

Michigan Local Government Marijuana Review Process Survey December 2022

Cities, Townships and Villages’ Cannabis Regulations

Application processes, license types and administration

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This report represents those opinions and perspectives of Michigan’s municipal cannabis regulators on important cannabis policy, leadership and partnership issues facing their various cities, townships and villages. These findings are based on statewide surveys of local government cannabis regulators in the summer and fall 2022. The Michigan Local Government Marijuana Review Process Survey (MRPS) was conducted between August 29 – September 23, 2022.

MRPS is a census survey of over 120 cities, townships and/or villages in Michigan that license medical and/or recreational marijuana conducted in 2022 by the Michigan Local Government Marijuana Review Process Survey Committee. Respondents for the 2022 MRPS survey are local government cannabis officials. The regulators are city, townships and villages clerks, managers, supervisors, community development directors, zoning administrators and marijuana regulations administrators from 46 jurisdictions across the state. Figure 1 is a percentage breakdown by region of where local government cannabis regulators who responded to the survey are located in the state. Figure 1.2 highlights the characteristics of regulators’ communities that responded to the survey.

Key Findings

1. Communities that have opted-in are choosing to license both medical and recreational marijuana.
2. Most communities that give conditional approvals to applicants require them to move forward within a year.
3. Municipalities almost evenly split on having a marijuana appeals process.
4. Most local governments are not requiring marijuana businesses to offer community benefits or social equity programs.
5. Despite that the perception of marijuana is changing, local government administrators still are hesitant about saying what they do professionally.
6. The majority of cannabis regulators are clerks.
7. More training and professional development opportunities need to be made available to community cannabis regulators.
8. Those working in cannabis administration are interested in building a professional and supportive community for municipal regulators.
9. State legislators are not consulting with their local government regulators on marijuana policy decisions.

Figure 1
Cannabis Regulators by Region

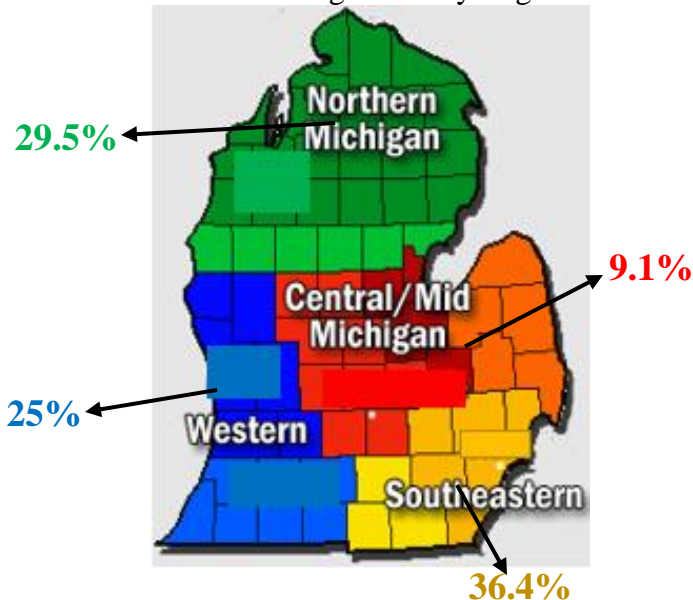
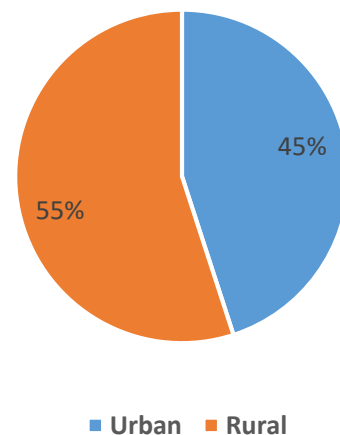


Figure 1.2
Cities, Townships and Villages
Community Characterization



Background

In November 2008, Michigan voters passed a referendum to enable certain specified persons to legally obtain, possess, cultivate/grow, use and distribute marijuana. The “Medical Marihuana Act” went into effect on December 4, 2008. Medical marijuana was legalized in Michigan through the Michigan Compassionate Care Initiative. Known as Proposal 1, the bill was passed by 63% of voters. This made Michigan the 13th state to legalize medical marijuana, and the first midwestern state to do so. The initiative did not provide for the opening of legal dispensaries, though nearly 100 medical marijuana dispensaries were already operating illegally in the state but focused on qualifying patients and primary caregivers whom were seriously ill¹.

A major breakthrough occurred in September 2016 when then Governor Rick Snyder signed three bills that effectively launched Michigan’s medical marijuana industry. Regulated medical cannabis dispensaries were now allowed to operate throughout the state. The use of non-smokable marijuana products such as topicals and edibles was approved. Additionally, a 4% tax was placed on medical marijuana products.

The Medical Marihuana Facilities Licensing Act 281 of 2016 is an act to license and regulate medical marihuana growers, processors, provisioning centers, secure transporters, and safety compliance facilities. It allows certain licensees to process, test, or sell industrial hemp, provide for the powers and duties of certain state and local governmental officers and entities, create a medical marihuana licensing board, provide for interaction with the statewide monitoring system for commercial marihuana transactions, create an advisory panel, provide immunity from prosecution for marihuana-related offenses for persons engaging in certain activities in compliance with this act, prescribe civil fines and sanctions and provide remedies, provide for forfeiture of contraband, provide for taxes, fees, and assessments and require the promulgation of rules².

