



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



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

Senate Bill 179 (as reported without amendment)  
Senate Bill 180 (Substitute S-1 as reported)  
Sponsor: Senator Jeff Irwin  
Committee: Regulatory Affairs

## **CONTENT**

Senate Bill 180 (S-1) would amend the Michigan Regulation and Taxation of Marihuana Act (MRTMA) to do the following:

- Allow the Cannabis Regulatory Agency (CRA) to enter into an agreement with an Indian tribe pertaining to marijuana related business if the agreement and the Indian tribe met certain conditions.
- Prohibit the CRA from employing any individual with pecuniary interests in tribal marijuana.
- Specify that sales of marijuana by a tribal marijuana business on Indian lands would be exempt from the State's 10% excise tax on marijuana.

Senate Bill 179 would amend the MRTMA Act to do the following:

- Require the Department of Treasury to deposit money into the Marihuana Regulation Fund that was collected under an Indian Tribe Agreement as provided by Senate Bill 180 (S-1).
- Allocate certain percentages of the unexpended balance of the Fund to an Indian tribe that met certain conditions.

MCL 333.27964 (S.B. 179)  
333.27953 et al. (S.B. 180)

## **BRIEF RATIONALE**

The passage of Proposal 18-1 legalized the commercial sale of marijuana through State-licensed dealers, among other things. The Proposal did not address businesses owned by tribes and operated on tribal land. It has been suggested that the MRTMA be amended to create a pathway for tribes to interact with the CRA and State economy while respecting their sovereignty.

## **PREVIOUS LEGISLATION**

*(Please note: This section does not provide a comprehensive account of all previous legislative efforts on the relevant subject matter.)*

Senate Bills 179 and 180 are reintroductions of House Bills 6060 and 5706, respectively, of the 2021-2022 Legislative Session. The House Bills passed the House but received no further action in the Senate.

Legislative Analyst: Eleni Lionas

## **FISCAL IMPACT**

Senate Bill 179 would have a significant negative fiscal impact on the Department or State agencies associated with it. The municipalities and counties, each of which currently receive 15% of the unexpended Fund balances, would experience a negative fiscal impact because

the aggregate 30% of the unexpended funds would no longer be allocated to municipalities or counties and instead be directed toward the Indian tribes whose lands house marijuana retailers or marihuana microbusinesses. Additionally, the Department of Licensing and Regulatory Affairs (LARA) would be required to spend \$20.0 million annually for the next two years for further development and research projects.

Senate Bill 180 (S-1) would have an indeterminate, but negative fiscal impact on the State and LARA. The State would lose tax revenue by exempting some marijuana businesses from a sales tax. The Department would incur any costs associated with administering and performing regulatory duties required by this bill. The bill would have no fiscal impact on the Department of State Police (MSP), as the bill simply reflects current practice. MSP currently receives funding for its regulatory duties concerning marijuana from marijuana tax and licensing revenue. The Governor has recommended \$7.8 million from the Marijuana Regulatory Fund and \$2.6 million from the Marihuana Regulation Fund for this purpose.

Date Completed: 4-28-23

Fiscal Analyst: Bruce R. Baker  
Bobby Canell  
Jonah Houtz

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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.