

HOUSE BILL NO. 6056

April 28, 2022, Introduced by Reps. VanSingel, Manoogian and Breen and referred to the Committee on Regulatory Reform.

A bill to amend 2016 PA 281, entitled "Medical marihuana facilities licensing act," by amending sections 102, 201, 206, 501, 502, 503, 504, and 505 (MCL 333.27102, 333.27201, 333.27206, 333.27501, 333.27502, 333.27503, 333.27504, and 333.27505), section 102 as amended by 2021 PA 57, sections 201, 501, 503, and 504 as amended by 2018 PA 10, section 206 as amended by 2020 PA 207, and sections 502 and 505 as amended by 2018 PA 648, and by adding section 202.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 102. As used in this act:

1 (a) "Advisory panel" or "panel" means the marijuana regulatory
2 agency.

3 (b) "Affiliate" means any person that controls, is controlled
4 by, or is under common control with; is in a partnership or joint
5 venture relationship with; or is a co-shareholder of a corporation,
6 a co-member of a limited liability company, or a co-partner in a
7 limited liability partnership with a licensee or applicant.

8 (c) "Applicant" means a person who applies for a state
9 operating license. Applicant includes, with respect to disclosures
10 in an application, for purposes of ineligibility for a license
11 under section 402, or for purposes of prior marijuana regulatory
12 agency approval of a transfer of interest under section 406, and
13 only for applications submitted on or after January 1, 2019, a
14 managerial employee of the applicant, a person holding a direct or
15 indirect ownership interest of more than 10% in the applicant, and
16 the following for each type of applicant:

17 (i) For an individual or sole proprietorship: the proprietor
18 and the proprietor's spouse.

19 (ii) For a partnership and limited liability partnership: all
20 partners and their spouses. For a limited partnership and limited
21 liability limited partnership: all general and limited partners,
22 not including a limited partner holding a direct or indirect
23 ownership interest of 10% or less and who does not exercise control
24 over or participate in the management of the partnership, and their
25 spouses. For a limited liability company: all members and managers,
26 not including a member holding a direct or indirect ownership
27 interest of 10% or less and who does not exercise control over or
28 participate in the management of the company, and their spouses.

29 (iii) For a privately held corporation: all corporate officers

1 or persons with equivalent titles and their spouses, all directors
2 and their spouses, and all stockholders, not including those
3 holding a direct or indirect ownership interest of 10% or less, and
4 their spouses.

5 (iv) For a publicly held corporation: all corporate officers or
6 persons with equivalent titles and their spouses, all directors and
7 their spouses, and all stockholders, not including those holding a
8 direct or indirect ownership interest of 10% or less, and their
9 spouses.

10 (v) For a multilevel ownership enterprise: any entity or
11 person that receives or has the right to receive more than 10% of
12 the gross or net profit from the enterprise during any full or
13 partial calendar or fiscal year.

14 (vi) For a nonprofit corporation: all individuals and entities
15 with membership or shareholder rights in accordance with the
16 articles of incorporation or the bylaws and the spouses of the
17 individuals.

18 (d) "Board" means the marijuana regulatory agency.

19 (e) "Cutting" means a section of a lead stem or root stock
20 that is used for vegetative asexual propagation.

21 (f) "Department" means the department of licensing and
22 regulatory affairs.

23 (g) "Grower" means a licensee that is a commercial entity
24 located in this state that cultivates, dries, trims, or cures and
25 packages marihuana for sale to a processor, provisioning center, or
26 another grower.

27 (h) "Industrial hemp" means that term as defined in section 3
28 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL
29 1, MCL 333.27953.

1 (i) "Industrial hemp research and development act" means the
2 industrial hemp research and development act, 2014 PA 547, MCL
3 286.841 to 286.859.

4 (j) "Licensee" means a person holding a state operating
5 license.

6 (k) "Marihuana" means that term as defined in section 3 of the
7 Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL
8 333.27953.

9 **(l) "Marihuana disposer" means that term as defined in section**
10 **3 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL**
11 **1, MCL 333.27953.**

12 **(m) ~~(l)~~**"Marihuana facility" means a location at which a
13 licensee is licensed to operate under this act.

14 **(n) ~~(m)~~**"Marihuana plant" means any plant of the species
15 *Cannabis sativa* L. Marihuana plant does not include industrial
16 hemp.

17 **(o) "Marihuana plant waste" means that term as defined in**
18 **section 3 of the Michigan Regulation and Taxation of Marihuana Act,**
19 **2018 IL 1, MCL 333.27953.**

20 **(p) ~~(n)~~**"Marihuana-infused product" means that term as defined
21 in section 3 of the Michigan Regulation and Taxation of Marihuana
22 Act, 2018 IL 1, MCL 333.27953.

23 **(q) ~~(o)~~**"Marihuana tracking act" means the marihuana tracking
24 act, 2016 PA 282, MCL 333.27901 to 333.27904.

25 **(r) ~~(p)~~**"Marijuana regulatory agency" means the marijuana
26 regulatory agency created under Executive Reorganization Order No.
27 2019-2, MCL 333.27001.