In 2018, a measure appeared on the Michigan ballot to officially legalize recreational marijuana. The Michigan Regulation and Taxation of Marihuana Act was passed by 56% of state voters. Michigan became the 10th state in the country — and the first midwestern state — to legalize recreational cannabis. With the legalization of recreational marijuana in Michigan, anyone over 21 years of age can possess up to 2.5 ounces of cannabis in public, with ten ounces allowed in the home. Home cultivation of up to 12 marijuana plants is also legal. Legal recreational marijuana dispensaries began operating in Michigan in December 2019. You no longer need a medical marijuana card to be served. You just have to be over the age of 21³.

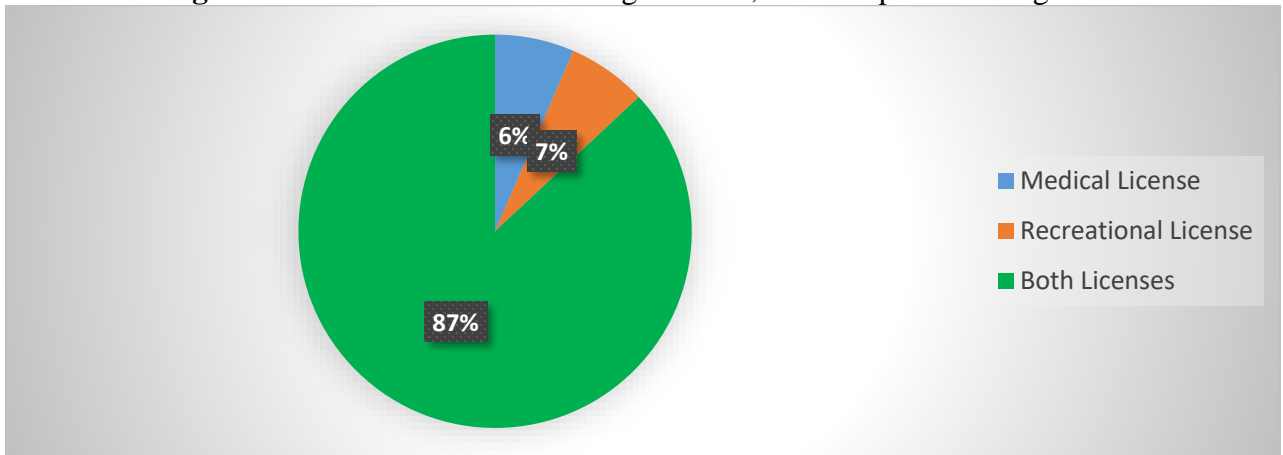
In order to gain a better understanding of cannabis regulations at the local government level in Michigan, the 2022 MRPS asked municipal cannabis regulators from across the state a series of questions regarding cannabis regulations in their cities, townships and villages.

Communities that have opted-in are choosing to license both medical and recreational marijuana

Dispensaries are at the forefront of the type of licenses available

The legalization of medical and recreational marijuana is growing with 38 out of 50 states having one or both types⁴. The trend is becoming more common for a state to have both medical and recreational. In 2018, Michigan legalized recreational marijuana and allowed communities the choice to opt-in (allow the sale of recreational marijuana) or opt-out (prohibit the sale of recreational marijuana). 87% of the survey respondent's communities offer both Medical and Recreation marijuana licenses.

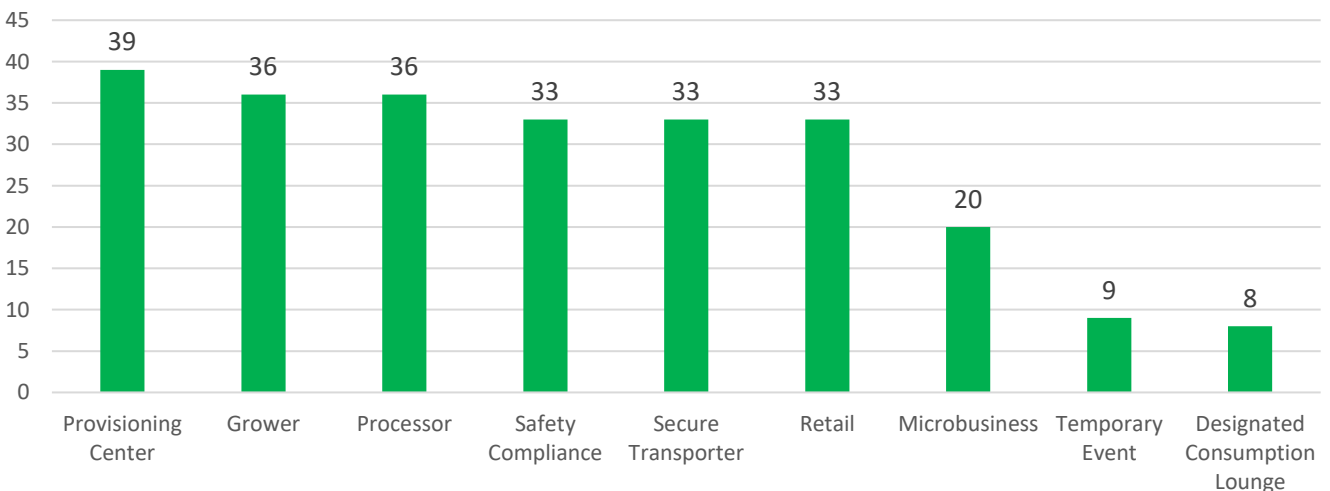
Figure 2 License Allowed in Michigan Cities, Townships and Villages



The common types of licenses offered for both medical and recreational are grower, processor, safety compliance, secure transporter and dispensaries. Medical licenses refer to their dispensaries as provisioning centers while recreational licenses refer to their dispensaries as retail. Other types of recreational marijuana licenses are microbusiness, temporary events and designated consumption lounges.

