

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

JARS HOLDING LLC, a Michigan limited liability company, and **DISTRICT 7, LLC**, a Michigan limited liability company,

Case No.
Hon.

Plaintiffs,

v.

City of Detroit, a Michigan Municipal corporation,

Defendant.

SCOTT F. ROBERTS LAW PLC

Donald K.S. Petersen (P44759)
Christine L. Constantino, Jr. (P80719) (Of Counsel)
Attorneys for Plaintiff
500 Temple St., Suite 2M
Detroit, MI 48201
(248) 234-4060

There is no other pending or resolved civil action arising out of the transaction or occurrence alleged in the Complaint; however, there is a sister case challenging Detroit's "Second Ordinance" filed in this Honorable Court presently before the Honorable Leslie Kim Smith, Case Number 22-005594-CZ.

Christine L. Constantino, Jr. (P80719)

COMPLAINT

Plaintiffs, Jars Holding, LLC, ("Jars"), a Michigan limited liability company, and District 7, LLC ("District 7," and collectively with Jars the "Plaintiffs"), a Michigan limited liability company, and in support of their Complaint against the Defendant, City of Detroit, a Michigan municipal corporation ("Detroit") states:

NATURE OF THE CASE

Medical-marihuana facility operators built beautiful facilities, employed Detroit residents at high wages, and invested in the Detroit community. For years, operators managed their facilities under regulatory scrutiny striving to perfect their business models to survive and evolve with the new market of adult-use cannabis. Detroit, on the other hand, nearly four years after the passage of adult-use cannabis in Michigan, continues to fumble in its implementation of a legal ordinance to regulate the production and sale of adult-use cannabis.

On June 17, 2021, Judge Friedman of the United States District Court declared that Detroit's first attempt at an ordinance was "far more protectionist than [was] equitable."¹ Thereafter, on April 5, 2022, Detroit enacted its second attempt. While Detroit alleges that its new cannabis ordinance cures the constitutional deficiencies found by Judge Friedman, the "Second Ordinance" (as defined herein) violates the explicit language of the Michigan Regulation and Taxation of Marihuana Act ("MRTMA")² and operates to unlawfully impose a death sentence on medical-marihuana providers operating throughout the city of Detroit.³

Detroit's Second Ordinance provides that medical-marihuana facilities that survive until January 1, 2027 will be guaranteed an adult-use license. However, as a result of the Second Ordinance's ban on co-location operations and adult-use sales outnumbering medical-marihuana sales by a six to one ratio, it is abundantly clear that Detroit's Second Ordinance serves as the kiss-of-death for existing medical-marihuana facilities operating within the city of Detroit.

¹ **Exhibit 6**, June 17, 2021 Opinion and Order Granting Preliminary Injunction, *Lowe v. City of Detroit*, 544 F. Supp. 3d 804, 806 (ED Mich, 2021) at 15.

² MCL 333.27951 *et seq.*

³ **Exhibit 1** is Detroit's new cannabis ordinance. This Complaint will refer to it as the "Second Ordinance."

In sum, through the enactment of the Second Ordinance, Detroit has created a schematic to give preferential treatment to its residents, violate MRTMA, and eradicate existing operators. This suit follows to enjoin Detroit from implementing its “second” attempt at an ordinance which blatantly and explicitly violates MRTMA.

PARTIES AND JURISDICTION

1. Jars is a Michigan limited liability company.
2. District 7 is a Michigan limited liability company.
3. Detroit is a Michigan municipality located in Wayne County.
4. Jurisdiction is proper under MCR 2.605 and MCR 3.310; this is a suit for declaratory and injunctive relief.
5. Jurisdiction is also proper under MCL 600.605.
6. Venue is proper in Wayne County under MCL 600.1615, as Detroit is a municipality in Wayne County, and it is where the public body involved in this matter serves.

GENERAL ALLEGATIONS

A. The Medical Marihuana Facilities Licensing Act.

7. In 2016, the Michigan Legislature enacted the Medical Marihuana Facilities Licensing Act ("MMFLA").⁴
8. The MMFLA, among other things, established a legal-and-regulatory framework for state-licensed businesses to legally grow, process, and sell marihuana for medicinal purposes.
9. To operate under the MMFLA, a business must obtain: (i) a state license from the Cannabis Regulatory Agency (“CRA”), and (ii) approval from the local municipality.⁵

⁴ 2016 PA 281, MCL 333.27101 to 333.27801.

⁵ MCL 333.27205.

10. A medical-marihuana facility can locate only in municipalities with ordinances that permit them.⁶

11. Under the MMFLA, a licensed medical-marihuana provider can only sell marihuana to those who are registered with the state under the Michigan Medical Marihuana Act (the “MMMA”).

12. To become registered under the MMMA, one must obtain certification from a licensed physician for the use of medical marihuana and apply for such use to the state of Michigan.

13. In 2018, Detroit enacted an ordinance under the MMFLA that permitted medical-marihuana facilities to open subject to strict zoning requirements.

14. The MMFLA ordinance permitted a total of seventy-five (75) licenses for marihuana provisioning centers, which sell retail medical-marihuana.

15. Today, almost all seventy-five (75) (if not all) licenses for medical-marihuana provisioning centers have been issued by Detroit.

16. Jars has ownership interest in two (2) provisioning center licenses in Detroit, both of which are operating businesses.

17. Jars, in conjunction with all other operating marihuana facilities, invested millions of dollars in Detroit, improved infrastructure, paid substantial taxes, and employed Detroit residents at competitive wages.

18. As Detroit laid the foundation to enact adult-use marihuana, Jars and other medical-marihuana providers felt assured that Detroit would offer adult-use marihuana licenses to them, as was common practice among other Michigan municipalities and in accordance with the law.

⁶ MCL 333.27205.

B. *Michigan Regulation and Taxation of Marihuana Act.*

19. In 2018, Michigan voters passed the Michigan Regulation and Taxation of Marihuana Act ("MRTMA").⁷

20. MRTMA establishes a legal and regulatory framework for state-licensed businesses to legally grow, process, and sell marihuana for recreational, adult-use purposes.

21. MRTMA does not require municipalities to adopt ordinances that permit adult-use marihuana; however, if a municipality does adopt such an ordinance, MRTMA regulates the businesses that lawfully locate in the municipality.⁸

22. MRTMA also restricts the sort of ordinance that a municipality can enact.

23. For example, MRTMA prohibits municipalities from enacting ordinances that are "unreasonably impracticable."⁹

24. MRTMA defines "unreasonably impracticable" to mean:

[T]hat the measures necessary to comply with the rules or ordinances adopted pursuant to this act subject licensees to unreasonable risk or require such a high investment of money, time, or any other resource or asset that a reasonably prudent businessperson would not operate the marihuana establishment.¹⁰

25. MRTMA prohibits municipalities from imposing approval restrictions on a municipal permit if they conflict with MRTMA or rules promulgated under it.¹¹

26. MRTMA requires a municipality that limits the number of marihuana businesses that it licenses to select the best applicants by using a competitive process that identifies those

⁷ 2018 IL 1, MCL 333.27951 to 333.27967.

⁸ MCL 333.27959.

⁹ MCL 222.27956(2).

¹⁰ MCL 333.27953(u).

¹¹ MCL 333.27956(3).

applicants who are best suited to operate a marihuana establishment in compliance with MRTMA.¹²

27. MRTMA also recognizes that its passage was the death knell for medical-marihuana facility operators.¹³

28. For more than two years, through the end of 2021, MRTMA prohibited cities from granting an adult-use license to anyone without a medical-use license under MMFLA.¹⁴

C. *Medical-Marihuana Sales Decline Across the State of Michigan After the Passage of MRTMA.*

29. Detroit understood that when it permitted adult-use marihuana facilities in the city, the medical-marihuana facilities would soon go out of business; therefore, existing medical-marihuana facilities would need an adult-use license to survive.

30. Under MMFLA, a medical-marihuana patient must go back to their doctor every two years to re-certify their registration with the state of Michigan.

31. Since the passage of MRTMA, certified cardholders within the state of Michigan have consistently declined.

32. Specifically, from March 2020 to March 2022, certified cardholder applications and renewals have substantially decreased by approximately 29.32% in the state of Michigan.¹⁵

33. Since the passage of MRTMA, there has been a consistent monthly decline in the number of certified cardholder applications and renewals submitted by the citizens of Wayne County.

¹² MCL 333.27959(4).

¹³ MCL 333.27959(6).

¹⁴ See MCL 333.27959(6).

¹⁵ See **Exhibits 2 and 3.**

34. As a result of MRTMA, medical-marihuana sales are steadily declining, placing medical-marihuana provisioning centers at risk for going out of business.

35. For the month of April 2020, medical-marihuana sales equaled \$33,817,309.23 while adult-use sales equaled \$27,844,288.08.¹⁶

36. By April 2022, adult-use sales exceeded medical-marihuana sales by an approximate six to one (6:1) ratio with medical-marihuana sales totaling \$27,014,690.99 while adult-use sales sky-rocketed to \$167,954,718.80.¹⁷

D. *Detroit Enacts Multiple Ordinances in Violation of MRTMA.*

i. Detroit's First Ordinance Is Held To Be Unconstitutional by the United States District Court for the Eastern District of Michigan.

37. In November 2019, Detroit opted out of adult-use cannabis regulation under MRTMA.

38. In November 2020, Detroit attempted to legalize adult-use cannabis facilities in Detroit by: (i) opting in to MRTMA, and (ii) passing the unconstitutional Medical Marihuana Facilities and Adult-Use Marihuana Establishments ordinance (the "First Ordinance").

39. On March 2, 2021, an individual plaintiff, Crystal Lowe, sued Detroit in this Court, arguing that the First Ordinance's extreme preferences for long-term Detroit residents violated: (i) the Commerce Clause of the United States Constitution, and (ii) the Equal Protection and Due Process Clauses of the Michigan Constitution.

40. Detroit removed that case to the United States District Court for the Eastern District of Michigan.

¹⁶ See **Exhibit 4.**

¹⁷ See **Exhibit 5.**

41. On June 17, 2021, Judge Friedman issued an Opinion and Order Granting Crystal Lowe's Motion for Preliminary Injunction holding that the First "Ordinance is far more protectionist than it is equitable." ¹⁸

42. Judge Friedman further found that the individual plaintiff would be "significantly disadvantaged in applying for a recreational marihuana retail license (assuming fifty percent of the licenses are reserved for legacy applicants) and, at worst, be entirely eliminated from consideration for such a license (if all of the licenses are awarded to legacy applicants)." ¹⁹

43. As a result, Detroit decided to go back to the drawing board.

ii. On April 5, 2022, Detroit's Second Ordinance Is Passed.

44. Almost nine months after Judge Friedman's Order, Detroit City Council finally introduced its second attempt at a lawful ordinance.

45. On or around April 5, 2022, Detroit passed its second attempt at Medical Marihuana Facilities and Adult-Use Marihuana Establishments ordinance, *i.e.*, the "Second Ordinance". ²⁰

46. Under the Second Ordinance, Detroit largely eliminated the problematic "Detroit legacy" classification that played such a major role in the First Ordinance; however, the Second Ordinance gives preferences to individuals who meet the definition of an "equity applicant."

47. The Second Ordinance defines an "equity applicant" as "an individual whose primary residence is located within a disproportionately impacted community ..., including individuals with certified Detroit Legacy status ...; or an entity where one or more of the aforementioned individuals owns and controls at least 51% of the applicant entity." ²¹

¹⁸ See Exhibit 6, June 17, 2021 Opinion and Order Granting Preliminary Injunction, *Lowe v. City of Detroit*, 544 F. Supp. 3d 804, 806 (ED Mich, 2021) at 15.

¹⁹ *Id.* at 18.

²⁰ Exhibit 1.

²¹ Exhibit 1 at §20-6-2.

- iii. The Second Ordinance Fails to Cure the Deficiencies Found in The First Ordinance and Violates MRTMA by: (1) Failing to Provide for a Competitive Application Process; (2) Being Unreasonably Impracticable; and (3) Prohibiting Co-Location of Marihuana Retailer and Medical-Marihuana Facilities, which Acts as a Death Sentence to Plaintiffs' Businesses.

48. As adult-use sales outnumber medical-use sales by a six to one (6:1) ratio and continue to increase as more municipalities opt in to MRTMA, the demise of Plaintiffs' businesses is inevitable.

a) The Second Ordinance Violates MRTMA by Failing to Provide for a Competitive Application Process.

49. MRTMA requires:

If a municipality limits the number of marihuana establishments that may be licensed in the municipality pursuant to section 6 of this act and that limit prevents the department from issuing a state license to all applicants who meet the requirements of subsection 3 of this section, the municipality shall decide among competing applications by a competitive process intended to select applicants who are best suited to operate in compliance with this act within the municipality.²²

50. The Second Ordinance violates MRTMA by ignoring its requirement to select the best applicants through a competitive process that selects those applicants who are best suited to operate in compliance with MRTMA.

51. The Second Ordinance provides Scoring Criteria unrelated to the applicants' ability to comply with MRTMA.

52. Detroit awards points to applicants based on factors unrelated to their ability to operate in compliance with MRTMA including, but not limited to, committing to a "Good Neighbor Plan" that requires, among other things: (i) mandatory hiring requirements for Detroit residents, (ii) purchasing at least fifty percent (50%) of goods and services necessary to operate a

²² MCL 333.27959(4).

marihuana facility from Detroit businesses, (iii) selling harvest and products at a twenty-five percent (25%) discount to Detroit legacy equity licensees, and (iv) donating a minimum of seven hundred and fifty (750) hours annually to a Detroit-based tax-exempt charitable organization, community organization, religious institution, pre K-12 public or charter school, or block club.²³

b) The Second Ordinance Violates MRTMA by Being “Unreasonably Impracticable”.

51. MRTMA states, in pertinent part: “A municipality may adopt other ordinances that are not unreasonably impracticable and do not conflict with this act or with any rule promulgated pursuant to this act.”²⁴

52. The Second Ordinance is “unreasonably impracticable” because the scoring method and criteria deters Plaintiffs and other similarly situated persons from applying for an adult-use license.

53. The Second Ordinance is “unreasonably impracticable” because it prohibits issuance of more than one adult-use retailer license to any direct or indirect owner.²⁵

54. The Second Ordinance is “unreasonably impracticable” because it prohibits co-location of medical and adult-use marihuana facilities.²⁶

c) The Second Ordinance Violates MRTMA by Imposing A Cap on Adult-Use Licenses, Which Operates as a Prohibition On Co-Location of Medical-Marihuana and Adult-Use Facilities.

55. MRTMA requires:

A municipality may not adopt an ordinance that restricts the transportation of marihuana through the municipality or prohibits a marihuana grower, a marihuana processor, and a marihuana retailer from operating within a single facility or from operating at a location shared with a marihuana

²³ Exhibit 1 at §20-6-38(a)(5).

²⁴ MCL 333.27956(2).

²⁵ Exhibit 1 at §20-6-38(a)(3).

²⁶ Exhibit 1 at §20-6-31(b).

facility operating pursuant to the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.²⁷

56. MRTMA prohibits a municipality from preventing a marihuana retailer from sharing an operating location with a medical-marihuana facility.²⁸

57. The Second Ordinance prohibits a marihuana retailer from sharing an operating location with a medical-marihuana facility.²⁹

58. The Second Ordinance violates MRTMA by effectively banning co-location of medical-marihuana and adult-use facilities, which discriminates against medical-marihuana facilities.³⁰

59. Michigan law permits Detroit to limit marihuana establishments in many ways, but Michigan law prohibits it from banning co-location.

60. In sum, Detroit has created a schematic to give preferential treatment to its residents, violate MRTMA, and eradicate existing operators.

E. *Jars and District 7 Will Be Harmed by Detroit's Unlawful Second Ordinance.*

61. On or around January 25, 2021, District 7 obtained MRTMA prequalification status with the state of Michigan.

62. At all relevant times, Jars operated a medical-marihuana facility in the city of Detroit.

63. Plaintiffs and any other business entity in Michigan's cannabis industry have a business plan that necessarily includes operation as an adult-use marihuana facility.

64. Adult-use marihuana currently has more than six times the sales base of medical-

²⁷ MCL 333.27956(5).

²⁸ MCL 333.27956(5).

²⁹ See Exhibit 1 at §20-6-36(d); see also §20-6-2.

³⁰ MCL 333.26958(3)(c).

marihuana.³¹

65. Surrounding municipalities to the city of Detroit have opted in to allow adult-use marihuana facilities such as River Rouge, Lincoln Park, Centerline, Hamtramck, and Inkster.

66. The industry-wide consensus is that the future viability of medical-marihuana facilities will vanish in time.

67. Obtaining an adult-use marihuana license is imperative for the viability of Plaintiffs' businesses.

COUNT I

THE SECOND ORDINANCE VIOLATES MRTMA BECAUSE ITS COMPETITIVE PROCESS FOR LICENSE AWARD DOES NOT ACT TO SELECT THE APPLICANT BEST SUITED TO OPERATE IN COMPLIANCE WITH MRTMA.

68. Plaintiffs incorporate the allegations set forth in the paragraphs above by reference as if fully set forth herein.

69. MRTMA requires that Detroit select the best applicants through a competitive process that selects those applicants who are best suited to operate in compliance with MRTMA.

70. The Second Ordinance violates MRTMA by providing scoring criteria unrelated to the applicants' ability to comply with MRTMA.

71. Specifically, the Second Ordinance provides different scoring criteria for "Equity License Applicants" versus "Non-Equity License Applicants."³²

72. The Second Ordinance further violates MRTMA by awarding points for "Non-Equity License Applicants" for:

- i. Completing a "Good Neighbor Plan";

³¹ See Exhibit 5.

³² Exhibit 1 at §20-63-38(a)(5).

- ii. Obtaining leadership roles in duly established and licensed (if applicable) Detroit-based businesses, nonprofits, religious organizations, educational institutions, philanthropic organizations, community block clubs or neighborhood associations during the previous five (5) years;
- iii. Selling real property that is properly zoned and licensable for an adult-use marihuana establishment to an equity applicant within two (2) years prior to applying for licensure for less than fifty percent (50%) of the real property's appraised fair market value;
- iv. Forming a joint venture with an equity applicant where the equity applicant owns and controls forty-one to fifty percent (41-50%) of applicant equity;
- v. Leasing licensable, habitable space to an equity applicant at a properly zoned property (does not have to be the same property for which the non-equity applicant is seeking licensure) for at least twenty (20) years and at a rate not exceeding fifty percent (50%) of the average market rent for similar commercial or industrial properties in Detroit;
- vi. Forming a joint venture with an equity applicant where the equity applicant owns and controls thirty-one to forty percent (31 – 40%) of applicant equity;
- vii. Leasing licensable, habitable space to an equity applicant at a properly zoned property (does not have to be the same property for which the non-equity applicant is seeking licensure) for at least ten (10) years and at a rate not exceeding sixty percent (60%) of the average market rent for similar commercial or industrial properties in the city of Detroit;
- viii. Forming a joint venture with an equity applicant where the equity applicant owns and controls twenty to thirty percent (20 – 30%) of applicant equity;
- ix. Joining the Michigan Joint Ventures Pathway Program; and/or

- x. Committing to publishing applicant's Social Equity Plan on State's website.

73. The Second Ordinance further violates MRTMA by awarding points for "Equity License Applicants" for:

- i. Completing a "Good Neighbor Plan";
 - ii. Obtaining leadership roles in duly established and licensed (if applicable) Detroit-based businesses, nonprofits, religious organizations, educational institutions, philanthropic organizations, community block clubs or neighborhood associations during the previous five (5) years;
 - iii. Equity applicant's primary residence being in a disproportionately impacted community where at least thirty-five percent (35%) of the population lives below the federal poverty level according to the 2019 American Community Survey 5-year estimates published by the United States Census Bureau;
 - iv. Equity applicant's primary residence being in a disproportionately impacted community where at least thirty percent (30%) of the population lives below the federal poverty level according to the 2019 American Community Survey 5-year estimates published by the United States Census Bureau;
 - v. Equity applicant's primary residence being in a disproportionately impacted community where at least twenty percent (20%) of the population lives below the federal poverty level according to the 2019 American Community Survey 5-year estimates published by the United States Census Bureau;
 - vi. Joining the Michigan Joint Ventures Pathway Program; and/or
 - vii. Committing to publishing applicant's Social Equity Plan on State's website.
74. Plaintiffs will incur damages as a result of Detroit's violation(s) of MRTMA by

enacting the Second Ordinance and its scoring criteria.

COUNT II

THE SECOND ORDINANCE VIOLATES MRTMA BY BEING “UNREASONABLY IMPRACTICABLE”

75. Plaintiffs incorporate the allegations set forth in the paragraphs above by reference as if fully set forth herein.

76. MRTMA defines “unreasonably impracticable” to mean:

that the measures necessary to comply with the rules or ordinances adopted pursuant to this act subject licensees to unreasonable risk or require such a high investment of money, time, or any other resource or asset that a reasonably prudent businessperson would not operate the marihuana establishment.³³

77. The Second Ordinance is unreasonably impracticable because the scoring method and scoring criteria deter Plaintiffs and other similarly situated parties from applying for adult-use licensure.

78. The Second Ordinance requires adult-use license applicants to adopt a “Good Neighbor Plan,” indicating the applicant’s annual commitment to enhancing the community where the adult-use marihuana establishment will be located.

79. The Second Ordinance requires an applicant to submit a community-outreach report and a community-outreach plan,³⁴ as well as completing one or more of the following during the term of the license:

- a. Hiring Detroit residents to comprise at least fifty percent (50%) or more of the applicant’s full-time employees who earn at least Fifteen Dollars (\$15.00) per hour; or

³³ MCL 333.27953(u).

³⁴ Exhibit 1 at § 20-6-2.

b. Hiring individual that have a prior-controlled substance record and comprise at least thirty percent (30%) or more of the applicant's full-time employees who earn at least Fifteen Dollars (\$15.00) per hour; or

c. Purchasing at least fifty percent (50%) or more of necessary goods and services from licensed marihuana facilities, Detroit legacy licensees, or other businesses in Detroit; or

d. Selling at least twenty-five percent (25%) or more of applicant's available harvest or products to Detroit legacy equity licensees for at a rate that is twenty-five percent (25%) less than Detroit's market rate; or

e. Spending at least seven hundred and fifty (750) annual hours serving a Detroit-based tax-exempt charitable organization, community organization, religious institution, pre K-12 public or charter school, or block club that operates in the community where the applicant's facility is located; or

f. Donating at least .25% of the applicant's gross revenue to a Detroit-based tax-exempt charitable organization that operates in the community where the applicant's facility or establishment is located, or to a fund that Detroit may establish to fund social-equity initiatives, and substance-use prevention programs.

80. The Second Ordinance is unreasonably impracticable because it prohibits issuance of more than one adult-use marihuana retailer license to any direct or indirect owner.³⁵

81. Jars, therefore, is unable to obtain or maintain interest in more than one adult-use marihuana retailer license.

³⁵ Exhibit 1 at § 20-6-38(a)(3).

82. The Second Ordinance requires Jars to incur a substantial financial loss in order for it to operate in Detroit's adult-use cannabis market, as Jars must either: (1) considerably divest itself of ownership interest in favor of an "Equity Applicant"; (2) sell or lease its real estate at a rate far below market value; or (3) undertake other financial considerations in favor of an "Equity Applicant".³⁶

83. The Second Ordinance is unreasonably impracticable as it prohibits co-location, which deters the Plaintiffs and other similarly situated parties from applying for a recreational license.

84. Plaintiffs will incur damages a result of Detroit's violation(s) of MRTMA by enacting the "unreasonably impracticable" Second Ordinance.

COUNT III

THE SECOND ORDINANCE VIOLATES MRTMA BY PROHIBITING CO-LOCATION

85. Plaintiffs incorporate the allegations set forth in the paragraphs above by reference as if fully set forth herein.

86. Michigan law permits Detroit to limit the total number of marihuana establishments, but Michigan law prohibits Detroit from banning medical-marihuana facilities from co-locating with adult-use marihuana facilities.

87. Detroit's Second Ordinance was meant to limit the total number of adult-use facilities operating in the city of Detroit.

88. Co-location of medical-marihuana provisioning centers with adult-use retailers does not increase the number of facilities, as they operate at the same facility.

³⁶ Exhibit 1 at § 20-6-38(a)(5).

89. The Second Ordinance contradicts MRTMA, which prohibits a municipality from preventing a marihuana retailer from sharing an operating location with a medical-marihuana facility.³⁷

90. Due to the cap imposed by Detroit concerning the number of available adult-use licenses under the Second Ordinance, the Second Ordinance operates as a prohibition on co-locations and hinders the CRA from licensing co-locating adult-use and medical facilities.³⁸

91. Jars operates a medical-marihuana provisioning center that will incur damages as a result of Detroit's violation(s) of MRTMA by prohibiting co-location operations.

COUNT IV

DECLARATORY RELIEF

92. Plaintiffs incorporate the allegations set forth in the paragraphs above by reference as if fully set forth herein.

93. In a case of actual controversy, a Michigan court-of-record may declare the rights and other legal relations of an interested party seeking a declaratory judgment, regardless of whether other relief is or could be sought or granted.³⁹

94. An actual controversy exists if the plaintiff pleads and proves facts demonstrating an adverse interest necessitating the sharpening of the issues raised.⁴⁰

³⁷ MCL 333.27956(5).

³⁸ Exhibit 1 at 20-6-31(b).

³⁹ MCR 2.605.

⁴⁰ *Shavers v. Kelley*, 402 Mich. 554, 589, 267 N.W.2d 72, 82 (1978).

95. Here, an actual controversy exists as the Second Ordinance violates the express language of MRTMA and, further, Plaintiffs must be able to co-locate their medical-marihuana provisioning center with an adult-use marihuana retail location.

53. MRTMA prevents Detroit from:

- a. Providing an application process that does not seek to select the best applicants who are best suited to operate a marihuana establishment in compliance with MRTMA through a competitive process;⁴¹
- b. Being unreasonable impracticable by requiring Plaintiffs to incur a substantial financial loss in order for it to operate in Detroit's adult-use cannabis market, as Plaintiffs must either: (1) considerably divest themselves of ownership interest in favor of an "Equity Applicant"; (2) sell or lease its real estate at a rate far below market value; or (3) undertake other financial considerations in favor of an "Equity Applicant";⁴² and/or
- c. Imposing a cap on the number of available adult-use licenses, which operates as a *de facto* ban on co-locations and hinders the CRA from licensing co-locating adult-use and medical facilities.⁴³

96. Plaintiffs need a judgment to preserve their legal rights and sharpen the issues raised.⁴⁴

97. This Court's ruling will have a practical effect on the existing controversy and as such the issue is ripe for a Declaratory Judgment.⁴⁵

⁴¹ MCL 333.27959(4).

⁴² Exhibit 1 at § 20-6-38(a)(5).

⁴³ Exhibit 1 at 20-6-31(b).

⁴⁴ See *Lash v. City of Traverse City*, 479 Mich. 180, 196-7, 735 N.W.2d 628,638 (2007).

⁴⁵ See *Thomas M Cooley Law Sch v. Doe I*, 300 Mich. App. 245, 254, 833 N.W.2d 331 (2013).

98. Plaintiffs have a substantial interest in properly enforcing MRTMA, as the Second Ordinance has provisions that are contrary to MRTMA and detrimentally affect the Plaintiffs in a manner distinct from that of the general public.⁴⁶

99. The viability of Plaintiffs' businesses is dependent on Detroit properly enforcing MRTMA and a declaratory judgement will guide Plaintiffs' future actions as to whether to try to remain in the city of Detroit.

100. Awarding a declaratory judgment will eliminate a multiplicity of lawsuits on this issue; there are numerous applicants that are affected by Detroit's improper Second Ordinance.

COUNT V

INJUNCTIVE RELIEF

101. Plaintiffs incorporate the allegations set forth in the paragraphs above by reference as if fully set forth herein.

102. Under MCR 3.310(A), a Court may grant a preliminary injunction after a hearing on a motion for preliminary injunction or on an order to show cause why a preliminary injunction should not be issued.

103. The trial court must evaluate the following four factors:⁴⁷

- a. the likelihood that plaintiff will be successful on the merits;
- b. whether the injunction will save the plaintiff from irreparable harm;
- c. the harm caused to other parties if the injunction is issued; and

⁴⁶ See *Lansing Schs Educ*, 792 N.W.2d at 699.

⁴⁷ See *Mich State Emps Ass'n v. Dep't of Mental Health*, 421 Mich. App. 152, 365 N.W.2d 93 (1984).

d. whether the public interest will be served by the injunction.

104. Plaintiffs will be successful on the merits, as the Second Ordinance clearly violates MRTMA.

105. The Second Ordinance: (i) does not provide a competitive process from which to select applicants based on their compliance with MRTMA; (ii) is unreasonably impracticable; and (iii) unlawfully prohibits co-location.

106. The harm to the Plaintiffs if the Court does not grant injunctive relief is irreparable:

a. Plaintiffs expended considerable time, effort, and other resources to become a licensed medical-marihuana facility with the understanding that: (i) Detroit would opt-in to adult-use marihuana, and (ii) MRTMA is designed to select applicants based on a competitive process.

b. Plaintiffs will lose their businesses if Detroit implements the Second Ordinance, as operating only medical-marihuana facilities will become unsustainable.⁴⁸

c. The Second Ordinance's adverse effect on Plaintiffs will be irreparable.

107. The harm to Plaintiffs if the injunction is not granted far outweighs any harm to Detroit if the injunction is granted.

108. Detroit does not suffer at all if the Court enjoins it from implementing an ordinance that is contrary to Michigan law.

109. The public interest is served by granting a preliminary injunction.

⁴⁸ See Exhibit 5.

110. MRTMA was enacted by a majority of Michigan voters to make marihuana available at commercial facilities and to eliminate the illicit market.

111. A majority of Detroit voters voted for MRTMA.

112. The Second Ordinance is an obstacle to MRTMA's plain intent.

REQUEST FOR RELIEF

Plaintiffs respectfully request that this Honorable Court:

A. Promptly schedule a hearing under MCR 2.605(A)(2)(D);

B. Issue a declaratory judgment that the Second Ordinance violates MRTMA by: (i) prescribing a process for selecting winning applicants that is not based on a competitive process designed to select applicants that can best comply with MRTMA, (ii) being unreasonably impracticable; and (iii) prohibiting co-location.

