Legislation Details (With Text)

File #:	21-0522	**Version:**	1	**Name:**	3/15/21 Resolution to Commit Marijuana Excise Tax
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Title:	Resolution to Commit Marijuana Excise Tax Rebate Funds				
Sponsors:	Jeff Hayner, Elizabeth Nelson, Ali Ramlawi, Travis Radina, Erica Briggs, Kathy Griswold, Christopher Taylor				
Indexes:					
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Attachments:					

Date	Ver.	Action By	Action	Result
3/15/2021	1	City Council	Approved	Pass

Resolution to Commit Marijuana Excise Tax Rebate Funds

Whereas, Federal laws related to cannabis/marijuana have disproportionately targeted people of color, disadvantaged communities of color, and people of lower socio-economic status;

Whereas, Public policy around cannabis/marijuana has systematically and punitively impacted generations of individuals in terms of public housing and student financial aid eligibility, employment opportunities, child custody determinations, and immigration status;

Whereas, Ann Arbor City Council voted on October 7, 2019, to adopt the State of Michigan's Proposal A, effectively legalizing and regulating the sale of marijuana for recreational adult-use in the City of Ann Arbor;

Whereas, The City of Ann Arbor recognizes that legalization of cannabis/marijuana represents progress in the present and moving forward, but does not address or alleviate past harm;

Whereas, In its adoption of Proposal A, City Council acknowledged how the state's new regulatory framework for the marijuana industry includes many financial barriers to entry which are likely to exclude the people previously harmed by marijuana arrests and prosecutions;

Whereas, The State of Michigan has collected a total of $45.7 million from the 10% adult-use marijuana excise tax in the year 2020;

Whereas, This year, the State of Michigan will be returning $476,023 in marijuana excise tax to the City of Ann Arbor, for allowing the sale of recreational marijuana;

Whereas, These funds are returned unencumbered and can be used for whatever purpose the City of Ann Arbor chooses;

Whereas, The City of Ann Arbor aims to direct these marijuana excise tax funds in a way that intentionally reinvests in our community, acknowledges the past harm of criminalization, and supports populations disproportionately and negatively impacted by the “War on Drugs”; and

Whereas, Demonstrated needs exist in our community for additional funding in the areas of providing Mental Health services, augmenting Emergency Services response with a desire to place Mental Health Professionals at the forefront of appropriate emergency response, and continuing efforts to expand social justice work;

RESOLVED, That the City Council directs the City Administrator to receive and track Recreational Marijuana Excise Tax Revenue in the City Administrator’s Proposed FY2022 budget and future budgets to ensure such revenue is accounted for separately from other revenue, but in accordance with the City auditor’s recommendations;

RESOLVED, That the City Council directs the City Administrator to establish mechanisms that allocate this revenue within the City Administrator’s Proposed FY2022 budget and future budgets to be limited in use for such purposes specifically related to restorative and alternative strategies for public safety and community support such as:

- Emergency Services response that include mental health and substance use disorder professionals;
- Programs for substance abuse intervention, treatment and recovery support services;
- Education and enrichment programs for at-risk youth; and
- Innovation grants toward promoting criminal diversion and expungement, support for formerly incarcerated members of our community, and other criminal justice reform initiatives;

RESOLVED, That the City Administrator is hereby directed to seek supplemental funding from federal, state, and other regional sources to promote these goals;

RESOLVED, That the City Administrator is hereby directed to collaborate with Washtenaw County and request matching funds from the County for coordinated programming to promote these goals; and

RESOLVED, That the City Administrator is hereby directed to consider application of these funds or creation of programs to receive this funding starting in FY2022 and includes consideration of using the funds in all future budgets moving forward.

Sponsored by: Councilmembers Hayner, Nelson, Ramlawi, Radina, Briggs and Griswold and Mayor Taylor