

CLIENT ALERTS

MRA Releases Adult-Use Emergency Rules

7.3.2019

Today, the Marijuana Regulatory Agency ("MRA") released **emergency administrative rules** to implement the Michigan Regulation and Taxation of Marijuana Act ("MRTMA"). These rules establish the framework for adult-use marijuana establishments and clarify the interplay between the MRTMA and the Medical Marijuana Facilities Licensing Act ("MMFLA").

The rules take immediate effect and they remain effective for six months from today.

Here are highlights from the rules:

- There are no capitalization requirements for adult-use licenses and fewer financial documents are required.
- Current medical marijuana licensees who apply for adult-use licenses will be expedited through the application process if there are no changes in ownership.
- *The rules create the following new license types:*
 - Marijuana Event Organizer – license holder may apply for Temporary Marijuana Event licenses from the MRA.
 - Temporary Marijuana Event – license allows a Marijuana Event Organizer to run an event, preapproved by the local municipality, where the onsite sale or consumption of marijuana products are authorized at a specific location for a limited time.
 - Designated Consumption Establishment – license holder may permit adults 21 years of age or older to consume marijuana products on the premises of a locally approved and MRA licensed commercial space. A Designated Consumption Establishment license does not allow for sales or distribution of marijuana products unless the license holder also possesses a Retailer or Microbusiness license.

Related People

Shanika A. Owens
Shareholder

Related Services

Cannabis Law Specialty Team

CLIENT ALERTS

- Excess Marijuana Grower – allows a licensee who already holds five adult-use Class C Grower licenses to expand their allowable marijuana plant count.
- Adult-use home delivery includes Designated Consumption Establishments and any residence. Medical home delivery is for registered marijuana cardholders only.
- Adult-use license renewal fees are divided into three tiers in which larger volume licensees will pay more on renewal and smaller volume licensees will pay less.
- Growers and Microbusinesses may accept the transfer of marijuana seeds, tissue cultures, and clones from another Grower licensed under the adult-use law or the medical marijuana law.
- Class A Growers and Microbusinesses may accept the transfer of marijuana plants one time from (a) registered primary caregiver(s) so long as the caregiver(s) was an applicant for that license.
- A licensee – who holds two or more Processor licenses or two or more Retailer licenses – with common ownership at different establishments may transfer marijuana product inventory between the Processor or Retailer establishments.
- All adult-use applicants are required to submit a social equity plan. The social equity plan must detail a strategy to promote and encourage participation in the marijuana industry by people from communities that have been disproportionately impacted by marijuana prohibition and enforcement and to positively impact those communities.
- Adult-use Safety Compliance Facilities are required to hire a laboratory manager.

Please note that the MRA plans to accept applications for adult-use facilities beginning November 1, 2019. The adult-use applications will still follow the same two-step, pre-qualification and license application, process as used by the MMFLA. Since current medical marijuana licensees are given preference in the application process, it is imperative that you build a strong foundation for your cannabis-related business as soon as possible.

For questions about this subject and others concerning the cannabis industry, please contact the authors of this alert or any member of Butzel Long's Cannabis Law Specialty Team.

Jonathan L. Kirkland

248.258.1422

kirkland@butzel.com

Shanika A. Owens

313.983.6908

owens@butzel.com