C. Enjoin Detroit from enforcing the Second Ordinance; and/or

D. Order all such other relief as justice requires.

Respectfully submitted,

Scott F. Roberts Law, PLC

Dated: June 2, 2022

/s/ Christine L. Constantino, Jr.
Christine L. Constantino, Jr. (P80719) (Of Counsel)
Attorneys for Plaintiffs
500 Temple St., Suite 2M
Detroit, MI 48201
(248) 234-4060

EXHIBIT 1

ORDINANCE NO. 2022-11
CHAPTER 20
ARTICLE VI

AN ORDINANCE to amend Chapter 20 of the 2019 Detroit City Code, *Health*; by repealing Article VI, *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, Division 3, *Licensing*, Section 20-6-33, *Provisional certificate*, and Section 20-6-37, *Fees*; by renumbering and amending Article VI, *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, Division 3, *Licensing*, Section 20-6-38, *Application review process*; by adding Article VI, *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, Division 3, *Licensing*, Section 20-6-33, *Supportive program*, Section 20-6-37, *Licensing process for unlimited licenses* and Section 20-6-38, *Licensing process for limited licenses*; by amending Article VI, *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, Division 1, *Generally*, Section 20-6-1, *Purpose*, and Section 20-6-2, *Definitions*, Section 20-6-3, *Opt-in provision*; *severability*, Division 2, *Marijuana License Review Committee*, Section 20-6-22, *Personnel*, Section 20-6-23, *Management*, and Section 20-6-24, *Duties and functions*, and Division 3, *Licensing*, Section 20-6-31, *License required*, Section 20-6-32, *Detroit legacy status*, Section 20-6-34, *Number of licenses*, Section 20-6-35, *Detroit legacy certification*; *application periods*, Section 20-6-36, *License application*, Section 20-6-39, *Inspections*, *investigations*, *review of materials submitted*, Section 20-6-40, *Operating requirements*, Section 20-6-41, *License issuance*, Section 20-6-42, *Renewal of license*; *notification of deficiency or violation*, Section 20-6-43, *License suspension*, *revocation*, or *denial of renewal*, Section 20-6-44, *Penalty*, Section 20-6-45, *Appeals*, Section 20-6-46, *Inspection by authorized local officials*, and Section 20-6-47, *Social equity initiatives and substance use prevention appropriations*; and by restating without amendment Article VI, *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, Division 2, *Marijuana License Review Committee*, Section 20-6-21, *Creation*.

T S HEREBY ORDA NED BY THE

PEOPLE OF THE C TY OF DETRO T THAT:

Section 1. Chapter 20 of the 2019 Detroit City Code *Health*, Article V *Medical Marijuana Facilities and Adult Use Marijuana Establishments*, Division 1 containing Sections 20 6 1 through 20 6 3, and Division 2 containing Sections 20 6 21 through 20 6 24, and Division 3 containing Sections 20 6 31 through 20 6 48, be amended to read as follows:

**CHAPTER 20. HEALTH
ARTICLE VI. MEDICAL MARIJUANA
FACILITIES AND ADULT-USE
MARIJUANA ESTABLISHMENTS
DIVISION 1. GENERALLY**

Sec. 20-6-1. Purpose.

The purpose of this article is to establish standards and procedures for the issuance renewal suspension and revocation of business licenses for medical marijuana facilities and adult use marijuana establishments consistent with the Michigan Medical Marihuana Facilities Licensing Act being MCL 333 27101 *et seq.* and the Michigan Regulation and Taxation of Marihuana Act being MCL 333 27951 *et seq* respectively to:

(1) Serve and protect the health safety and welfare of the general public through reasonable regulation of marijuana business operations including noise odor air and water quality food safety and public safety;

(2) Establish an application fee and a licensing fee for medical marijuana facilities and adult use marijuana establishments to cover the City's costs in administering this ordinance;

(3) Establish procedures for application renewal suspension and revocation of a business license for medical marijuana facilities and for adult use marijuana establishments;

(4) Minimize adverse effects if any from the cultivation processing dispensing and storage of marijuana;

(5) Adopt reasonable regulations as needed pursuant to the city's general police power granted to cities by the Michigan Constitution of 1963 and the Home Rule City Act being MCL 117 1 *et seq*;

(6) Recognize that social equity in the marijuana industry is required to address the historical disproportionate impact of marijuana prohibition and enforcement on Detroiters and to positively impact the Detroit community and that the City of Detroit has been expressly named by the State of Michigan s Social Equity Program as a community that has been dispropor

tionately impacted by marijuana prohibition and enforcement;

(7) Recognize that residents of disproportionately impacted communities have historically been excluded from ownership opportunities in the legal marijuana industry due to the disproportionate impact of marijuana prohibition enforcement and the lack of access to capital land and resources;

(8) Recognize that residents of the City of Detroit are uniquely invested personally and financially in the success of the City's marijuana programs; that at least 20% of Detroiters live below the federal poverty level; and that Detroit has a marijuana related criminal conviction rate that exceeds the average marijuana related criminal conviction rate in the State of Michigan;

(9) Recognize that employment opportunities in the legal marijuana industry are essential for Detroiters and to strongly encourage and incentivize licensees under this article to ensure that at least 50% of its employees are Detroit residents specifically those Detroit residents who are low income or have a prior controlled substance record as such terms are defined in Section 20 6 2 of this Code and that the jobs provided pay at least \$15 an hour;

(10) Facilitate real property ownership opportunities for Detroit residents for the purpose of operating adult use marijuana establishments licensed under this article and MRTMA; the City of Detroit shall use good faith efforts to transfer eligible City owned real property to individuals who have obtained Detroit Legacy status as defined in Section 20 6 2 of this Code the property's lowest justifiable fair value. Such a transfer would be subject to applicable approvals by the City of Detroit as well as certain program rules that may be developed. The development and use of the transferred property would be subject to all requirements of this Code and MRTMA;

(11) Recommend that subject to appropriation amounts equal to \$1 000 000 of the fees generated from the licenses issued pursuant to this article and \$1 000 000 from an allocation to the City of Detroit pursuant to M C L 333 27964 be used annually to further social equity goals including but not limited to addressing the challenges set forth in Sub sections (6) (7) (8) (9) and (10) of this section; and to

(12) Clarify that licensure of either a medical marijuana facility or an adult use marijuana establishment is a revocable

privilege and not a right in the City. There is no property right for an individual or business to have a medical marijuana facility business license or an adult use marijuana establishment business license in the City of Detroit.

Sec. 20-6-2. Definitions.

The following words, terms and phrases when used in this article shall have the meanings provided in this section:

Adult use marijuana establishment means a business licensed under the MRTMA and this article to operate as a grower processor retailer secure transporter safety compliance facility micro business excess marijuana grower marijuana event organizer temporary marijuana event or designated consumption establishment or any other type of marijuana related business licensed to operate in accordance with the MRTMA.

Applicant means the entity or individual making application for a license under this article and includes all members partners directors shareholders officers and owners of the entity applying for licensure.

Authorized local official means a Detroit police officer or other City of Detroit employee or agent designated by the director of the Department who is authorized to issue violations and perform inspections in accordance with this Code.

Cap, or numerical cap means a limit on the number within a category of license type of adult use marijuana establishments and medical marijuana facilities.

Co location means a property that has been zoned to allow more than one type of medical marijuana facility or adult use marijuana establishment to operate on the same premises subject to the applicable rules promulgated in accordance with the MMFLA the MRTMA and this Code.

Co location license means a license required under this Article when a property has been zoned to allow more than one medical marijuana facility or adult use marijuana establishment to operate on the same premises and the property owner is not the licensee of all the businesses operating on the premises.

Community outreach means any outreach meeting technology aided outreach or outreach alert intended to ensure community awareness of licensing activities under this article.

Community outreach plan means a plan for ongoing efforts by a licensee under this article to continually engage and inform the community that surrounds the licensee's business location of employment and social equity opportunities at the licensee's place of business.

Community outreach report means a report of the efforts taken by a license applicant to inform and engage the community that surrounds the applicant's proposed business location of the applicant's proposed business operation and any employment or social equity opportunities that the applicant intends to offer

Cultivation or cultivate means:

(1) all phases of growth of marijuana from seed to harvest; or

(2) preparing packaging or repackaging labeling or relabeling of any form of marijuana

Department means the City of Detroit Buildings Safety Engineering and Environmental Department

Designated consumption establishment means a business that is licensed under the MRTMA and this Article to permit adults 21 years of age and older to consume marijuana products at a commercial location designated by the state operating license

Detroit Legacy status means a status obtained by an individual who has or an entity that is at least 51% owned and controlled by one or more individuals who have as certified by the Civil Rights Inclusion and Opportunity Department ("CRO") been a City of Detroit resident at the time of application for at least one year and additionally has been:

(1) a City of Detroit resident for 15 of the past 30 years preceding the date of application and continues to so reside throughout the period of licensure; or

(2) a City of Detroit resident for 13 of the past 30 years preceding the date of application and continues to so reside throughout the period of licensure and is a low income applicant at the time of application as defined in this section; or

(3) a City of Detroit resident for the 10 of the past 30 years preceding the date of application and continues to so reside throughout the period of licensure and has a prior controlled substance record as defined in this section or a parent with a prior controlled substance record as defined in this section under the following circumstances:

a the parent is named on the applicant's birth certificate and the parent's conviction took place before the applicant's 18th birthday; or

b the parent has claimed the applicant as a dependent regularly on federal income tax filings and the parent's conviction took place before the applicant's 18th birthday

Digital notification means any form of electronic communication

Disproportionately impacted community means any community where marijuana related convictions are greater than the state of Michigan median and where 20% or more of the population is living below the federal poverty level according to 2019 American Community Survey 5 year estimates published by the United States Census Bureau

Equity applicant means an individual whose primary residence is located within a disproportionately impacted community as defined in this section including individuals with certified Detroit Legacy status as defined in this section; or an entity where one or more of the aforementioned individuals owns and controls at least 51% of the applicant entity

Equivalent licenses means any of the following held by a single licensee:

(1) A marijuana grower license of any class issued under MRTMA and a grower license of any class issued under the MMFLA;

(2) A marijuana processor license issued under the MRTMA and a processor license under the MMFLA;

(3) A marijuana retailer license issued under the MRTMA and a provisioning center license issued under the MMFLA;

(4) A secure transporter license issued under the MRTMA and a secure transporter license issued under the MMFLA; or

(5) A safety compliance facility license issued under the MRTMA and a safety compliance facility license issued under the MMFLA

Excess marijuana grower means a state operating license holder holding five class C marijuana grower licenses under the MRTMA

Grower means a business licensed under the MMFLA or MRTMA and this article located in this state which cultivates dries trims or cures and packages marijuana for sale or transfer to a medical marijuana facility or an adult use marijuana establishment and is licensed as follows:

(1) *class A adult use marijuana grower* means a state operating license holder who is authorized to grow 100 marijuana plants;

(2) *class B adult use marijuana grower* means a state operating license holder who is authorized to grow 500 marijuana plants;

(3) *class C adult use marijuana grower* means a state operating license holder who is authorized to grow 2000 marijuana plants;

(4) *class A medical marijuana grower*

means a state operating license holder who is licensed to grow 500 medical marijuana plants;

(5) *class B medical marijuana grower* means a state operating license holder who is licensed to grow 1000 medical marijuana plants; or

(6) *class C medical marijuana grower* means a state operating license holder who is licensed to grow 1500 medical marijuana plants

License competition means a competitive process to select applicants that are best suited to operate in compliance with the MRTMA

Licensee means an individual or entity that holds a state operating license and a business license under this article

Limited license means a license authorized by this article that is subject to a numerical cap limiting the number of licenses to be issued. Licenses for medical marijuana provisioning centers, adult use retailers, designated consumption lounges, and microbusinesses are all subject to a numerical cap under this article and are considered limited licenses

Low income applicant means an individual who at the time of licensing lives in a household with household income that is less than 80% of the existing Detroit median household income at the time of application

Marijuana event organizer means a state license holder authorized to apply for a temporary marijuana event license in accordance with the MRTMA

Medical marijuana facility means any facility, entity, establishment, or center that is required to be licensed under the MMFLA and this article, including a grower, processor, provisioning center, safety compliance facility, or a secure transporter

Marijuana infused product means a topical formulation, tincture, beverage, edible substance, or similar product containing any usable marijuana that is intended for human consumption in a manner other than smoke inhalation

Microbusiness means a business licensed under MRTMA and this article that cultivates up to 150 marijuana plants or more as allowed by the State of Michigan, processes and packages marijuana, purchases marijuana plants from other licensed growers as allowed by the State of Michigan, purchases marijuana concentrate or other marijuana products from other licensed processors as allowed by the State of Michigan, and sells or otherwise transfers marijuana to individuals who are 21 years of age or older or to a

safety compliance facility but not to other adult use marijuana establishments or medical marijuana facilities

MMFLA means the Michigan Medical Marihuana Facilities Licensing Act, Public Act 281 of 2016, being MCL 333.27101 *et seq.*

MMMA means the Michigan Medical Marihuana Act, meaning Law 1 of 2008, being MCL 333.26421 *et seq.*

MRTMA means the Michigan Regulation and Taxation of Marihuana Act, meaning Law 1 of 2018, being MCL 333.27951 *et seq.*

Outreach alert means any form of one-way communication that informs a community or neighborhood of an issue, problem, opportunity, or decision

Outreach meeting means any in-person or virtual meeting that provides for public discussion of a topic

Person means an individual, partnership, firm, company, corporation, association, sole proprietorship, limited liability company, joint venture, estate, trust, or any other legal entity

Primary caregiver means the term as defined by the MMMA

Prior controlled substance record means to have been convicted as an adult or adjudged to be a ward of the juvenile court for any crime relating to the sale, possession, use, cultivation, processing, or transport of marijuana prior to November 7, 2018

Process or Processing means to separate or otherwise prepare parts of the marijuana plant and to compound, blend, extract, infuse, or otherwise make or prepare marijuana concentrate or marijuana-infused products

Processor means a business licensed under the MRTMA or the MMFLA and this article, located in this state that obtains marijuana from a medical marijuana facility or an adult use marijuana establishment and that processes marijuana for sale and transfer in packaged form to a medical marijuana facility or an adult use marijuana establishment

Provisioning center means a business licensed under the MMFLA that is a commercial entity located in this state that purchases marijuana from a grower or processor and sells, supplies, or provides marijuana to qualifying patients directly or through the registered primary caregivers of patients. Provisioning center includes any commercial property where marijuana is sold at retail to qualifying patients or primary caregivers. A non-commercial location used by a primary caregiver to assist a qualifying patient

connected to the caregiver through the state's marijuana registration process in accordance with the MMMA is not a provisioning center for purposes of this article

Qualifying patient means the term as defined by the MMMA

Registered user means any person or entity that has submitted their email address or telephone number for the purpose of receiving digital notifications

Retailer means a business licensed under the MRTMA and this article that may obtain marijuana from adult use marijuana establishments and sell or transfer marijuana to individuals who are 21 years of age or older and to other adult use marijuana establishments

Safety compliance facility means a business licensed under the MRTMA or the MMFLA and this article that tests marijuana for contaminants and potency or as required by the MRTMA or the MMFLA for a primary caregiver medical marijuana facility or adult use marijuana establishment

Secure transporter means a business licensed under the MRTMA or the MMFLA and this article that stores marijuana and transports marijuana between medical marijuana facilities or adult use marijuana establishments for a fee

Social equity program or SEP means the State of Michigan certification program designed to promote and encourage participation in the marijuana industry by people who live in disproportionately impacted communities in Michigan and to positively impact those communities in accordance with MCL 333.27958(1)(j)

State operating license means a license that is issued under the MMFLA or the MRTMA that allows the licensee to operate as a medical marijuana facility or an adult use marijuana establishment respectively

Technology aided outreach means any form of electronic communication transmitted by digital surveys or an online comment process that allows residents to provide comments

Temporary marijuana event means a license held by a marijuana event organizer under this article and the MRTMA which the state has approved authorizing an event where the onsite sale or consumption of marijuana products or both are authorized at the location and on the dates indicated on the state operating license

Tiebreaking lottery means a process conducted under the observation of affected applicants by which licensees are randomly selected from a pool of similarly situated applicants with identical scores

Sec. 20-6-3. Opt-in provision; severability.

(a) Pursuant to Section 205(1) of the MMFLA the City shall authorize licenses in accordance with the provisions of this article for the following types of medical marijuana facilities:

- (1) Grower;
- (2) Processor;
- (3) Provisioning center;
- (4) Safety compliance facility; and
- (5) Secure transporter

(b) Pursuant to Section 6(3) of the MRTMA the City may authorize licenses in accordance with the provisions of this article for the following types of marijuana establishments:

- (1) Grower;
- (2) Retailer;
- (3) Processor;
- (4) Safety compliance facility;
- (5) Secure transporter;
- (6) Temporary marijuana event;
- (7) Marijuana event organizer;
- (8) Designated consumption establishment; and
- (9) Microbusiness

(c) The City may sign attestations or other documents to evidence municipal approval for a state operating license as required by the State of Michigan Cannabis Regulatory Agency only upon issuance of a license under this article. The City shall notify the Michigan Cannabis Regulatory Agency if any applicant for a state operating license is not in compliance with this article or any other section the 2019 Detroit City Code

(d) Detroit City Council is exercising its discretion to permit adult use marijuana establishments in Detroit as supported by the legal opinion of the Corporation Counsel that the ordinance is lawful. Should any provision of this ordinance governing the limited license adult use marijuana establishments be enjoined, ruled invalid or unconstitutional or struck down by a court of law, Subsections (b)(2), (b)(8) and (b)(9) of this section will be thereto repealed as to the adult use establishment limited licenses authorized by this article and future limited license adult use marijuana establishments will be prohibited in accordance with Section 6(1) of the MRTMA, excluding those limited license adult use marijuana establishments previously licensed under this article which licenses shall continue in effect until their expiration date after which time they will not be renewed

Secs. 20-6-4 – 20-6-20. Reserved.

DIVISION 2. MARIJUANA LICENSE REVIEW COMMITTEE

Sec. 20-6-21. Creation.

There is hereby established a Marijuana License Review Committee ("MLRC") which shall perform its duties and exercise its powers in accordance with this article

Sec. 20-6-22. Personnel.

The MLRC shall consist of a staff member of each of the departments and agencies that are identified in this section. The directors of the respective departments and the heads of the respective agencies identified in this section shall each appoint a qualified representative or representatives from among their respective staffs to serve on the MLRC. The respective departments and agencies that must appoint representatives to the MLRC are as follows:

- (1) Office of the Chief Financial Officer;
- (2) Buildings Safety Engineering and Environmental Department (the "Department");
- (3) Health Department;
- (4) Law Department;
- (5) Police Department;
- (6) Civil Rights Inclusion and Opportunity Department ("CRO");
- (7) Department of Neighborhoods; and
- (8) Such other departments, agencies or individuals as deemed appropriate by the chairperson on a case by case basis

Sec. 20-6-23. Management.

(a) The representative from the Civil Rights Inclusion and Opportunity Department ("CRO") serves as chairperson of the MLRC and shall maintain a record of applications, licenses granted under this Article, and other relevant files as needed.

(b) The MLRC may meet in person or virtually at the call of the chairperson and shall receive all materials for review electronically.

Sec. 20-6-24. Duties and functions.

(a) New or renewal applications for a medical marijuana facility license or an adult use marijuana establishment license shall be reviewed by the MLRC and a recommendation provided to the Department director before a license may be issued or renewed by the Department in accordance with the applicable review criteria and processes set forth in this article. For temporary marijuana events, the MLRC shall make its recommendation to the Detroit City Council, which must approve the temporary marijuana event before a temporary marijuana event license is issued by the Department.

(b) Each department representative shall be responsible for investigating the application within their department's respective area of oversight, providing relevant information, reports or data to the

MLRC for review, including but not limited to the information set forth in Section 20-6-39 of this Code.

(c) Through the chairperson, the MLRC may communicate and meet with the applicant, visit the proposed site to be licensed, and request certain conditions be met prior to recommending approval of the issuance of a license.

(d) Excluding temporary marijuana events, applications shall be reviewed and a recommendation provided by the MLRC to the Department within ninety (90) days of receipt of a complete application as determined by the MLRC, or the application shall be forwarded to the Department without recommendation.

(e) Every six months after the effective date of this ordinance, the MLRC will provide a report to the Detroit City Council including the following information:

- (1) name of all applicants, date of application and application status;
- (2) name of all licensees, locations and license date;
- (3) number of licenses issued by license category; and
- (4) details of each applicant's "Good Neighbor Plan."

(f) Members of the MLRC shall take ethics training two times per calendar year, as provided by the City of Detroit.

Secs. 20-6-25 – 20-6-30. Reserved.

DIVISION 3. LICENSING

Sec. 20-6-31. License required.

(a) No person may operate a medical marijuana facility or an adult use marijuana establishment in the City without first obtaining a license from the City pursuant to this article, and a state operating license. Licensees must obtain a separate license under this article from the City for each state operating license they hold, including multiple grower licenses in one building and stacked licenses. A co-location license is required for a property owner that maintains more than one medical marijuana facility or adult use marijuana establishment in one building, and who is not the licensee for all of the establishments or facilities located in the building.

(b) No more than one medical marijuana provisioning center and one marijuana retailer establishment may be licensed in any single building, unless approved by the Detroit City Council through a planned development ("PD") zoning designation in accordance with Sec. 50-3-97 of this Code.

(c) License applications shall be time and date stamped in order of submission in each category of licensure.

(d) Excluding those applicants for marijuana event organizer licenses all applicants must conduct community outreach as defined in Section 20 6 2 of this Code and provide a community outreach report and a community outreach plan with the application The applicant must forward notice of the community outreach to the Department of Neighborhoods The Department of Neighborhoods shall send digital notification of the pending application to all registered users in the Council district where the business is proposed to be located

Sec. 20-6-32. Detroit Legacy status; programming.

Individuals may seek to obtain Detroit Legacy status by applying to CRO electronically on a form provided by CRO with documentation required to establish Detroit Legacy status

Sec. 20-6-33. Supportive program.

CRO shall establish a program and shall provide mentoring business education and networking opportunities for individuals who have obtained Detroit Legacy status

Sec. 20-6-34. Number of Licenses.

(a) The City establishes the following numerical caps and may grant licenses for medical marijuana facilities and adult use marijuana establishments subject to the requirements of this article in accordance with the charts below:

Unlimited Licenses

Grower	Unlimited
Processor	Unlimited
Secured Transporter	Unlimited
Safety Compliance	Unlimited
Temporary Marijuana Event Organizer	Unlimited
Temporary Marijuana Event	Unlimited

Limited Licenses

Medical Marijuana Provisioning Center License	75
Adult Use Retailer Establishment License	50
Adult Use Retailer Establishment Equity License	50
Designated Consumption Lounge License	15
Designated Consumption Lounge Equity License	15
Microbusiness License	15
Microbusiness Equity License	15

(b) The foregoing cap on Adult Use Retailer Establishments shall not apply to licenses issued in accordance with Section 20 6 38(e) of this article

Sec. 20-6-35. License application acceptance date by license type; fees.

(a) Upon the effective date of this ordinance the City may immediately accept license applications and may issue licenses for medical marijuana facilities excluding medical marijuana provisioning centers adult use growers processors secured transporters safety compliance facilities marijuana event organizers and temporary marijuana events in accordance with Section 20 6 37 of this Code

(b) The City will begin accepting license applications for adult use marijuana retailers microbusinesses and designated consumption establishments during one or more 30 day periods established in accordance with Section 20 6 38 of this Code License applications under Subsection (b) of this section shall be evaluated and issued in accordance with Section 20 6 38 of this Code

(c) A nonrefundable application fee shall be paid by each applicant upon filing any license application The application fee shall be in an amount established from time to time by the Director of the Department and shall be approved by resolution of the City Council The fee shall be intended to defray direct and indirect costs incurred by the City in processing the license application and may be different for each license type The fee shall be posted on a schedule in the Department

(d) A nonrefundable license fee shall be paid by each awardee of a license prior to issuance of a license and upon applying for renewal of a license The license fee shall be in an amount established from time to time by the Director of the Department and shall be approved by resolution of the City Council The fee shall be intended to defray direct and indirect costs incurred by the City to process and monitor licensed facilities and establishments and may be different for each license type The fee shall be posted on a schedule in the Department

(e) A nonrefundable application fee shall be charged for the processing and certification of Detroit Legacy status in accordance with Section 20 6 32 of this Code The fee shall defray direct and indirect costs incurred by the City in processing the certification application The certification fee shall be in an amount established from time to time by the Director of CRO and shall be approved by resolution of the City Council The fee shall be posted on a schedule in CRO

(f) The Detroit City Council may approve a fee schedule that incorporates a sliding scale fee structure to accommodate low income applicants as defined by Section 20 6 2 of this article

Sec. 20-6-36. License application.

(a) Any person seeking to operate a medical marijuana facility or an adult use marijuana establishment excluding marijuana event organizers temporary marijuana events and co location licenses shall file an application electronically upon a form provided by the Department. The application shall include or include as an attachment the following information:

(1) The name age home address principal telephone number and email address of the applicant and a copy of the applicant's government issued identification;

(2) For license applications submitted pursuant to Section 20 6 38 documentation to establish an applicant's status as an equity applicant if applicable or the satisfaction of the social equity scoring criteria as a non equity applicant;

(3) If the applicant is an organized legal entity the name home address telephone number and email of all direct and indirect owners directors members managers officers partners shareholders and the registered agent and the entity's bylaws operating agreement or other organizational documents depicting the ownership structure;

(4) A signed release authorizing the Police Department to perform criminal background checks on the applicant or in the case of an entity applicant all individuals identified as direct or indirect owners of the entity;

(5) The address of the property/building proposed to be used as a medical marijuana facility or adult use marijuana establishment as well as a deed lease or other document evidencing site control of the proposed location;

(6) The type and class of medical marijuana facility or adult use marijuana establishment license requested;

(7) A comprehensive business plan detailing:

- a business operations
- b security/customer and employee safety
- c nuisance mitigation
- d waste management
- e recruitment and training of employees;

income tax clearances for the applicant and for all individuals described in subsection (a)(3) herein or a sworn statement from each of such individual attesting that no income was made in the City of Detroit from any source which would require the individual to file a city income tax return;

(9) Property tax clearance for the proposed location;

(10) Blight clearance for the proposed location;

(11) A copy of the unexpired conditional land use approval for the intended use or the intended use of an equivalent license;

(12) A copy of an unexpired building permit or the certificate of occupancy for the intended use permitted by Subsection (11) of this section. A certificate of occupancy is required before receiving a license;

(13) A signed release acknowledging that the City will investigate the income and property tax status of the applicant its direct or indirect owners directors officers shareholders employees and any medical marijuana facilities or adult use marijuana establishments related to any of the aforementioned individuals and that any outstanding taxes fines or fees will be paid prior to a license being issued under this article

(14) For adult use license applicants only a "Good Neighbor Plan" indicating the applicant's annual commitment to the community in which the adult use marijuana establishment will be located its community including a community outreach report and a community outreach plan as defined in Section 20 6 2 of this Code to ensure awareness of the application and potential employment opportunities in the neighborhoods surrounding the proposed business as well as completing one or more of the following during the term of the license:

a Hiring at least 50% of full time employees who are Detroit residents for jobs paying at least \$15 an hour; or

b Hiring at least 30% of full time employees who have a prior controlled substance record as defined in Section 20 6 2 of this Code for jobs paying at least \$15 an hour; or

c Purchasing at least 50% of necessary goods and services from businesses located in the City of Detroit; or

d If a grower or processor selling at least 25% of available harvest or products to equity licensees at the current market rate in Detroit; or less; or

Donating annually a minimum of 25% of the applicant's gross revenue to a duly organized Detroit based tax exempt charitable organization that operates within the community where the applicant's facility or establishment is located or to the fund established by the City of Detroit for the purpose of funding social equity initiatives and substance use prevention programs

(15) For limited license applications pursuant to Section 20 6 38 a statement detailing the applicant's current and past community leadership roles volunteer activities and business operation history in the City in the past five years;

(16) A copy of the applicant's prequalification received from the State of Michigan Cannabis Regulatory Agency;

(b) An applicant for a marijuana event organizer license or a temporary marijuana event license shall file an application with the Department electronically upon a form provided by the Department. An application for a temporary marijuana event must be submitted at least 90 days prior to the event. The application shall include the following information as applicable:

(1) The name age home address business address principal telephone number and email address of the applicant;

(2) A signed release authorizing the Detroit Police Department to perform criminal background checks on the applicant and in the case of an entity applicant all individuals identified as direct or indirect owners of the entity;

(3) A copy of the applicant's government issued identification;

(4) If the applicant is an organized legal entity: the name home address telephone number and email of all direct and indirect owners directors members managers officers partners shareholders and the registered agent and the entity's bylaws operating agreement or other organizational documents indicating the ownership structure;

(5) The address of the privately owned property and/or building proposed to be used for the temporary marijuana event;

(6) A certificate of occupancy and certificate of compliance for the building or drawing of the outdoor site proposed to be used for the temporary marijuana event;

(7) A description of the temporary marijuana event including dates and proposed hours of operation;

(8) Income tax clearances for the applicant and for each individual individuals described in Subsection (b)(4) of this section or a sworn statement from each of such individuals attesting that no income was made in the City of Detroit from any source which would require the individual to file a city income tax return;

(9) Property tax clearance for the proposed location;

(10) Blight clearance for the proposed location;

(11) A deed lease or other document evidencing site control of the proposed location;

(12) A signed release acknowledging that the City will investigate the income and property tax status of the applicant its owners directors officers members managers partners shareholders employees and any medical marijuana facilities or adult use marijuana establishments related to any of the individuals and that any outstanding taxes fines or fees will be paid prior to a license being issued under this article;

(13) A statement attesting that the applicant will cooperate with law enforcement during the temporary marijuana event and in any enforcement action taken as a result of the temporary marijuana event; and

(14) For a marijuana event organizer a copy of the applicant's prequalification from the State of Michigan Cannabis Regulatory Agency

(c) The MLRC shall provide a recommendation of approval or denial of a temporary marijuana event and all submitted materials to the Detroit City Council. The Detroit City Council must approve a temporary marijuana event before a temporary marijuana event license is issued by the Department and may add conditions of approval

(d) Property owners seeking a co-location license for a building where more than one medical marijuana facility or adult use marijuana establishment is located and at least one is operated by a licensee other than the property owner shall file an application with the Department electronically upon a form provided by the Department. The application shall include the following information:

(1) A deed lease or other document evidencing site control of the proposed location;

(2) A copy of the conditional land use grant or grants approving the co-located uses;

(3) A copy of each state operating license associated with the site;

(4) Property tax clearance for the proposed location;

(5) Income tax clearance for each person who has whole or partial ownership of the proposed location;

(6) Blight clearance for the proposed location;

(7) Certificate of occupancy or certificate of compliance for all permitted uses;

(8) A sworn statement attesting that the property owner will ensure all permitted uses at the site hold a state operating

license and a license under this article before commencing operation; and

(9) A sworn statement attesting that the property owner will cooperate with law enforcement in addressing alleged criminal activity at the site

Sec. 20-6-37. Licensing process for unlimited licenses.

