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Social Equity Program Update

Jeff Mann, General Counsel and Chief Editor

Under Section 8(1)(j) of the Michigan Regulation and Taxation of Marihuana Act, the Cannabis Regulatory Agency (CRA) must promulgate rules to implement and administer the Act. This includes a plan to "promote and encourage participation" in the recreational marijuana industry by individuals from communities that have been disproportionately affected by marijuana prohibition and enforcement and to positively affect those communities. In response, the Agency has developed the Social Equity Program, which lowers fees for certain applicants looking to operate an establishment.

Qualifications & Benefits

To qualify for the Program, an applicant must meet one of the following criteria as an individual (with a corresponding adult-use fee (i.e., application fee and initial and renewal license fee) reduction): 1) have resided in a "disproportionately impacted" community for at least five cumulative years (25% fee reduction); 2) have a misdemeanor (25% reduction) or a felony (40% reduction) conviction for a marijuana-related offense; or 3) was registered as a primary caregiver under the Michigan Medical Marihuana Act for at least two years between 2008 and 2017. The fee reductions generally are cumulative if the applicant satisfies multiple criteria (misdemeanor and felony reductions do not stack). Once determined eligible, the benefit an applicant receives depends on where the participant plans to operate the licensed establishment. If a participating establishment plans to operate within one of the "disproportionately impacted" communities, it will receive a fee reduction on all adult-use licensing fees. A participant who plans to operate an establishment outside of those communities will receive a fee reduction for only two years following licensure.¹

"Disproportionately Impacted" Community

The CRA identifies 184 communities that have been disproportionately affected by marijuana prohibition and enforcement.² See [Figure 1](#) for a list of these communities.

Figure 1

County	Communities	County	Communities
Allegan	Fennville, Lee Township	Lenawee	Adrian, Morenci
Arenac	Alger, Sterling	Macomb	Center Line, Mt. Clemens
Barry	Nashville	Mecosta	Aetna Township, Barryton, Big Rapids, Deerfield Township, Fork Township, Mecosta, Millbrook Township, Morley, Sheridan Township, Stanwood, Wheatland Township
Bay	Bay City, Midland, Pinconning	Monroe	Luna Pier
Berrien	Benton Harbor, Berrien Spring, Coloma, Eau Claire, Niles, Oronoko Township, Sodus Township, Watervliet	Montcalm	Carson City, Crystal Township, Edmore, Greenville, Home Township, Howard City, Lakeview, McBride, Pierson, Stanton
Branch	Bronson, Butler Township, Coldwater, Gilead Township, Quincy, Sherwood, Sherwood Township, Union City	Muskegon	Holton Township, Muskegon, Muskegon Heights, Twin Lake
Calhoun	Albion, Battle Creek, Springfield, Tekonsha, Tekonsha Township, Union City	Newaygo	Beaver Township, Big Prairie Township, Bridgeton Township, Denver Township, Fremont, Grant, Hesperia, Lilley Township, Merrill Township, Newaygo, Troy Township, White Cloud, Wilcox Township
Cass	Cassopolis, Dowagiac, Edwardsburg, Lagrange Township, Marcellus, Vandalia	Oakland	Hazel Park, Pontiac, Royal Oak Township
Eaton	Charlotte, Vermontville	Ogemaw	Horton Township, Prescott, Richland Township, Rose City, West Branch
Emmet	McKinley Township, Wawatam Township	Ottawa	Allendale Township
Genesee	Clio, Flint, Flint Township, Mt. Morris, Mt. Morris Township	Roscommon	Higgins Township, Richfield Township, Roscommon, Roscommon Township, St. Helen

¹ This explanation is a simplified overview of the fee reduction arrangement; it is slightly more complex for establishments operated by multiple licensees.

² According to the CRA, these are communities where 20% or more of the population falls below the Federal poverty level and are located within counties that have more than 660 marijuana convictions between 2008 and 2018 (the State median).

