

**MICHIGAN REGULATION AND TAXATION OF MARIHUANA ACT (EXCERPT)**  
**Initiated Law 1 of 2018**

**333.27957 Implementation, administration, and enforcement by cannabis regulatory agency; powers and duties; agreement with Indian tribe; conflict of interest; liability; cooperation of department of state police.**

Sec. 7. (1) The cannabis regulatory agency is responsible for implementing this act and has the powers and duties necessary to control the commercial production and distribution of marihuana. The cannabis regulatory agency shall do all of the following:

- (a) Promulgate rules pursuant to section 8 that are necessary to implement, administer, and enforce this act.
  - (b) Grant or deny each application for licensure and investigate each applicant to determine eligibility for licensure, including conducting a background investigation on each person holding an ownership interest in the applicant.
  - (c) Ensure that marihuana establishments comply with this act and the rules promulgated under this act by doing all of the following:
    - (i) Performing investigations of compliance and regular inspections of marihuana establishments.
    - (ii) Taking appropriate disciplinary action against a licensee, including prescribing civil fines for violations of this act or the rules promulgated under this act and suspending, restricting, or revoking a state license.
  - (d) Hold at least 4 public meetings each calendar year for the purpose of hearing complaints and receiving the views of the public with respect to administration of this act.
  - (e) Collect fees for licensure and fines for violations of this act or the rules promulgated under this act.
  - (f) Deposit all fees collected for licensure into the marihuana regulation fund established under section 14 and remit all fines collected for deposit into the general fund.
  - (g) Submit an annual report to the governor covering the immediately preceding year that includes all of the following:
    - (i) The number of state licenses of each class issued.
    - (ii) Demographic information of licensees.
    - (iii) A description of enforcement and disciplinary actions taken against licensees.
    - (iv) A statement of revenues and expenses of the cannabis regulatory agency related to the implementation, administration, and enforcement of this act.
  - (h) Employ personnel as necessary to adequately perform its duties.
- (2) The cannabis regulatory agency may do either of the following:
- (a) Enter into an agreement with an advisor or consultant as necessary to adequately perform its duties under this act.
  - (b) Enter into an agreement with an Indian tribe regarding marihuana-related regulatory issues that involve the interests of this state and the Indian tribe, including, but not limited to, issues related to the commercial growing, processing, sale, testing, transportation, and possession of marihuana.
- (3) A person who has a pecuniary interest, directly or indirectly, in a marihuana establishment or tribal marihuana business may not be an employee, advisor, or consultant involved in the implementation, administration, or enforcement of this act. An employee, advisor, or consultant of the cannabis regulatory agency is not personally liable for any action at law for damages sustained by a person because of an action performed or done in the performance of the employee's, advisor's, or consultant's duties in the implementation, administration, or enforcement of this act.
- (4) The department of state police shall cooperate and assist the cannabis regulatory agency in performing the cannabis regulatory agency's duties under this act, including, but not limited to, conducting background investigations of applicants.

**History:** 2018, Initiated Law 1, Eff. Dec. 6, 2018;—Am. 2023, Act 166, Imd. Eff. Oct. 19, 2023.

**Compiler's note:** This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against.

For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001.

For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.