(a) Upon receipt of a new license application for a medical or adult use grower medical or adult use processor medical or adult use secured transporter and medical or adult use safety compliance facility; adult use marijuana event organizer; or adult use temporary marijuana event submitted under this article the Department will confirm whether the application is complete and that the application fee has been paid. The Department may reject any application that contains insufficient information and may deny an application for failure to pay the application fee.

(b) Upon receipt of a complete application of the materials required under Section 20-6-36 of this Code the Department will forward the application materials to the MLRC for review and a recommendation.

(c) The MLRC shall consider the information submitted by the applicant and the requisite departments before providing a recommendation to the Department or to the Detroit City Council in the case of a temporary marijuana event license.

(d) Upon receipt of a recommendation from the MLRC or the approval of Detroit City Council in the case of a temporary marijuana event license the Department may issue the license in the manner required by this article.

(e) The applicant shall pay the license fee prior to receiving a license.

Sec. 20-6-38. Licensing process for limited licenses.

(a) The City may award up to 50 adult use retailer licenses, 50 adult use retailer Equity licenses, 15 microbusiness licenses, 15 microbusiness equity licenses, 15 designated consumption establishment licenses, and 15 designated consumption establishment equity licenses in the following manner:

(1) The City shall establish three 30 day periods for taking applications for limited licenses other than medical marijuana provisioning center licenses under this section. Each of such three 30 day periods shall be separated by a period of at least 120 days. CRO shall make its recommendation for the timing of each of such three 30 day application periods to the City Council whose approval shall be required prior to the

commencement of such application periods. Following each of such three application periods the City may issue up to the following number of licenses to qualified applicants who applied for the corresponding licenses during such period:

(i) 20 adult use retailer licenses following the first application period and 15 adult use retailer licenses following each of the second and third application periods;

(ii) 20 adult use equity retailer licenses following the first application period and 15 adult use retailer equity licenses following each of the second and third application periods;

(iii) 5 microbusiness licenses;

(iv) 5 microbusiness equity licenses;

(v) 5 designated consumption establishment licenses; and

(vi) 5 designated consumption establishment equity licenses.

After the conclusion of the foregoing initial three 30 day application periods, as one or more limited licenses may be or become available, the City may thereafter establish one or more 30 day periods for taking applications for limited licenses other than medical marijuana provisioning center licenses under this section. CRO shall make its recommendation for the timing of each of such 30 day application period and the number and type of limited licenses to be issued following such application period to the Detroit City Council whose approval shall be required prior to the commencement of such application period.

(2) Applicants shall submit a license application with the required materials as set forth in Section 20-6-36 of this article;

(3) A license may not be awarded to an applicant if such applicant or any direct or indirect owner of such applicant is also a direct or indirect owner of (i) any other applicant applying for a license of the same type under this section or (ii) any licensee that is the holder of a license of the same type under this section.

(4) A non equity license may not be awarded to an applicant if such applicant or any direct or indirect owner of such applicant is also a direct or indirect owner of any other applicant applying for an equity license or any licensee that is the holder of an equity license.

(5) After the application period the MLRC shall evaluate submitted applications in accordance with the following criteria and shall award the applicant the number of points listed below for each category or sub category satisfactorily completed by the applicant as applicable:

Non-Equity License Application		Equity License Application	
Eligibility			
Anyone		Equity Applicants	
General Scoring Criteria (100 points)			
Business Plan			
Operations	5	Operations	
Waste Management	5	Waste Management	
Safety and Nuisance Mitigation	5	Safety and Nuisance Mitigation	
Training	5	Training	
Security Plan	5	Security Plan	
Site Control			
Unexpired conditional land use approval	5	Unexpired conditional land use approval	
Obtained all building permits	5	Obtained all building permits	
Obtained Certificate of Occupancy or Certificate of Compliance or permitted use	15	Obtained Certificate of Occupancy or Certificate of Compliance or permitted use	
Due Diligence			
MR/MA Entity Prequalification	5	MR/MA Entity Prequalification	
Income Tax Clearance	5	Income Tax Clearance	
Property tax Clearance	5	Property Tax Clearance	
Blight Clearance	5	Blight Clearance	
No history of illegal operation or existing violations	5	No history of illegal operation or existing violations	
Community Investment			
Complete a "Good Neighbor Plan"	10	Complete a "Good Neighbor Plan"	
Leadership roles in duly established and licensed (if applicable) Detroit-based businesses, nonprofits, religious organizations, educational institutions, philanthropic organizations, community block clubs or neighborhood association during the previous five (5) years	15	Leadership roles in duly established and licensed (if applicable) Detroit-based businesses, nonprofits, religious organizations, educational institutions, philanthropic organizations, community block clubs or neighborhood association during the previous five (5) years	

Social Equity Scoring Criteria (27 points Maximum)		
Sell real property that is properly zoned and licensable or an adult-use marijuana establishment to an equity applicant within 2 years prior to applying or licensure or less than 50% of the real property's appraised fair market value	OR, form a joint venture with an equity applicant where the equity applicant owns and controls 41-50% applicant equity	25
Lease licensable, habitable space to an equity applicant at a properly zoned property (does not have to be the same property or which the non-equity applicant is seeking licensure) or at least 20 years and at a rate not exceeding 50% of the average market rent or similar commercial or industrial properties in Detroit	OR, form a joint venture with an equity applicant where the equity applicant owns and controls 31-40% applicant equity	15
Lease licensable, habitable space to an equity applicant at a properly zoned property (does not have to be the same property or which the non-equity applicant is seeking licensure) or at least 10 years and at a rate not exceeding 60% of the average market rent or similar commercial or industrial properties in Detroit	OR, form a joint venture with an equity applicant where the equity applicant owns and controls 20-30% applicant equity	5
Joined the Michigan Joint Ventures Pathway Program		1
Commit to publishing applicant's Social Equity Plan on State's website		1
Qualified Applicant Lottery: Licenses shall be granted in order of applicant scores, with tiebreaker lotteries used or applicants who (1) have received the same score and (2) have earned a minimum of 100 points of the General Scoring Criteria and a minimum of 5 points of the Social Equity Scoring Criteria		

(b) After the license applications have been reviewed and scored by an independent third party to be determined the MLRC will recommend the highest scoring applications subject to the numerical caps and the potential lottery set forth in this article to the Department and the Department may issue licenses in the manner required by this article

(c) The applicant shall pay the license fee prior to receiving a license

(d) Notwithstanding the numerical cap set forth in Section 20 6 34 from and after the effective date of this ordinance the City shall not issue any new medical marijuana provisioning center licenses under this article The foregoing shall not prohibit renewal of any unexpired medical marijuana provisioning center licenses or the approval of license applications for medical marijuana provisioning centers submitted to the Department as of the effective date of this ordinance subject to the numerical cap set forth in Section 20 6 34

(e) Commencing on January 1 2027 any licensees that are holders of one or more licenses to operate a medical marijuana provisioning center in accordance with this article and which have been the holder of such licenses since prior to the effective date of this ordinance may apply for an adult use retailer license by submitting a license application with the required materials as set forth in Section 20 6 36 of this article

(1) Upon receipt of a complete application of the materials required under Section 20 6 36 of this Code the Department will forward the application materials to the MLRC for review independent third party scoring and a recommendation

(2) The MLRC shall consider the information submitted by the applicant and the requisite departments before providing a recommendation to the Department

(3) Upon receipt of a recommendation from the MLRC the Department may issue the license in the manner required by this article

(4) A license may not be issued to an applicant under this subsection if such applicant or any direct or indirect owner of such applicant is also a direct or indirect owner of any licensee that is the holder of an adult use retailer license under this article

(5) The applicant shall pay the license fee prior to receiving an adult use retailer license

(f) Notwithstanding the requirements of Sec 20 6 26(a) in any application period after the first one authorized by Sec 20 6 38(a)(1) the Department may

accept applications under this section from applicants that do not meet the requirements of Sec 20 6 36(a)(5) Sec 20 6 36(a)(9) Sec 20 6 36(a)(10) Sec 20 6 36(a)(11) and Sec 20 6 36(a)(12) of this article and consider them complete for the purpose of this subsection(f) The application shall provide for the applicant to designate that the application is submitted pursuant to this subsection and the City may award provisional certificates as follows:

(1) If the number of applicants submitting complete applications for any type of limited licenses available in any application period following the first one provided by Section 20 6 38(a)(1) and who have obtained an unexpired conditional land use approval a Certificate of Occupancy or a Certificate of Compliance for a proposed location is less than the number of limited licenses of that type available in such application period the City may issue a number of provisional certificates to applicants for such limited license type equal to the number of licenses that are available in such application period minus the number of licenses to be awarded to applicants that have obtained an unexpired conditional land use approval a Certificate of Occupancy or a Certificate of Compliance for a proposed location;

(2) Provisional certificates may only be awarded to applicants for limited licenses that meet all the requirements of this article other than those set forth in Sec 20 6 36(a)(5) Sec 20 6 36(a)(9) Sec 20 6 36(a)(10) Sec 20 6 36(a)(11) and Sec 20 6 36(a)(12) of this article;

(3) Provisional certificates may be granted up to the number available pursuant to this section in order of applicant scores with tiebreaker lotteries used for applicants who (A) have received the same score and (B) have earned a minimum of 75 points of the General Scoring Criteria excluding the Site Control criteria and a minimum of 5 points of the Social Equity Scoring Criteria;

(4) Upon receipt of a provisional certificate a holder shall have a period of eighteen months to meet the requirements of Sec 20 6 36(a)(5) Sec 20 6 36(a)(9) Sec 20 6 36(a)(10) Sec 20 6 36(a)(11) and Sec 20 6 36(a)(12) for the adult use marijuana establishment corresponding to the type of limited license for which the provisional certificate holder applied:

(5) The provisional certificate holder shall submit a complete application for a license including the requirements of Sec 20 6 36(a)(5) Sec 20 6 36(a)(9) Sec 20 6 36(a)(10) Sec 20 6 36(a)(11)

and Sec 20 6 36(a)(12) to the Department within 18 months of being granted the provisional certificate;

(6) Upon receipt the Department will forward the application materials to the MLRC for review and a recommendation. Upon receipt of a recommendation from the MLRC the Department may issue the license in the manner required by this article;

(7) The provisional certificate holder shall pay the license fee and surrender its provisional certificate prior to receiving a license;

(8) If the provisional certificate holder has not secured a license within eighteen months of receipt the provisional certificate shall expire and be of no further force or effect and such applicant shall thereafter not be entitled to receive a license pursuant to this subsection (f);

(9) A provisional certificate awarded hereunder is not a license and does not permit a holder to operate an adult use marijuana establishment. A provisional certificate holder may not commence operations until it has received a full license under this article and a state operating license;

(10) A license may not be issued to an applicant under this subsection if such applicant or any direct or indirect owner of such applicant is also a direct or indirect owner of any licensee that is the holder of a license or a provisional certificate of the same type under this article;

(11) While any number of provisional certificates are outstanding and are in full force and effect the City shall reserve and may not issue the number of limited licenses of the corresponding type for which provisional certificates are issued in accordance with the numerical cap contained in Section 20 6 34 and subsection (a)(1) of this section.

Sec. 20-6-39. Inspections, investigations, review of materials submitted.

(a) Upon application and before a license under this article is issued for a medical marijuana facility or an adult use marijuana establishment the application shall be referred to appropriate departments of the City for respective reports to be provided to the MLRC on compliance with this Code and state law rules and regulations including the following:

(1) *Zoning.* The medical marijuana facility or adult use marijuana establishment shall meet applicable requirements of the Detroit Zoning Ordinance being Chapter 50 of this Code. For purposes of this article license applicants for adult use marijuana establishments excluding

temporary marijuana events shall be deemed to have met the applicable zoning requirements if the property has a conditional land use approval grant for an equivalent license under the MMFLA;

(2) *Building and Property Maintenance Codes.* The medical marijuana facility or adult use marijuana establishment shall meet applicable requirements of the Stille DeRossett Hale Single State Construction Code Act being MCL 125 1501 *et seq.*, and the Property Maintenance Code being Chapter 8 Article XV of this Code;

(3) A property that is the designated location and subject of an application for a business license for a temporary marijuana event shall have a certificate of occupancy a certificate of compliance and no outstanding blight violations inspection fees or property taxes;

(4) *Fire protection and safety.* The medical marijuana facility or adult use marijuana establishment shall meet applicable requirements of the Detroit Fire Prevention and Protection Code being Chapter 18 Article of this Code;

(5) *Plumbing.* The medical marijuana facility or adult use marijuana establishment shall meet applicable requirements of the Stille DeRossett Hale Single State Construction Code Act being MCL 125 1501 *et seq.*, and the Michigan Plumbing Code being Chapter 8 Article V of this Code;

(6) *Ventilation.* Proper ventilation either natural or mechanical shall be provided so that each person within a medical marijuana facility or adult use marijuana establishment will be supplied with 1 200 cubic feet of air per hour or as required by applicable state code whichever is greater;

(7) *Lighting.* The medical marijuana facility or adult use marijuana establishment shall have adequate lighting in every part of the premises in compliance with applicable requirements of the Michigan Electrical Code being Chapter 8 Article of this Code;

(8) *Health and sanitation.* All rooms within a medical marijuana facility or adult use marijuana establishment housing toilet facilities shall be equipped with sanitary towels of a type acceptable to the Health Department. All rooms within the premises shall meet the requirements of the Michigan Public Health Code being MCL 333 1101 *et seq.*, including those concerning food preparation and sanitation.

(b) A license shall not be issued or renewed until satisfactory inspections and reviews are completed by the department.

ments delineated in Subsection (a) of this section and written reports are issued indicating that the applicant complies with the requirements of this section

(c) A license that is the holder of a limited license shall notify CRO within 30 days if the licensee does not maintain the social equity criteria for which it received points on its license application

A medical marijuana facility or adult use marijuana establishment licensed under this article shall be subject to the following conditions:

(1) Compliance with the requirements of this Code and all applicable state laws;

(2) Compliance with the provisions of the MMFLA or the MRTMA;

(3) Medical marijuana facilities and adult use marijuana establishments must obtain all necessary state and local licenses before commencing operations and shall always maintain a valid state operating license and business license under this article during operation. If a state operating license lapses, is revoked or is otherwise terminated by the State of Michigan, the related business license granted under this article shall be automatically suspended and licensee may not operate until it has an active state operating license;

(4) No persons under the age of 18 may be allowed within any medical marijuana facility or adult use marijuana establishment unless the individual is a qualifying patient or accompanied by his/her primary caregiver, parent or documented legal guardian;

(5) No medical marijuana facility or adult use marijuana establishment shall permit the sale of dispensing of alcoholic liquor or tobacco for consumption on or off the premises;

(6) Operating hours for provisioning centers, retailer establishments and microbusinesses shall not exceed the hours between 9:00 AM and 10:00 PM daily. Designated consumption establishments may operate between 9:00 AM and 2:00 AM daily;

(7) Public and common areas must be separated from restricted and non public areas by a permanent opaque barrier that cannot be assessed by individuals not approved as personnel

Sec. 20-6-41. License issuance.

(a) When the application and proposed medical marijuana facility or adult use marijuana establishment has been reviewed by the MLRC and a recommendation regarding the license or an approval for a temporary marijuana event license by City Council is provided to the

Department, the Department may issue a license in writing after the license fee is paid. A license that is issued under this article shall be continually posted inside the licensed medical marijuana facility or adult use marijuana establishment in a conspicuous location near the entrance.

(b) Except for a temporary marijuana event license which shall expire at the time stated on the state operating license, the term of a license issued pursuant to this article shall be not more than one year and shall expire each year on September 30. An application to renew a license shall be made as specified in Sec. 20-6-42.

(c) A license issued under this article is nontransferable. A new owner or operator of a licensed business under this article must obtain a new business license in accordance with this article before the City will provide the attestation or other municipal approval required for a transfer by the State of Michigan Cannabis Regulatory Agency.

(d) If a holder of a limited license under this article desires to relocate its operations to real property other than the real property where the license was approved, then prior to such relocation, the licensee shall submit those documents described in Sec. 20-6-36(a) to the Department, which shall provide the complete file to the MLRC for review. Upon receipt of a favorable recommendation from the MLRC and the surrender of the existing limited license to the Department, the Department shall issue a replacement limited license of the same type for the new location.

Sec. 20-6-42. Renewal of license: notification of deficiency or violation.

(a) At least 120 days prior to the expiration of a license issued under this article, licensees must submit a renewal application electronically on a form to be provided by the Department. The renewal application shall include, but is not limited to:

(1) A written statement depicting the ownership structure of the licensee and the names and addresses of all individuals having a direct or indirect ownership interest in the licensee;

(2) A copy of the state operating license for the medical marijuana facility, adult use marijuana establishment or licensed activity;

(3) For any limited license, documentation of the licensee's continued satisfaction of the social equity scoring criteria for which the licensee received points in its license application.

(4) A copy of the licensee's annual financial statement submitted to the Michi

gan Cannabis Regulatory Agency for the licensing year immediately preceding the year for which licensee is seeking renewal if the licensee has not been operating long enough to have filed an annual financial statement the licensee must submit an accounting of its gross revenue for the period of time the licensee has operated a state licensed marijuana business as attested by a certified public accounting firm acceptable to the City

(b) The MLRC shall review and provide a recommendation for all applications for renewal A license under this article may be renewed by the Department after the MLRC has confirmed the following:

(1) The licensee has paid all applicable City of Detroit income taxes and property taxes;

(2) All natural persons who make up the ownership entity have filed City of Detroit income tax returns for the preceding tax year;

(3) The licensee has paid all fees fines or any other financial obligations owing the City of Detroit;

(4) The licensee holds a valid state operating license and a current City of Detroit business license for each use permitted at the site;

(5) There are no outstanding violations from the City of Detroit or State of Michigan pertaining to the operation of the licensed business;

(6) The licensed premises has a current certificate of compliance from the Department for the permitted use;

(7) The police department has indicated that no criminal activity that would require a nonrenewal has occurred pertaining to the operation of the licensed business during the license period immediately preceding that for which the renewal license is sought;

(8) That the licensee has operated as a good corporate citizen with respect for its surrounding environment has kept its commitments in its Good Neighbor Plan (as confirmed by financial statements approved by a certified public accounting firm acceptable to the City) and community outreach plan and has complied with the requirements of this article and the MMFLA or the MRTMA

(9) That the licensee continues to satisfy the social equity scoring criteria for which the licensee received points to its license application

(c) Where there is an existing deficiency of a requirement under this Code or a violation of this article concerning the premises or licensee that can be cured the

licensee shall be notified by the Department or the MLRC and must cure the deficiency before a renewal license is issued if the deficiency is not cured within 30 days of the licensee being notified and the license expiration date has passed the renewal application will expire and a new license application will have to be filed with a new associated fee

Sec. 20-6-43. License suspension, revocation, or denial of renewal.

(a) A license that is issued under this division may be suspended revoked or denied renewal in accordance with this article and Chapter 28 of this Code

(b) In addition to Subsection (a) of this section the Department may also suspend revoke or deny renewal of a license in accordance with the procedures in Chapter 28 of this Code based on any of the following:

(1) A failure to meet the conditions or maintain compliance with the standards established by this article including but not limited to failure to submit a timely renewal application in accordance with this article;

(2) One or more uncorrected violations of any City ordinance on the premises;

(3) Maintenance of a nuisance or criminal activity on the premises;

(4) A demonstrated history of excessive complaints for public safety intervention which may include dispatches of police fire or emergency medical services relative to the licensed premises being three or more runs in any 30 day period;

(5) Non payment of any property or income taxes special assessments fines fees or other financial obligations to the City;

(6) Any fraud misrepresentation or false statement in an application or related to a license any materials provided in conjunction with and application or license or any statement related to an application or license made to any City officials or agents;

(7) Any instance of operating a medical marijuana facility or adult use marijuana establishment without a license under this article and a state operating license; or

(8) Any other grounds for suspension revocation or non renewal set forth in this Code

Sec. 20-6-44. Penalty.

(a) A person who commits a violation of this article;

(1) May be subject to a misdemeanor ordinance violation and a fine of not more than \$500.00 in the discretion of the court for each such offense;

(2) May be subject to nonrenewal revocation or suspension of its business license under this article and Section 2817 of this Code; and

(3) May be subject to any other sanctions or penalties under applicable laws rules or regulations including immediate closure if operating without the required licenses;

(b) Each day of continued violation shall constitute a separate offense

Sec. 20-6-45. Appeals.

Applicants and licensees under this article may file appeals of adverse determinations under this article with the City of Detroit Administrative Appeals Bureau as set forth in Chapter 3 of this Code in accordance with its published rules

Sec. 20-6-46. Inspection by authorized local officials.

For purposes of ensuring compliance with this article applicants and licensees shall permit authorized local officials to inspect during regular business hours any portion of a proposed or operating medical marijuana facility or adult use marijuana establishment subject to constitutional restrictions on unreasonable searches and seizures Where entry is refused or not obtained the City is authorized to pursue recourse as provided by law including obtaining a search warrant and the penalties set forth in Section 20644 of this Code

Sec. 20-6-47. Social equity initiatives and substances use prevention appropriations.

(a) Subject to the annual budget process it is expected that the City's annual budget will contain a \$1 000 000 appropriation to CRO to support the ongoing social equity initiatives and activities performed by the City in accordance with the legislative purposes of this article

(b) Subject to the annual budget approval process the City's annual budget will contain an appropriation equal to two percent (2%) of the gross allocation received by the City of Detroit in the previous fiscal year pursuant to MCL 333 27964 to the Detroit Health Department for substance use prevention programming for youth

Secs. 20-6-48 – 2-6-80. Reserved.

Section 2. This ordinance is declared necessary to preserve the public peace health safety and welfare of the People of the City of Detroit

Section 3. All ordinances or parts of ordinances that conflict with this ordinance are repealed

Section 4. This ordinance shall become effective on April 20 2022 after publication by the City Clerk in accordance with Sec 4 118 of the 2012 Charter of the City of Detroit

(J C C Page): February 22 2022
Passed: April 5 2022
Approved: April 6 2022
Published: April 11 2022
Effective: April 20 2022

JAN CE M W NFREY
City Clerk

EXHIBIT 2



Monthly Report

March 1, 2020 – March 31, 2020



Governor
Gretchen Whitmer



Director
Orlene Hawks

Table of Contents

Medical Marijuana Facility Licensing.....	4
1. Executive Summary.....	4
2. Executive Background.....	5
3. METRC Information.....	6
a. General Information.....	6
b. Sales by Product Type.....	7
4. Actions Taken by the MRA.....	7
a. Applications.....	7
b. Disciplinary Actions.....	7
5. Number of Prequalification & Facility Operating License Applications Received.....	7
6. Number of Active Licensed Facility Operators in Each License Type.....	8
7. Number of Facility Operator Licenses Issued in Each License Type.....	8
8. Average Time to Process an Application from Receipt to Approval or Denial.....	8
9. Revenue Collected.....	8
10. Costs of Administering the Medical Marijuana Facilities and Licensing Program.....	8
11. Conclusion.....	9
Adult-Use Establishment Licensing.....	10
1. Executive Summary.....	10
2. Executive Background.....	10
3. METRC Information.....	11
a. General Information.....	11
b. Sales by Product Type.....	12
4. Actions Taken by the MRA.....	12
a. Applications.....	12
5. Number of Prequalification & Facility Operating License Applications Received.....	12
6. Number of Active Licensed Facility Operators in Each License Type.....	12
7. Number of Facility Operator Licenses Issued in Each License Type.....	13
8. Average Time to Process an Application from Receipt to Approval or Denial.....	13
9. Revenue Collected.....	13
10. Costs of Administering the Adult-Use Establishment Licensing Program.....	13
Medical Marijuana Registry Program.....	14
1. Executive Summary.....	14

2. Executive Background	15
3. Number of Initial, Renewal and Online Applications Received	15
4. Number of Qualifying Patients & Primary Caregivers Approved by County.....	16
5. Nature of Debilitating Medical Condition of Qualifying Patients	17
6. Number of Registry Identification Cards Revoked.....	17
7. Number of Physicians Providing Written Certifications for Qualifying Patients	18
8. Number of Initial Applications Issued & Denied	18
9. Number of Renewal Applications Issued & Denied	18
10. Average Time to Process an Initial Application.....	18
11. Average Time to Process a Renewal Application	18
12. Registry Cards not Issued within Time Requirements	18
13. Amount Collected from Application & Renewal Fees.....	19
14. Costs of Administering the Michigan Medical Marihuana Program.....	19

Medical Marijuana Facility Licensing

1. Executive Summary

The *Marijuana Regulatory Agency Monthly Report* contains the reporting requirements pursuant to both MCL 333.27302(l) and 333.27702 and Section 512 of 2019 PA 60.

The Medical Marijuana Facilities Licensing Act, Section 302(l) [MCL 333.27302 (l)] states:

MRA's duties include all the following:

Reviewing the patterns of marijuana transfers by the licensees under this act as recorded in a statewide database established for use in administering and enforcing this act and making recommendations to the governor and the legislature in a written annual report to the governor and the legislature and additional reports that the governor requests. The annual report shall be submitted by April 15 of each year and shall include the report required under section 702, a statement of receipts and disbursements by the MRA, the actions taken by the MRA, and any additional information and recommendations that the MRA considers appropriate or that the governor requests.

The Medical Marijuana Facilities Licensing Act, Section 702 [MCL 333.27702] states:

The MRA shall submit with the annual report to the governor under section 302(k) (sic) and to the chairs of the legislative committees that govern issues related to marijuana facilities a report covering the previous year. The report shall include an account of the MRA actions, its financial position, results of operation under this act, and any recommendations for legislation that the MRA considers advisable.

2019 PA 60 requires the following:

Sec. 512. The department shall submit a report regarding the medical marijuana facilities licensing and tracking program to the standing committees on appropriations of the senate and house, the senate and house fiscal agencies, and the state budget director by March 1. The report shall include, but is not limited to, the following:

- a. The number of initial license applications received for each license category*
- b. The number of initial applications approved, and the number of initial license applications denied.*
- c. The average amount of time, from receipt to approval or denial, to process an initial application.*
- d. The total number of license applications approved by license category.*
- e. The total amount collected from application fees and regulatory assessments.*

f. The costs of administering the medical marihuana facilities licensing and tracking program.

Pursuant to these requirements, this report has been reviewed by the MRA and prepared and issued electronically to the Governor, chairs of the legislative committees that govern issues related to marijuana facilities, chairs of the House and Senate appropriations standing committees, the House and Senate Fiscal Agencies, and the state budget director to meet the annual, March 1 and April 15 reporting requirements. In addition, this report is also online under the following locations:

- The Marijuana Regulatory Agency (MRA) website at: www.Michigan.gov/MRA
- The *All About LARA* section – Legislative Reports of the Department of Licensing and Regulatory Affairs website at: www.Michigan.gov/LARA

2. Executive Background

The Medical Marihuana Facilities Licensing Act (MMFLA) is a state licensing program administered by the Marijuana Regulatory Agency (MRA), Michigan Department of Licensing and Regulatory Affairs (LARA). The program administers the MMFLA and Marihuana Tracking Act (MTA) as enacted on December 20, 2016. The agency implements the statutory tenets of this act in such a manner that protects the publican and assures the safe acquisition of marijuana for patients throughout Michigan.

Specifically, the information provided in this report is based on data from March 1, 2020 through March 31, 2020.

3. METRC Information

a. General Information

General	
March 1, 2020 – March 31, 2020	
Total Sales	\$30,372,396.21
Total Flower Sold (lbs)	2,972.29
Retail Price of Flower (oz, mean)	\$281.42
Retail Price of Flower (oz, median)	\$317.96

Plants			
As of March 31, 2020			
Plant State	Active	Destroyed	On Hold
Immature	27,172	143,113	0
Vegetative	53,749	62,486	0
Flowering	47,594	23,287	0
Harvested	190,753	--	0

Packages	
As of March 31, 2020	
Package Type	Amount
Active	172,032
On Hold	1,253
In Transit	2,064
Finished	192,645

Transfers	
As of March 31, 2020	
Transfer Type	Amount
Completed	28,941
Voided	591

b. Sales by Product Type

March	Product Type	Pounds Sold	Fluid Ounces Sold	Total Sales
	Flower	2,972.29		\$13,383,819.59
	Shake/Trim	228.37		\$547,602.93
	Concentrate	199.16		\$3,056,382.37
	Vape Cartridge	584.64		\$8,647,006.22
	Infused-Edible	21,685.27		\$4,166,652.07
	Infused Non-Edible Solid	481.34		\$213,325.00
	Infused Liquid		5,734.87	\$346,877.40
	Infused Non-Edible Liquid		500.08	\$10,730.63
	March Total	26,151.07	6,234.95	\$30,372,396.21

4. Actions Taken by the MRA

a. Applications

Approved & Denied Applications				
Prequalification		Facility Operating		
	Approvals	Denials	Approvals	Denials
March	88	1	44	2

b. Disciplinary Actions

Disciplinary Actions Issued	
Action	Number
Warning Letter	5
Citation	2
Formal Complaint	12
Final Orders	0

5. Number of Applications Received

Applications Received		
	Prequalification	Facility Operator
March	56	88

6. Number of Active Licensed Facility Operators in Each License Type

Active Licenses							
	Grower A	Grower B	Grower C	Processor	Provisioning Center	Safety Compliance	Secure Transporter
March	28	3	177	35	228	10	22

7. Number of Facility Operator Licenses Issued in Each License Type

Licenses Issued							
	Grower A	Grower B	Grower C	Processor	Provisioning Center	Safety Compliance	Secure Transporter
March	1	0	16	6	18	3	3

8. Average Time to Process an Application from Receipt to Approval or Denial

Average Processing Time (Calendar Days)		
	Prequalification	Facility Licensing
March	129.33	114.98

9. Revenue Collected

Revenue Collected	
	Amount
March	\$3,432,449.00

10. Costs of Administering the Medical Marijuana Facilities and Licensing Program

Receipts and Disbursements	
	Amount
State Employee Wages	\$395,075.05
State Employee Benefits	\$278,075.43
Materials and Equipment	\$4,825.24
Other Contracts	\$842.42
All Other Costs	\$539,832.51
Total	\$1,218,650.65

11. Conclusion

The Marijuana Regulatory Agency's executive and legislative charge is the oversight of medical marijuana in Michigan. This includes the administration and oversight of the MMFLA. The information contained in this report is required pursuant to MCL 333.27302(l) and 333.27702 and Section 512 of 2019 PA 60 and provides specific information regarding: applications submitted, applications approved, applications denied, licenses issued, revenue, expenditures, and timeliness information of the MRA for the time period beginning March 1, 2020 through March 31, 2020.

Adult-Use Establishment Licensing

1. Executive Summary

The *Michigan Regulation and Taxation of Marijuana Act Monthly Report* contains the reporting requirements pursuant to Section 7 of the Michigan Regulation and Taxation of Marihuana Act and Section 512 of 2019 PA 60.

