

**MICHIGAN REGULATION AND TAXATION OF MARIHUANA ACT (EXCERPT)**  
**Initiated Law 1 of 2018**

**333.27964 Marihuana regulation fund; creation; administration; allocation of expenditures.**

Sec. 14.

(1) The marihuana regulation fund is created in the state treasury. The department of treasury shall deposit into the fund all money collected under section 13 and all money collected by the department of treasury in accordance with an agreement described in section 3(y)(ii), and the cannabis regulatory agency shall deposit into the fund all fees collected under this act. The state treasurer shall direct the investment of the fund and shall credit to the fund interest and earnings from fund investments. The cannabis regulatory agency shall administer the fund for auditing purposes. Money in the fund at the close of the fiscal year must remain in the fund and must not lapse to the general fund.

(2) Funds for the initial activities of the cannabis regulatory agency to implement this act shall be appropriated from the general fund. The cannabis regulatory agency shall repay any amount appropriated under this subsection from proceeds in the fund.

(3) The cannabis regulatory agency shall expend money in the fund as follows:

(a) For the implementation, administration, and enforcement of this act.

(b) Until 2022 or for at least 2 years, whichever is later, for 1 or more development and research projects, including clinical trials, that are approved by the United States Food and Drug Administration and sponsored by a nonprofit organization or researcher within an academic institution researching the efficacy of marihuana in treating the medical conditions and preventing the suicide of United States Armed Services veterans. The cannabis regulatory agency shall expend \$20,000,000.00 per year under this subdivision.

(4) Upon appropriation, the unexpended balances in the fund must be allocated as follows:

(a) Subject to subsection (5), 15% to municipalities in which a marihuana retailer or marihuana microbusiness is located, allocated in proportion to the number of marihuana retailers and marihuana microbusinesses within each municipality.

(b) Subject to subsection (5), 15% to counties in which a marihuana retailer or marihuana microbusiness is located, allocated in proportion to the number of marihuana retailers and marihuana microbusinesses within each county.

(c) 35% to the school aid fund to be used for K-12 education.

(d) 35% to the Michigan transportation fund to be used for the repair and maintenance of roads and bridges.

(5) If a marihuana retailer or marihuana microbusiness is located in Indian lands, the portions of the unexpended balances attributable to the marihuana retailer or marihuana microbusiness that would have otherwise been allocated to a municipality under subsection (4)(a) and a county under subsection (4)(b) must instead be allocated to the Indian tribe in whose Indian lands the marihuana retailer or marihuana microbusiness is located.

**History:** 2018, Initiated Law 1, Eff. Dec. 6, 2018 ;-- Am. 2023, Act 165, Imd. Eff. Oct. 19, 2023

**Compiler's Notes:** This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. 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.