



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 597 (as introduced 10-2-25)

Sponsor: Senator Sam Singh

Committee: Regulatory Affairs

Date Completed: 10-13-25

CONTENT

The bill would amend the Michigan Regulation and Taxation of Marihuana Act to prohibit the Cannabis Regulatory Agency (Agency) from issuing a marihuana retailer license if doing so would result in more than one marihuana retailer for every 5,000 residents in the applicant's municipality, beginning January 1, 2026.

Generally, the Act grants the Agency the ability to limit the number of any type of State marihuana license. The bill would prohibit the Agency, beginning January 1, 2026, from issuing a marihuana retailer license if doing so would result in more than one marihuana retailer for every 5,000 residents of the municipality where the proposed marihuana retailer would be located.

If an applicant's proposed retail location were located within a resort district, the applicant could apply for an exemption. The bill would require the Agency to create an application and application process for such a purpose. The Agency could approve an application for an exemption at its discretion. (Generally, a resort district is an area that encompasses a natural geographic feature used for recreation, such as an inland lake or the Great Lakes shoreline, that is overseen by a resort district authority).¹

The bill would allow the Agency to continue to renew a marihuana retailer license or issue a marihuana retailer license that was transferred to another person, regardless of whether the other person was required to submit an application for the license or was issued a new license because of the transfer.

The bill also specifies that the Agency's approval of an application for licensure could not result in a person who held an ownership interest in the applicant receiving an ownership interest in a marihuana secure transporter, marihuana grower, marihuana processor, marihuana retailer, or marihuana microbusiness.

Currently, the Act requires the Agency to issue to an applicant the approved license or, if the application was denied, a notice of rejection within 90 days of the decision. The bill would remove this deadline. Lastly, the bill would update and remove ancillary language.

MCL 333.27957 et al.

Legislative Analyst: Nathan Leaman

FISCAL IMPACT

The bill would potentially reduce revenue for local governmental units. The bill would create regional monopolies or oligopolies preventing new businesses from entering the marijuana market. This would have the greatest impact on smaller cities and villages. For fiscal year

¹ For more information, see the Resort District Rehabilitation Act (MCL 125.2201 - 125.2219).

2023-24, municipalities received approximately \$59,000 per dispensary or microbusiness. If small cities and villages were prevented from increasing the number of dispensaries while larger cities were not, there would be a shift of payments from small towns to larger cities.

As an example, Kalkaska has five dispensaries in the village, and no others in the County. The Village received \$291,143.30 for fiscal year 2024. The County also received the same amount. Under the bill, the Village of Kalkaska would have been limited to one dispensary, based on population. The bill would allow existing businesses to remain or transfer the license to another business, but if one of the five closed without transferring the license to another company, another business could not enter the market to replace the closed one, ultimately pushing the number of allowed businesses to one. This would cost the Village of Kalkaska and Kalkaska County \$232,914.64 each, per year, using the current distribution.

While this would harm the revenue of small towns and cities, it would benefit large cities. For example, Detroit has 54 dispensaries and is limited to 129 dispensaries according to the population, which it is unlikely to reach in the near future, allowing Detroit to increase the number of dispensaries. Smaller cities and villages' dispensaries would be limited or even reduced by the bill, which would lead to the distribution to Detroit and other larger cities at the expense of smaller cities and villages.

The bill would have no fiscal impact on the Department of Licensing and Regulatory Affairs.

Fiscal Analyst: Bobby Canell
Nathan Leaman

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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.