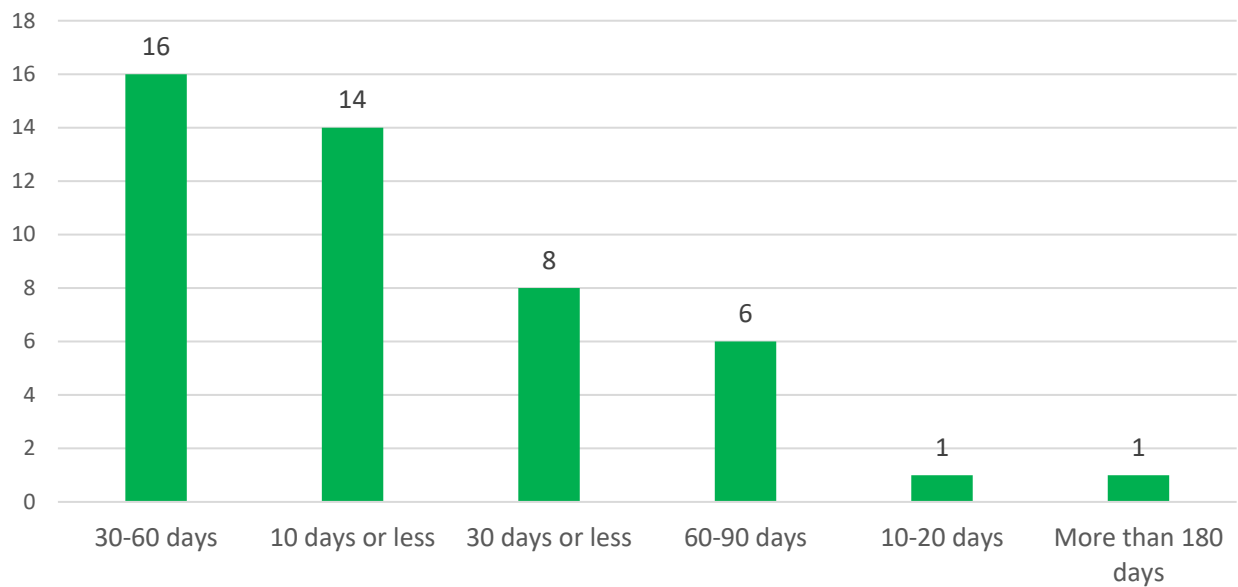
Figure 2.2 Marijuana License Types

(In the 40 communities that offer both medical and recreational licenses)



The following chart illustrates how long it is taking communities to review applications.

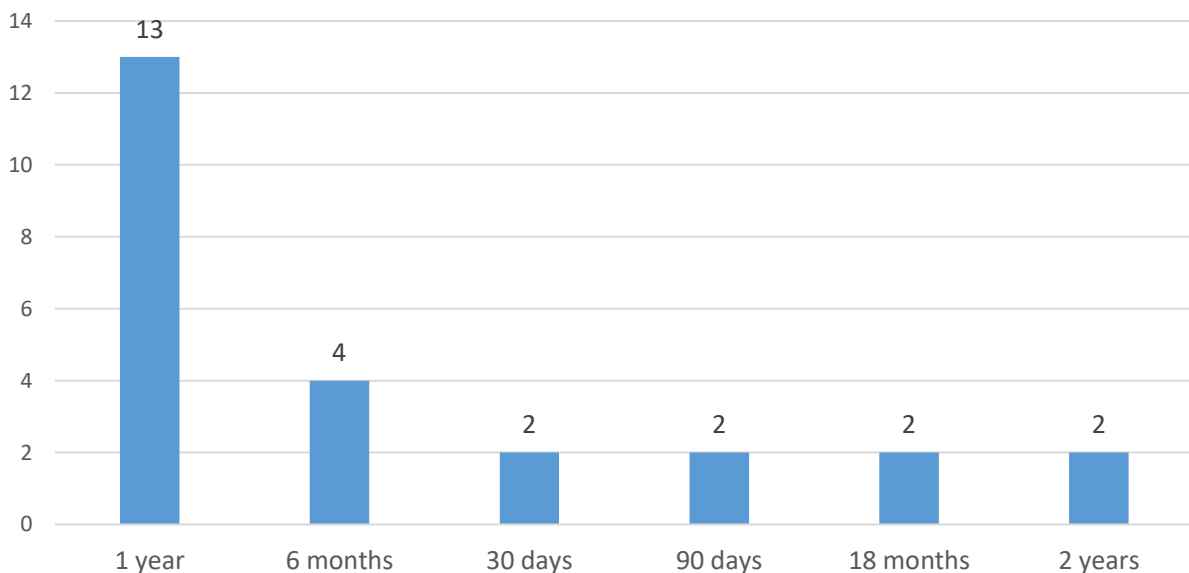
Figure 2.3 Application Review Time for Communities



Most communities that give conditional approvals to applicants require them to move forward within a year

After applications have been reviewed by the city, township or village cannabis regulations staff, many local governments then give successful applicants a conditional approval. Conditional approvals are given so applicants can obtain their building permits, site plan approval, fire inspection and certificate of occupancy. Many communities limit the time that applicants have to obtain their necessary permits and approvals to a year.

