

# CLIENT ALERTS

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## What Consumers Need to Know, Now that Michigan Grows

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Expected to be one of the largest recreational/adult-use markets in the US, on December 1st, Michigan began recreational marijuana sales. Adults over the age of 21 who present a valid driver's license or valid state ID are now able to purchase recreational marijuana in Michigan.

However, now that marijuana is available at various retail outlets in Michigan (listed below), consumers have a few things they need to be aware of in order to play by the rules:

1. Consumers can only buy and travel with less than 2.5 ounces. That equates to about 160 0.5-gram joints. There are also limitations on how much and what types of edibles retailers can sell to recreational marijuana consumers, as opposed to medical marijuana card holders. At home, however, 21+ year old adults can have up to 10 ounces and are able to grow up to 12 plants for "personal consumption".
2. Consumers had limited options on where to purchase recreational marijuana yesterday. 1400 municipalities have opted out of permitting recreational marijuana facilities. Only four facilities opened yesterday – three in Ann Arbor (Arbors Wellness, Exclusive Provisioning Centers, and Greenstone), and one in Morenci (Michigan Supply and Provisions). In the coming days or weeks, Green Peak Innovations' Skymint (also in Ann Arbor) and Lit Provisioning (in Evart) are expected to open, as they have also received recreational licenses. More than 30 additional applications are in process from retailers across the state.
3. Consumers need to beware of where they can legally consume recreational cannabis as well. Use of recreational marijuana is only allowed in private – public use comes with heavy fines. While it should go without saying, driving under the influence of marijuana is against the law. As it's been widely reported already, employers are still allowed to enforce internal marijuana policies and can refuse to hire

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based on failed drug tests. It's also important to know that marijuana cannot be transported across state lines or into Canada.

4. As expected, the first day of recreational sales started on a high note – lines wrapped around the block, and consumers camped out Saturday night in order to ensure access to a limited supply. Under the rules, retailers are able to transfer up to 50% of each medical marijuana product type that was in their stock for at least 30 days. Important to note, the State of Michigan intends to continue the 50% transfer rule for the foreseeable future as there isn't an underlying recreational marijuana grow and processing infrastructure in place yet.

The industry in Michigan is still developing. As such, recreational marijuana laws allow for marijuana event licenses and also consumption establishment licenses – only one marijuana event organizer license has been granted and no establishment licenses have been granted. Along with product being available from licensed facilities, medical marijuana is still available from Michigan Caregivers. Caregivers can grow up to 12 plants per patient (up to 5 patients) and 12 plants for themselves and are able to sell their products to licensed medical marijuana grow and processing operations. While the infrastructure continues to develop, especially with grow and processing operations both in the medical and recreational space, the role of the Caregiver will remain important to ensure there is an adequate supply – no longer just for medical purposes, but now for recreational use as well.

Bob Marley once said, "When you smoke the herb, it reveals you to yourself." If he's right, Michiganders now have the opportunity for revelation – we'll have to wait and see what they find. Helping ensure compliance, keeping clients up to date on rule changes, and supporting underlying business structure, formation, employment, intellectual property, and contracting, (among other aspects of our clients' businesses) your Butzel attorneys are here to support you and your company as you embark in these sometimes uncharted waters.

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