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October 26, 2018

Mayor Bryan K. Barnett
City of Rochester Hills
1000 Rochester Hills Drive
Rochester Hills, MI 48309

VIA ELECTRONIC MAIL

Re: ***Marihuana Establishments***

Dear Mayor Barnett:

Soon, at the November general election, Michigan voters will have an opportunity to decide whether to approve Proposal 1, which is the citizen's initiative for a proposed new state law, entitled the Michigan Regulation and Taxation of Marihuana Act. If approved, the proposal will legalize recreational use of marihuana in Michigan. This would be in addition to medical use that is already lawful by virtue of the citizens' initiative approved by voters in 2008. Proposal 1 would:

- Allow growing of industrial hemp;
- Allow persons over age 21 to purchase, possess and use marihuana, and to grow up to 12 marihuana plants for personal consumption, and to keep up to 10 ounces at one's residence;
- Create a state licensing and regulatory system for marihuana businesses and to allow municipalities to ban or limit them;
- Permit retail sale of marihuana products in state-licensed establishments, subject to a 10% excise tax (in addition to sales tax);
- Direct that tax revenues will go toward education and roads, with some portion returning to local governments where marihuana establishments are located.

Unlike the current Michigan Medical Marihuana Facilities Licensing Act, which provides that medical marihuana facilities can obtain a state license only in municipalities that have expressly elected to opt-in by ordinance, the proposed Michigan Regulation and Taxation of Marihuana Act is written to do the opposite – that a municipality must expressly opt out by ordinance in order to prohibit marihuana establishments, which are defined in the Act to mean “a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana

Mayor Bryan K. Barnett
City of Rochester Hills
October 26, 2018
Page 2

microbusiness, marihuana retailer, marihuana secure transporter, or any other type of marihuana-related business licensed by the department.”

Until the election results are in, we will not know the outcome of the statewide and local vote on Proposal 1. Undoubtedly, City leaders will take that vote into account. But, in anticipation that our City leaders may want to continue the City’s stance of prohibiting marihuana establishments, or to at least temporarily prohibit them until the City has more time to consider whether, where, and to what limit or extent the City may eventually decide to allow marihuana establishments, I have drafted and enclose a proposed ordinance that will completely prohibit marihuana establishments in the City.

Keep in mind that if Proposal 1 is approved by the voters, the Michigan Regulation and Taxation of Marihuana Act will become effective 10 days after the November election vote is certified. Hence, I recommend that the proposed ordinance be placed on the agenda for consideration at the City Council’s first meeting after the November election. If Proposal 1 fails, the ordinance can be pulled off the agenda.

Please also know that if this proposed ordinance is adopted, it will prohibit any marihuana establishments from being located in the City. But, it will not prevent or prohibit individuals from purchasing, possessing, using and growing marihuana for their personal consumption as allowed by the Act. If Proposal 1 passes, the City will only have the authority to ban marihuana establishments, but we will not be able to override the new state law’s legalization of the purchase, possession, use and growing of marihuana for recreational purposes by persons over age 21.

Very truly yours,



John D. Staran

JDS/ijd

cc: Mr. Mark Tisdell, City Council President
Ms. Sara Roediger, Planning & Economic Development Director
Captain Michael Johnson, Oakland County Sheriff’s Department