Section 7 of the Michigan Regulation and Taxation of Marihuana Act states that the responsibilities of the Department include:

f. Submitting an annual report to the governor covering the previous year, which report shall include the number of state licenses of each class issued, demographic information on licensees, a description of enforcement and disciplinary actions taken against licensees, and a statement of revenues and expenses of the department related to the implementation, administration and enforcement of this act.

Pursuant to these requirements, this report has been reviewed by the MRA and prepared and issued electronically to the Governor, chairs of the legislative committees that govern issues related to marijuana facilities, chairs of the House and Senate appropriations standing committees, the House and Senate Fiscal Agencies, and the state budget director to meet the annual, March 1 and April 15 reporting requirements. In addition, this report is also online under the following locations:

- The Marijuana Regulatory Agency (MRA) website at: www.Michigan.gov/MRA
- The *All About LARA* section – Legislative Reports of the Department of Licensing and Regulatory Affairs website at: www.Michigan.gov/LARA

2. Executive Background

The Michigan Regulation and Taxation of Marihuana Act (MRTMA) is a state licensing program administered by the Marijuana Regulatory Agency (MRA), Michigan Department of Licensing and Regulatory Affairs (LARA). The program administers the MRTMA as enacted on December 6, 2018. The agency implements the statutory tenets of this act in such a manner that protects the public and assures the safe acquisition of marijuana for individuals throughout Michigan.

Specifically, the information provided in this report is based on data from March 1, 2020 through March 31, 2020

3. METRC Information

a. General Information

General	
March 1, 2020 – March 31, 2020	
Total Sales	\$21,903,610.48
Total Flower Sold (lbs)	1,315.92
Retail Price of Flower (oz, mean)	\$470.99
Retail Price of Flower (oz, median)	\$456.83

Plants			
As of March 31, 2020			
Plant State	Active	Destroyed	On Hold
Immature	1,890	4,645	0
Vegetative	12,866	1,571	0
Flowering	11,919	143	0
Harvested	6,226	--	0

Packages	
As of March 31, 2020	
Package Type	Amount
Active	37,727
On Hold	4
In Transit	1,006
Finished	32,902

Transfers	
As of March 31, 2020	
Transfer Type	Amount
Completed	2,527
Voided	42

b. Sales by Product Type

March	Product Type	Pounds Sold	Fluid Ounces Sold	Total Sales
	Flower	1,315.92		\$9,916,581.90
	Shake/Trim	95.44		\$489,615.29
	Concentrate	60.39		\$1,337,430.80
	Vape Cartridge	234.06		\$5,751,286.80
	Infused-Edible	14,887.64		\$4,135,447.14
	Infused Non-Edible Solid	232.02		\$132,666.72
	Infused Liquid		245.86	\$134,811.59
	Infused Non-Edible Liquid		90.24	\$5,770.24
	March Total	16,825.47	336.10	\$21,903,610.48

4. Actions Taken by the MRA

a. Applications

Approved & Denied Applications				
Prequalification		Facility Operating		
	Approvals	Denials	Approvals	Denials
March	31	2	51	0

b. Disciplinary Actions

No disciplinary actions were taken.

5. Number of Applications Received

Applications Received			
	Prequalification	Facility Operator	Social Equity
March	23	48	3

6. Number of Active Licensed Facility Operators in Each License Type

March Active Licenses					
Class A	Class B	Class C	Consumption Est.	Event Organizer	Excess Grower
0	3	42	0	8	0
Microbusiness	Processor	Retailer	Safety Compliance	Secure Transporter	Temporary Event
0	15	82	2	8	0

7. Number of Facility Operator Licenses Issued in Each License Type

March Active Licenses					
Class A	Class B	Class C	Consumption Est.	Event Organizer	Excess Grower
0	1	18	0	2	0
Microbusiness	Processor	Retailer	Safety Compliance	Secure Transporter	Temporary Event
0	5	23	1	1	0

8. Average Time to Process an Application from Receipt to Approval or Denial

Average Processing Time (Calendar Days)		
	Prequalification	Facility Licensing
March	34.91	33.07

9. Revenue Collected

Revenue Collected	
	Amount
March	\$1,500,279.00

10. Costs of Administering the Adult-Use Establishment Licensing Program

	Receipts and Disbursements
	Amount
State Employee Wages	\$205,287.27
State Employee Benefits	\$141,572.83
Materials and Equipment	\$861.59
Other Contracts	\$840.00
All Other Costs	\$167,328.27
Total	\$515,889.96

Medical Marijuana Registry Program

1. Executive Summary

The *Marijuana Regulatory Agency Monthly Report* contains the reporting requirements pursuant to both MCL 333.26426(i) (1), (2), (3), (4) and (5) and Section 505 of 2019 PA 60.

The Michigan Medical Marihuana Act, Initiated Law 1 of 2008, Section 6 (i) [MCL 333.26426 (i), (1), (2), (3), (4) and (5)] states:

The department shall submit to the legislature an annual report that does not disclose any identifying information about qualifying patients, primary caregivers, or physicians, but does contain, at a minimum, all of the following information:

- a. The number of applications filed for registry identification cards.*
- b. The number of qualifying patients and primary caregivers approved in each county.*
- c. The nature of the debilitating medical conditions of the qualifying patients.*
- d. The number of registry identification cards revoked.*
- e. The number of physicians providing written certifications for qualifying patients.*

Section 505 of 2019 PA 60 states:

The department shall submit a report by January 31 to the standing committees on appropriations of the senate and house of representatives, the fiscal agencies, and the state budget director that includes all of the following information for the prior fiscal year regarding the medical marihuana program under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430:

- a. The number of initial applications received.*
- b. The number of initial applications approved, and the number of initial applications denied.*
- c. The average amount of time, from receipt to approval or denial, to process an initial application.*
- d. The number of renewal applications received.*
- e. The number of renewal applications approved, and the number of renewal applications denied.*
- f. The average amount of time, from receipt to approval or denial, to process a renewal application. The percentage of initial applications not approved or denied within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.*
- g. The percentage of renewal applications not approved or denied within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.*
- h. The percentage of registry cards for approved initial applications not issued*

within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.

i. The percentage of registry cards for approved renewal applications not issued within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.

j. The amount collected from the medical marihuana program application and renewal fees authorized in section 5 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26425.

k. The costs of administering the medical marihuana program under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.

Pursuant to these requirements, this report has been prepared and issued electronically to the House and Senate appropriation standing committees, House and Senate Fiscal Agencies, and the state budget director to meet both the annual and January 31 reporting requirements. In addition, this report is also online under the following locations:

- The Marijuana Regulatory Agency (MRA) website at: www.Michigan.gov/MRA
- The *All About LARA* section – Legislative Reports of the Department of Licensing and Regulatory Affairs website at: www.Michigan.gov/LARA

2. Executive Background

The Michigan Medical Marijuana Program (MMMP) is a state registry program within the Marijuana Regulatory Agency, Michigan Department of Licensing and Regulatory Affairs (LARA). The program administers the Michigan Medical Marihuana Act as approved by Michigan voters on November 4, 2008. The program implements the statutory tenets of this act in such a manner that protects the public and assures the confidentiality of its participants.

Specifically, the information provided in this report is based on data from March 1, 2020 through March 31, 2020.

3. Number of Initial, Renewal and Online Applications Received

	Applications and Renewals Received						
	Initial Applications			Renewals			Grand Total
	Paper	Online	Total	Paper	Online	Total	
March	6,036	2,236	8,272	1,991	735	2,726	10,998

4. Number of Qualifying Patients & Primary Caregivers Approved by County

As of March 31, 2020					
County	Patients	Caregivers	County	Patients	Caregivers
Alcona	581	64	Lake	312	64
Alger	448	97	Lapeer	3,354	512
Allegan	4,279	691	Leelanau	456	63
Alpena	778	94	Lenawee	3,767	582
Antrim	1,026	207	Livingston	4,315	541
Arenac	1,091	154	Luce	102	24
Baraga	143	15	Mackinac	218	35
Barry	1,804	312	Macomb	28,329	3,941
Bay	5,161	423	Manistee	513	86
Benzie	798	135	Marquette	627	202
Berrien	4,126	713	Mason	670	99
Branch	1,626	304	Mecosta	479	75
Calhoun	2,879	538	Menominee	497	110
Cass	1,648	296	Midland	2,076	230
Charlevoix	464	75	Missaukee	234	46
Cheboygan	610	99	Monroe	4,601	614
Chippewa	563	99	Montcalm	1,763	332
Clare	1,373	231	Montmorency	230	57
Clinton	2,745	356	Muskegon	3,592	479
Crawford	841	133	Newaygo	1,636	271
Delta	774	170	Oakland	36,726	4,133
Dickinson	641	150	Oceana	1,207	188
Eaton	3,488	533	Ogemaw	569	68
Emmet	386	66	Ontonagon	142	26
Genesee	11,859	1,924	Osceola	524	111
Gladwin	320	63	Oscoda	189	24
Gogebic	392	88	Otsego	316	62
Grand Traverse	1,309	226	Ottawa	3,626	423
Gratiot	514	85	Out of State	0	12
Hillsdale	1,460	265	Presque Isle	205	52
Houghton	372	66	Roscommon	590	105
Huron	629	56	Saginaw	4,558	559
Ingham	4,981	791	Saint Clair	4,260	583
Ionia	691	110	Saint Joseph	1,084	207
Iosco	552	80	Sanilac	995	145
Iron	288	52	Schoolcraft	110	22
Isabella	738	115	Shiawassee	2,654	409
Jackson	4,450	724	Tuscola	3,120	538
Kalamazoo	4,153	656	Van Buren	2,055	367
Kalkaska	421	91	Washtenaw	12,721	1,285
Kent	8,903	1,036	Wayne	47,081	4,885
Keweenaw	121	28	Wexford	1,060	213
			Total	261,989	35,191

5. Nature of Debilitating Medical Condition of Qualifying Patients

As of March 31, 2020	
Condition	Percent of Total
Agitation of Alzheimer's Disease	0.01
AIDS	0.01
Amyotrophic Lateral Sclerosis	0.02
Arthritis	20.64
Autism	0.25
Cachexia or Wasting Syndrome	0.23
Cancer	3.92
Cerebral Palsy	0.13
Chronic Pain	54.34
Colitis	0.34
Crohn's Disease	1.09
Glaucoma	1.40
Hepatitis C	0.71
HIV Positive	0.33
Inflammatory Bowel Disease	0.70
Muscle Spasms	15.50
Nail Patella	0.00
Obsessive Compulsive Disorder	0.87
Parkinson's Disease	0.10
Post-Traumatic Stress Disorder	5.48
Rheumatoid Arthritis	1.51
Seizures	1.74
Severe and Chronic Pain	57.17
Severe Nausea	6.70
Spinal Cord Injury	0.29
Tourette's Syndrome	0.04
Ulcerative Colitis	0.29

6. Number of Registry Identification Cards Revoked

Registry Identification Cards Revoked	
Month	Revoked
March	0

7. Number of Physicians Providing Written Certifications for Qualifying Patients

Physicians Providing Written Certifications	
Month	Physicians
March	396

8. Number of Initial Applications Issued & Denied

Initial Applications Issued and Denied							
Issued				Denied			Grand Total
Paper	ACA	Total	Paper	ACA	Total		
March	4,711	2,205	6,916	885	31	916	7,832

9. Number of Renewal Applications Issued & Denied

Renewal Applications Issued and Denied							
Issued				Denied			Grand Total
Paper	ACA	Total	Paper	ACA	Total		
March	1,877	709	2,586	144	26	170	2,756

10. Average Time to Process an Initial Application

Average Number of Days to Process an Initial Application						
Approvals				Denials		
Paper	Online	Combined	Paper	Online	Combined	
March	5.72	0	3.90	6.70	.10	6.47

11. Average Time to Process a Renewal Application

Average Number of Days to Process a Renewal Application						
Approvals				Denials		
Paper	Online	Combined	Paper	Online	Combined	
March	5.85	0	4.25	7.17	.12	6.09

12. Registry Cards not Issued within Time Requirements

Registration Cards not Issued within Time Requirements		
Applications		Renewals
March	.05%	.04%

13. Amount Collected from Application & Renewal Fees

Revenue Collected	
Amount	
March	\$414,602.04

14. Costs of Administering the Michigan Medical Marihuana Program

Receipts and Disbursements	
Amount	
State Employee Wages	\$138,038.15
State Employee Benefits	\$99,964.06
Materials and Equipment	\$12,565.11
Educational Expenses on Behalf of Clients or Students	\$643.18
Other Contracts	\$7,364.40
All Other Costs	\$96,929.06
Total	\$355,503.86

15. Conclusion

The Marijuana Regulatory Agency's executive and legislative charge is the oversight of medical marijuana in Michigan. This includes the administration and oversight of the MMMP. The information contained in this report is required pursuant to MCL 333.26426 (i) (1), (2), (3), (4) and (5) and Section 505 of PA 207 of 2018 and provides specific information regarding: identification cards, patients and primary caregivers, the nature of debilitating medical conditions of qualifying patients, the number of physicians providing written certifications for qualifying patients, revenue, expenditures, application determinations, and timeliness information of the MMMP for the time period beginning March 1, 2020 through March 31, 2020.

EXHIBIT 3



Monthly Report

March 1, 2022 – March 31, 2022



Governor
Gretchen Whitmer



Executive Director
Andrew Brisbo



Director
Orlene Hawks

Table of Contents

Medical Marijuana Facility Licensing	4
1. Product Sales	4
2. Plants.....	4
3. Packages and Inventory	5
4. Transfers.....	5
5. Initial Applications	6
6. Renewal Applications	6
7. Active Licenses.....	6
8. Application Processing Time.....	7
9. Actions Taken by the MRA	7
10. Complaints and Investigations	7
11. Number of Administrative Hearing Adjudications.....	8
12. Revenue and Expenses.....	8
13. Municipalities Opted In to the MMFLA	9
14. Provisioning Centers Approved for Home Delivery	9
15. Demographic Information.....	10
Adult-Use Establishment Licensing	14
1. Product Sales	14
2. Plants.....	14
3. Packages and Inventory	15
4. Transfers.....	15
5. Initial Applications	16
6. Renewal Applications	17
7. Active Licenses.....	18
8. Application Processing Time.....	19
9. Actions Taken by the MRA	20
10. Applications not Processed within Established Time Requirements.....	20
11. Complaints and Investigations	20
12. Number of Administrative Hearing Adjudications.....	21
13. Revenue and Expenses.....	21
14. Social Equity Applications.....	22
15. Social Equity Education & Outreach	23
16. Social Equity Application Assistance Provided	23

17. Municipalities Opted In or Out of MRTMA	23
18. Marihuana Retailers Approved for Home Delivery	23
19. Total Number of Employees Under the MMFLA and MRTMA	23
20. MTIS Criminal Enforcement Data	23
21. Demographic Information.....	24
Medical Marijuana Registry Program	28
1. Initial Applications	28
2. Renewal Applications	28
3. Application Processing Time.....	28
4. Number of Applications Filed for Registry Identification Cards	28
5. Number of Qualifying Patients and Primary Caregivers Approved in Each County	29
6. Registry Identification Cards Revoked.....	30
7. Nature of the Debilitating Medical Conditions of the Qualifying Patients.	30
8. Number of Physicians Providing Written Certifications for Qualifying Patients	31
9. Applications not Processed within Established Time Requirements.....	31
10. Revenue and Expenses.....	31

Medical Marijuana Facility Licensing

1. Product Sales

Sales by Product Type			
March 1 – March 31			
Product Type	Pounds Sold	Fluid Ounces Sold	Total Sales
Flower	5,295.99		\$14,731,939.16
Shake/Trim	599.46		\$1,453,206.14
Concentrate	277.97		\$2,803,424.32
Inhalable Compound Concentrate	7.45		\$76,802.37
Vape Cartridge	782.35		\$8,859,928.63
Kief	1.82		\$9,642.65
Infused-Edible	35,773.74		\$3,753,621.73
Infused Non-Edible Solid	309.23		\$138,303.29
Infused Liquid		7,866.95	\$191,117.34
Infused Non-Edible Liquid		611.28	\$11,529.82
March Total	43,048.01	8,478.23	\$32,029,515.45

Additional Sales Information	
March 1 - March 31	
Category	Amount
Sales To Date (as of Mar. 31)	\$1,350,280,096.84
Sales Deliveries	\$1,340,467.98
Average Retail Flower Price (oz.)	\$173.86

2. Plants

Plants	
Active Plants	
As of March 31, 2022	
Plant State	Number
Immature	76,433
Vegetative	86,989
Flowering	135,905

Destroyed & Harvested Plants	
March 1 - March 31	
Plant State	Number
Immature - Destroyed	33,658
Vegetative - Destroyed	18,231
Flowering - Destroyed	4,439
Plants Harvested	62,548

3. Packages and Inventory

Packages	
As of March 31, 2022	
Package State	Number
Active	489,100
On Hold	3,434
In Transit	5,905
March 1 - March 31	
Package State	Number
Finished	6,901

Inventory	
As of March 31, 2022	
Category	Amount (lbs.)
Flower at Growers (Test Passed)	21,246.23
Flower at Provisioning Centers	27,764.62
Flower at Processors	61,507.15
Fresh Frozen Flower at Processors	79,903.24
Concentrates at Processors	21,450.45
Infused Solids at Processors	142,475.98
Infused Liquids at Processors (Fl. Oz.)	123,581.65

4. Transfers

Products Shipped		
March 1 - March 31		
License Type	Pounds Shipped	Fluid Ounces Shipped
Grower Class A	3,106.97	
Grower Class B	1,381.05	
Grower Class C	57,033.72	
Processor	67,859.55	20,668.53
Provisioning Center	2,705.54	768.94
Safety Compliance Facility	3.10	
Secure Transporter	82,745.18	18,875.48

Transfers	
March 1 - March 31	
Transfer Type	Number
Completed	8,146
Voided	151

5. Initial Applications

Initial Applications			
March 1 - March 31			
License Type	Received	Approved	Denied
Prequalification	30	25	3
Grower Class A	3	3	0
Grower Class B	1	1	0
Grower Class C	23	9	0
Processor	6	7	0
Provisioning Center	12	10	0
Safety Compliance Facility	1	0	0
Secure Transporter	0	0	0
Total	76	55	3

6. Renewal Applications

Renewal Applications			
March 1 - March 31			
License Type	Received	Approved	Denied
Grower Class A	6	3	0
Grower Class B	1	3	0
Grower Class C	31	22	0
Processor	9	6	0
Provisioning Center	37	17	0
Safety Compliance Facility	4	2	0
Secure Transporter	2	0	0
Total	90	53	0

7. Active Licenses

Active Licenses							
Grower A	Grower B	Grower C	Processor	Provisioning Center	Safety Compliance	Secure Transporter	Total
89	16	541	128	456	21	24	1275

8. Application Processing Time

Application Processing Time (Calendar Days)		
March 1 - March 31		
License Type	Initial Applications	Renewal Applications
Prequalification	44.92	-
Grower Class A	55.00	18.00
Grower Class B	315.00	25.00
Grower Class C	130.89	8.95
Processor	36.71	16.50
Provisioning Center	173.60	15.35
Safety Compliance Facility	-	81.00
Secure Transporter	-	-
March Step 2 Average	128.00	16.00
March Total Average	90.24	-

9. Actions Taken by the MRA

Disciplinary Actions Taken by the MRA			
March 1 - March 31			
License Type	Warning	Formal Complaint	Final Order
Grower Class A	0	8	1
Grower Class B	0	1	0
Grower Class C	2	17	1
Processor	0	17	0
Provisioning Center	1	45	1
Secure Transporter	0	4	0
Safety Compliance Facility	0	3	0

10. Complaints and Investigations

Complaints and Investigations	
March 1 - March 31	
Enforcement & Legal Data	Amount
Number of Complaints Received	165
Number of Investigations Opened	187
Number of Investigations Closed	192
Average Time to Complete an Investigation (Calendar Days)	41
Number of Enforcement Actions Taken*	127
* Includes both MMFL and AU data	

11. Number of Administrative Hearing Adjudications

Number of administrative hearing adjudications pertaining to each regulated activity.

Provided are all final orders for denials.

Approximate Amounts: 0

Number of administrative hearings pertaining to each regulated activity.

Provided are all the hearings that have been involved with the MRA, e.g., denials, lawsuits, etc.

Approximate Amounts:

Denials: 0

Litigation: 0

Circuit Court Appeals: 0

12. Revenue and Expenses

Application Fees	
March 1 - March 31	
Amount	
March	\$289,305

Regulatory Assessment Fees								
March 1 - March 31								
	Grower Class A	Grower Class B	Grower Class C	Processor	Provisioning Center	Safety Compliance Facility	Secure Transporter	Total
March	\$12,000	\$3,200	\$109,248	\$81,140	\$69,164	\$0	\$0	\$262,752

Renewal								
March 1 - March 31								
	Grower Class A	Grower Class B	Grower Class C	Processor	Provisioning Center	Safety Compliance Facility	Secure Transporter	Total
March	\$21,335	\$5,333	\$320,000	\$124,000	\$255,000	\$0	\$7,500	\$733,168

Total Licensing Revenue Collected	
March 1 - March 31	
Amount	
March	\$1,285,225

Expenses	
March 1 - March 31	
Amount	
State Employee Wages	\$313,585.46
State Employee Benefits	\$192,189.75
Materials and Equipment	\$100,848.05
March Total	\$606,623.26

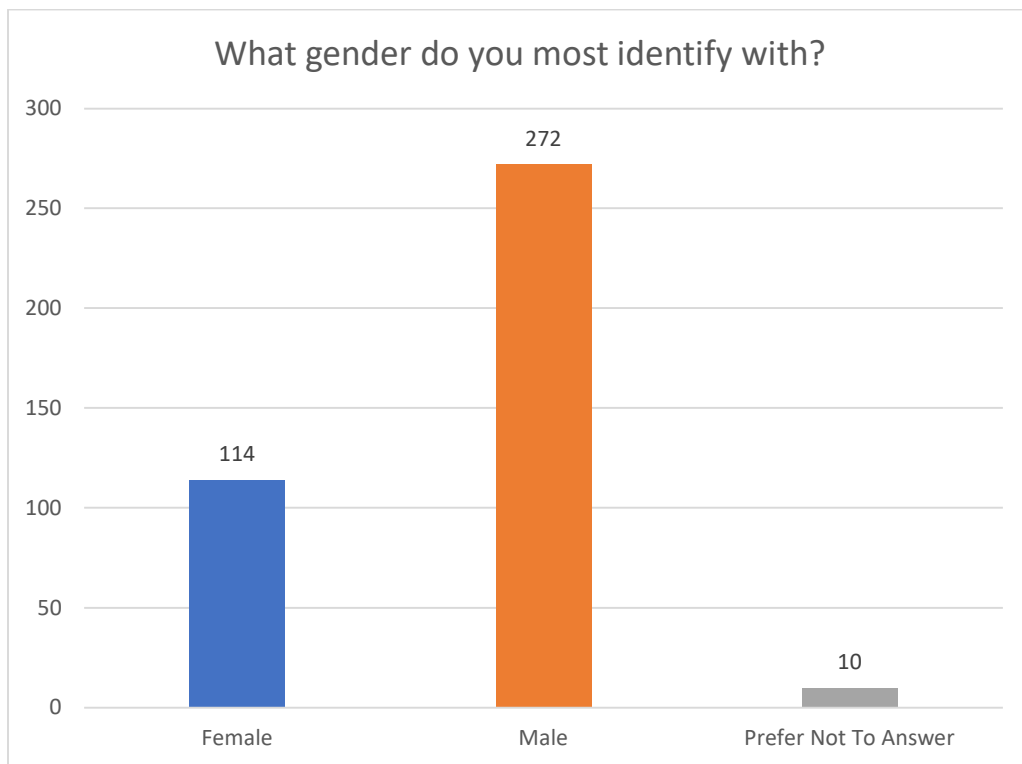
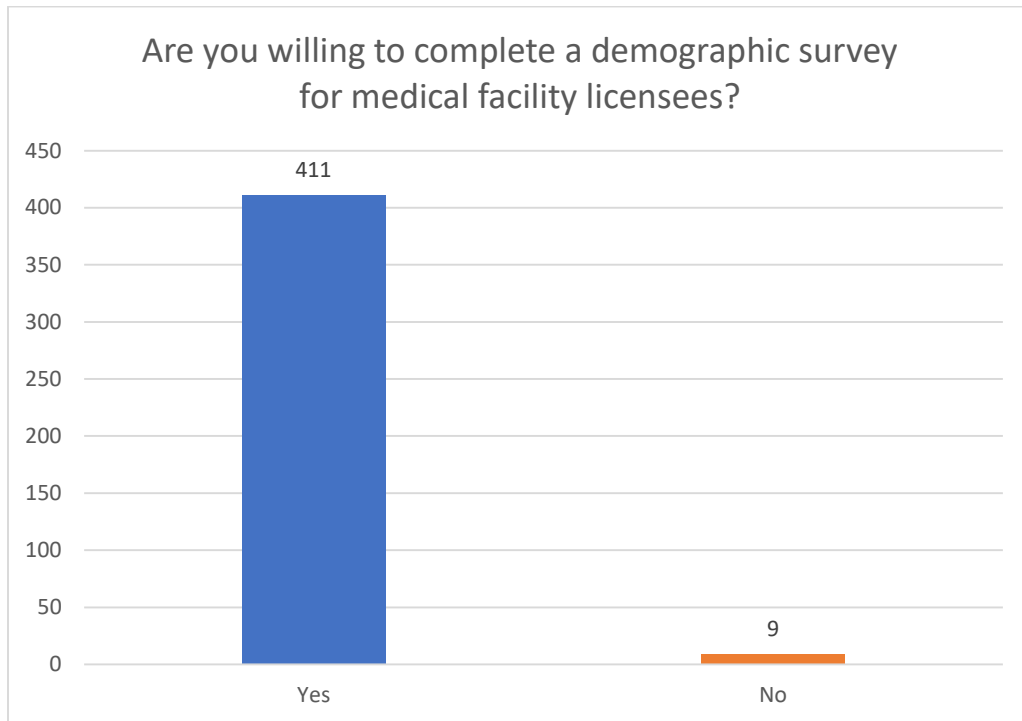
13. Municipalities Opted In to the MMFLA

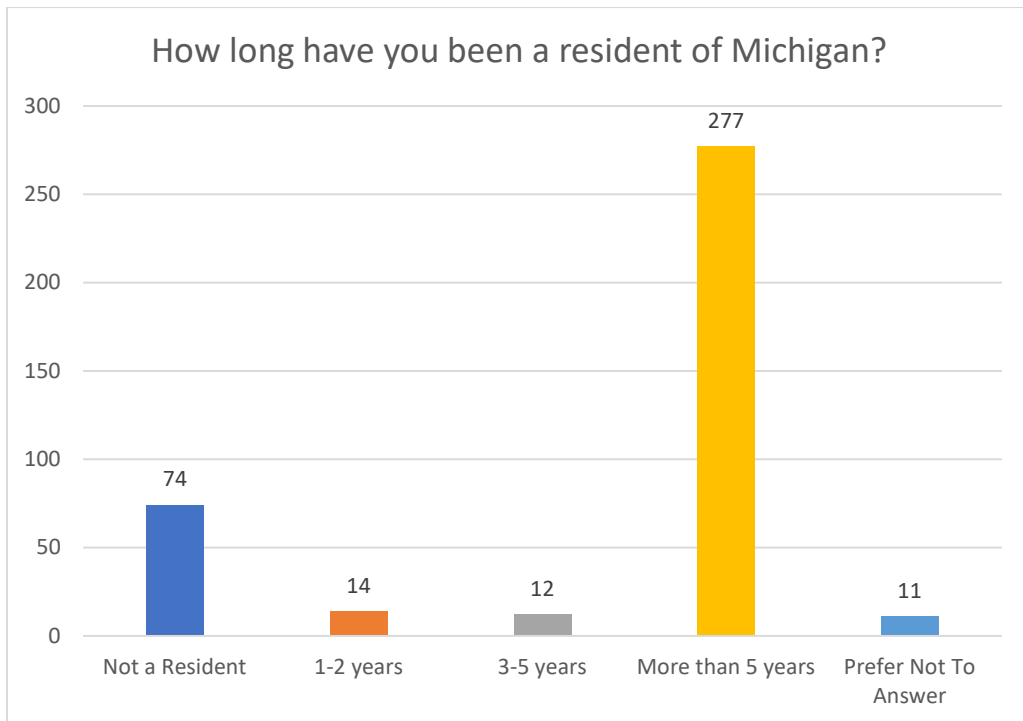
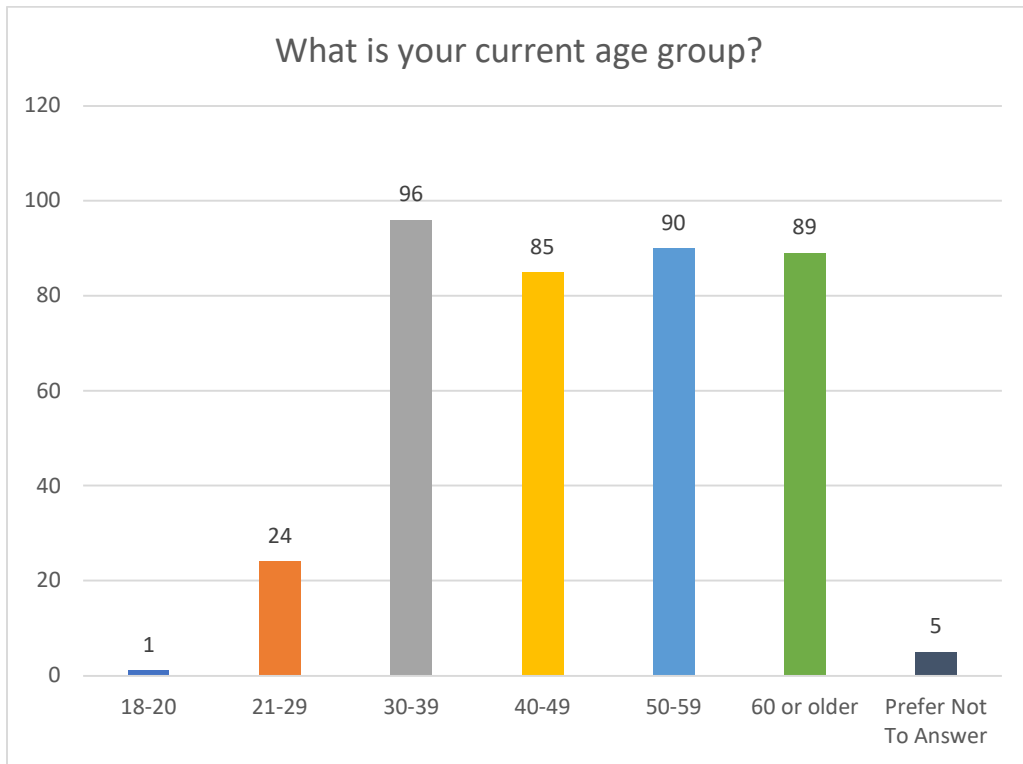
Municipalities
As of March 31, 2022
Opted In
161