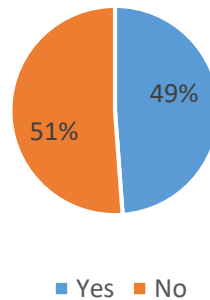
Figure 3 Certificate of Occupancy Deadline for Communities



Municipalities almost evenly split on having a marijuana appeals process

Due to the competitive cannabis market, there were applicants who were not successful in obtaining a dispensary spot in certain communities. Applicants had the right to appeal the decision if they were not awarded a cannabis dispensary whether that be due to limited spots or if their application was not sufficient enough. Some communities setup their own municipal appeals process while some communities just let the courts handle it.

Figure 4 Communities have an appeals process



Most local governments are not requiring marijuana businesses to offer community benefits or social equity programs

Despite the lack of municipalities requiring community benefits, Regulators have expressed an interest in learning how community benefits can help their jurisdiction

Cannabis business can bring in some revenue as well as produce more jobs for communities. There is a lot of money to be earned by these cannabis businesses. With that being said, cannabis business should not only be setting up shop within these communities for just their own profit, but give back to the communities they serve. Most communities do not require a community benefits/charitable plans section in their application. Although many communities are not requiring applicants to provide community benefits, nearly half of communities not requiring community benefits did express an interest in learning about community benefits tracking systems. This would help ensure that these business give back to the community that they are making a profit in. Also, about 57% of all regulators rated it important to effectively track community benefits.

Figure 5 Municipalities that require Community Benefits/Charitable Plans as a part of their application process

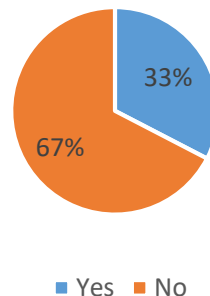
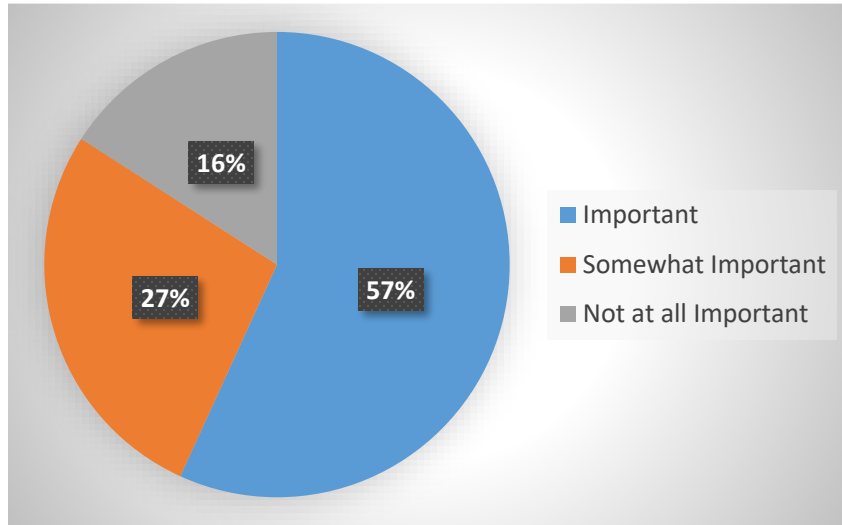
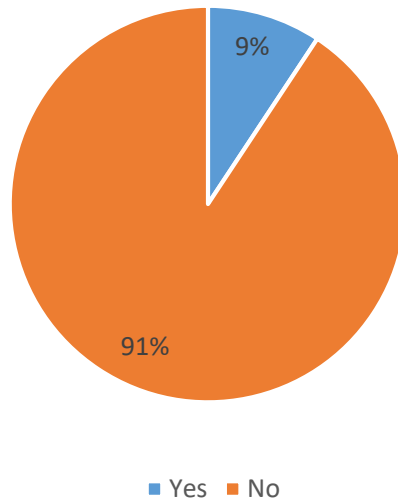


Figure 5.2 Regulators interest in how to effectively track Community Benefits



The cannabis industry can be expensive. Typically, start-up costs can run into the hundreds of thousands of dollars and everyone is not equipped to do so without assistance. The establishment of social equity programs would help the community by promoting and encouraging participation within the cannabis industry by people in the communities that were disproportionately impacted due to the prohibition and enforcement of laws on marijuana prior to legalization.

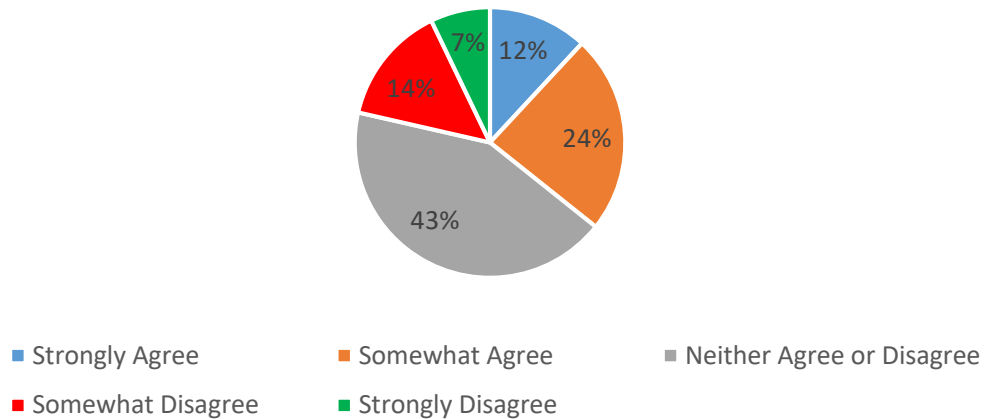
Figure 5.3 Municipalities that have Social Equity requirements in their application process



