

MEDICAL MARIJUANA FACILITIES: ONE-YEAR LICENSE INELIGIBILITY FOR OPERATING WITHOUT A LICENSE

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House Bill 4440 (H-1) as reported from committee
Sponsor: Rep. Jim Lilly
Committee: Government Operations
Complete to 4-15-19

SUMMARY:

House Bill 4440 would amend the Medical Marijuana Facilities Licensing Act (MMFLA) to provide that a person operating a marijuana facility without a license after June 1, 2019, is ineligible for a license for a period of one year.

The MMFLA regulates medical marijuana facilities, such as growers, processors, secure transporters, provisioning centers, and safety compliance facilities, and requires these facilities to obtain a license to operate in this state. The act prescribes circumstances under which an applicant is ineligible to receive such a license, including such things as holding elective office or having certain criminal convictions.

Under the bill, an applicant would be ineligible to receive a license if the Department of Licensing and Regulatory Affairs (LARA) determined that the applicant, at any time after June 1, 2019, held itself out as operating a marijuana facility and did not have a license to operate the facility or had a license that was suspended, revoked, lapsed, void, fraudulently obtained, or transferred to the applicant without the prior approval of the Medical Marijuana Licensing Board. The ineligibility would apply for one year after the date of LARA's determination.

The bill would further require LARA, before June 1, 2019, to "make every effort" to process license applications that were submitted before the bill's effective date, including issuing final determinations in any appeals regarding those applications.

MCL 333.27402

FISCAL IMPACT:

House Bill 4440 could result in an indeterminate temporary reduction in revenues for LARA. To the extent that the bill may result in applicants being ineligible for licensure for a one-year period, the bill may result in diminished revenues that may have been realized from those entities. Given that the ineligibility period would be one year, the bill would be unlikely to cause significant long-term impacts.

POSITIONS:

A representative of Green Peak Industries testified in support of the bill. (4-10-19)

The following entities indicated support for the bill (4-10-19):

- Redbud Roots
- Pharmaco
- Motas
- Choice Labs
- Great Lakes Cannabis Chamber of Commerce
- CannArbor
- Alternative Gardens

A representative of the Michigan Cannabis Industry Association testified with a neutral position on the bill. (4-10-19)

The following entities indicated opposition to the bill (4-10-19):

- Department of Licensing and Regulatory Affairs (LARA)
- Weedmaps

Legislative Analyst: Rick Yuille
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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.