located, allocated in proportion to the number of marihuana facilities within the municipality.

(b) 30% to counties in which a marihuana facility is located, allocated in proportion to the number of marihuana facilities within the county.

(c) 5% to counties in which a marihuana facility is located, allocated in proportion to the number of marihuana facilities within the county. Money allocated under this subdivision must be used exclusively to support the county sheriffs and must be in addition to and not in replacement of any other funding received by the county sheriffs.

(d) 30% to this state for the following:

(i) Until September 30, 2017, for deposit in the general fund of the state treasury.

(ii) Beginning October 1, 2017, for deposit in the first responder presumed coverage fund created in section 405 of the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.405.

(e) 5% to the Michigan commission on law enforcement standards for training local law enforcement officers.

(f) 5% to the department of state police.

History: 2016, Act 281, Eff. Dec. 20, 2016 ;-- Am. 2018, Act 10, Imd. Eff. Jan. 26, 2018

Compiler's Notes: Enacting section 2 of Act 281 of 2016 provides: "Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and

safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."For transfer of powers and duties of the medical marihuana licensing board, marihuana advisory panel, and department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the medical marihuana licensing board, marihuana advisory panel, and bureau of marijuana regulation, see ERO No. 2019-2, compiled at MCL 333.27001.For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27603 Regulatory assessment.

Sec. 603.

(1) A regulatory assessment is imposed on certain licensees as provided in this section. All of the following shall be included in establishing the total amount of the regulatory assessment established under this section:

(a) The department's costs to implement, administer, and enforce this act, except for the costs to process and investigate applications for licenses supported with the application fee described in section 401.

(b) Expenses of medical-marihuana-related legal services provided to the department by the department of attorney general.

(c) Expenses of medical-marihuana-related services provided to the department by the department of state police.

(d) Expenses of medical-marihuana-related services provided by the department of treasury.

(e) \$500,000.00 to be allocated to the department for expenditures of the department for licensing substance use disorder programs.

(f) An amount equal to 5% of the sum of the amounts provided for under subdivisions (a) to (d) to be allocated to the department of health and human services for substance-abuse-related expenditures including, but not limited to, substance use disorder prevention, education, and treatment programs.

(g) Expenses related to the standardized field sobriety tests administered in enforcing the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

(h) An amount sufficient to provide for the administrative costs of the Michigan commission on law enforcement standards.

(2) The regulatory assessment is in addition to the application fee described in section 401, the tax described in section 601, and any local licensing fees.

(3) The regulatory assessment shall be collected annually from licensed growers, processors, provisioning centers, and secure transporters. The regulatory assessment for a class A grower license shall not exceed \$10,000.00.

(4) Beginning in the first year marihuana facilities are authorized to operate in this state, and annually thereafter, the department, in consultation with the board, shall establish the total regulatory assessment at an amount that is estimated to be sufficient to cover the actual costs and support the expenditures listed in subsection (1).

(5) On or before the date the licensee begins operating and annually thereafter, each grower, processor, provisioning center, and secure transporter shall pay to the state treasurer an amount determined by the department to reasonably reflect the licensee's share of the total regulatory assessment established under subsection (4).

History: 2016, Act 281, Eff. Dec. 20, 2016

Compiler's Notes: Enacting section 2 of Act 281 of 2016 provides:"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."For transfer of powers and duties of the medical marihuana licensing board, marihuana advisory panel, and department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the medical marihuana licensing board, marihuana advisory panel, and bureau of marijuana regulation, see ERO No. 2019-2, compiled at MCL 333.27001.For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27604 Marihuana regulatory fund.

Sec. 604.

(1) The marihuana regulatory fund is created within the state treasury.

(2) The application fee collected under section 401 and the regulatory assessment collected under section 603 must be deposited into the marihuana regulatory fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(3) Except as otherwise provided in this section, money in the marihuana regulatory fund at the close of the fiscal year must remain in the fund and must not lapse to the general fund.

(4) The marijuana regulatory agency is the administrator of the marihuana regulatory fund for auditing purposes.

(5) Except as provided in section 603(1)(d) and (e), the department shall expend money from the marihuana regulatory fund, upon appropriation, only for implementing, administering, and enforcing this act.

(6) For the fiscal year ending September 30, 2020 only, \$17,000,000.00 of the money in the marihuana regulatory fund is transferred to and must be deposited into the general fund.

(7) As used in this section, "marijuana regulatory agency" means the marijuana regulatory agency created under Executive Reorganization Order No. 2019-2, MCL 333.27001.

History: 2016, Act 281, Eff. Dec. 20, 2016 ;-- Am. 2020, Act 170, Imd. Eff. Oct. 1, 2020

Compiler's Notes: Enacting section 2 of Act 281 of 2016 provides: "Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare." For transfer of powers and duties of the medical marihuana licensing board, marihuana advisory panel, and department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the medical marihuana licensing board, marihuana advisory panel, and bureau of marijuana regulation, see ERO No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27605 Use of money from Michigan marihuana registry fund.

Sec. 605.

The department may use any money appropriated to it from the marihuana registry fund created in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426, for the purpose of funding the operations of the department and the board in the initial implementation and subsequent administration and enforcement of this act.

History: 2016, Act 281, Eff. Dec. 20, 2016

Compiler's Notes: Enacting section 2 of Act 281 of 2016 provides: "Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare." For transfer of powers and duties of the medical marihuana licensing board, marihuana advisory panel, and department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the medical marihuana licensing board, marihuana advisory panel, and bureau of marijuana regulation, see ERO No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.