28 **(s) ~~(q)~~**"Michigan medical marihuana act" means the Michigan
29 Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.

1 **(t)** ~~(r)~~—"Municipality" means a city, township, or village.

2 **(u)** ~~(s)~~—"Paraphernalia" means any equipment, product, or
3 material of any kind that is designed for or used in growing,
4 cultivating, producing, manufacturing, compounding, converting,
5 storing, processing, preparing, transporting, injecting, smoking,
6 ingesting, inhaling, or otherwise introducing into the human body,
7 marihuana.

8 **(v)** ~~(t)~~—"Person" means an individual, corporation, limited
9 liability company, partnership, limited partnership, limited
10 liability partnership, limited liability limited partnership,
11 trust, or other legal entity.

12 **(w)** ~~(u)~~—"Plant" means any living organism that produces its
13 own food through photosynthesis and has observable root formation
14 or is in growth material.

15 **(x)** ~~(v)~~—"Processor" means a licensee that is a commercial
16 entity located in this state that purchases marihuana from a grower
17 and that extracts resin from the marihuana or creates a marihuana-
18 infused product for sale and transfer in packaged form to a
19 provisioning center or another processor.

20 **(y)** ~~(w)~~—"Provisioning center" means a licensee that is a
21 commercial entity located in this state that purchases marihuana
22 from a grower or processor and sells, supplies, or provides
23 marihuana to registered qualifying patients, directly or through
24 the patients' registered primary caregivers. Provisioning center
25 includes any commercial property where marihuana is sold at retail
26 to registered qualifying patients or registered primary caregivers.
27 A noncommercial location used by a registered primary caregiver to
28 assist a qualifying patient connected to the caregiver through the
29 department's marihuana registration process in accordance with the

1 Michigan Medical Marihuana Act is not a provisioning center for
2 purposes of this act.

3 **(z)** ~~(x)~~—"Registered primary caregiver" means a primary
4 caregiver who has been issued a current registry identification
5 card under the Michigan Medical Marihuana Act.

6 **(aa)** ~~(y)~~—"Registered qualifying patient" means a qualifying
7 patient who has been issued a current registry identification card
8 under the Michigan Medical Marihuana Act or a visiting qualifying
9 patient as that term is defined in section 3 of the Michigan
10 Medical Marihuana Act, MCL 333.26423.

11 **(bb)** ~~(z)~~—"Registry identification card" means that term as
12 defined in section 3 of the Michigan Medical Marihuana Act, MCL
13 333.26423.

14 **(cc)** ~~(aa)~~—"Rules" means rules promulgated under the
15 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
16 24.328, by the marijuana regulatory agency to implement this act.

17 **(dd)** ~~(bb)~~—"Safety compliance facility" means a licensee that
18 is a commercial entity that takes marihuana from a marihuana
19 facility or receives marihuana from a registered primary caregiver,
20 tests the marihuana for contaminants and for tetrahydrocannabinol
21 and other cannabinoids, returns the test results, and may return
22 the marihuana to the marihuana facility.

23 **(ee)** ~~(cc)~~—"Secure transporter" means a licensee that is a
24 commercial entity located in this state that stores marihuana and
25 transports marihuana between marihuana facilities for a fee.

26 **(ff)** ~~(dd)~~—"Seed" means the fertilized, ungerminated, matured
27 ovule, containing an embryo or rudimentary plant, of a marihuana
28 plant that is flowering.

29 **(gg)** ~~(ee)~~—"Seedling" means a marihuana plant that has

1 germinated and has not flowered and is not harvestable.

2 **(hh)** ~~(ff)~~—"State operating license" or, unless the context
3 requires a different meaning, "license" means a license that is
4 issued under this act that allows the licensee to operate as 1 of
5 the following, specified in the license:

6 (i) A grower.

7 (ii) A processor.

8 (iii) A secure transporter.

9 (iv) A provisioning center.

10 (v) A safety compliance facility.

11 **(ii)** ~~(gg)~~—"Statewide monitoring system" or, unless the context
12 requires a different meaning, "system" means an internet-based,
13 statewide database established, implemented, and maintained by the
14 department under the marihuana tracking act, that is available to
15 licensees, law enforcement agencies, and authorized state
16 departments and agencies on a 24-hour basis for all of the
17 following:

18 (i) Verifying registry identification cards.

19 (ii) Tracking marihuana transfer and transportation by
20 licensees, including transferee, date, quantity, and price.

21 (iii) Verifying in commercially reasonable time that a transfer
22 will not exceed the limit that the patient or caregiver is
23 authorized to receive under section 4 of the Michigan Medical
24 Marihuana Act, MCL 333.26424.

25 **(jj)** ~~(hh)~~—"Tissue culture" means a marihuana plant cell,
26 cutting, tissue, or organ, that is kept under a sterile condition
27 on a nutrient culture medium of known composition and that does not
28 have visible root formation. A tissue culture is not a marihuana
29 plant for purposes of a grower.

