



**Senate Fiscal Agency**  
P. O. Box 30036  
Lansing, Michigan 48909-7536

BILL



ANALYSIS

**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

House Bill 4834 (Substitute S-5 as reported by the Committee of the Whole)

Sponsor: Representative Gail Haines

House Committee: Judiciary

Senate Committee: Judiciary

### **CONTENT**

The bill would amend the Michigan Medical Marihuana Act to do the following:

- Require an applicant for a registry ID card to submit proof of Michigan residency by providing a copy of a driver license, State ID card, or voter registration.
- Require the Department of Licensing and Regulatory Affairs (LARA) to issue a registry ID card within five business days of approving an application or renewal (rather than within five days.)
- Provide that a registry ID card would expire two years, rather than one year, after it was issued.
- Authorize LARA to contract with a private entity to assist the Department in processing and issuing registry ID cards.
- Require LARA, within six months after the bill's effective date, to establish a review panel that would review petitions to approve medical conditions or treatments for addition to the Act's list of debilitating medical conditions for which a qualifying patient may be issued a registry ID card.
- Require the review panel to meet at least twice per year to review and make recommendations to LARA concerning any submitted petitions that were completed and included documentation required by administrative rule.
- Require a majority of the review panel members to be licensed physicians.
- Create the "Michigan Medical Marihuana Fund" and require all fees collected under the Act to be deposited into the Fund.
- Require LARA to spend money from the proposed Fund, upon appropriation, for the operation and oversight of the Michigan medical marihuana program.

MCL 333.26426

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

The bill would have an indeterminate fiscal impact on the Department of Licensing and Regulatory Affairs.

The bill would allow LARA to enter into a contract with a private contractor to assist with processing and issuing identification cards. In 2010, the Department of Community Health (DCH) performed a study that concluded that using a contractor for these services would not be likely to save any money. The DCH report concluded that the costs of outsourcing the processing and issuance portions of the medical marihuana program (MMP) would exceed the savings by approximately \$200,000 to \$1.2 million. Since the bill would merely allow LARA to enter into a contract for assistance with processing and issuance of identification cards, this provision of the bill would likely produce no additional costs, but could generate some savings, if the DCH estimates are not correct.

The bill also would require LARA to appoint a panel that would review petitions to add medical conditions to the list of conditions approved for the MMP. The Department would likely have to provide administrative support to the panel, which would introduce some new, but likely small, administrative costs. The costs could be borne by the current surplus in medical marihuana program fees.

Finally, the bill would extend the period that MMP identification cards are valid from one year to two years. This would have the effect of reducing the amount of work for the Bureau of Health Professions as well as reducing the amount of application fee revenue received. Currently, the MMP is running a budget surplus; the balance at the end of FY 2010-11 was \$12.5 million, and the estimated balance for the end of FY 2011-12 is \$16.7 million. Reducing the amount of revenue to and expenditures from the MMP would serve to reduce the rate at which this surplus grows. The application fees, which are the revenue source for the MMP, may be used only for the administration of the program. Currently, no statutory fund exists to contain the revenue from MMP application fees. The bill would create the Michigan Medical Marihuana Fund which would be managed and invested by the Department of Treasury.

Date Completed: 12-5-12

Fiscal Analyst: Josh Sefton

Floor\hb4834

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.