



Marijuana initiative moves forward

A vote for recreational legalization could come this November

By: Thomas Franz ■ in News Stories ○ May 11, 2018

On April 26, the Board of State Canvassers declared that enough signatures had been submitted for the Michigan Marijuana Legalization Initiative to appear on this November's ballot.

The state Legislature now has until June 5 to decide if it wants to make the initiative law by itself without a November vote.



The initiative, which is also called the Michigan Regulation and Taxation of Marijuana Act, would set several ground rules for the legalization of recreational marijuana in Michigan.

It would allow individuals age 21 and older to possess 2.5 ounces and grow 12 plants.

"That's pretty typical from other states, nothing too shocking there," said Alex Leonowicz, co-leader of the cannabis industry group at Howard & Howard in Royal Oak.

For taxes, the act would enact a 10-percent excise tax on top of the 6-percent sales tax. That is higher than the Medical Marijuana Facilities Licensing Act, which prescribes for a 3-percent excise tax in addition to the sales tax.

As for where that revenue will go, Leonowicz said first and foremost, it will go toward enforcing the act to make sure people are doing what they're supposed to be doing. Funds will also be used for research on whether medical cannabis can help military veterans.

The act also allows for commercial growers to have 100, 500 or 2,000 plants. These types of businesses, Leonowicz said, would only be available to those who also have MMFLA licenses.

"It was designed not to cut out those who applied for the commercial licenses. You have to have one of these commercial licenses for the first two years in order to have a micro business. It's a nice nod in a way to not get one over the folks who applied commercially. It maintains the status quo for a couple of years," Leonowicz said.

Other parts of the bill include the legalization of industrial hemp, and the reduction of criminal penalties for possessing more than 2.5 ounces of marijuana. It does not state that previous criminal charges or sentences would be expunged.

"It doesn't have anything regarding the reduction of sentences for those who have currently suffered or have charges for controlled substances related to cannabis," Leonowicz said. "Part of the reasoning behind it is you can't have a dual-purpose ballot initiative, so by adding this component to it where folks can reduce their sentence, you're now getting into a dual-purpose ballot initiative as opposed to just allowing for the recreational use."

The initiative still allows municipalities to prohibit marijuana establishments within their boundaries, and companies would still be allowed to have zero tolerance policies for marijuana use.

Regulation concerns

With the regulation of medical marijuana off to a slow start in the state, Denise Pollicella, the founder of Cannabis Attorneys of Michigan, said the timing isn't quite right for Michigan to go ahead with legalizing recreational use of marijuana.

"I think that the timing is not right for Michigan because we're still in the process of figuring out regulated license of medical marijuana. We are very clearly not to a point where we can do medical marijuana under a license system

yet in any well-oiled way, we're operating under a very skeletal set of emergency rules," Pollicella said.

Pollicella said she would like to see the state's regulatory system for medical marijuana work well for a year or two before trying recreational use.

"I'm concerned because marijuana still has a stigma attached to it and has for a long time. I feel like the legal adult use right now would potentially impair the work that the licensed medical marijuana industry has going to improve that image of marijuana as a medicine. I don't think we're ready for it infrastructure-wise," Pollicella said.

The possible legalization of recreational use has also made local municipalities nervous, Pollicella added, to the point that it has hampered growth for medical marijuana.

"I've spoken to a mayor who said if recreational adult use wasn't on the ballot, **we** would've opted into the facilities licensing act already," Pollicella said. "They're very concerned that by opting into this, either all of their dispensaries will go out of business because no one will want medical marijuana anymore, or all of their medical marijuana centers will become recreational adult use dispensaries, and they don't want that yet."

Leonowicz agreed that the Michigan is going to have to ramp up internally to deal with the influx of applications if this initiative passes in November.

"I get the impression the state is very backlogged, and rightfully so, with the amount of paperwork they're requesting and the information they want from folks, it's a lot. I think they asked for a lot of information without fully understanding how much paperwork they would really have to deal with," Leonowicz said.

In other states, Leonowicz said residents haven't been able to purchase the product for two or three months after the law is put into place. In Michigan, he doesn't expect consumers to purchase products until the first or second quarter of 2019.

"No one has any plants now, and it takes about three months to grow a plant. These folks still have to build their facilities. Also, an influx of people from out of state will come to Michigan to purchase product because it would be the first Midwest state to legalize it," Leonowicz said.

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