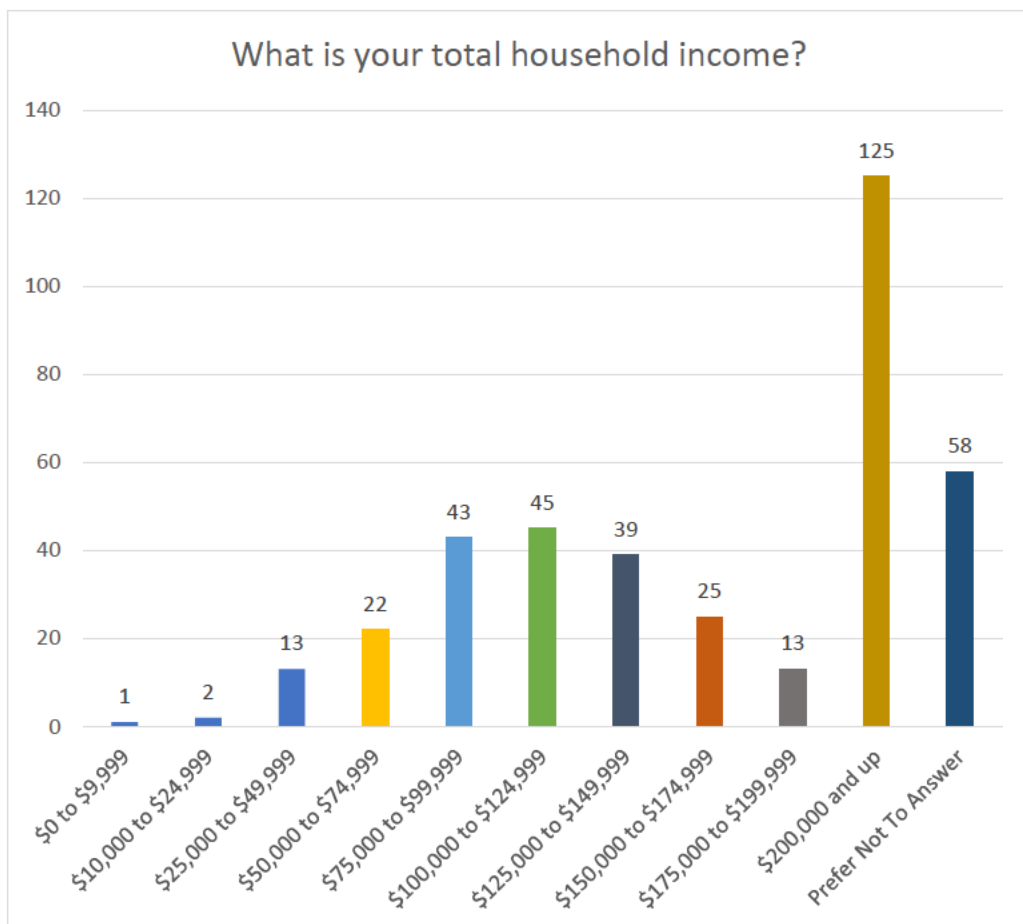
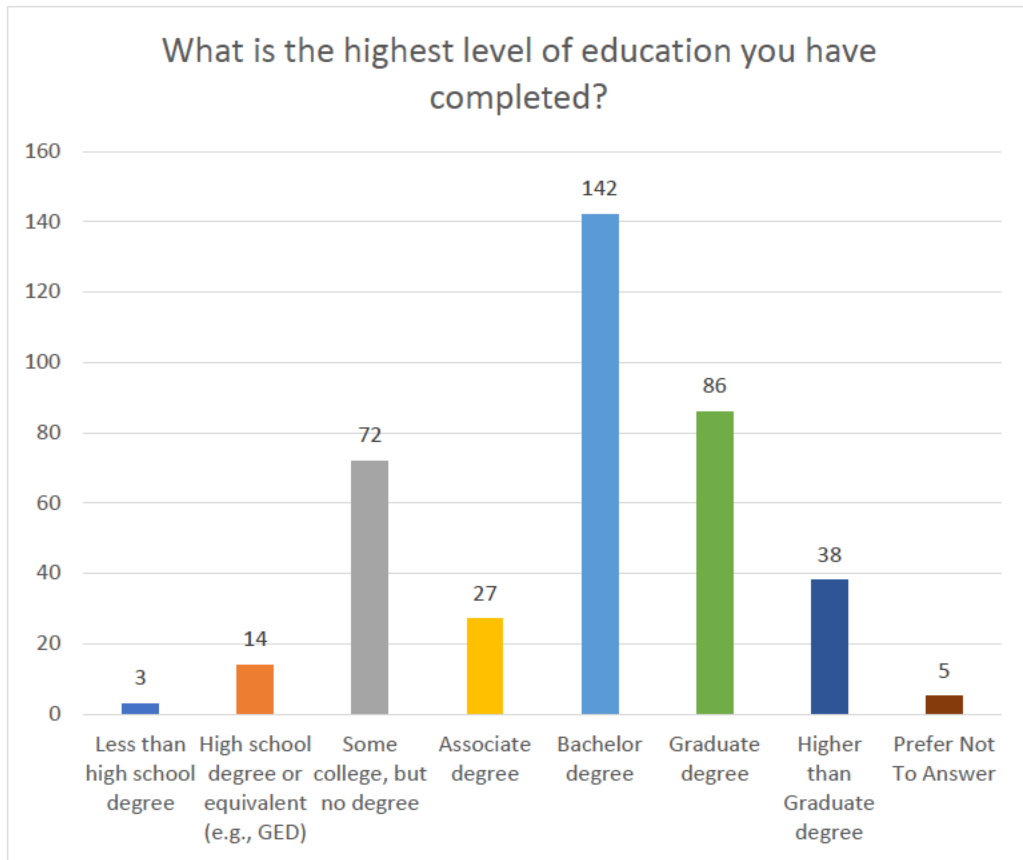
14. Provisioning Centers Approved for Home Delivery

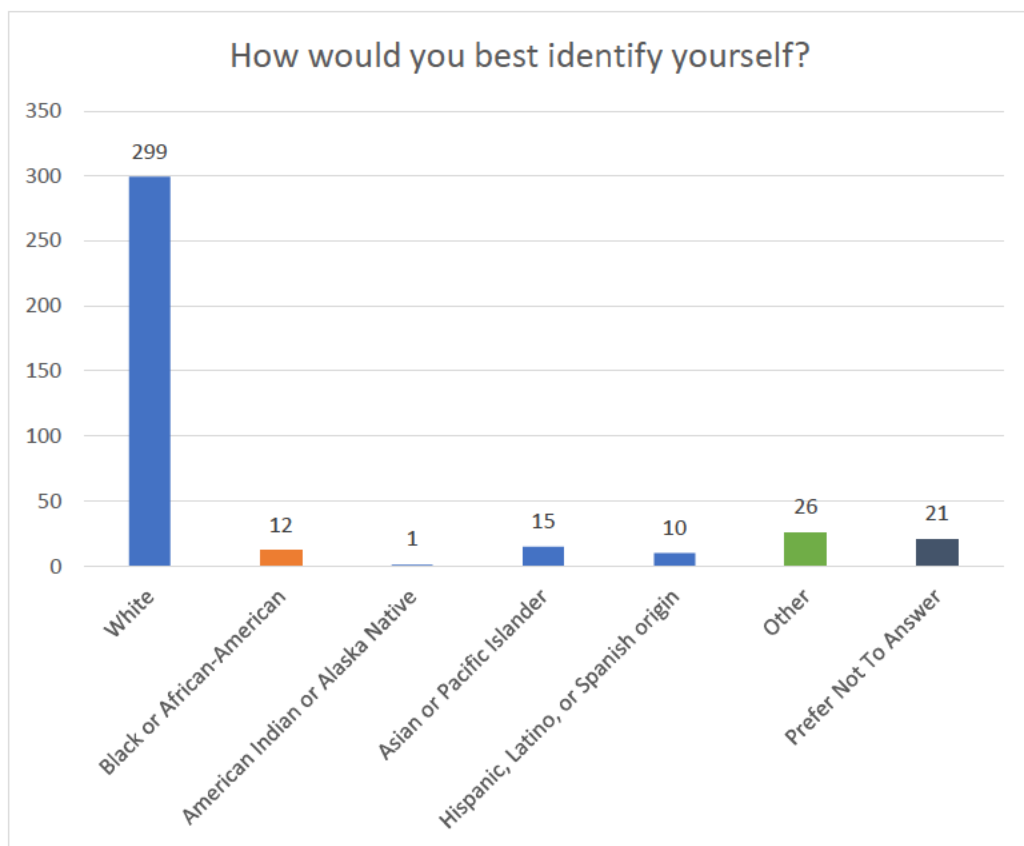
Home Deliveries
As of March 31, 2022
Provisioning Centers
303

15. Demographic Information









Adult-Use Establishment Licensing

1. Product Sales

Sales by Product Type			
March 1 - March 31			
Product Type	Pounds Sold	Fluid Ounces Sold	Total Sales
Flower	18,771.88		\$57,260,997.82
Shake/Trim	5,029.16		\$9,618,839.31
Concentrate	660.73		\$8,910,382.24
Inhalable Compound Concentrate	64.05		\$652,258.86
Vape Cartridge	2,145.47		\$27,307,371.37
Kief	5.56		\$39,291.68
Infused-Edible	132,634.02		\$16,425,089.40
Infused Non-Edible Solid	1,031.95		\$530,346.57
Infused Liquid		27,213.16	\$532,794.28
Infused Non-Edible Liquid		2,315.31	\$50,629.45
March Total	160,055.79	29,528.47	\$121,208,684.98

Additional Sales Information	
March 1 - March 31	
Category	Amount
Sales To Date (Mar. 31)	\$2,260,823,384.90
Sales Deliveries	\$5,820,926.96
Average Retail Flower Price (oz.)	\$190.65

2. Plants

Plants	
Active Plants	
As of March 31, 2022	
Plant State	Number
Immature	240,421
Vegetative	233,011
Flowering	351,743

Destroyed & Harvested Plants	
March 1 - March 31	
Plant State	Number
Immature - Destroyed	79,797
Vegetative - Destroyed	31,229
Flowering - Destroyed	5,807
Plants Harvested	167,487

3. Packages and Inventory

Packages	
As of March 31, 2022	
Package State	Number
Active	1,051,255
On Hold	3,847
In Transit	22,863
March 1 - March 31	
Package State	Number
Finished	37,691

Inventory	
As of March 31, 2022	
Category	Amount (lbs.)
Flower at Growers (Test Passed)	58,836.00
Flower at Retailers	51,993.4
Flower at Processors	93,862.45
Fresh Frozen Flower at Processors	118,652.33
Concentrates at Processors	25,494.36
Infused Solids at Processors	378,588.04
Infused Liquids at Processors (Fl. Oz.)	964,740.11

4. Transfers

Shipped Products		
March 1 - March 31		
License Type	Shipped Pounds	Fluid Ounces Shipped
Class A Marijuana Grower	1,510.52	
Class B Marijuana Grower	3,614.63	
Class C Marijuana Grower	118,270.77	100.93
Excess Grower	16,094.84	
Microbusiness	1.94	
Processor	284,257.28	369,527.78
Retailer	5,140.11	4,067.30
Safety Compliance Facility	8.62	
Secure Transporter	353,332.35	297,870.79

Transfers	
March 1 - March 31	
Transfer Type	Number
Completed	23,176
Voided	308

5. Initial Applications

	Initial Applications		
	March 1 - March 31		
	Applications Received	Licenses Issued	Licenses Denied
Prequalification	92	119	0
Class A Marijuana Grower	3	0	0
Class B Marijuana Grower	9	6	0
Class C Marijuana Grower	26	21	0
Excess Grower	8	0	0
Processor	8	8	0
Retailer	23	16	0
Class A Microbusiness	0	0	0
Microbusiness	2	0	0
Secure Transporter	1	0	0
Safety Compliance Facility	1	1	0
Designated Consumption Facility	0	1	0
Educational Research License	0	0	0
Marihuana Event Organizer	2	2	0
Temporary Marijuana Event	1	1	0
Social Equity Class A Marijuana Grower	0	0	0
Social Equity Class B Marijuana Grower	1	0	0
Social Equity Class C Marijuana Grower	5	2	0
Social Equity Excess Grower	0	0	0
Social Equity Processor	2	4	0
Social Equity Retailer	1	3	0
Social Equity Class A Microbusiness	0	0	0
Social Equity Microbusiness	0	1	0
Social Equity Secure Transporter	0	0	0
Social Equity Safety Compliance Facility	0	0	0
Social Equity Designated Consumption	0	0	0
Social Equity Marihuana Event Organizer	1	1	0
Social Equity Marijuana Temporary Event	0	0	0
March Total	186	186	0

6. Renewal Applications

	Renewal Applications		
	March 1 - March 31		
	Applications Received	Licenses Issued	Licenses Denied
Class A Marijuana Grower	0	0	0
Class B Marijuana Grower	2	3	0
Class C Marijuana Grower	29	24	0
Excess Grower	12	1	0
Processor	8	8	0
Retailer	33	36	0
Class A Microbusiness	0	0	0
Microbusiness	1	0	0
Secure Transporter	0	4	0
Safety Compliance Facility	0	2	0
Designated Consumption Establishment	0	0	0
Educational Research License	0	0	0
Marihuana Event Organizer	1	1	0
Social Equity Class A Marijuana Grower	0	0	0
Social Equity Class B Marijuana Grower	2	0	0
Social Equity Class C Marijuana Grower	3	0	0
Social Equity Excess Grower	0	0	0
Social Equity Processor	1	0	0
Social Equity Retailer	4	3	0
Social Equity Class A Microbusiness	0	0	0
Social Equity Microbusiness	0	0	0
Social Equity Secure Transporter	0	0	0
Social Equity Safety Compliance Facility	0	0	0
Social Equity Designated Consumption	0	0	0
Social Equity Marihuana Event Organizer	0	0	0
March Total	96	82	0

7. Active Licenses

	Active Licenses
	As of March 31, 2022
Class A Marijuana Grower	5
Class B Marijuana Grower	69
Class C Marijuana Grower	493
Excess Grower	77
Processor	129
Retailer	478
Class A Microbusiness	0
Microbusiness	9
Safety Compliance Facility	23
Secure Transporter	18
Designated Consumption Establishment	1
Educational Research License	0
Marijuana Event Organizer	32
Temporary Marijuana Event	1
March Total	1335

8. Application Processing Time

Application Processing Days (Calendar Days)		
March 1 - March 31		
License Type	Initial Applications	Renewal Applications
Prequalification	55.18	-
Class A Marijuana Grower	-	-
Class B Marijuana Grower	22.67	6.33
Class C Marijuana Grower	34.90	14.17
Excess Grower	-	1.00
Processor	46.25	6.63
Retailer	33.31	22.42
Class A Microbusiness	-	-
Microbusiness	-	-
Safety Compliance Facility	-	18.75
Secure Transporter	64.00	20.00
Designated Consumption Establishment	58.00	-
Educational Research License	-	-
Marijuana Event Organizer	10.00	1.00
Temporary Marijuana Event	41.00	-
Social Equity Class A Marijuana Grower	-	-
Social Equity Class B Marijuana Grower	-	-
Social Equity Class C Marijuana Grower	61.50	-
Social Equity Excess Grower	-	-
Social Equity Processor	43.25	-
Social Equity Retailer	30.33	31.33
Social Equity Class A Microbusiness	-	-
Social Equity Microbusiness	57.00	-
Social Equity Safety Compliance Facility	-	-
Social Equity Secure Transporter	-	-
Social Equity Designated Consumption Establishment	-	-
Social Equity Marijuana Event Organizer	6.00	-
Social Equity Temporary Marijuana Event	-	-
March Step 2 Average	35.90	17.48
March Total Average	40.24	-

9. Actions Taken by the MRA

Disciplinary Actions Taken by the MRA			
March 1 - March 31			
License Type	Warning	Formal Complaint	Final Order
Class A Marijuana Grower	0	0	0
Class B Marijuana Grower	0	0	1
Class C Marijuana Grower	2	2	1
Excess Grower	0	0	0
Processor	1	4	0
Retailer	1	13	0
Microbusiness	0	0	0
Secure Transporter	0	1	0
Safety Compliance Facility	0	0	0
Designated Consumption Establishment	0	0	0
Marijuana Event Organizer	0	0	0
Temporary Marijuana Event	0	0	0

10. Applications not Processed within Established Time Requirements

Applications Not Timely Processed	
March 1 - March 31	
Initial	Renewal
0%	0%

11. Complaints and Investigations

Complaints and Investigations	
March 1 - March 31	
Enforcement & Legal Data	Amount
Number of Complaints Received	150
Number of Investigations Opened	156
Number of Investigations Closed	139
Average Time to Complete an Investigation* (Calendar Days)	25
Number of Enforcement Actions Taken*	127
* Includes both MMFL and AU data	

12. Number of Administrative Hearing Adjudications

Number of administrative hearing adjudications pertaining to each regulated activity.

Provided are all final orders for denials.

Approximate Amounts: 0

Number of administrative hearings pertaining to each regulated activity.

"Regulated activity" means the particular activities, entities, facilities, and industries regulated by the agencies. Provided are all the hearings that have been involved with the MRA, e.g., denials, lawsuits, etc.

Approximate Amounts:

Denials: 0

Litigation: 0

Circuit Court Appeals: 0

13. Revenue and Expenses

Application Fees			
March 1 - March 31			
	Prequalification	Social Equity Prequalification	Total
March	\$425,000	\$43,800	\$468,800

Regulatory Assessment Fees								
March 1 - March 31								
	Class A Marijuana Grower	Class B Marijuana Grower	Class C Marijuana Grower	Designated Consumption Establishment	Marijuana Event Organizer	Excess Grower	Microbusiness	Processor
March	\$0	\$29,123	\$627,572	\$912	\$710	\$8	\$0	\$189,348
	Retailer	Safety Compliance Facility	Secure Transporter	Temporary Marijuana Event	Social Equity Class A Marijuana Grower	Social Equity Class B Marijuana Grower	Social Equity Class C Marijuana Grower	Social Equity Designated Consumption Establishment
March	\$265,411	\$25,000	\$0	\$0	\$0	\$0	\$21,600	\$0
	Social Equity Marijuana Event Organizer	Social Equity Excess Grower	Social Equity Microbusiness	Social Equity Processor	Social Equity Retailer	Social Equity Safety Compliance Facility	Social Equity Secure Transporter	Social Equity Temporary Marijuana Event
March	\$750	\$0	\$4,150	\$74,548	\$35,712	\$0	\$0	\$1,950
Total Regulatory Assessment Fees								
March	\$1,276,794							

Renewal Fees								
March 1 - March 31								
	Class A Marijuana Grower	Class B Marijuana Grower	Class C Marijuana Grower	Designated Consumption Establishment	Marijuana Event Organizer	Excess Grower	Microbusiness	Processor
March	\$0	\$34,000	\$1,212,000	\$0	\$0	\$1,212,000	\$6,000	\$362,000
	Retailer	Safety Compliance Facility	Secure Transporter	Temporary Marijuana Event	Social Equity Class A Marijuana Grower	Social Equity Class B Marijuana Grower	Social Equity Class C Marijuana Grower	Social Equity Designated Consumption Establishment
March	\$765,000	\$20,000	\$90,000	\$0	\$0	\$3,000	\$82,500	\$0
	Social Equity Marijuana Event Organizer	Social Equity Excess Grower	Social Equity Microbusiness	Social Equity Processor	Social Equity Retailer	Social Equity Safety Compliance Facility	Social Equity Secure Transporter	Social Equity Temporary Marijuana Event
March	\$0	\$0	\$0	\$18,000	\$45,500	\$0	\$0	\$0
Total Renewal Fees								
March	\$3,850,000							

Total Licensing Revenue Collected	
March 1 - March 31	
Amount	
March	\$5,595,594

Expenses	
March 1 - March 31	
Amount	
State Employee Wages	\$490,052.22
State Employee Benefits	\$293,397.44
Materials and Equipment	\$126,822.31
March Total	\$910,271.97

14. Social Equity Applications

Social Equity Applications			
March 1 - March 31			
	Received	Eligible	Ineligible
March	30	25	6

15. Social Equity Education & Outreach

Outreach Sessions	
March 1 - March 31	
Sessions Held	
March	2

16. Social Equity Application Assistance Provided

Application Assistance Provided	
March 1 - March 31	
Number of Times	
March	7

17. Municipalities Opted In or Out of MRTMA

Municipalities	
As of March 31, 2022	
Opted In	Opted Out
118	1389

18. Marihuana Retailers Approved for Home Delivery

Home Deliveries
As of March 31, 2022
Marihuana Retailers
247

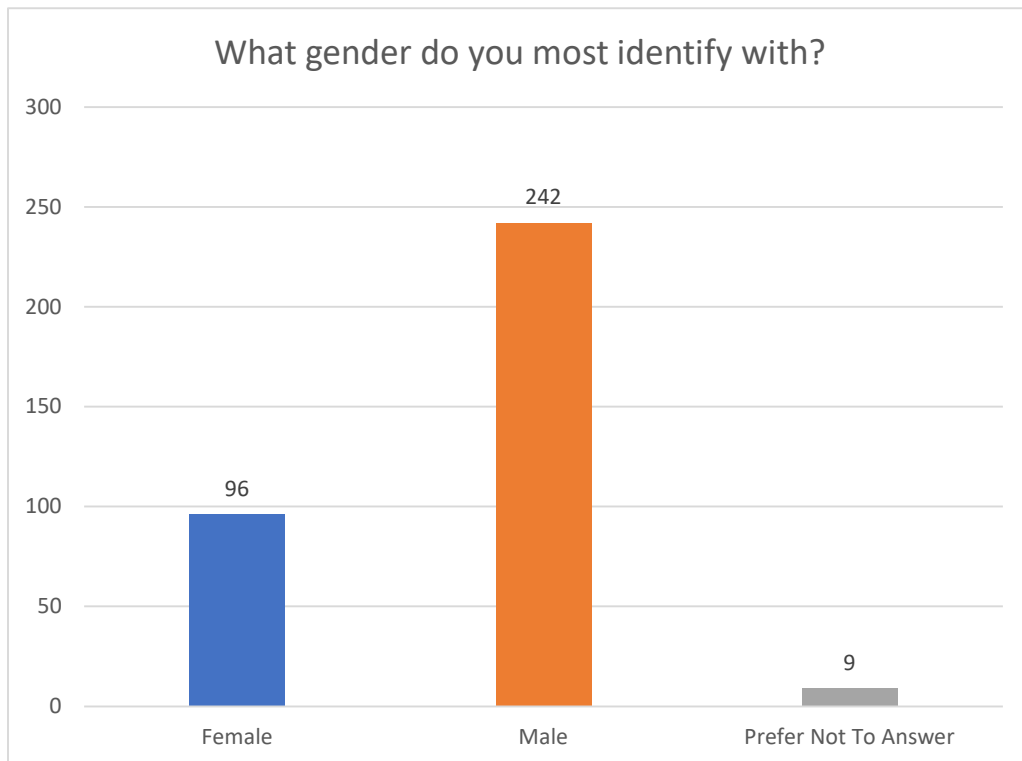
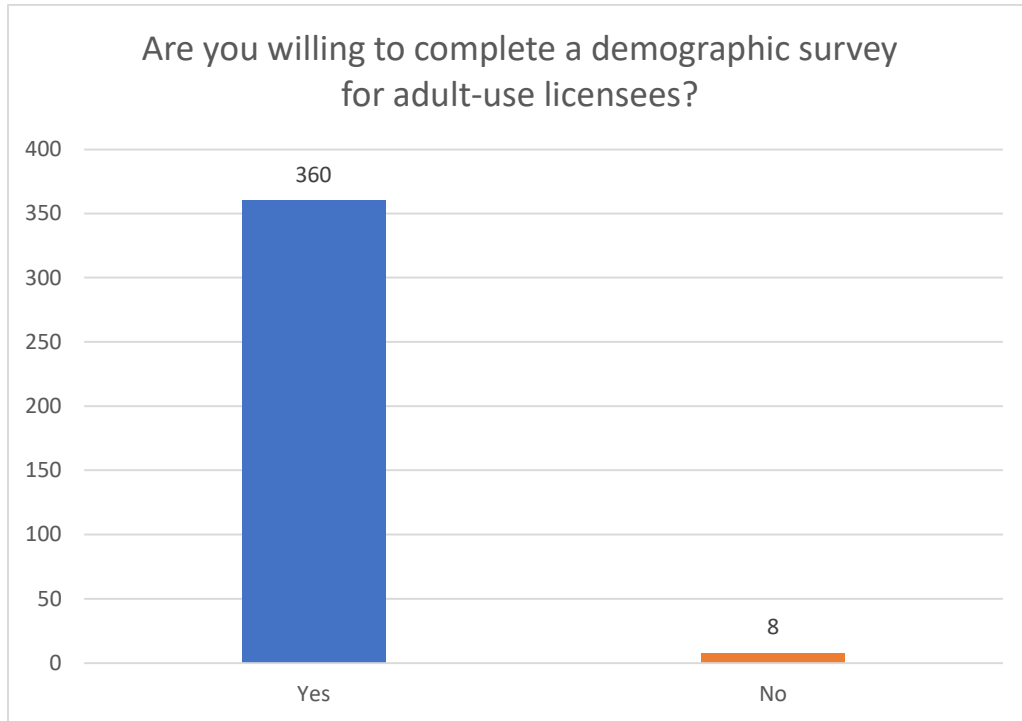
19. Total Number of Employees Under the MMFLA and MRTMA

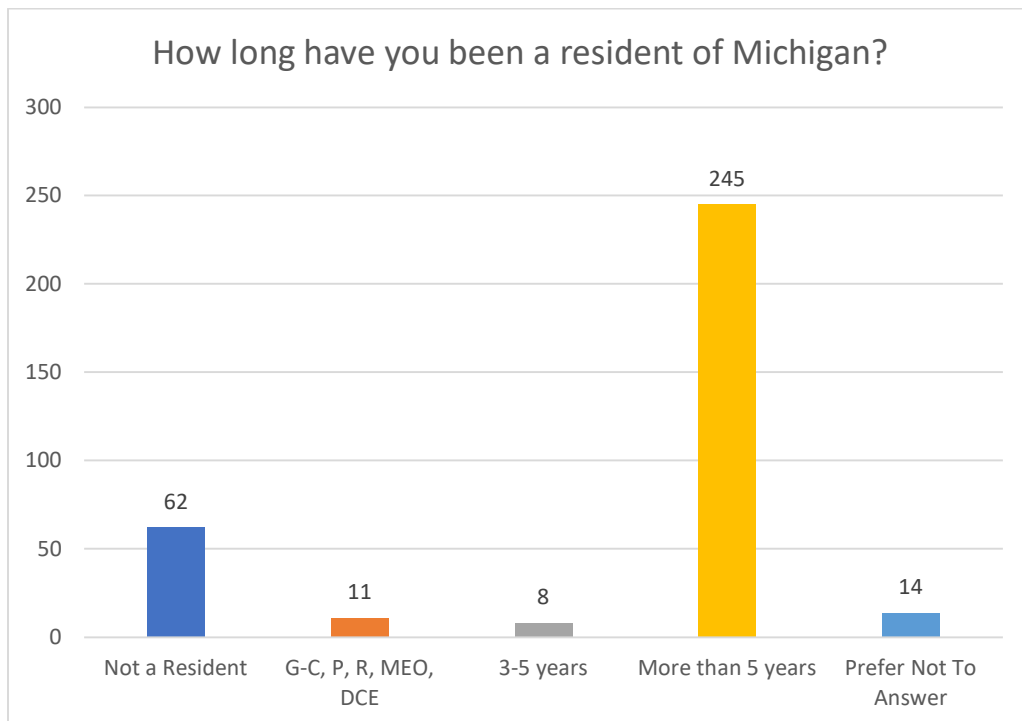
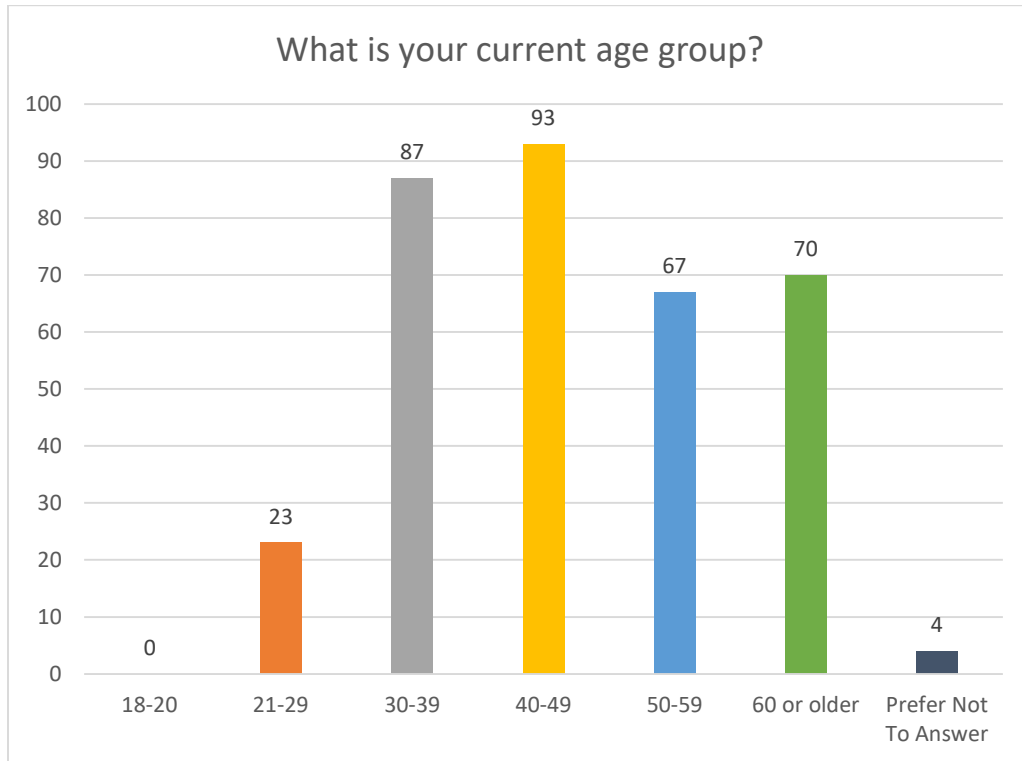
Number of Employees
As of March 31, 2022
22,588