County	Communities	County	Communities
Gratiot	Alma, Bethany Township, Breckenridge, Fulton Township, Perrinton, Seville Township, Wheeler Township	Saginaw	Bridgeport Township, Carrollton Township, Chapin Township, Chesaning, Kochville Township, Marion Township, Saginaw, Spaulding Township
Hillsdale	Montgomery	Shiawassee	Owosso
Ingham	East Lansing, Lansing	St. Clair	Port Huron
Ionia	Ionia, Muir, Orleans Township, Ronald Township	Tuscola	Akron, Caro, Dayton Township, Gageton, Gilford Township, Kingston, Koylton Township, Mayville, Vassar, Vassar Township
Isabella	Coldwater Township, Fremont Township, Mt. Pleasant, Shepherd	Van Buren	Arlington Township, Bangor Township, Bloomingdale, Breedsville, Columbia Township, Covert Township, Decatur, Decatur Township, Hartford, Keeler Township, Lawrence, Mattawan, Paw Paw, South Haven
Jackson	Hanover, Jackson, Springport	Washtenaw	Ann Arbor, Ypsilanti
Kalamazoo	Galesburg, Kalamazoo	Wayne	Dearborn, Detroit, Ecorse, Hamtramck, Highland Park, Inkster, Melvindale, River Rouge, Wayne
Kent	Cedar Springs, Grand Rapids	Wexford	Antioch Township, Cadillac, Colfax Township, Mesick, Slagle Township
Lapeer	Clifford, Columbiaville, Imlay City, Lapeer		

Social Equity Applications & Licenses Applications

Table 2 shows the number of social equity applications received, and the number of applicants determined eligible or ineligible in each month of fiscal year (FY) 2023-24. Note that eligibility may or may not be determined in the same month as the application was received. Table 3 shows the number of various social equity license applications approved in each month of FY 2023-24. No initial social equity license applications were denied in FY 2023-24.³

Table 2
Social Equity Applications FY 2023-24

	Received	Eligible	Ineligible
October	10	6	2
November	4	5	2
December	10	7	2
January	24	21	1
February	18	11	0
March	15	8	0
April	11	8	3
May	5	4	10
June	15	10	2
July	10	6	4
August	6	3	4
September	8	7	1
FY 2023-24 Total	136	96	31

Source: Cannabis Regulatory Agency Statistical Report for Fiscal Year 2024.

Table 3
Social Equity License Applications Approved (FY 2023-24)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Social Equity Class A Marijuana Grower	0	0	0	0	0	0	0	0	0	0	0	0	0
Social Equity Class B Marijuana Grower	0	1	0	0	0	0	0	0	2	2	0	0	5
Social Equity Class C Marijuana Grower	3	3	1	0	1	1	2	5	5	0	0	5	26
Social Equity Excess Grower	0	0	0	0	0	0	0	0	0	0	0	0	0
Social Equity Processor	1	0	1	0	0	0	0	0	0	1	3	2	8
Social Equity Retailer	2	1	2	3	4	4	3	2	1	2	2	3	29
Social Equity Class A Microbusiness	0	1	0	0	0	0	0	1	0	0	0	0	2
Social Equity Microbusiness	0	0	0	0	0	0	0	0	0	0	1	0	1
Social Equity Secure Transporter	0	0	0	0	0	0	0	0	0	0	1	1	2
Social Equity Safety Compliance Facility	0	0	0	0	0	0	0	0	0	0	0	0	0
Social Equity Designated Consumption	0	0	0	0	0	0	0	0	0	0	1	0	1
Social Equity Marijuana Event Organizer	0	1	1	0	2	1	0	0	0	1	1	0	7
Social Equity Marijuana Temporary Event	0	0	0	0	0	0	0	0	0	0	0	0	0
FY 2023-24 Total	6	7	5	3	7	6	5	8	8	6	9	11	81

Source: Cannabis Regulatory Agency Statistical Report for Fiscal Year 2024.

³ Cannabis Regulatory Agency, "Cannabis Regulatory Agency Statistical Report for Fiscal Year 2024", p. 28.