

SENATE BILL NO. 959

June 04, 2020, Introduced by Senator HOLLIER and referred to the Committee on Appropriations.

A bill to amend 2018 IL 1, entitled
"Michigan Regulation and Taxation of Marihuana Act,"
by amending sections 3 and 14 (MCL 333.27953 and 333.27964).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3. As used in this act:
- 2 (a) "Cultivate" means to propagate, breed, grow, harvest, dry,
- 3 cure, or separate parts of the marihuana plant by manual or
- 4 mechanical means.

1 (b) "Department" means the department of licensing and
2 regulatory affairs.

3 (c) "Industrial hemp" means a plant of the genus ~~cannabis~~
4 **Cannabis** and any part of that plant, whether growing or not, with a
5 delta-9 tetrahydrocannabinol concentration ~~that does not exceed of~~
6 0.3% **or less** on a dry-weight basis ~~—~~ or per volume or weight of
7 marihuana-infused product, or **for which** the combined percent of
8 delta-9-tetrahydrocannabinol and tetrahydrocannabinolic acid in any
9 part of the plant, ~~of the genus cannabis~~ regardless of moisture
10 content, **is 0.3% or less.**

11 (d) "Licensee" means a person holding a state license.

12 (e) "Marihuana" means all parts of the plant of the genus
13 ~~cannabis,~~ **Cannabis**, growing or not; the seeds of the plant; the
14 resin extracted from any part of the plant; and every compound,
15 manufacture, salt, derivative, mixture, or preparation of the plant
16 or its seeds or resin, including marihuana concentrate and
17 marihuana-infused products. ~~For purposes of this act, marihuana~~
18 **Marihuana** does not include **any of the following:**

19 (i) ~~(1) the~~ **The** mature stalks of the plant, fiber produced from
20 the **mature** stalks, oil or cake made from the seeds of the plant, **or**
21 any other compound, manufacture, salt, derivative, mixture, or
22 preparation of the mature stalks. ~~, except the resin extracted from~~
23 ~~those stalks, fiber, oil, or cake, or any sterilized seed of the~~
24 ~~plant that is incapable of germination;~~

25 (ii) ~~(2) industrial~~ **Industrial** hemp. ~~;~~ ~~or~~

26 (iii) ~~(3) any~~ **Any** other ingredient combined with marihuana to
27 prepare topical or oral administrations, food, drink, or other
28 products.

29 (f) "Marihuana accessories" means any equipment, product,

1 material, or combination of equipment, products, or materials,
2 ~~which~~**that** is specifically designed for use in planting,
3 propagating, cultivating, growing, harvesting, manufacturing,
4 compounding, converting, producing, processing, preparing, testing,
5 analyzing, packaging, repackaging, storing, containing, ingesting,
6 inhaling, or otherwise introducing marihuana into the human body.

7 (g) "Marihuana concentrate" means the resin extracted from any
8 part of the plant of the genus ~~cannabis~~**Cannabis**.

9 (h) "Marihuana establishment" means a marihuana grower,
10 marihuana safety compliance facility, marihuana processor,
11 marihuana microbusiness, marihuana retailer, marihuana secure
12 transporter, or any other type of marihuana-related business
13 licensed by the ~~department~~**marijuana regulatory agency**.

14 (i) "Marihuana grower" means a person licensed to cultivate
15 marihuana and sell or otherwise transfer marihuana to marihuana
16 establishments.

17 (j) "Marihuana-infused product" means a topical formulation,
18 tincture, beverage, edible substance, or similar product containing
19 marihuana and other ingredients and that is intended for human
20 consumption.

21 (k) "Marihuana microbusiness" means a person licensed to
22 cultivate not more than 150 marihuana plants; process and package
23 marihuana; and sell or otherwise transfer marihuana to individuals
24 who are 21 years of age or older or to a marihuana safety
25 compliance facility, but not to other marihuana establishments.

26 (l) "Marihuana processor" means a person licensed to obtain
27 marihuana from marihuana establishments; process and package
28 marihuana; and sell or otherwise transfer marihuana to marihuana
29 establishments.

1 (m) "Marihuana retailer" means a person licensed to obtain
2 marihuana from marihuana establishments and to sell or otherwise
3 transfer marihuana to marihuana establishments and to individuals
4 who are 21 years of age or older.

5 (n) "Marihuana secure transporter" means a person licensed to
6 obtain marihuana from marihuana establishments in order to
7 transport marihuana to marihuana establishments.