Despite that the perception of marijuana is changing, local government administrators still are hesitant saying what they do professionally

In the past, marijuana has been tied to usually stories dealing with crime. People already have the notion of since it is a drug, it is bad for society. Interesting enough, back in the early 1900s, Mexican immigrants came to America introduced the use of marijuana. Since become associated with the drug, society's fear and prejudice against immigrants and crime became closely attached with marijuana. The Great Depression also played a role due to the massive unemployment and social unrest shaping the perception of marijuana. This shifted the government's view to negativity leading to the adoption of the Marijuana Tax Act of 1937. This was recorded as the first federal law criminalizing the drug nationwide⁵. Within the last decade, there has been a noticeable change in society about the perception of marijuana. Marijuana is now a new and booming industry yet local government cannabis administrators still are not comfortable with others knowing their profession.

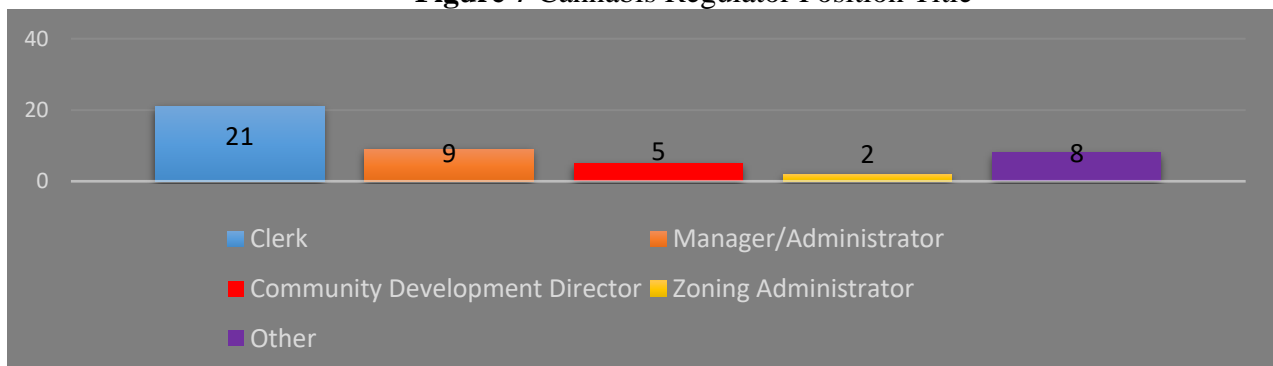
Figure 6 Regulators opinions about working in Local Government Cannabis Administration



The majority of cannabis regulators are clerks

Close to 50% of the local government cannabis administration is led by clerks. The clerk has many tasks to complete including elections and being the central hub to records keeping. Cannabis regulators can vary from different positions. There were a number of communities that named a completely new position solely dedicated to cannabis regulation. For example, titles such as marijuana regulations administrator, cannabis manager and director of marijuana ventures and entrepreneurship just to name a few.

Figure 7 Cannabis Regulator Position Title



More training and professional development opportunities need to be made available to community cannabis regulators

The MRPS gathered information from participating cannabis regulators on their participation in professional meetings. Over 60% of participants responded that they do not regularly attend professional meetings. The most common answers to why revolves around the time and the funds necessary to do so.