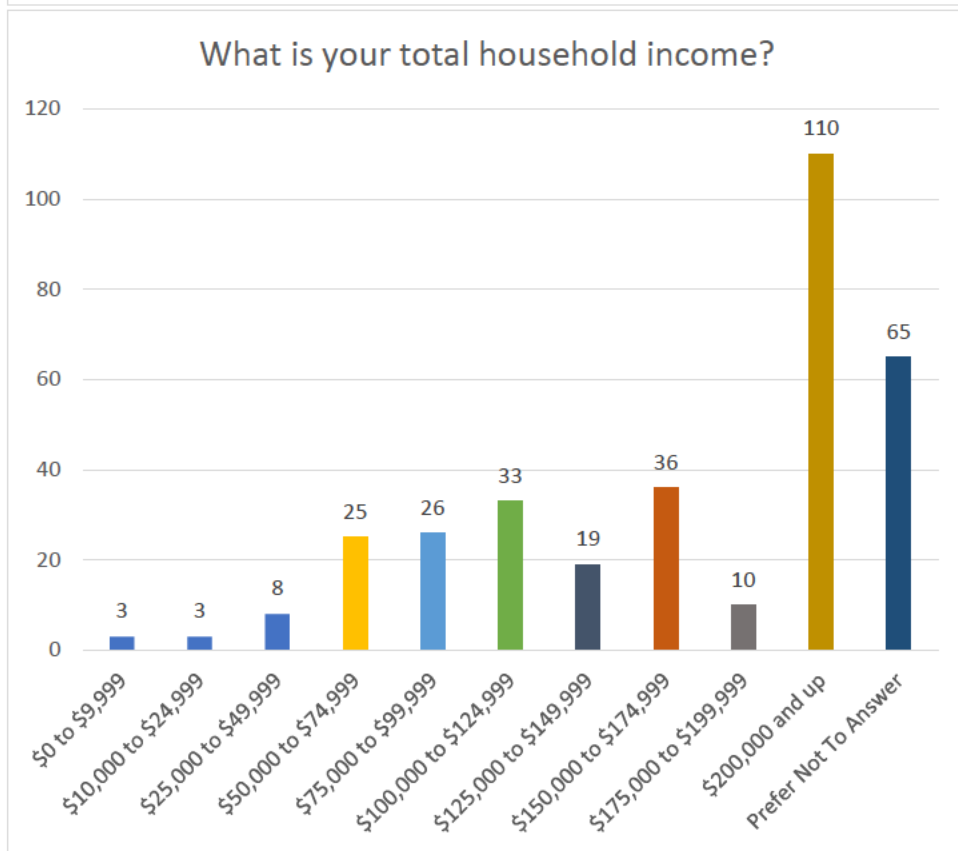
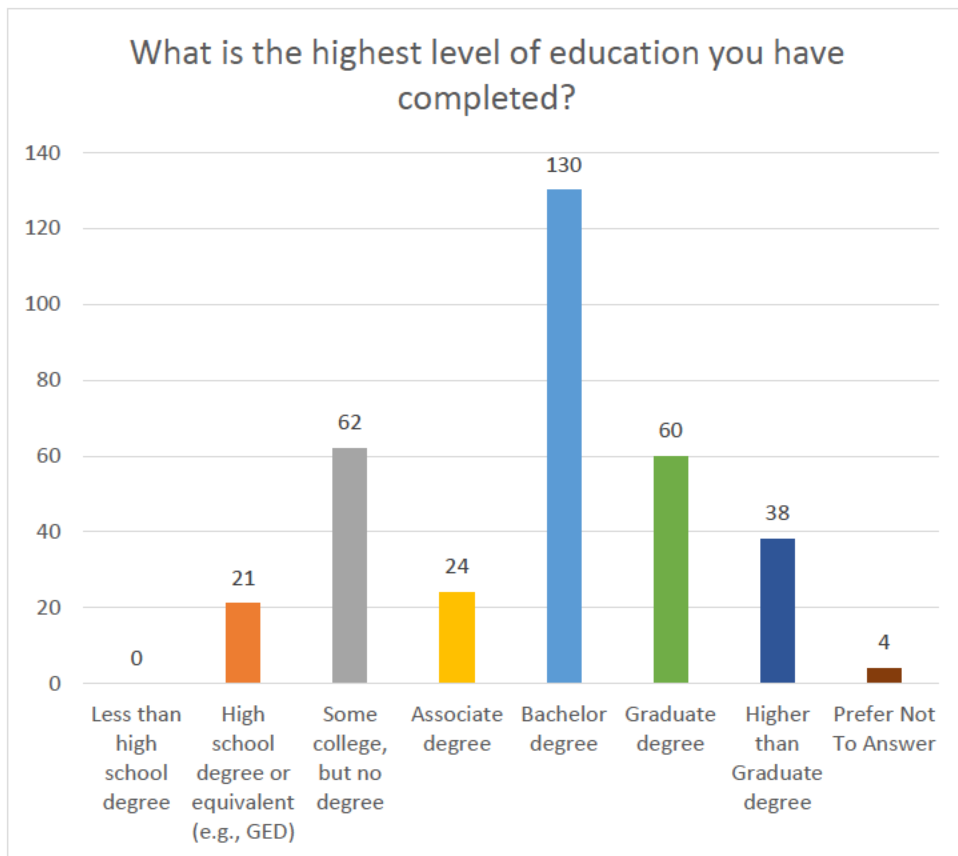
20. MTIS Criminal Enforcement Data

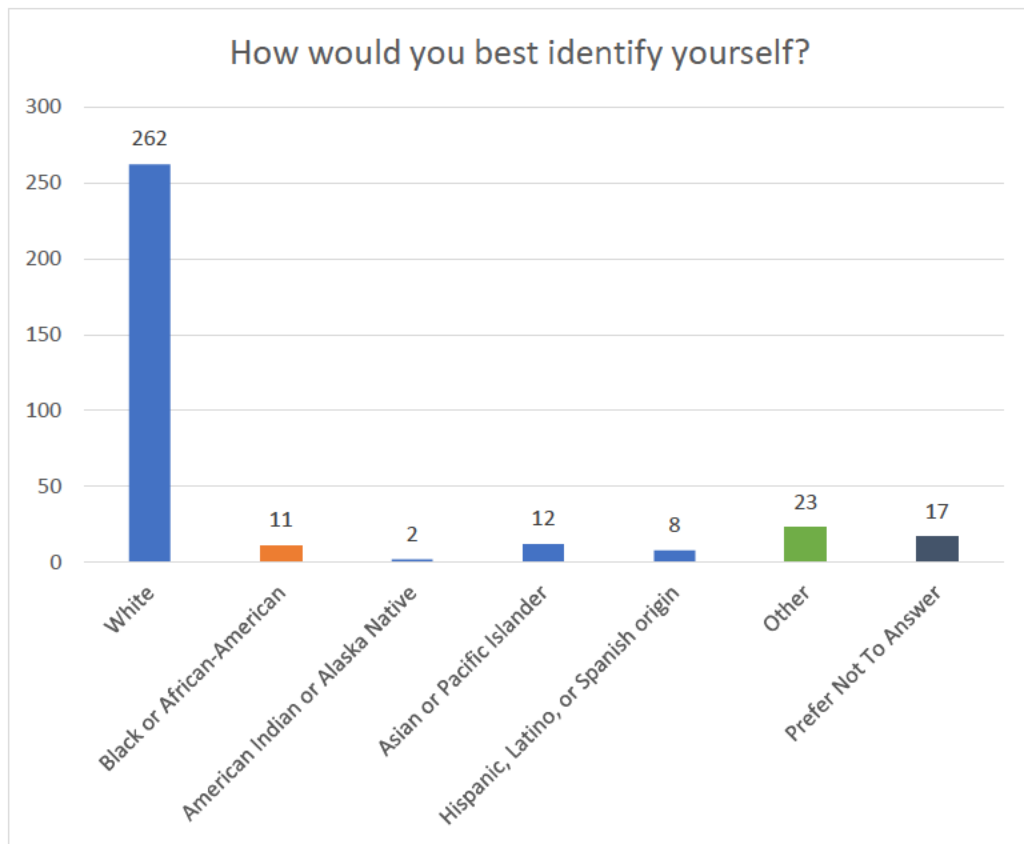
For the second quarter of fiscal year 2022 MTIS seized 5,871 plants, 812 pounds of flower, and 5,515 units of other cannabis products from the illicit market.

21. Demographic Information









Medical Marijuana Registry Program

1. Initial Applications

Initial Applications		
March 1 - March 31		
Received	Issued	Denied
5,876	5,594	567

2. Renewal Applications

Renewal Applications		
March 1 - March 31		
Received	Issued	Denied
2,224	2,179	120

3. Application Processing Time

Initial Applications (Calendar Days)					
March 1 - March 31					
Approvals			Denials		
Paper	Online	Combined	Paper	Online	Combined
2.41	.0201	.90	2.94	.36	2.49

Renewal Applications (Calendar Days)					
March 1 - March 31					
Approvals			Denials		
Paper	Online	Combined	Paper	Online	Combined
2.36	.02105	1.03	2.62	.545	2.05

4. Number of Applications Filed for Registry Identification Cards

Applications Filed for Registry Identification Cards						
March 1 - March 31						
Original Applications			Renewals			Grand Total
Paper	Online	Total	Paper	Online	Total	
March	2062	3532	5594	944	1235	2179
						7773

5. Number of Qualifying Patients and Primary Caregivers Approved in Each County

As of March 31, 2022					
County	Patients	Caregivers	County	Patients	Caregivers
Alcona	506	65	Lake	238	40
Alger	598	94	Lapeer	3,261	476
Allegan	4,964	637	Leelanau	873	66
Alpena	663	74	Lenawee	2,841	377
Antrim	1,273	176	Livingston	3,379	349
Arenac	1,032	139	Luce	68	12
Baraga	124	16	Mackinac	181	28
Barry	2,119	237	Macomb	26,818	3,829
Bay	4,926	340	Manistee	352	51
Benzie	1,144	117	Marquette	254	65
Berrien	3,409	526	Mason	381	51
Branch	1,734	304	Mecosta	196	33
Calhoun	2,558	301	Menominee	342	79
Cass	1,389	249	Midland	2,310	249
Charlevoix	292	28	Missaukee	181	24
Cheboygan	626	65	Monroe	3,966	441
Chippewa	614	69	Montcalm	1,579	293
Clare	1,437	250	Montmorency	95	29
Clinton	2,780	334	Muskegon	2,710	328
Crawford	980	102	Newaygo	1,393	212
Delta	687	123	Oakland	33,837	3,666
Dickinson	445	104	Oceana	1,090	191
Eaton	2,929	421	Ogemaw	396	41
Emmet	128	20	Ontonagon	87	15
Genesee	9,117	1,176	Osceola	324	68
Gladwin	31	17	Oscoda	244	20
Gogebic	282	58	Otsego	81	20
Grand Traverse	1,337	104	Ottawa	3,051	302
Gratiot	242	44	Out of State	0	5
Hillsdale	1,072	191	Presque Isle	115	23
Houghton	202	28	Roscommon	540	49
Huron	484	34	Saginaw	3,448	377
Ingham	1,919	319	Saint Clair	3,884	533
Ionia	217	42	Saint Joseph	603	112
Iosco	163	19	Sanilac	752	99
Iron	147	28	Schoolcraft	38	15
Isabella	496	61	Shiawassee	2,336	304
Jackson	4,079	479	Tuscola	3,342	549
Kalamazoo	2,873	333	Van Buren	1,561	241
Kalkaska	336	51	Washtenaw	10,595	849
Kent	7,897	687	Wayne	43,199	3,555

Keweenaw	139	18	Wexford	1,151	194
Total			230,482	26,740	

6. Registry Identification Cards Revoked

Registry Identification Cards Revoked	
Month	Revoked
March	0

7. Nature of the Debilitating Medical Conditions of the Qualifying Patients.

As of March 31, 2022	
Condition	Percent of Total
Agitation of Alzheimer's Disease	0.00
AIDS	0.03
Amyotrophic Lateral Sclerosis	0.03
Arthritis	21.01
Autism	0.35
Cachexia or Wasting Syndrome	0.26
Cancer	3.73
Cerebral Palsy	0.09
Chronic Pain	63.66
Colitis	0.28
Crohn's Disease	0.71
Glaucoma	1.41
Hepatitis C	0.54
HIV Positive	0.41
Inflammatory Bowel Disease	0.75
Muscle Spasms	8.30
Nail Patella	0.00
Obsessive Compulsive Disorder	1.51
Parkinson's Disease	0.17
Post-Traumatic Stress Disorder	7.62
Rheumatoid Arthritis	1.52
Seizures	1.43
Severe and Chronic Pain	38.73
Severe Nausea	5.71
Spinal Cord Injury	0.42
Tourette's Syndrome	0.08
Ulcerative Colitis	0.22

8. Number of Physicians Providing Written Certifications for Qualifying Patients

Physicians Providing Written Certifications	
As of March 31, 2022	
Month	Physicians
March	383

9. Applications not Processed within Established Time Requirements

Applications not Timely Processed	
March 1 - March 31	
Initial	Renewal
2	0

10. Revenue and Expenses

Revenue Collected	
March 1 - March 31	
Amount	
March	\$338,801.00

Expenses	
March 1 - March 31	
Amount	
State Employee Wages	\$204,059.22
State Employee Benefits	\$135,617.57
Materials and Equipment	\$115,764.92
March Total	\$455,441.71

EXHIBIT 4



Monthly Report

April 1, 2020 – April 30, 2020



Governor
Gretchen Whitmer



Director
Orlene Hawks

Table of Contents

Medical Marijuana Facility Licensing.....	4
1. Executive Summary.....	4
2. Executive Background.....	5
3. METRC Information.....	6
a. General Information.....	6
b. Sales by Product Type.....	7
4. Actions Taken by the MRA.....	7
a. Applications.....	7
b. Disciplinary Actions.....	7
5. Number of Prequalification & Facility Operating License Applications Received.....	7
6. Number of Active Licensed Facility Operators in Each License Type.....	8
7. Number of Facility Operator Licenses Issued in Each License Type.....	8
8. Average Time to Process an Application from Receipt to Approval or Denial.....	8
9. Revenue Collected.....	8
10. Costs of Administering the Medical Marijuana Facilities and Licensing Program.....	8
11. Conclusion.....	9
Adult-Use Establishment Licensing.....	10
1. Executive Summary.....	10
2. Executive Background.....	10
3. METRC Information.....	11
a. General Information.....	11
b. Sales by Product Type.....	12
4. Actions Taken by the MRA.....	12
a. Applications.....	12
5. Number of Prequalification & Facility Operating License Applications Received.....	12
6. Number of Active Licensed Facility Operators in Each License Type.....	12
7. Number of Facility Operator Licenses Issued in Each License Type.....	13
8. Average Time to Process an Application from Receipt to Approval or Denial.....	13
9. Revenue Collected.....	13
10. Costs of Administering the Adult-Use Establishment Licensing Program.....	13
Medical Marijuana Registry Program.....	14
1. Executive Summary.....	14

2. Executive Background	15
3. Number of Initial, Renewal and Online Applications Received	15
4. Number of Qualifying Patients & Primary Caregivers Approved by County.....	16
5. Nature of Debilitating Medical Condition of Qualifying Patients	17
6. Number of Registry Identification Cards Revoked.....	17
7. Number of Physicians Providing Written Certifications for Qualifying Patients	18
8. Number of Initial Applications Issued & Denied	18
9. Number of Renewal Applications Issued & Denied	18
10. Average Time to Process an Initial Application.....	18
11. Average Time to Process a Renewal Application.....	18
12. Registry Cards not Issued within Time Requirements	18
13. Amount Collected from Application & Renewal Fees.....	19
14. Costs of Administering the Michigan Medical Marihuana Program.....	19

Medical Marijuana Facility Licensing

1. Executive Summary

The *Marijuana Regulatory Agency Monthly Report* contains the reporting requirements pursuant to both MCL 333.27302(l) and 333.27702 and Section 512 of 2019 PA 60.

The Medical Marijuana Facilities Licensing Act, Section 302(l) [MCL 333.27302 (l)] states:

MRA's duties include all the following:

Reviewing the patterns of marijuana transfers by the licensees under this act as recorded in a statewide database established for use in administering and enforcing this act and making recommendations to the governor and the legislature in a written annual report to the governor and the legislature and additional reports that the governor requests. The annual report shall be submitted by April 15 of each year and shall include the report required under section 702, a statement of receipts and disbursements by the MRA, the actions taken by the MRA, and any additional information and recommendations that the MRA considers appropriate or that the governor requests.

The Medical Marijuana Facilities Licensing Act, Section 702 [MCL 333.27702] states:

The MRA shall submit with the annual report to the governor under section 302(k) (sic) and to the chairs of the legislative committees that govern issues related to marijuana facilities a report covering the previous year. The report shall include an account of the MRA actions, its financial position, results of operation under this act, and any recommendations for legislation that the MRA considers advisable.

2019 PA 60 requires the following:

Sec. 512. The department shall submit a report regarding the medical marijuana facilities licensing and tracking program to the standing committees on appropriations of the senate and house, the senate and house fiscal agencies, and the state budget director by March 1. The report shall include, but is not limited to, the following:

- a. The number of initial license applications received for each license category*
- b. The number of initial applications approved, and the number of initial license applications denied.*
- c. The average amount of time, from receipt to approval or denial, to process an initial application.*
- d. The total number of license applications approved by license category.*
- e. The total amount collected from application fees and regulatory assessments.*

f. The costs of administering the medical marijuana facilities licensing and tracking program.

Pursuant to these requirements, this report has been reviewed by the MRA and prepared and issued electronically to the Governor, chairs of the legislative committees that govern issues related to marijuana facilities, chairs of the House and Senate appropriations standing committees, the House and Senate Fiscal Agencies, and the state budget director to meet the annual, March 1 and April 15 reporting requirements. In addition, this report is also online under the following locations:

- The Marijuana Regulatory Agency (MRA) website at: www.Michigan.gov/MRA
- The *All About LARA* section – Legislative Reports of the Department of Licensing and Regulatory Affairs website at: www.Michigan.gov/LARA

2. Executive Background

The Medical Marijuana Facilities Licensing Act (MMFLA) is a state licensing program administered by the Marijuana Regulatory Agency (MRA), Michigan Department of Licensing and Regulatory Affairs (LARA). The program administers the MMFLA and Marijuana Tracking Act (MTA) as enacted on December 20, 2016. The agency implements the statutory tenets of this act in such a manner that protects the public and assures the safe acquisition of marijuana for patients throughout Michigan.

Specifically, the information provided in this report is based on data from April 1, 2020 through April 30, 2020.

3. METRC Information

a. General Information

General	
April 1, 2020 – April 30, 2020	
Total Sales	\$33,817,309.23
Total Flower Sold (lbs)	3,851.05
Retail Price of Flower (oz, mean)	\$259.14
Retail Price of Flower (oz, median)	\$293.63

Plants		
As of April 30, 2020		
Plant State	Active	Destroyed
Immature	34,001	156,140
Vegetative	48,867	71,129
Flowering	53,447	24,368
Harvested	209,605	--

Packages	
As of April 30, 2020	
Package Type	Amount
Active	189,456
On Hold	1,273
In Transit	1,080
Finished	217,383

Transfers	
As of April 30, 2020	
Transfer Type	Amount
Completed	33,501
Voided	660

b. Sales by Product Type

A p r i l	Product Type	Pounds Sold	Fluid Ounces Sold	Total Sales
	Flower	3,851.05		\$15,967,615.39
	Shake/Trim	281.6		\$664,884.18
	Concentrate	219.62		\$3,279,571.31
	Vape Cartridge	653.31		\$9,183,360.68
	Infused-Edible	22,995.67		\$4,220,359.38
	Infused Non-Edible Solid	431.02		\$182,020.80
	Infused Liquid		7,928.69	\$310,086.49
	Infused Non-Edible Liquid		512.62	\$9,411.00
	April Total	28,432.27	8,441.31	\$33,817,309.23

4. Actions Taken by the MRA

a. Applications

Approved & Denied Applications				
Prequalification		Facility Operating		
Approvals	Denials	Approvals	Denials	
April	63	3	26	3

b. Disciplinary Actions

Disciplinary Actions Issued	
Action	Number
Warning Letter	1
Citation	0
Formal Complaint	5
Final Orders	2

5. Number of Applications Received

Applications Received		
	Prequalification	Facility Operator
April	28	37

6. Number of Active Licensed Facility Operators in Each License Type

	Active Licenses						
	Grower A	Grower B	Grower C	Processor	Provisioning Center	Safety Compliance	Secure Transporter
April	30	4	178	36	232	11	21

7. Number of Facility Operator Licenses Issued in Each License Type

	Licenses Issued						
	Grower A	Grower B	Grower C	Processor	Provisioning Center	Safety Compliance	Secure Transporter
April	2	1	9	1	12	1	0

8. Average Time to Process an Application from Receipt to Approval or Denial

	Average Processing Time (Calendar Days)	
	Prequalification	Facility Licensing
April	89.47	119.21

9. Revenue Collected

	Revenue Collected
	Amount
April	\$2,395,368.00

10. Costs of Administering the Medical Marijuana Facilities and Licensing Program

	Receipts and Disbursements
	Amount
State Employee Wages	\$560,642.18
State Employee Benefits	\$222,031.20
Materials and Equipment	\$4,762.21
Medical Payments on Behalf of Clients	\$351.40
All Other Costs	\$244,198.54
Total	\$1,031,985.53

11. Conclusion

The Marijuana Regulatory Agency's executive and legislative charge is the oversight of medical marijuana in Michigan. This includes the administration and oversight of the MMFLA. The information contained in this report is required pursuant to MCL 333.27302(l) and 333.27702 and Section 512 of 2019 PA 60 and provides specific information regarding: applications submitted, applications approved, applications denied, licenses issued, revenue, expenditures, and timeliness information of the MRA for the time period beginning April 1, 2020 through April 30, 2020.

Adult-Use Establishment Licensing

1. Executive Summary

The *Michigan Regulation and Taxation of Marijuana Act Monthly Report* contains the reporting requirements pursuant to Section 7 of the Michigan Regulation and Taxation of Marihuana Act and Section 512 of 2019 PA 60.

Section 7 of the Michigan Regulation and Taxation of Marihuana Act states that the responsibilities of the Department include:

f. Submitting an annual report to the governor covering the previous year, which report shall include the number of state licenses of each class issued, demographic information on licensees, a description of enforcement and disciplinary actions taken against licensees, and a statement of revenues and expenses of the department related to the implementation, administration and enforcement of this act.

Pursuant to these requirements, this report has been reviewed by the MRA and prepared and issued electronically to the Governor, chairs of the legislative committees that govern issues related to marijuana facilities, chairs of the House and Senate appropriations standing committees, the House and Senate Fiscal Agencies, and the state budget director to meet the annual, March 1 and April 15 reporting requirements. In addition, this report is also online under the following locations:

- The Marijuana Regulatory Agency (MRA) website at: www.Michigan.gov/MRA
- The *All About LARA* section – Legislative Reports of the Department of Licensing and Regulatory Affairs website at: www.Michigan.gov/LARA

2. Executive Background

The Michigan Regulation and Taxation of Marihuana Act (MRTMA) is a state licensing program administered by the Marijuana Regulatory Agency (MRA), Michigan Department of Licensing and Regulatory Affairs (LARA). The program administers the MRTMA as enacted on December 6, 2018. The agency implements the statutory tenets of this act in such a manner that protects the public and assures the safe acquisition of marijuana for individuals throughout Michigan.

Specifically, the information provided in this report is based on data from April 1, 2020 through April 30, 2020

3. METRC Information

a. General Information

General	
April 1, 2020 – April 30, 2020	
Total Sales	\$27,844,288.08
Total Flower Sold (lbs)	1,990.69
Retail Price of Flower (oz, mean)	\$413.33
Retail Price of Flower (oz, median)	\$411.36

Plants		
As of April 30, 2020		
Plant State	Active	Destroyed
Immature	5,391	6,838
Vegetative	23,551	2,735
Flowering	15,371	350
Harvested	15,197	--

Packages	
As of April 30, 2020	
Package Type	Amount
Active	49,021
On Hold	36
In Transit	497
Finished	47,003

Transfers	
As of April 30, 2020	
Transfer Type	Amount
Completed	3,847
Voided	58

b. Sales by Product Type

April	Product Type	Pounds Sold	Fluid Ounces Sold	Total Sales
	Flower	1,990.69		\$13,164,914.01
	Shake/Trim	153.18		\$798,995.25
	Concentrate	92.35		\$1,822,996.97
	Vape Cartridge	266.45		\$6,737,943.08
	Infused-Edible	19,280.82		\$5,072,294.26
	Infused Non-Edible Solid	212		\$120,666.77
	Infused Liquid		2,438.28	\$118,417.73
	Infused Non-Edible Liquid		137.58	\$8,060.01
	April Total	21,995.49	2,575.86	\$27,844,288.08

4. Actions Taken by the MRA

a. Applications

Approved & Denied Applications						
Prequalification		Facility Operating		Social Equity		
Approvals	Denials	Approvals	Denials	Approvals	Denials	
April	31	3	37	0	13	10

b. Disciplinary Actions

No disciplinary actions were taken.

5. Number of Applications Received

Applications Received			
	Prequalification	Facility Operator	Social Equity
April	23	43	9

6. Number of Active Licensed Facility Operators in Each License Type

April Active Licenses					
Class A	Class B	Class C	Consumption Est.	Event Organizer	Excess Grower
0	4	48	0	12	3
Microbusiness	Processor	Retailer	Safety Compliance	Secure Transporter	Temporary Event
0	20	95	3	12	0

7. Number of Facility Operator Licenses Issued in Each License Type

April Licenses Issued					
Class A	Class B	Class C	Consumption Est.	Event Organizer	Excess Grower
0	1	6	0	4	3
Microbusiness	Processor	Retailer	Safety Compliance	Secure Transporter	Temporary Event
0	5	13	1	4	0

8. Average Time to Process an Application from Receipt to Approval or Denial

Average Processing Time (Calendar Days)		
	Prequalification	Facility Licensing
April	38.65	31.89

9. Revenue Collected

Revenue Collected	
	Amount
April	\$1,220,612.00

10. Costs of Administering the Adult-Use Establishment Licensing Program

	Receipts and Disbursements
	Amount
State Employee Wages	\$288,128.94
State Employee Benefits	\$135,786.17
Materials and Equipment	\$569.69
Educational Expenses on Behalf of Clients or Students	\$150.60
Other Contracts	\$1,717.42
All Other Costs	\$86,146.87
Total	\$512,499.69

Medical Marijuana Registry Program

1. Executive Summary

The *Marijuana Regulatory Agency Monthly Report* contains the reporting requirements pursuant to both MCL 333.26426(i) (1), (2), (3), (4) and (5) and Section 505 of 2019 PA 60.

The Michigan Medical Marihuana Act, Initiated Law 1 of 2008, Section 6 (i) [MCL 333.26426 (i), (1), (2), (3), (4) and (5)] states:

The department shall submit to the legislature an annual report that does not disclose any identifying information about qualifying patients, primary caregivers, or physicians, but does contain, at a minimum, all of the following information:

- a. The number of applications filed for registry identification cards.*
- b. The number of qualifying patients and primary caregivers approved in each county.*
- c. The nature of the debilitating medical conditions of the qualifying patients.*
- d. The number of registry identification cards revoked.*
- e. The number of physicians providing written certifications for qualifying patients.*

Section 505 of 2019 PA 60 states:

The department shall submit a report by January 31 to the standing committees on appropriations of the senate and house of representatives, the fiscal agencies, and the state budget director that includes all of the following information for the prior fiscal year regarding the medical marihuana program under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430:

- a. The number of initial applications received.*
- b. The number of initial applications approved, and the number of initial applications denied.*
- c. The average amount of time, from receipt to approval or denial, to process an initial application.*
- d. The number of renewal applications received.*
- e. The number of renewal applications approved, and the number of renewal applications denied.*
- f. The average amount of time, from receipt to approval or denial, to process a renewal application. The percentage of initial applications not approved or denied within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.*
- g. The percentage of renewal applications not approved or denied within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.*
- h. The percentage of registry cards for approved initial applications not issued*

within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.

i. The percentage of registry cards for approved renewal applications not issued within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.

j. The amount collected from the medical marihuana program application and renewal fees authorized in section 5 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26425.

k. The costs of administering the medical marihuana program under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.

Pursuant to these requirements, this report has been prepared and issued electronically to the House and Senate appropriation standing committees, House and Senate Fiscal Agencies, and the state budget director to meet both the annual and January 31 reporting requirements. In addition, this report is also online under the following locations:

- The Marijuana Regulatory Agency (MRA) website at: www.Michigan.gov/MRA
- The *All About LARA* section – Legislative Reports of the Department of Licensing and Regulatory Affairs website at: www.Michigan.gov/LARA

2. Executive Background

The Michigan Medical Marijuana Program (MMMP) is a state registry program within the Marijuana Regulatory Agency, Michigan Department of Licensing and Regulatory Affairs (LARA). The program administers the Michigan Medical Marihuana Act as approved by Michigan voters on November 4, 2008. The program implements the statutory tenets of this act in such a manner that protects the public and assures the confidentiality of its participants.

Specifically, the information provided in this report is based on data from April 1, 2020 through April 30, 2020.