8 (o) "Marihuana safety compliance facility" means a person
9 licensed to test marihuana, including certification for potency and
10 the presence of contaminants.

11 (p) **"Marijuana regulatory agency" means the marijuana**
12 **regulatory agency created under Executive Reorganization Order No.**
13 **2019-2, MCL 333.27001.**

14 (q) ~~(p)~~ "Municipal license" means a license issued by a
15 municipality pursuant to section 16 of this act that allows a
16 person to operate a marihuana establishment in that municipality.

17 (r) ~~(q)~~ "Municipality" means a city, village, or township.

18 (s) ~~(r)~~ "Person" means an individual, corporation, limited
19 liability company, partnership of any type, trust, or other legal
20 entity.

21 (t) ~~(s)~~ "Process" or ~~"Processing"~~ **"processing"** means to
22 separate or otherwise prepare parts of the marihuana plant and to
23 compound, blend, extract, infuse, or otherwise make or prepare
24 marihuana concentrate or marihuana-infused products.

25 (u) **"Public safety officer" means that term as defined in**
26 **section 2 of the public safety officers benefit act, 2004 PA 46,**
27 **MCL 28.632.**

28 (v) ~~(t)~~ "State license" means a license issued by the
29 ~~department~~ **marijuana regulatory agency** that allows a person to

1 operate a marihuana establishment.

2 **(w)** ~~(u)~~ "Unreasonably impracticable" means that the measures
3 necessary to comply with the rules or ordinances adopted pursuant
4 to this act subject licensees to unreasonable risk or require such
5 a high investment of money, time, or any other resource or asset
6 that a reasonably prudent businessperson would not operate the
7 marihuana establishment.

8 Sec. 14. **(1)** ~~1.~~ The marihuana regulation fund is created ~~in~~
9 **within** the state treasury. The department of treasury shall deposit
10 **into the fund** all money collected under section 13 ~~of this act~~ and
11 the ~~department~~ **marijuana regulatory agency** shall deposit **into the**
12 **fund** all fees collected ~~in the fund.~~ **under this act.** The state
13 treasurer shall direct the investment of the fund and shall credit
14 **to** the fund interest and earnings from fund investments. The
15 ~~department~~ **marijuana regulatory agency** shall administer the fund
16 for auditing purposes. Money in the fund ~~shall~~ **at the close of the**
17 **fiscal year must remain in the fund and does** not lapse to the
18 general fund.

19 **(2)** ~~2.~~ Funds for the initial activities of the ~~department~~
20 **marijuana regulatory agency** to implement this act shall be
21 appropriated from the general fund. The ~~department~~ **marijuana**
22 **regulatory agency** shall repay any amount appropriated under this
23 subsection from proceeds in the fund.

24 **(3)** ~~3.~~ The ~~department~~ **marijuana regulatory agency** shall expend
25 money in the fund ~~first for~~ **as follows:**

26 **(a)** **For** the implementation, administration, and enforcement of
27 this act. ~~, and second, until 2022~~

28 **(b)** **Until October 1, 2023** or for at least ~~two~~ **3** years, ~~to~~
29 ~~provide \$20 million annually to one~~ **whichever is later, for 1** or

1 more **development and research projects, including** clinical trials,
 2 that are ~~approved by the United States food and drug administration~~
 3 ~~and sponsored by a non-profit Michigan-based, nonprofit~~
 4 ~~organization or~~ **partnered with a** researcher within an academic
 5 institution **located in Michigan who is** researching the efficacy of
 6 ~~marihuana in various means of~~ treating the medical conditions **and**
 7 **preventing the suicide of public safety officers or** United States
 8 ~~armed services~~ **Armed Services** veterans. ~~and preventing veteran~~
 9 ~~suicide.~~ **The marijuana regulatory agency shall expend**
 10 **\$20,000,000.00 per year under this subdivision.**

11 (4) Upon appropriation, unexpended balances must be allocated
 12 as follows:

13 (a) 15% to municipalities in which a marihuana retail store or
 14 a marihuana microbusiness is located, allocated in proportion to
 15 the number of marihuana retail stores and marihuana microbusinesses
 16 within the municipality. †

17 (b) 15% to counties in which a marihuana retail store or a
 18 marihuana microbusiness is located, allocated in proportion to the
 19 number of marihuana retail stores and marihuana microbusinesses
 20 within the county. †

21 (c) 35% to the school aid fund to be used for K-12 education.
 22 † and

23 (d) 35% to the Michigan transportation fund to be used for the
 24 repair and maintenance of roads and bridges.