Figure 8 Regular Attendance at Professional Meetings

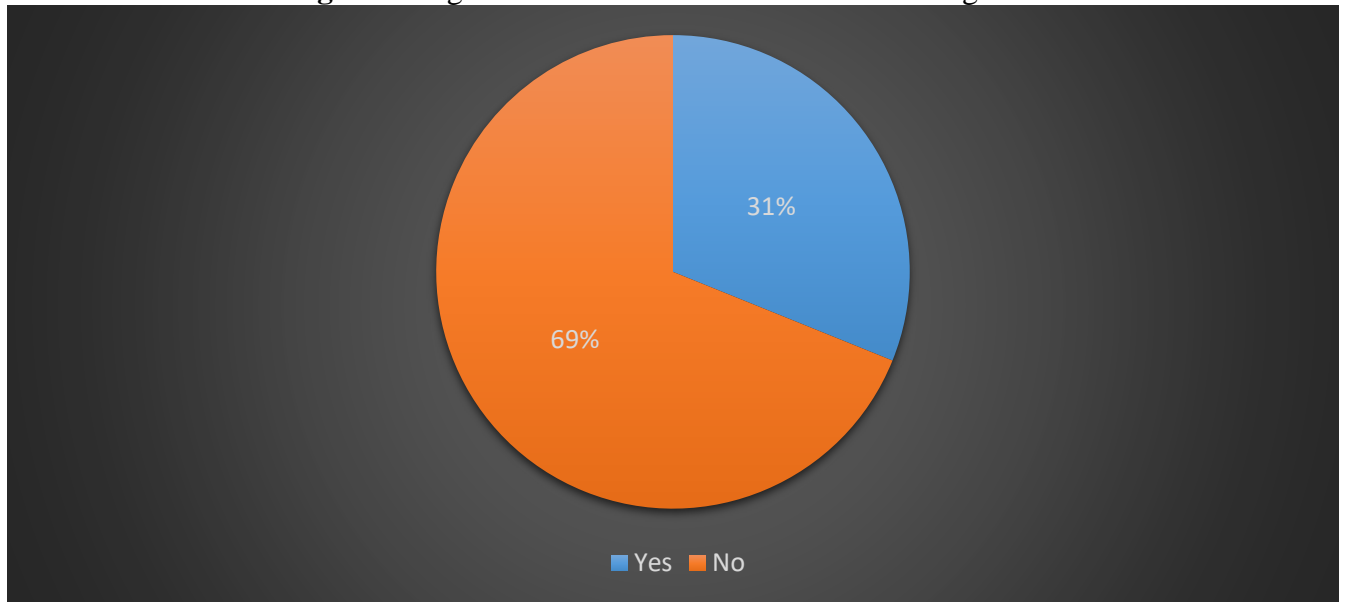
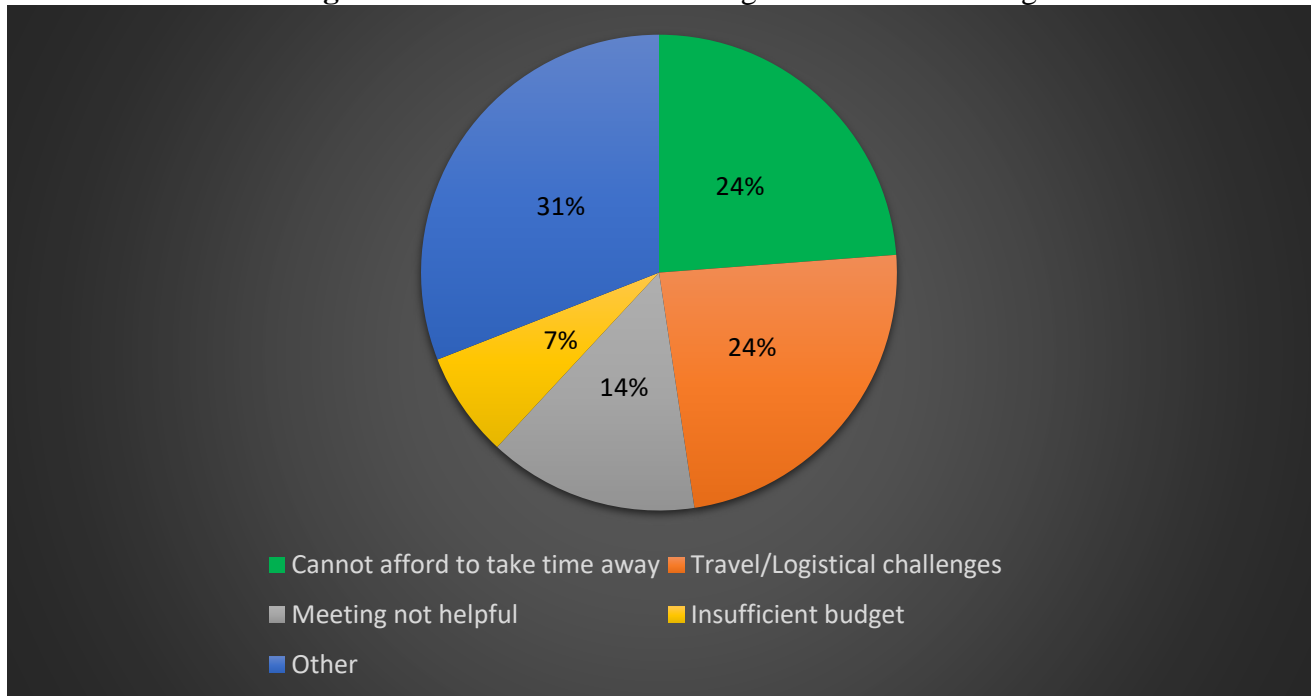


Figure 8.2 Reason for not attending Professional Meetings



Those working in cannabis administration are interested in building a professional and supportive community for municipal regulators

This survey gave cannabis regulators a chance to voice what they would be interested in towards helping their local government. Those topics involved building a positive and supportive community among marijuana administrators, helping develop and advance their skills as an effective administrator and their preferred method of communication. It was good to see that although opportunities for training is lacking, cannabis regulators are interested in development.

Figure 9 Building a positive and supportive community among marijuana administrators

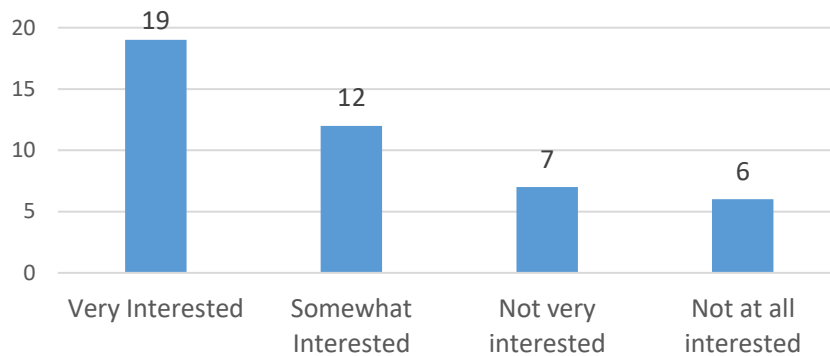


Figure 9.2 Helping in development and advancement of my skills as an effective administrator