3. Number of Initial, Renewal and Online Applications Received

	Applications and Renewals Received						
	Initial Applications			Renewals			Grand Total
	Paper	Online	Total	Paper	Online	Total	
April	3,833	1,939	5,772	1,183	860	2,043	7,815

4. Number of Qualifying Patients & Primary Caregivers Approved by County

As of April 30, 2020					
County	Patients	Caregivers	County	Patients	Caregivers
Alcona	587	64	Lake	293	61
Alger	458	100	Lapeer	3,283	511
Allegan	4,290	682	Leelanau	462	64
Alpena	759	91	Lenawee	3,651	559
Antrim	1,030	206	Livingston	4,195	533
Arenac	1,087	151	Luce	96	24
Baraga	137	15	Mackinac	217	35
Barry	1,783	312	Macomb	27,965	3,925
Bay	5,109	419	Manistee	491	85
Benzie	804	135	Marquette	593	194
Berrien	4,049	705	Mason	628	95
Branch	1,622	306	Mecosta	435	70
Calhoun	2,751	513	Menominee	489	108
Cass	1,613	301	Midland	2,041	224
Charlevoix	455	75	Missaukee	226	43
Cheboygan	614	101	Monroe	4,522	599
Chippewa	540	95	Montcalm	1,714	333
Clare	1,361	227	Montmorency	206	53
Clinton	2,742	352	Muskegon	3,423	463
Crawford	843	133	Newaygo	1,600	260
Delta	756	169	Oakland	36,268	4,115
Dickinson	634	147	Oceana	1,196	188
Eaton	3,374	518	Ogemaw	548	66
Emmet	364	66	Ontonagon	136	26
Genesee	11,464	1,884	Osceola	508	114
Gladwin	296	58	Oscoda	184	25
Gogebic	397	88	Otsego	291	57
Grand Traverse	1,225	209	Ottawa	3,484	406
Gratiot	480	81	Out of State	0	13
Hillsdale	1,406	269	Presque Isle	195	50
Houghton	352	63	Roscommon	574	104
Huron	610	54	Saginaw	4,403	542
Ingham	4,529	748	Saint Clair	4,179	558
Ionia	623	101	Saint Joseph	1,027	218
Iosco	521	74	Sanilac	945	142
Iron	276	52	Schoolcraft	99	22
Isabella	697	110	Shiawassee	2,618	401
Jackson	4,290	698	Tuscola	3,112	533
Kalamazoo	3,991	639	Van Buren	1,987	357
Kalkaska	406	86	Washtenaw	12,526	1,275
Kent	8,523	1,000	Wayne	45,993	4,747
Keweenaw	122	29	Wexford	1,048	206
			Total	255,821	34,530

5. Nature of Debilitating Medical Condition of Qualifying Patients

As of April 30, 2020	
Condition	Percent of Total
Agitation of Alzheimer's Disease	0.00
AIDS	0.01
Amyotrophic Lateral Sclerosis	0.00
Arthritis	18.90
Autism	0.23
Cachexia or Wasting Syndrome	0.36
Cancer	4.22
Cerebral Palsy	0.05
Chronic Pain	56.20
Colitis	0.31
Crohn's Disease	0.89
Glaucoma	1.01
Hepatitis C	0.60
HIV Positive	0.37
Inflammatory Bowel Disease	0.93
Muscle Spasms	13.82
Nail Patella	0.00
Obsessive Compulsive Disorder	0.72
Parkinson's Disease	0.10
Post-Traumatic Stress Disorder	4.43
Rheumatoid Arthritis	1.65
Seizures	1.75
Severe and Chronic Pain	54.04
Severe Nausea	6.31
Spinal Cord Injury	0.41
Tourette's Syndrome	0.05
Ulcerative Colitis	0.34

6. Number of Registry Identification Cards Revoked

Registry Identification Cards Revoked	
Month	Revoked
April	0

7. Number of Physicians Providing Written Certifications for Qualifying Patients

Physicians Providing Written Certifications	
Month	Physicians
April	341

8. Number of Initial Applications Issued & Denied

Initial Applications Issued and Denied							
Issued				Denied			Grand Total
Paper	ACA	Total	Paper	ACA	Total		
April	3,421	1,887	5,308	728	52	780	6,088

9. Number of Renewal Applications Issued & Denied

Renewal Applications Issued and Denied							
Issued				Denied			Grand Total
Paper	ACA	Total	Paper	ACA	Total		
April	1,173	838	2,011	137	22	159	2,170

10. Average Time to Process an Initial Application

Average Number of Days to Process an Initial Application						
Approvals				Denials		
Paper	Online	Combined	Paper	Online	Combined	
April	7.24	0	4.67	8.07	.1	7.54

11. Average Time to Process a Renewal Application

Average Number of Days to Process a Renewal Application						
Approvals				Denials		
Paper	Online	Combined	Paper	Online	Combined	
April	5.48	0	3.20	7.87	.14	6.80

12. Registry Cards not Issued within Time Requirements

Registration Cards not Issued within Time Requirements		
Applications		Renewals
April	.44%	.05%

13. Amount Collected from Application & Renewal Fees

Revenue Collected	
Amount	
April	\$300,667.50

14. Costs of Administering the Michigan Medical Marihuana Program

Receipts and Disbursements	
Amount	
State Employee Wages	\$302,340.34
State Employee Benefits	\$102,240.22
Materials and Equipment	\$11,277.98
Other Contracts	\$14,465.63
All Other Costs	\$106,984.36
Total	\$537,308.53

15. Conclusion

The Marijuana Regulatory Agency's executive and legislative charge is the oversight of medical marijuana in Michigan. This includes the administration and oversight of the MMMP. The information contained in this report is required pursuant to MCL 333.26426 (i) (1), (2), (3), (4) and (5) and Section 505 of PA 207 of 2018 and provides specific information regarding: identification cards, patients and primary caregivers, the nature of debilitating medical conditions of qualifying patients, the number of physicians providing written certifications for qualifying patients, revenue, expenditures, application determinations, and timeliness information of the MMMP for the time period beginning April 1, 2020 through April 30, 2020.

EXHIBIT 5



Monthly Report

April 1, 2022 – April 30, 2022



Governor
Gretchen Whitmer



Executive Director
Andrew Brisbo



Director
Orlene Hawks

Table of Contents

Medical Marijuana Facility Licensing	4
1. Product Sales	4
2. Plants.....	4
3. Packages and Inventory	5
4. Transfers.....	5
5. Initial Applications	6
6. Renewal Applications	6
7. Active Licenses.....	6
8. Application Processing Time.....	7
9. Actions Taken by the CRA.....	7
10. Complaints and Investigations	7
11. Number of Administrative Hearing Adjudications.....	8
12. Revenue and Expenses.....	8
13. Municipalities Opted In to the MMFLA	9
14. Provisioning Centers Approved for Home Delivery	9
Adult-Use Establishment Licensing	10
1. Product Sales	10
2. Plants.....	10
3. Packages and Inventory	11
4. Transfers.....	11
5. Initial Applications	12
6. Renewal Applications	13
7. Active Licenses.....	14
8. Application Processing Time.....	15
9. Actions Taken by the CRA.....	16
10. Applications not Processed within Established Time Requirements.....	16
11. Complaints and Investigations	16
12. Number of Administrative Hearing Adjudications.....	17
13. Revenue and Expenses.....	17
14. Social Equity Applications.....	18
15. Social Equity Education & Outreach	19
16. Social Equity Application Assistance Provided	19
17. Municipalities Opted In or Out of MRTMA	19

18. Marihuana Retailers Approved for Home Delivery	19
19. Total Number of Employees Under the MMFLA and MRTMA	19
Medical Marijuana Registry Program	20
1. Initial Applications	20
2. Renewal Applications	20
3. Application Processing Time.....	20
4. Number of Applications Filed for Registry Identification Cards	20
5. Number of Qualifying Patients and Primary Caregivers Approved in Each County	21
6. Registry Identification Cards Revoked	22
7. Nature of the Debilitating Medical Conditions of the Qualifying Patients.	22
8. Number of Physicians Providing Written Certifications for Qualifying Patients	23
9. Applications not Processed within Established Time Requirements.....	23
10. Revenue and Expenses.....	23

Medical Marijuana Facility Licensing

1. Product Sales

Sales by Product Type			
April 1 – April 30			
Product Type	Pounds Sold	Fluid Ounces Sold	Total Sales
Flower	6,380.88	0	\$12,612,929.75
Shake/Trim	675.95	0	\$1,332,770.26
Concentrate	278.67	0	\$2,261,772.30
Inhalable Compound Concentrate	32.48	0	\$257,514.33
Vape Cartridge	781.25	0	\$6,818,291.08
Kief	1.69	0	\$6,683.07
Infused-Edible	34,680.65	0	\$3,378,068.39
Infused Non-Edible Solid	359.72	0	\$134,882.26
Infused Liquid	0	15,856.70	\$203,009.89
Infused Non-Edible Liquid	0	631.33	\$8,769.66
April Total	43,191.29	16,488.03	\$27,014,690.99

Additional Sales Information	
April 1 - April 30	
Category	Amount
Sales To Date (as of Apr. 30)	\$1,378,155,265.91
Sales Deliveries	\$1,200,616.17
Average Retail Flower Price (oz.)	\$123.54

2. Plants

Plants	
Active Plants	
As of April 30, 2022	
Plant State	Number
Immature	84,283
Vegetative	85,442
Flowering	129,509

Destroyed & Harvested Plants	
April 1 - April 30	
Plant State	Number
Immature - Destroyed	36,473
Vegetative - Destroyed	16,511
Flowering - Destroyed	2,678
Plants Harvested	54,104

3. Packages and Inventory

Packages	
As of April 30, 2022	
Package State	Number
Active	495,356
On Hold	1,833
In Transit	3,930
April 1 - April 30	
Package State	Number
Finished	7,272

Inventory	
As of April 30, 2022	
Category	Amount (lbs.)
Flower at Growers (Test Passed)	21,744.99
Flower at Provisioning Centers	26,944.98
Flower at Processors	60,818.83
Fresh Frozen Flower at Processors	75,692.30
Concentrates at Processors	20,712.84
Infused Solids at Processors	166,816.16
Infused Liquids at Processors (Fl. Oz.)	123,360.51

4. Transfers

Products Shipped		
April 1 - April 30		
License Type	Pounds Shipped	Fluid Ounces Shipped
Grower Class A	3,372.66	0
Grower Class B	1,013.84	0
Grower Class C	36,140.90	0
Processor	79,869.89	26,286.31
Provisioning Center	1,803.98	123.26
Safety Compliance Facility	94.64	0
Secure Transporter	63,833.98	21,988.80

Transfers	
April 1 - April 30	
Transfer Type	Number
Completed	6,648
Voided	165

5. Initial Applications

Initial Applications			
April 1 - April 30			
License Type	Received	Approved	Denied
Prequalification	20	34	1
Grower Class A	4	1	0
Grower Class B	0	1	0
Grower Class C	20	7	0
Processor	5	5	0
Provisioning Center	5	6	0
Secure Transporter	1	0	0
Safety Compliance Facility	0	0	0
Total	55	54	1

6. Renewal Applications

Renewal Applications			
April 1 - April 30			
License Type	Received	Approved	Denied
Grower Class A	7	4	0
Grower Class B	0	1	0
Grower Class C	47	37	0
Processor	6	6	0
Provisioning Center	22	37	0
Secure Transporter	1	0	0
Safety Compliance Facility	1	2	0
Total	84	87	0

7. Active Licenses

Active Licenses							
Grower A	Grower B	Grower C	Processor	Provisioning Center	Safety Compliance	Secure Transporter	Total
88	16	545	133	459	21	23	1,285

8. Application Processing Time

Application Processing Time (Calendar Days)		
April 1 - April 30		
License Type	Initial Applications	Renewal Applications
Prequalification	52.12	-
Grower Class A	41.00	25.75
Grower Class B	64.00	30.00
Grower Class C	233.29	27.32
Processor	78.00	31.00
Provisioning Center	26.00	38.47
Safety Compliance Facility	-	-
Secure Transporter	-	38.00
April Step 2 Average	114.20	32.77
April Total Average	75.11	-

9. Actions Taken by the CRA

Disciplinary Actions Taken by the CRA			
April 1 - April 30			
License Type	Warning	Formal Complaint	Final Order
Grower Class A	0	7	0
Grower Class B	0	1	0
Grower Class C	0	36	1
Processor	0	4	1
Provisioning Center	3	36	0
Secure Transporter	0	3	0
Safety Compliance Facility	0	0	0

10. Complaints and Investigations

Complaints and Investigations	
April 1 - April 30	
Enforcement & Legal Data	Amount
Number of Complaints Received	106
Number of Investigations Opened	91
Number of Investigations Closed	89
Average Time to Complete an Investigation (Calendar Days)	28
Number of Enforcement Actions Taken*	121
* Includes both MMFL and AU data	

11. Number of Administrative Hearing Adjudications

Number of administrative hearing adjudications pertaining to each regulated activity.

Provided are all final orders for denials.

Approximate Amounts: 2

Number of administrative hearings pertaining to each regulated activity.

Provided are all the hearings that have been involved with the CRA, e.g., denials, lawsuits, etc.

Approximate Amounts:

Denials: 0

Litigation: 0

Circuit Court Appeals: 1

12. Revenue and Expenses

Application Fees	
April 1 - April 30	
Amount	
April	\$63,000

Regulatory Assessment Fees								
April 1 - April 30								
	Grower Class A	Grower Class B	Grower Class C	Processor	Provisioning Center	Safety Compliance Facility	Secure Transporter	Total
April	\$4,000	\$8,000	\$79,462	\$61,873	\$59,528	\$0	\$0	\$212,863

Renewal								
April 1 - April 30								
	Grower Class A	Grower Class B	Grower Class C	Processor	Provisioning Center	Safety Compliance Facility	Secure Transporter	Total
April	\$17,334	\$0	\$384,000	\$58,000	\$182,500	\$0	\$15,000	\$656,834

Total Licensing Revenue Collected	
April 1 - April 30	
Amount	
April	\$932,697

Expenses	
April 1 - April 30	
Amount	
State Employee Wages	\$293,726.12
State Employee Benefits	\$277,890.39
Materials and Equipment	\$55,475.96
April Total	\$627,092.47

13. Municipalities Opted In to the MMFLA

Municipalities
As of April 30, 2022
Opted In
161

14. Provisioning Centers Approved for Home Delivery

Home Deliveries
As of April 30, 2022
Provisioning Centers
306

Adult-Use Establishment Licensing

1. Product Sales

Sales by Product Type			
April 1 - April 30			
Product Type	Pounds Sold	Fluid Ounces Sold	Total Sales
Flower	39,746.62	0	\$84,698,869.05
Shake/Trim	6,884.56	0	\$12,709,534.75
Concentrate	1,192.25	0	\$11,802,636.71
Inhalable Compound Concentrate	443.23	0	\$2,920,263.60
Vape Cartridge	3,510.12	0	\$34,619,894.37
Kief	1.68	0	\$13,887.40
Infused-Edible	185,785.50	0	\$19,807,177.21
Infused Non-Edible Solid	1,095.43	0	\$540,410.26
Infused Liquid	0	177,877.52	\$791,082.11
Infused Non-Edible Liquid	0	2,947.17	\$50,963.34
April Total	238,659.39	180,857.19	\$167,954,718.80

Additional Sales Information	
April 1 - April 30	
Category	Amount
Sales To Date (Apr. 30)	\$2,436,084,860.47
Sales Deliveries	\$5,532,670.79
Average Retail Flower Price (oz.)	\$133.19

2. Plants

Plants	
Active Plants	
As of April 30, 2022	
Plant State	Number
Immature	282,456
Vegetative	237,207
Flowering	384,158

Destroyed & Harvested Plants	
April 1 - April 30	
Plant State	Number
Immature - Destroyed	87,021
Vegetative - Destroyed	36,479
Flowering - Destroyed	7,218
Plants Harvested	175,380

3. Packages and Inventory

Packages	
As of April 30, 2022	
Package State	Number
Active	1,140,286
On Hold	2,972
In Transit	17,607
April 1 - April 30	
Package State	Number
Finished	39,345

Inventory	
As of April 30, 2022	
Category	Amount (lbs.)
Flower at Growers (Test Passed)	62,278.25
Flower at Retailers	52,999.18
Flower at Processors	87,546.05
Fresh Frozen Flower at Processors	120,258.75
Concentrates at Processors	26,288.06
Infused Solids at Processors	361,474.83
Infused Liquids at Processors (Fl. Oz.)	917,991.89

4. Transfers

Shipped Products		
April 1 - April 30		
License Type	Shipped Pounds	Fluid Ounces Shipped
Class A Marijuana Grower	1,151.08	0
Class B Marijuana Grower	4,306.85	0
Class C Marijuana Grower	106,413.28	0
Excess Grower	12,920.17	0
Microbusiness	2.98	0
Processor	296,269.47	347,910.82
Retailer	9,889.45	90,869.17
Safety Compliance Facility	20.66	5.75
Secure Transporter	363,108.54	247,808.52

Transfers	
April 1 - April 30	
Transfer Type	Number
Completed	22,867
Voided	385

5. Initial Applications

	Initial Applications		
	April 1 - April 30		
	Applications Received	Licenses Issued	Licenses Denied
Prequalification	73	82	0
Class A Marijuana Grower	1	0	0
Class B Marijuana Grower	6	4	0
Class C Marijuana Grower	49	31	0
Excess Grower	10	3	0
Processor	7	11	0
Retailer	19	21	0
Class A Microbusiness	0	0	0
Microbusiness	1	1	0
Secure Transporter	2	1	0
Safety Compliance Facility	0	0	0
Designated Consumption Facility	0	1	0
Educational Research License	0	0	0
Marihuana Event Organizer	1	2	0
Temporary Marijuana Event	7	1	0
Social Equity Class A Marijuana Grower	1	0	0
Social Equity Class B Marijuana Grower	2	0	0
Social Equity Class C Marijuana Grower	3	5	0
Social Equity Excess Grower	0	0	0
Social Equity Processor	1	1	0
Social Equity Retailer	1	1	0
Social Equity Class A Microbusiness	1	0	0
Social Equity Microbusiness	1	0	0
Social Equity Secure Transporter	0	0	0
Social Equity Safety Compliance Facility	0	0	0
Social Equity Designated Consumption	0	0	0
Social Equity Marihuana Event Organizer	2	0	0
Social Equity Marijuana Temporary Event	0	0	0
April Total	188	165	0

6. Renewal Applications

	Renewal Applications		
	April 1 - April 30		
	Applications Received	Licenses Issued	Licenses Denied
Class A Marijuana Grower	0	0	0
Class B Marijuana Grower	2	2	0
Class C Marijuana Grower	38	28	0
Excess Grower	7	12	0
Processor	8	10	0
Retailer	22	25	0
Class A Microbusiness	0	0	0
Microbusiness	1	2	0
Secure Transporter	1	2	0
Safety Compliance Facility	1	0	0
Designated Consumption Establishment	0	0	0
Educational Research License	0	0	0
Marihuana Event Organizer	0	0	0
Social Equity Class A Marijuana Grower	0	0	0
Social Equity Class B Marijuana Grower	0	2	0
Social Equity Class C Marijuana Grower	1	3	0
Social Equity Excess Grower	0	0	0
Social Equity Processor	0	1	0
Social Equity Retailer	2	4	0
Social Equity Class A Microbusiness	0	0	0
Social Equity Microbusiness	0	0	0
Social Equity Secure Transporter	0	0	0
Social Equity Safety Compliance Facility	0	0	0
Social Equity Designated Consumption	0	0	0
Social Equity Marihuana Event Organizer	0	0	0
April Total	83	91	0

7. Active Licenses

	Active Licenses
	As of April 30, 2022
Class A Marijuana Grower	5
Class B Marijuana Grower	73
Class C Marijuana Grower	528
Excess Grower	80
Processor	141
Retailer	500
Class A Microbusiness	0
Microbusiness	10
Secure Transporter	22
Safety Compliance Facility	18
Designated Consumption Establishment	2
Educational Research License	0
Marijuana Event Organizer	32
Temporary Marijuana Event	1
April Total	1,412

8. Application Processing Time

Application Processing Days (Calendar Days)		
April 1 - April 30		
License Type	Initial Applications	Renewal Applications
Prequalification	55.55	-
Class A Marijuana Grower	-	-
Class B Marijuana Grower	46.75	15.00
Class C Marijuana Grower	45.55	21.17
Excess Grower	41.33	32.92
Processor	45.55	18.60
Retailer	27.62	18.59
Class A Microbusiness	-	-
Microbusiness	42	23.00
Secure Transporter	43	13.50
Safety Compliance Facility	-	-
Designated Consumption Establishment	56	-
Educational Research License	-	-
Marijuana Event Organizer	15	-
Temporary Marijuana Event	73	-
Social Equity Class A Marijuana Grower	-	-
Social Equity Class B Marijuana Grower	-	10.50
Social Equity Class C Marijuana Grower	37.4	21.67
Social Equity Excess Grower	-	-
Social Equity Processor	30	19.00
Social Equity Retailer	23	13.75
Social Equity Class A Microbusiness	-	-
Social Equity Microbusiness	-	-
Social Equity Secure Transporter	-	-
Social Equity Safety Compliance Facility	-	-
Social Equity Designated Consumption Establishment	-	-
Social Equity Marijuana Event Organizer	-	-
Social Equity Temporary Marijuana Event	-	-
April Step 2 Average	39.61	20.85
April Total Average	41.55	-

9. Actions Taken by the CRA

Disciplinary Actions Taken by the CRA			
April 1 - April 30			
License Type	Warning	Formal Complaint	Final Order
Class A Marijuana Grower	0	1	0
Class B Marijuana Grower	0	2	0
Class C Marijuana Grower	0	7	0
Excess Grower	0	0	0
Processor	0	2	0
Retailer	2	12	0
Microbusiness	0	1	0
Secure Transporter	0	2	0
Safety Compliance Facility	0	0	0
Designated Consumption Establishment	0	0	0
Marijuana Event Organizer	0	0	0
Temporary Marijuana Event	0	0	0

10. Applications not Processed within Established Time Requirements

Applications Not Timely Processed	
April 1 - April 30	
Initial	Renewal
0%	0%

11. Complaints and Investigations

Complaints and Investigations	
April 1 - April 30	
Enforcement & Legal Data	Amount
Number of Complaints Received	115
Number of Investigations Opened	89
Number of Investigations Closed	111
Average Time to Complete an Investigation* (Calendar Days)	30
Number of Enforcement Actions Taken*	121
* Includes both MMFL and AU data	

12. Number of Administrative Hearing Adjudications

Number of administrative hearing adjudications pertaining to each regulated activity.

Provided are all final orders for denials.

Approximate Amounts: 2

Number of administrative hearings pertaining to each regulated activity.

"Regulated activity" means the particular activities, entities, facilities, and industries regulated by the agencies. Provided are all the hearings that have been involved with the CRA, e.g., denials, lawsuits, etc.

Approximate Amounts:

Denials: 0

Litigation: 0

Circuit Court Appeals: 1

13. Revenue and Expenses

Application Fees			
April 1 - April 30			
	Prequalification	Social Equity Prequalification	Total
April	\$210,300	\$38,250	\$248,550

Regulatory Assessment Fees								
April 1 - April 30								
	Class A Marijuana Grower	Class B Marijuana Grower	Class C Marijuana Grower	Designated Consumption Establishment	Marijuana Event Organizer	Excess Grower	Microbusiness	Processor
April	\$0	\$42,000	\$784,703	\$2,000	\$3,872	\$59,968	\$8,300	\$225,206
	Retailer	Safety Compliance Facility	Secure Transporter	Temporary Marijuana Event	Social Equity Class A Marijuana Grower	Social Equity Class B Marijuana Grower	Social Equity Class C Marijuana Grower	Social Equity Designated Consumption Establishment
April	\$314,014	\$0	\$15,000	\$3,500	\$0	\$0	\$61,210	\$0
	Social Equity Marijuana Event Organizer	Social Equity Excess Grower	Social Equity Microbusiness	Social Equity Processor	Social Equity Retailer	Social Equity Safety Compliance Facility	Social Equity Secure Transporter	Social Equity Temporary Marijuana Event
April	\$0	\$0	\$0	\$15,600	\$9,000	\$0	\$0	\$0
Total Regulatory Assessment Fees								
April	\$1,544,373							

Renewal Fees								
April 1 - April 30								
	Class A Marijuana Grower	Class B Marijuana Grower	Class C Marijuana Grower	Designated Consumption Establishment	Marijuana Event Organizer	Excess Grower	Microbusiness	Processor
April	\$0	\$6,000	\$932,000	\$0	\$1,000	\$42,000	\$16,000	\$224,000
	Retailer	Safety Compliance Facility	Secure Transporter	Temporary Marijuana Event	Social Equity Class A Marijuana Grower	Social Equity Class B Marijuana Grower	Social Equity Class C Marijuana Grower	Social Equity Designated Consumption Establishment
April	\$520,000	\$30,000	\$0	\$0	\$0	\$0	-\$31,500	\$0
	Social Equity Marijuana Event Organizer	Social Equity Excess Grower	Social Equity Microbusiness	Social Equity Processor	Social Equity Retailer	Social Equity Safety Compliance Facility	Social Equity Secure Transporter	Social Equity Temporary Marijuana Event
April	\$0	\$0	\$0	\$0	\$29,250	\$0	\$0	\$0
Total Renewal Fees								
April	\$1,768,750							

Total Licensing Revenue Collected	
April 1 - April 30	
Amount	
April	\$3,561,673

Expenses	
April 1 - April 30	
Amount	
State Employee Wages	\$450,165.11
State Employee Benefits	\$432,021.50
Materials and Equipment	\$39,174.60
April Total	\$921,361.21

14. Social Equity Applications

Social Equity Applications			
April 1 - April 30			
	Received	Eligible	Ineligible
April	34	29	0

15. Social Equity Education & Outreach

Outreach Sessions	
April 1 - April 30	
Sessions Held	
April	2

16. Social Equity Application Assistance Provided

Application Assistance Provided	
April 1 - April 30	
Number of Times	
April	6

17. Municipalities Opted In or Out of MRTMA

Municipalities	
As of April 30, 2022	
Opted In	Opted Out
119	1,387

18. Marihuana Retailers Approved for Home Delivery

Home Deliveries
As of April 30, 2022
Marihuana Retailers
256

19. Total Number of Employees Under the MMFLA and MRTMA

Number of Employees
As of April 30, 2022
23,778

Medical Marijuana Registry Program

1. Initial Applications

Initial Applications		
April 1 - April 30		
Received	Issued	Denied
5,033	4,389	430

2. Renewal Applications

Renewal Applications		
April 1 - April 30		
Received	Issued	Denied
1,916	1,783	100

3. Application Processing Time

Initial Applications (Calendar Days)					
April 1 - April 30					
Approvals			Denials		
Paper	Online	Combined	Paper	Online	Combined
2.77	0.02	0.82	3.14	0.25	2.38

Renewal Applications (Calendar Days)					
April 1 - April 30					
Approvals			Denials		
Paper	Online	Combined	Paper	Online	Combined
2.93	0.02	1.02	3.42	0.24	2.37

4. Number of Applications Filed for Registry Identification Cards

Applications Filed for Registry Identification Cards							
April 1 - April 30							
Original Applications				Renewals			Grand Total
Paper	Online	Total	Paper	Online	Total		
April	1,279	3,110	4,389	614	1,169	1,783	6,172

5. Number of Qualifying Patients and Primary Caregivers Approved in Each County

As of April 30, 2022					
County	Patients	Caregivers	County	Patients	Caregivers
Alcona	498	61	Lake	236	39
Alger	597	91	Lapeer	3,256	461
Allegan	4,932	639	Leelanau	879	64
Alpena	694	74	Lenawee	2,815	371
Antrim	1,261	174	Livingston	3,356	344
Arenac	1,007	135	Luce	68	12
Baraga	127	16	Mackinac	178	27
Barry	2,109	231	Macomb	26,519	3,726
Bay	4,866	328	Manistee	341	51
Benzie	1,139	118	Marquette	254	64
Berrien	3,404	525	Mason	375	50
Branch	1,698	300	Mecosta	195	33
Calhoun	2,547	303	Menominee	335	75
Cass	1,365	241	Midland	2,305	248
Charlevoix	292	28	Missaukee	176	24
Cheboygan	629	64	Monroe	3,905	419
Chippewa	634	69	Montcalm	1,566	288
Clare	1,428	248	Montmorency	95	29
Clinton	2,753	324	Muskegon	2,702	329
Crawford	983	102	Nawaygo	1,372	207
Delta	682	121	Oakland	33,551	3,585
Dickinson	442	103	Oceana	1,079	189
Eaton	2,905	414	Ogemaw	398	42
Emmet	124	20	Ontonagon	89	15
Genesee	9,026	1,146	Osceola	320	66
Gladwin	33	16	Oscoda	248	19
Gogebic	282	57	Otsego	78	19
Grand Traverse	1,352	98	Ottawa	3,025	294
Gratiot	235	45	Out of State	0	4
Hillsdale	1,046	182	Presque Isle	117	23
Houghton	204	28	Roscommon	543	50
Huron	478	33	Saginaw	3,430	369
Ingham	1,923	309	Saint Clair	3,827	520
Ionia	212	45	Saint Joseph	588	112
Iosco	159	18	Sanilac	747	98
Iron	142	28	Schoolcraft	36	13
Isabella	491	62	Shiawassee	2,317	297
Jackson	4,080	469	Tuscola	3,291	538
Kalamazoo	2,839	324	Van Buren	1,542	239
Kalkaska	333	50	Washtenaw	10,498	845
Kent	7,848	672	Wayne	42,925	3,482
Keweenaw	142	18	Wexford	1,138	191
Total			228,656	26,200	

6. Registry Identification Cards Revoked

Registry Identification Cards Revoked	
Month	Revoked
April	0

7. Nature of the Debilitating Medical Conditions of the Qualifying Patients.

As of April 30, 2022	
Condition	Percent of Total
Agitation of Alzheimer's Disease	0.02
AIDS	0.08
Amyotrophic Lateral Sclerosis	0.02
Arthritis	20.35
Autism	0.27
Cachexia or Wasting Syndrome	0.16
Cancer	3.54
Cerebral Palsy	0.18
Chronic Pain	62.80
Colitis	0.24
Crohn's Disease	0.60
Glaucoma	1.31
Hepatitis C	0.42
HIV Positive	0.34
Inflammatory Bowel Disease	0.97
Muscle Spasms	8.61
Nail Patella	0.02
Obsessive Compulsive Disorder	1.47
Parkinson's Disease	0.08
Post-Traumatic Stress Disorder	7.46
Rheumatoid Arthritis	1.63
Seizures	1.70
Severe and Chronic Pain	39.35
Severe Nausea	5.91
Spinal Cord Injury	0.48
Tourette's Syndrome	0.13
Ulcerative Colitis	0.32

8. Number of Physicians Providing Written Certifications for Qualifying Patients

Physicians Providing Written Certifications	
As of April 30, 2022	
Month	Physicians
April	304

9. Applications not Processed within Established Time Requirements

Applications not Timely Processed	
April 1 - April 30	
Initial	Renewal
1	0

10. Revenue and Expenses

Revenue Collected	
April 1 - April 30	
Amount	
April	\$264,921.66

Expenses	
April 1 - April 30	
Amount	
State Employee Wages	\$179,545.97
State Employee Benefits	\$170,426.87
Materials and Equipment	\$50,120.50
April Total	\$400,093.34

EXHIBIT 6

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

CRYSTAL LOWE,

Plaintiff,

Civil Action No. 21-CV-10709

vs.

HON. BERNARD A. FRIEDMAN

CITY OF DETROIT,

Defendant.

**OPINION AND ORDER GRANTING PLAINTIFF’S
MOTION FOR A PRELIMINARY INJUNCTION**

This matter is presently before the Court on plaintiff’s motion for a preliminary injunction [docket entry 4]. Defendant has responded and plaintiff has replied. An amicus brief has also been filed by a coalition of individuals and entities that oppose plaintiff’s motion.¹ On May 27, 2021, the Court heard oral argument. As explained more fully below, the Court shall grant plaintiff’s motion for a preliminary injunction because the city ordinance governing the process for obtaining a recreational marijuana retail license gives an unfair, irrational, and likely unconstitutional advantage to long-term Detroit residents over all other applicants.

