

# Legislative Analysis



## TRANSFER FROM MARIHUANA REGISTRY FUND TO MICHIGAN SET ASIDE FUND

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**Senate Bill 1077 as passed by the Senate**  
**Sponsor: Sen. Adam Hollier**  
**House Committee: [Placed on second reading]**  
**Senate Committee: Appropriations**  
**Complete to 12-21-20**

Analysis available at  
<http://www.legislature.mi.gov>

*(Enacted as Public Act 400 of 2020)*

### SUMMARY:

Senate Bill 1077 would amend the Michigan Medical Marihuana Act to require the transfer of \$24.0 million, for the fiscal year ending September 30, 2021, from the Marihuana Registry Fund created under the act to the Michigan Set Aside Fund created under 1965 PA 213.

The Michigan Set Aside Fund was created by 2020 PA 193 (HB 4980), an amendatory act that was part of a package of bills that changed whether and how convictions in certain criminal cases can be set aside (expunged) under Michigan law. Money in the fund can be used by the Department of State Police; the Department of Technology, Management, and Budget; and the State Court Administrative Office only for the following purposes:

- Implementation costs associated with changes made by 2020 PA 193.
- System upgrades necessitated by those changes.
- Staffing needs necessitated by those changes.

Senate Bill 1077 would also change references to the Department of Licensing and Regulatory Affairs to refer instead to the Marijuana Regulatory Agency, which was created under Executive Reorganization Order 2019-2 to administer state laws relating to marijuana.<sup>1</sup>

MCL 333.26426

### FISCAL IMPACT:

Senate Bill 1077 would have a neutral net fiscal impact on the state, but would allow \$24.0 million from the current balance in the Marihuana Registry Fund to be transferred to the Michigan Set Aside Fund in FY 2020-21. The current balance in the Marihuana Registry Fund is approximately \$33.0 million and has accrued from revenues associated with the state's marijuana registry, namely fees for registry identification cards. Funds deposited into the Michigan Set Aside Fund (a state restricted fund) are authorized by statute for use by the Department of State Police; the Department of Technology, Management, and Budget; and the State Court Administrative Office (subject to appropriation) for system upgrades, staffing, and other implementation costs associated

<sup>1</sup> <https://www.legislature.mi.gov/documents/mcl/pdf/mcl-333-27001.pdf>

with recently enacted legislation pertaining to criminal set-asides. The amount of the implementation costs is presently indeterminate.

Legislative Analyst: Rick Yuille  
Fiscal Analyst: Marcus Coffin

---

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.