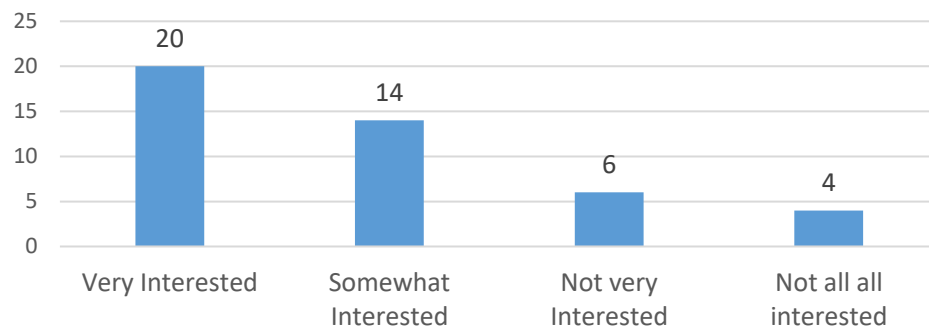
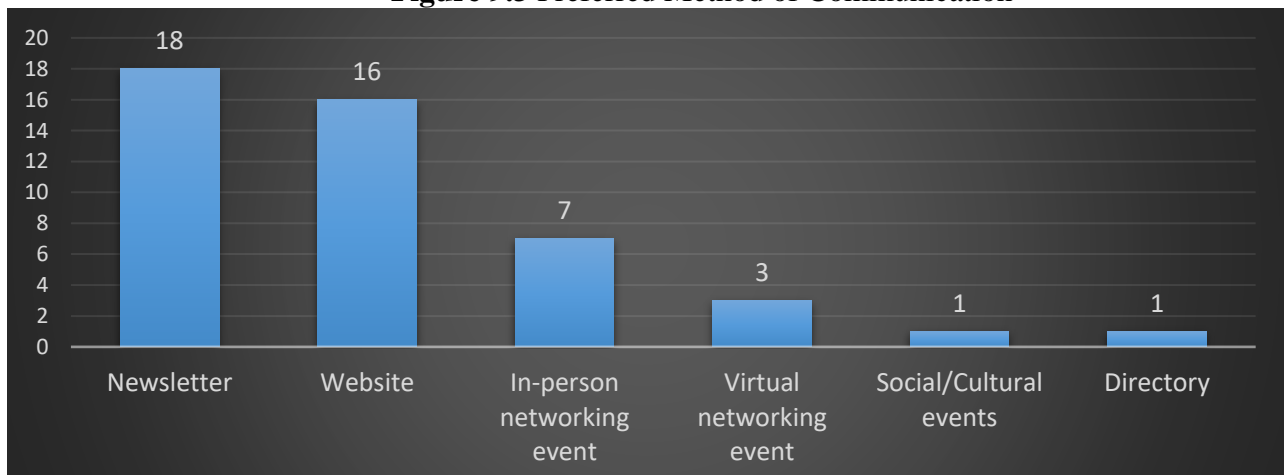


Figure 9.3 Preferred Method of Communication



State legislators are not consulting with their local government regulators on marijuana policy decisions

The cannabis industry seemingly has updates on existing policies. Due to the lack of state legislator's involvement and communication with their local government communities on updates to existing policies as well as adoptions of new policies, municipal regulators are interested in developing an association that would influence bills and policy changes.

Figure 10 Regulators feel their state legislator does not consult their community on marijuana policy decisions