Plaintiff challenges the recreational marijuana licensing ordinance (the “Ordinance”) adopted by the City of Detroit (“the City”) under both the United States and Michigan constitutions. The allegedly unconstitutional provisions of the Ordinance grant preferential treatment to “Detroit

¹ The amici include the following individuals and entities: Beyond Equity, LLC; Cannacclusive, LLC; Chicago NOORML; Green Believers, LLC; The Hood Incubator, LLC; Jessica Jackson; Shauntay Williams; Kourtney Ketterhagen; Ronald Bartell; Tiff Massey; Mitzi Ruddock; and Jonathan Ray. *See* PageID.524.

legacy” applicants (i.e., those who have lived in Detroit for at least ten years) for the following recreational marijuana licenses: “adult-use retailers, adult-use processors, adult-use growers, designated consumption establishments, microbusinesses, and marijuana event organizers.”² Ordinance §§ 20-6-2, 20-6-31(d), 20-6-35. Plaintiff, who does not qualify as a Detroit legacy applicant, intends to apply for an adult-use marijuana retail license and argues that the challenged provisions (1) violate her right to equal protection under the Michigan Constitution; (2) punish her for exercising her fundamental right to inter- and intrastate travel, as guaranteed by the Michigan Constitution; and (3) violate the dormant Commerce Clause of the United States Constitution. *See* Compl. ¶¶ 11, 50-58.

This case was commenced in Wayne County Circuit Court on March 2, 2021, and was removed to this Court on March 30, 2021. The City of Detroit was scheduled to begin accepting recreational marijuana license applications on April 1, 2021. *See* Ordinance § 20-6-36(c). However, plaintiff filed a motion for a temporary restraining order and preliminary injunction on April 1, 2021, requesting that the Court temporarily halt Detroit’s recreational marijuana licensing process until plaintiff’s constitutional challenges are resolved. *See* docket entry 4. The Court held a hearing on April 7, 2021, at the conclusion of which the Court granted plaintiff’s motion for a temporary restraining order and established a briefing and oral argument schedule for the motion for a preliminary injunction. *See* docket entry 9.

In the instant motion, plaintiff argues that the Ordinance’s Detroit legacy licensure provisions (described in further detail below) give an unfair preference to long-time Detroit residents – individuals who have lived in the City for at least 10-15 of the past 30 years. While applicants

² Each of these different licenses is defined in § 20-6-2 of the Ordinance.

who have lived in Detroit for at least 15 of the past 30 years automatically qualify for legacy status, applicants who have resided in the City for 10-14 of the past 30 years must meet additional conditions to qualify – i.e., be low-income, have a marijuana-related criminal record, or have a parent with a marijuana-related criminal record.³ As to the parent-drug-offense condition, the offense must have occurred while the applicant was a minor. The licensure scheme provides a six-week early application period exclusively for legacy applicants, during which time the City may accept, review, and approve legacy applications prior to non-legacy applications. The Ordinance also reserves at least fifty percent of all relevant recreational marijuana licenses for legacy applicants. *See* Ordinance § 20-6-31(d). Some of the licenses are further limited by numerical caps. For example, recreational marijuana adult-use retail licenses are capped at 75 licenses.

Plaintiff is 33 years old and has lived in Detroit for 11 of the past 30 years. Prior to moving to Detroit, she lived in River Rouge, a bordering community, and spent time living out of state, “including with her then-husband while he was on military duty.” Pl.’s Br. at 9. Although plaintiff’s mother was charged with a marijuana-related offense in 2007, plaintiff was above the age of eighteen at that time. *See id.* at 2. Plaintiff therefore does not qualify as a Detroit legacy applicant.

I. The Ordinance

The stated purpose of the Ordinance is “to promote equitable ownership and employment opportunities in the cannabis industry in order to decrease disparities in life outcomes

³ The Ordinance uses the term “prior controlled substance record,” which it defines as someone who has “been convicted, or adjudged to be a ward of the juvenile court, for any crime relating to the sale, possession, use, cultivation, processing, or transport of marijuana prior to November 7, 2018.” Ordinance § 20-6-2.

for marginalized communities and to address the disproportionate impacts of the War on Drugs in those communities.” *Id.* at 5-6 (quoting Pl.’s Ex. C (Mem. from Brenda Jones, Council President)).

To this end, the City developed a licensure application process that prioritizes Detroit legacy applicants. *See id.* at 6. This prioritized class of applicants includes the following:

[A]n individual who has, or an entity that is at least 51% owned and controlled by one or more individuals who have, as certified by the Civil Rights, Inclusion, and [O]pportunity Department, been a City of Detroit resident at the time of application for at least one year, and upon renewal, and additionally has been:

(1) a City of Detroit resident for 15 of the past 30 years preceding the date of application, and continues to so reside throughout the period of licensure; or

(2) a City of Detroit resident for 13 of the past 30 years preceding the date of application, and continues to so reside throughout the period of licensure, and is a low income applicant at the time of application, as defined in this Section; or

(3) a City of Detroit resident for the 10 of the past 30 years preceding the date of application, and continues to so reside throughout the period of licensure, and has a prior controlled substance record, as defined in this section, or a parent with a prior controlled substance record as defined in this section under the following circumstances:

(i) the parent is named on the applicant’s birth certificate, and the parent’s conviction took place before the applicant’s 18th birthday; or

(ii) the parent has claimed the applicant as a dependent regularly on federal income tax filings, and the parent’s conviction took place before the applicant’s 18th birthday.

Id. at 6-7 (quoting Ordinance § 20-6-2). “The Ordinance imposes a 75-license cap on the number of available adult-use marijuana retailer licenses” and mandates that at least fifty percent of those

licenses be awarded to Detroit legacy applicants.⁴ *Id.* at 7. Further, plaintiff notes that

[t]o facilitate its preference for “Detroit legacy applicants,” the Ordinance provides that applications for adult-use marijuana establishment licenses shall be submitted from April 1, 2021 to April 30, 2021. “From May 1, 2021 through June 15, 2021 there will be a reserved review period wherein the City will review and may approve applications for adult-use marihuana establishment licenses from Detroit legacy applicants[.]” . . . After [the] reserved review periods have ended, “the City will review and may approve applicants for adult-use marihuana establishment licenses from any applicant.”

Id. at 7-8 (quoting Ordinance § 20-6-35) (citations omitted). As of the filing of plaintiff’s motion for a preliminary injunction, the City of Detroit had certified over 400 legacy applicants. *See id.* at 8. That is to say, as of April 1, 2021, the City had determined that 400 applicants were entitled to the legacy preference.

Because of the tiered approach to application submission and review, and because it is unclear whether any licenses are reserved for non-legacy applicants, the 400 certified Detroit legacy applicants could be awarded all 75 recreational marijuana retail licenses. Even if half of the licenses are reserved for non-legacy applicants, plaintiff contends that it would be unconstitutional to categorically bar such applicants, including herself, from eligibility for half of the 75 total licenses. *See Pl.’s Reply Br.* at 1, 6.

⁴ The number of licenses that must or may be issued to legacy applicants is unclear. When this suit was filed, the Ordinance stated that “[n]o less than 50% of licenses” would be awarded to legacy applicants. Ordinance §§ 20-6-31(d), 20-6-35(f). This language, combined with the six-week early application and review period for legacy applicants, allows for the possibility that at least 50% and perhaps 100% of the licenses could be awarded to legacy applicants. Defendant attached an amended version of the Ordinance as an exhibit to its answer to plaintiff’s complaint, in which the phrase “[n]o less than” is deleted, thus mandating a 50:50 ratio between legacy and non-legacy licensees. *See Def.’s Ex. 2*. Nonetheless, on the City of Detroit website, the Ordinance still includes the “[n]o less than” language. *See* <https://detroitmi.gov/sites/detroitmi.localhost/files/2020-11/11-17-2020%20%20Adult-Use%20Marihuana%20Licensing%20Amendment%20to%20Chapter%2020.pdf> (last visited June 15, 2021).

II. Legal Standard

The Sixth Circuit has stated that

[i]n general, courts must examine four factors in deciding whether to grant a preliminary injunction: (1) whether the movant has demonstrated a substantial likelihood of success on the merits, (2) whether the movant will suffer irreparable injury absent injunction, (3) whether a preliminary injunction would cause substantial harm to others, and (4) whether the public interest will be served by an injunction. These factors are not prerequisites, but are factors that are to be balanced against each other.

Flight Options, LLC v. Int’l Bhd. of Teamsters, Loc. 1108, 863 F.3d 529, 539-40 (6th Cir. 2017)

(citation omitted). Further,

[t]he proof required for the plaintiff to obtain a preliminary injunction is much more stringent than the proof required to survive a summary judgment motion because a preliminary injunction is an extraordinary remedy. The party seeking the preliminary injunction bears the burden of justifying such relief

McNeilly v. Land, 684 F.3d 611, 615 (6th Cir. 2012) (internal quotation marks and citation omitted).

III. Likelihood of Success on the Merits

A. Equal Protection Claim under the Michigan Constitution

The Michigan Supreme Court has stated that

the right to engage in business is subject to the state’s police powers to enact laws in furtherance of the public health, safety, welfare, and morals. Accordingly, when legislation is challenged on due-process and equal protection grounds because of its interference with economic or business activity, the challenger must establish either that no legitimate public purpose is served by the legislation or that there is no rational relationship between the provisions and a legitimate public purpose. Thus, there is a two-step inquiry: (1) whether there is a legitimate public purpose and, if so, (2) whether there is a rational relationship between the legislation and the public purpose sought to be achieved.

Murphy-DuBay v. Dep’t of Licensing & Regul. Aff., 876 N.W.2d 598, 604 (Mich. 2015).

Plaintiff argues that she is likely to succeed on her equal protection challenge because “favor[ing] local merchants” is an illegitimate public purpose. Pl.’s Br. at 13 (citing *Colonial Baking Co. of Grand Rapids v. City of Fremont*, 295 N.W. 608, 610 (Mich. 1941)). Plaintiff contends that the legacy licensing scheme “creates precisely the type of durational residency preference that offends Michigan’s Constitution. It facially discriminates against both Michiganders who live outside of Detroit and Michiganders who have lived in Detroit for less than 10 to 15 of the past 30 years.” *Id.* at 14. She adds that the Ordinance only serves the illegitimate purpose of “pure economic protectionism.” *Id.*

In response, defendant argues that “[b]ecause ‘statutes are presumed to be constitutional,’ courts reviewing equal protection claims under the Michigan Constitution ‘exercise the power to declare a law unconstitutional with extreme caution, and . . . never exercise it where serious doubt exists with regard to [the legal] conflict’” between the statute and the constitution. Def.’s Resp. Br. at 14 (quoting *Phillips v. Mirac, Inc.*, 685 N.W.2d 174, 179 (Mich. 2004) (noting that “it is only when invalidity appears so clearly as to leave no room for reasonable doubt that it violates some provision of the Constitution that a court will refuse to sustain its validity”)). Defendant further argues that because “[p]laintiff’s equal protection challenge does not allege discrimination based on . . . race, national origin, ethnicity, gender, or illegitimacy, . . . the correct standard of review is rational-basis.” *Id.* (internal quotation marks omitted). Defendant cites the Michigan Supreme Court decision in *Crego v. Coleman*, 615 N.W.2d 218 (Mich. 2000), to support its argument that

[u]nder rational-basis review, courts will uphold legislation as long as that legislation is rationally related to a legitimate government purpose. To prevail under this highly deferential standard of review, a challenger must show that the legislation is arbitrary and wholly

unrelated in a rational way to the objective of the statute. . . . Rational-basis review does not test the wisdom, need, or appropriateness of the legislation, or whether the classification is made with mathematical nicety, or even whether it results in some inequity when put into practice. Rather, the statute is presumed constitutional, and the party challenging it bears a heavy burden of rebutting that presumption.

Id. at 224 (internal quotation marks and citations omitted).

Defendant contends that the challenged provisions within the City Ordinance bear a rational relationship to a legitimate governmental purpose: “[r]eversing the disproportionate[ly] harmful impact of federal drug policies and enforcement actions,” as expressed in the Michigan Regulation and Taxation of Marijuana Act (“MRTMA”). Def.’s Resp. Br. at 1. Defendant states that 42 of the 46 licenses for medical marijuana dispensaries were awarded to applicants who are not City of Detroit residents, and notes that neither the Michigan Medical Marijuana Act (MICH. COMP. LAWS § 333.26421) nor the related City ordinance contains a provision calling for a preference to be given to Detroit legacy applicants. *See id.* at 3-4. Learning from this experience, the City of Detroit structured the recreational marijuana ordinance so as to “assist residents who have been most harmed by the criminalization of marijuana-related conduct and to limit the monopolization of adult-use licenses by those who have not experienced the systemic effects of the War on Drugs, which began in earnest in the 1990s.” *Id.* at 4. This is the justification given for reserving at least half of adult use recreational marijuana licenses for Detroit legacy applicants. *See id.* at 5, 12.

Defendant contends that “[t]he number of legacy certifications has no impact on the

number of licenses issued to either pool of applicants” – legacy or non-legacy.⁵ *Id.* at 5. Defendant further argues that the Ordinance’s prioritization of legacy applicants does not reflect favoritism toward them, but rather was intended to provide this presumably less sophisticated applicant pool additional time to complete the licensure process. *See id.* at 6.

B. Right to Travel Claim under the Michigan Constitution

As to plaintiff’s right to travel claim, she states that

[t]he right to travel has three components: [1] it protects the right of a citizen of one state to enter and leave another state[,], [2] it protects the right to be treated as a welcome visitor rather than an unfriendly alien when temporarily present in the second state[, and] [3] for those travelers who elect to become permanent residents, it protects the right to be treated like other citizens of that state.

Pl.’s Br. at 14-15 (quoting 5 Mich. Civ. Jur. Const. Law § 243). She contends that “[t]he Michigan Constitution protects a state right to intrastate travel comparable to the federal right to interstate travel.” *Id.* at 15.

The Sixth Circuit has drawn a distinction between the rights to inter- and intrastate travel under the United States Constitution, with the former triggering strict scrutiny and the latter triggering rational basis review. *See Wardell v. Bd. of Educ. of City Sch. Dist. of City of Cincinnati*, 529 F.2d 625, 628 (6th Cir. 1976). However, the Michigan Court of Appeals has taken the following approach to this distinction:

Whether we characterize the right to travel as fundamental or as something less than fundamental, there can be no question that the right to travel between states has been acknowledged as a right implicit in the very concept of union. In *Grano v. Ortisi*, 86 Mich.

⁵ As described in further detail in footnote 4, *supra*, the mandated ratio between legacy and non-legacy applicants is unclear. In any event, non-legacy applicants are deprived of the opportunity to apply for at least half of the available licenses.

App. 482, 272 N.W.2d 693 (1978), this Court discussed the concept of the right to travel within the context of the United States Constitution, Am. XIV, and the Michigan Constitution of 1963, art. I, § 2. The *Grano* Court made no distinction between the right to freedom of travel on an inter-state and intra-state basis and we see no logical distinction between the right of a person to travel between states (which is protected by the United States Constitution) and the right to travel between locations in the State of Michigan (which we find to be protected by the Michigan Constitution). The problem is identical and the analysis ought to be identical.

Our analysis of the above cases leads us to believe that the right to travel is classified as a fundamental constitutional right and that any statute which imposes a penalty on the exercise of this right must be viewed with strict scrutiny.

Musto v. Redford Twp., 357 N.W.2d 791, 792-93 (Mich. Ct. App. 1984) (citations omitted). The Michigan Court of Appeals has further noted that

[s]trict scrutiny applies when the law classifies based on “suspect” factors or when it interferes with a fundamental right. However, residency is not considered a suspect classification Although the right to travel intrastate is a fundamental right, that right is not affected by laws requiring residency during employment because they are distinguishable from durational residency laws which require residency for a period of time before applying for or obtaining a benefit.

Akhtar v. Charter Cnty. of Wayne, No. 233879, 2003 WL 327624, at *2 n.2 (Mich. Ct. App. Feb. 11, 2003).

Plaintiff contends that the Ordinance violates her rights to inter- and intrastate travel by imposing a prolonged waiting period on any applicant who has not lived in the City of Detroit for the requisite length of time. As to her case specifically, plaintiff argues that she is penalized both for having lived in River Rouge, Michigan, and for having lived out of state. She cites various cases for the proposition that prolonged residency requirements violate the right to travel by imposing a waiting period on new residents. *See, e.g., Musto*, 357 N.W.2d at 793 (finding that a one-year

residency requirement for police and fire applicants violated the right to travel); *Barnes v. Bd. of Trustees Mich. Veterans Trust Fund*, 369 F. Supp. 1327, 1334 (W.D. Mich. 1973) (finding “that the classification involved in this case clearly penalizes the right to travel, as it mandates that an otherwise qualified person who has recently traveled must wait five years before he can obtain emergency aid which could be immediately obtained by one who has not recently moved into the state”). See Pl.’s Br. at 15-16.

Plaintiff argues that regardless of the standard of review, she is likely to succeed on the merits because the Ordinance lacks a rational relationship to the stated governmental purpose of serving marginalized communities that were disproportionately affected by the War on Drugs. She states that

Detroit’s purported justifications for residency preferences make little sense and amount to nothing more than a flimsy pretense for economic favoritism. Detroit has no rational or logical basis to assert that long-term residency requirements promote social equity, ensure that licensed business are sufficiently “invested” in [the] recreational marijuana industry, or increase compliance with MRTMA.

Pl.’s Br. at 17.

In response, defendant contends that residency requirements do not necessarily trigger strict scrutiny and that the Ordinance passes rational basis review. Defendant cites *Barrow v. City of Detroit Elec. Comm’n*, 836 N.W.2d 498, 508 (Mich. Ct. App. 2013), for its statement that “[c]ase law since *Grano* compels the conclusion that strict scrutiny does not apply to [durational residency requirements] . . . [because] [r]esidency is . . . not one of the suspect classifications.” 836 N.W.2d at 509; see Def.’s Resp. Br. at 18. Defendant argues that because the purpose of the challenged Ordinance is to further social equity, not to discourage inter- or intrastate travel, the Court should likewise apply rational basis review.

C. Dormant Commerce Clause Claim under the United States Constitution

The Supreme Court has stated that “[t]he modern law of what has come to be called the dormant Commerce Clause is driven by concern about economic protectionism – that is, regulatory measures designed to benefit in-state economic interests by burdening out-of-state competitors.” *Dep’t of Revenue of Ky. v. Davis*, 553 U.S. 328, 337-38 (2008) (internal quotation marks and citation omitted). Further,

[a] discriminatory law is virtually *per se* invalid . . . and will survive only if it advances a legitimate local purpose that cannot be adequately served by reasonable nondiscriminatory alternatives. Absent discrimination for the forbidden purpose, however, the law will be upheld unless the burden imposed on [interstate] commerce is clearly excessive in relation to the putative local benefits.

Id. at 338-39 (emphasis in original, internal quotation marks and citations omitted).

The Supreme Court has recently noted that “[d]ormant Commerce Clause restrictions apply only when Congress has not exercised its Commerce Clause power to regulate the matter at issue.” *Tenn. Wine & Spirits Retailers Ass’n*, 139 S. Ct. 2449, 2465 (2019). Congress may thus “use its powers under the Commerce Clause to [confer] upon States an ability to restrict the flow of interstate commerce that they would not otherwise enjoy.” *New England Power Co. v. New Hampshire*, 455 U.S. 331, 340 (1983) (internal quotation marks and citation omitted). However, the party asserting that Congress has exercised this power under the Commerce Clause bears the burden of demonstrating that Congress’s intent to allow otherwise discriminatory state regulation is “unmistakably clear.” *Maine v. Taylor*, 477 U.S. 131, 139 (1986).

Plaintiff contends that the Ordinance is facially discriminatory and is thus “‘virtually *per se* invalid’ unless the City can show that it advances a legitimate local purpose that cannot be adequately served by reasonably nondiscriminatory alternatives.” Pl.’s Br. at 20. Plaintiff argues

that, as discussed above, defendant cannot make such a showing. Plaintiff adds that a recent decision from the District of Maine speaks directly to the issues presented in the instant motion. *See NPG, LLC v. City of Portland*, No. 20-CV-00208, 2020 WL 47419 (D. Me. Aug. 14, 2020). *NPG* involved a challenge to Portland, Maine’s recreational marijuana licensure ordinance, which included a preference for applicants who have lived in the city, and/or held business licenses in the state, for at least five years. *See id.* at *1. The court in *NPG* granted plaintiffs’ motion for a preliminary injunction, finding that the challenged provisions in the ordinance only served protectionist ends and were, therefore, likely unconstitutional. *See id.* at *11. Plaintiff notes that Detroit’s Ordinance contains terms that are even more protectionist than those in the Portland ordinance, as it prioritizes Detroit residents who have lived in the City for at least 10-15 years. *See Pl.’s Br.* at 21.

In response, defendant contends that plaintiff is unlikely to succeed on the merits because “there is simply no interstate market for marijuana.” *Def.’s Resp. Br.* at 1. In support of this argument, defendant cites the fact that states bordering Michigan (i.e., Ohio, Indiana, and Wisconsin) have yet to decriminalize recreational marijuana. *See id.* Defendant further argues that by continuing to ban marijuana at the federal level under the Controlled Substances Act of 1970, Congress is using its Commerce Clause powers to confer upon states an ability to restrict the flow of marijuana that they would not otherwise enjoy. *See id.* at 8-9. In defendant’s view, marijuana therefore does not benefit from the protection of the dormant Commerce Clause. *See id.* Defendant adds that “[t]he City’s social-equity goals are fundamentally different from the sort of pure economic protectionism the dormant Commerce Clause seeks to curtail.” *Id.* at 12.

IV. Remaining Preliminary Injunction Factors

As to the remaining factors that the Court must consider when deciding whether to grant a motion for preliminary injunction, plaintiff argues that she will suffer irreparable harm by being excluded from the recreational marijuana market and that “there is likely no mechanism that would allow her to recover damages from the City given its governmental immunity.” Pl.’s Br. at 23-24. She adds that the City of Detroit would not be harmed by being prevented from enforcing an unconstitutional ordinance, nor is the public interest served by proceeding with a likely unconstitutional ordinance – regardless of who ultimately prevails on the merits. *Id.* at 24.

In response, defendant contends that plaintiff fails to show how the Ordinance violates her constitutional rights and only speculates that she has been, or may be, denied an opportunity to compete for a license. Def.’s Resp. Br. at 20. Defendant adds that any sense of urgency is of the plaintiff’s own making, as she could have filed this lawsuit earlier. *See id.* at 21. In contrast, defendant argues, the City and its social equity agenda would experience significant harm if enjoined from administering the Ordinance.

The Legacy Advocates, a mix of twelve entities and individuals “with substantial expertise [on] the roles and responsibilities required in the cannabis industry and the cannabis market,” filed an amicus brief providing further information on the economic harm that might befall legacy applicants and their financial support networks if the Court were to grant plaintiff’s motion for a preliminary injunction. *See* Amicus Br. at 6, 16 (citing Amicus Ex. A (Legacy Advocates Affidavits)). Some of these individuals have already invested between \$50,000 to \$200,000 in recreational marijuana projects or businesses in the City of Detroit and therefore could face significant financial loss if not awarded a license. *See id.*

V. Conclusion

Having read the briefs submitted by the parties and the amici, reviewed the relevant case law, and listened to oral argument, the Court concludes that a preliminary injunction is warranted in this case. First, plaintiff has demonstrated a substantial likelihood that the challenged provisions of the Detroit Ordinance unconstitutionally discriminate against all applicants who have not lived in Detroit for at least 10-15 of the past 30 years, violate the fundamental right to inter- and intrastate travel, and impede interstate commerce. At a minimum, the Ordinance must pass rational basis review to be deemed constitutional under both the United States and Michigan constitutions. However, the challenged provisions of the Detroit Ordinance do not appear to be rationally related to the stated purpose of rectifying the harm done to City residents by the War on Drugs. As plaintiff convincingly states in her brief:

If the City were truly worried about equity, the Ordinance would target the individuals who need social equity treatment But instead, the Ordinance employs a class-based distinction based on duration of residency. It thus prefers wealthy applicants who have had no interaction with the War on Drugs to low-income applicants who have been ravaged by it, so long as the wealthy applicants have lived in Detroit for the right amount of time.

Pl.’s Br. at 17. As presently drafted, the Ordinance is far more protectionist than it is equitable.

Moreover, the Michigan Court of Appeals has repeatedly indicated that “durational residency laws which require residency for a period of time before applying for or obtaining a benefit” generally trigger strict scrutiny under the Michigan Constitution, as they violate the fundamental right to inter- and intrastate travel, and are generally disfavored.⁶ *Akhtar*, 2003 WL

⁶ There are exceptions to this general rule against durational residency requirements (e.g., for those seeking elective officials, for those filing for divorce, and for students seeking to pay in-state tuition). However, unlike the Ordinance’s 10-15-year residency requirement to obtain a business license, these exceptions are generally short in length (approximately one year) and relate to benefits or privileges that are different from those at issue in this case. See *Barrow*, 836 N.W.2d at 509 (noting that the Detroit City Charter’s one-year residency requirement to run for mayor “was meant

327624, at *2 n.2; *see also Barrow*, 836 N.W.2d at 511 (holding that durational residency requirements could trigger strict scrutiny if they infringe upon a fundamental right, like “the constitutionally based right to travel”). While there is no right to obtain a business license in the State of Michigan, there is a right to be considered for such a license “in a fair, reasonable and nondiscriminatory manner.” *Musto*, 357 N.W.2d at 793. Given the Court’s conclusion that plaintiff is likely to succeed on the merits under rational basis review, plaintiff’s likelihood of success under strict scrutiny is even greater.

As to plaintiff’s dormant Commerce Clause claim, the court in *NPG* addressed substantially similar constitutional arguments as the ones presently before this Court and concluded that a preliminary injunction was warranted. The recreational marijuana ordinance at issue in *NPG* proposed to award licenses using a points matrix that reserved up to nine of the available thirty-four points for those who resided in Portland, and/or held a business license in the State of Maine, for at least five years.⁷ In granting plaintiffs’ motion for a preliminary injunction, the court stated:

to make[] it more likely that elected officials will be intimately familiar with the unique issues impacting their communities”). *See also Saenz v. Roe*, 526 U.S. 489, 505 (1999) (distinguishing unconstitutional residency requirements (here, welfare) from those applicable to divorce or in-state tuition by highlighting the fact that the benefits gained from divorce or in-state tuition are enjoyed once individuals leave the state and may encourage non-residents to establish residency for the sole purpose of obtaining such benefits). Defendant cites no cases, and the Court is aware of none, suggesting that the granting of a business license may be conditioned on the applicant meeting a residency requirement of 10-15 years.

⁷ The matrix awarded five of the available thirty-four points to applicants who were majority owned by “individual(s) who have been a Maine resident for at least five years.” *NPG, LLC*, 2020 WL 471913, at *2. Four additional points were awarded to applicants who were “[o]wned by individual(s) who have previously been licensed by the State of Maine or a Maine municipality for non-marijuana related business, with no history of violations or license suspensions or revocations for a minimum of 5 years.” *Id.* The twenty applicants with the highest scores would be awarded municipal licenses. *See id.* Notably, the Portland ordinance also awarded six points to applicants who were majority owned “by socially and economically disadvantaged individual(s).” *Id.* However because the social equity provision was not intertwined with the residency-related provisions, unlike

As is clear from the text of the licensing scheme and the statements by councilmembers, the City sought to create a preference for resident-owned marijuana retail stores. Rather than disputing the discriminatory character of the residency preference factors, the City attempts to argue that the licensing of marijuana retail stores operates in a unique dimension, noting that [m]arijuana has been, and remains, a Schedule I drug under the [Controlled Substances Act].

* * *

. . . . But the [Controlled Substances] Act nowhere says that states may enact laws that give preference to in-state economic interests. In other words, although the Controlled Substances Act criminalizes marijuana, it does not affirmatively grant states the power to burden interstate commerce in a manner which would otherwise not be permissible. . . .

Because . . . the dormant Commerce Clause likely restricts the City's licensing of marijuana retail stores, the burden falls on the City to justify its licensing scheme. State laws that discriminate against interstate commerce face a virtually *per se* rule of invalidity. . . . The City would need to present[] concrete record evidence, and not sweeping assertions or mere speculation, to substantiate . . . claims that the discriminatory aspects of its challenged policy are necessary to achieve its asserted objectives.

. . . . At this stage, given the express language in the [ordinance] and the statements by City officials suggesting a protectionist purpose, . . . the City is unlikely to succeed in justifying the residency preference

Id. at *9-11 (emphasis in original, internal quotation marks and citations omitted).

Given the similarities between the constitutional questions raised by the Portland and Detroit recreational marijuana ordinances, the Court finds the reasoning expressed and conclusions drawn in *NPG* to be persuasive and applicable to the instant case. The Ordinance's facial favoritism toward Detroit residents of at least 10-15 years embodies precisely the sort of economic

in the Detroit Ordinance, the social equity provision was not at issue in *NPG*.

protectionism that the Supreme Court has long prohibited. *See Davis*, 553 U.S. at 337-38 (quoting *New England Co. of Limbach*, 486 U.S. 269, 273-74 (1988)). The City of Detroit thus bears the burden of demonstrating that the Ordinance’s discriminatory provisions “advance[] a legitimate local purpose that cannot be adequately served by reasonable nondiscriminatory alternatives.” *Davis*, 553 U.S. at 338. The City has failed to meet this burden.

In particular, defendant has failed to show that its stated goal of assisting those who have been harmed by the War on Drugs is advanced by reserving fifty percent or more of the recreational marijuana licenses for those who have lived in Detroit for at least ten years. Certainly, many people who have lived in Detroit for this period of time, or longer, have not been burdened with a marijuana-related arrest or conviction. And just as certainly, many people who have lived in Detroit for fewer than ten years have been significantly burdened by such an arrest or conviction. Giving “social equity” preference to the former group while denying it to the latter is irrational. It is also irrational to grant the preference to residents of Detroit but deny it to those of other communities, such as neighboring River Rouge, when residents of both cities presumably suffered from the War on Drugs to the same extent.

Finally, plaintiff has demonstrated that she will suffer irreparable injury absent an injunction, as she would, at best, be significantly disadvantaged in applying for a recreational marijuana retail license (assuming fifty percent of the licenses are reserved for legacy applicants) and, at worst, be entirely eliminated from consideration for such a license (if all of the licenses are awarded to legacy applicants). The Legacy Advocates’ amicus brief and attached affidavits demonstrate that legacy applicants and their financial support networks may be economically harmed if the Detroit recreational marijuana licensure scheme is enjoined. However, any such economic harm would be the result of these applicants investing money before obtaining a license,

which they did at their own risk. Moreover, the public interest is best served by enjoining the enforcement of an ordinance that is likely unconstitutional. Accordingly,

IT IS ORDERED that plaintiff's motion for a preliminary injunction is granted. Defendant is hereby enjoined from processing any applications for recreational marijuana licenses under the current Ordinance.

Dated: June 17, 2021
Detroit, Michigan

s/Bernard A. Friedman
BERNARD A. FRIEDMAN
SENIOR UNITED STATES DISTRICT JUDGE