



Senate Fiscal Agency
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House Bill 4516 (Substitute H-1 as reported without amendment)
Sponsor: Representative Jim Lilly
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

CONTENT

The bill would amend the Michigan Regulation and Taxation of Marihuana Act to do the following:

- Prohibit a licensee authorized to sell or transfer marihuana in Michigan from selling or transferring to an individual younger than 21 years of age or to an individual who was visibly intoxicated.
- Specify that an individual who suffered damage or was personally injured by a minor or visibly intoxicated person as a result of a violation of the bill's prohibition would have a right of action against the licensee that sold the marihuana.
- Require an action against a licensee under the bill to be commenced within two years after the injury or death and require a person to give written notice to all defendants within 120 days after entering an attorney-client relationship for the purposes of pursuing a claim for damages.
- Require a licensee to maintain insurance coverage of at least \$50,000 for an action authorized under the bill.
- Define relevant terms, including "adulterated marihuana", "minor", "visibly intoxicated individual", and "written notice."

MCL 333.27961a

Legislative Analyst: Christian Schmidt

FISCAL IMPACT

The bill likely would have a minor fiscal impact on State and local units of government. Violations could result in increased revenue to the State. However, it is unknown how many violations would occur and what the result would be for those penalties. The administrative costs associated with receiving complaints, investigating licensees, and completing the disciplinary action process likely would be covered by existing appropriations.

Local court systems could incur minor administrative costs associated with relevant cases. However, it is unlikely that the volume of cases associated with the bill's provisions would be of a magnitude large enough to create a continuous administrative burden on local units of government.

Date Completed: 6-22-21

Fiscal Analyst: Elizabeth Raczkowski