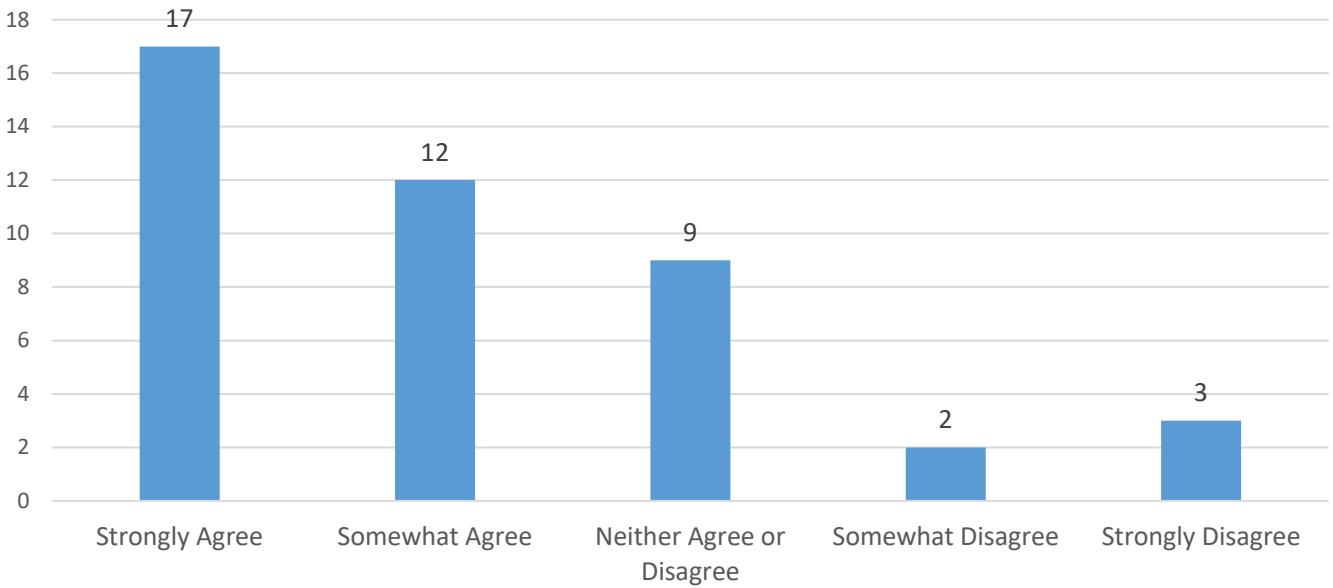
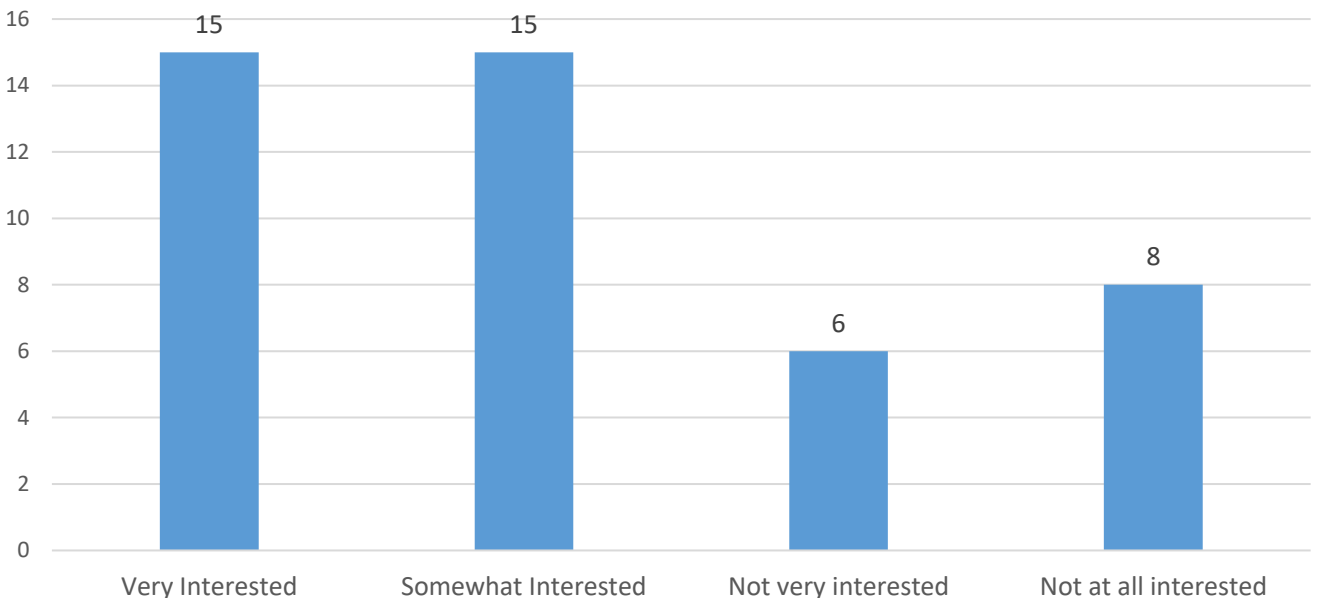


Figure 10.2 Regulators interested in influencing bills and policy changed proposed by the state legislature



Notes

1. Michigan Coalition for Compassionate Care Initiative. Retrieved from <https://www.michiganmedicalmarijuana.org/articles/archives/mi-coal-for-comp/>
2. Michigan Completed Laws Completed Thru PA 227 of 2022. Retrieved from <http://www.legislature.mi.gov/>
3. Michigan Legislature. Retrieved from <https://www.legislature.mi.gov/documents/mcl/pdf/mcl-Initiated-Law-1-of-2018.pdf>
4. Berke, J., Gal, S and Yeji, J.L. (2022, November 9). 2 new states voted to legalize marijuana in the 2022 elections. See a list of every state where cannabis is legal. *Business Insider*. Retrieved from <https://www.businessinsider.com/legal-marijuana-states-2018-1>
5. Med Well Health & Wellness Centers. The Evolving Perception of Marijuana. Report on Marijuana Perception. Retrieved from <https://www.medwellhealth.net/the-evolving-perception-of-marijuana/>

Survey Background

The Michigan Local Government Marijuana Review Process Survey (MRPS) is a survey for local government cannabis officials conducted by the 2022 Michigan Local Government Marijuana Review Process Survey Committee. It was designed to gather the opinions and perspectives on a variety of important issues facing local government cannabis regulators. In the fall 2022, the survey was sent out to 124 communities within the State of Michigan that licenses medical and/or recreational marijuana inviting its community marijuana regulator to participate. The survey was conducted from August 29 – September 23, 2022. 46 communities responded. That is about a 37% response rate. The average online survey response rate is around 30%. The 46 communities that participated in the survey are a part of 29 different counties in Michigan. Participation was primarily from the central and southeastern regions of Michigan. As it relates to the various characteristics of those communities, rural communities' response rate was 10% higher than urban communities (55% - 45%). The survey responses presented here are those of local government cannabis regulators, while further analysis represents the views of the authors.