1 **(kk)** ~~(ii)~~—"Usable marihuana" means the dried leaves, flowers,
2 plant resin, or extract of the marihuana plant, but does not
3 include the seeds, stalks, and roots of the plant.

4 Sec. 201. (1) Except as otherwise provided in this act, if a
5 person has been granted a state operating license and is operating
6 within the scope of the license, the licensee and its agents are
7 not subject to any of the following for engaging in activities
8 described in subsection (2):

9 (a) Criminal penalties under state law or local ordinances
10 regulating marihuana.

11 (b) State or local criminal prosecution for a marihuana-
12 related offense.

13 (c) State or local civil prosecution for a marihuana-related
14 offense.

15 (d) Search or inspection, except for an inspection authorized
16 under this act by law enforcement officers, the municipality, or
17 the department.

18 (e) Seizure of marihuana, real property, personal property, or
19 anything of value based on a marihuana-related offense.

20 (f) Any sanction, including disciplinary action or denial of a
21 right or privilege, by a business or occupational or professional
22 licensing board or bureau based on a marihuana-related offense.

23 (2) The following activities are protected under subsection
24 (1) if performed under a state operating license within the scope
25 of that license and in accord with this act, rules, and any
26 ordinance adopted under section 205:

27 (a) Growing marihuana.

28 (b) Purchasing, receiving, selling, transporting, or
29 transferring marihuana from or to a licensee, a licensee's agent, a

1 registered qualifying patient, or a registered primary caregiver.

2 (c) Possessing marihuana.

3 (d) Possessing or manufacturing marihuana paraphernalia for
4 medical use.

5 (e) Processing marihuana.

6 (f) Transporting marihuana.

7 (g) Testing, transferring, infusing, extracting, altering, or
8 studying marihuana.

9 (h) Receiving or providing compensation for products or
10 services.

11 (3) Except as otherwise provided in this act, a person who
12 owns or leases real property upon which a marihuana facility is
13 located **or upon which a marihuana disposer operates** and who has no
14 knowledge that the licensee **or marihuana disposer** violated this act
15 is not subject to any of the following for owning, leasing, or
16 permitting the operation of a marihuana facility **or marihuana**
17 **disposer** on the real property:

18 (a) Criminal penalties under state law or local ordinances
19 regulating marihuana.

20 (b) State or local civil prosecution based on a marihuana-
21 related offense.

22 (c) State or local criminal prosecution based on a marihuana-
23 related offense.

24 (d) Search or inspection, except for an inspection authorized
25 under this act by law enforcement officers, the municipality, or
26 the department.

27 (e) Seizure of any real or personal property or anything of
28 value based on a marihuana-related offense.

29 (f) Any sanction, including disciplinary action or denial of a

1 right or privilege, by a business or occupational or professional
2 licensing board or bureau.

3 (4) Except as otherwise provided in this act, a certified
4 public accountant who is licensed under article 7 of the
5 occupational code, 1980 PA 299, MCL 339.720 to 339.736, is not
6 subject to any of the following for engaging in the practice of
7 public accounting as that term is defined in section 720 of the
8 occupational code, 1980 PA 299, MCL 339.720, for an applicant or
9 licensee who is in compliance with this act, rules, and the
10 Michigan ~~medical marihuana act~~: **Medical Marihuana Act or a marihuana**
11 **disposer who is in compliance with this act and the rules:**

12 (a) Criminal penalties under state law or local ordinances
13 regulating marihuana.

14 (b) State or local civil prosecution based on a marihuana-
15 related offense.

16 (c) State or local criminal prosecution based on a marihuana-
17 related offense.

18 (d) Seizure of any real or personal property or anything of
19 value based on a marihuana-related offense.

20 (e) Any sanction, including disciplinary action or denial of a
21 right or privilege, by a business or occupational or professional
22 licensing board or bureau based on a marihuana-related offense.

23 (5) Except as otherwise provided in this act, a financial
24 institution is not subject to any of the following for providing a
25 financial service to a licensee ~~under this act~~: **or marihuana**
26 **disposer:**

27 (a) Criminal penalties under state law or local ordinances
28 regulating marihuana.

29 (b) State or local civil prosecution based on a marihuana-

1 related offense.

2 (c) State or local criminal prosecution based on a marihuana-
3 related offense.

4 (d) Seizure of any real or personal property or anything of
5 value based on a marihuana-related offense.

6 (e) Any sanction, including disciplinary action or denial of a
7 right or privilege, by a business or occupational or professional
8 licensing board or bureau based on a marihuana-related offense.

9 (6) For the purposes of regulating the commercial entities
10 established under this act, any provisions of the following acts
11 that are inconsistent with this act do not apply to a grower,
12 processor, secure transporter, provisioning center, ~~or~~-safety
13 compliance facility, **or marihuana disposer** operating in compliance
14 with this act:

15 (a) The business corporation act, 1972 PA 284, MCL 450.1101 to
16 450.2098.

17 (b) The nonprofit corporation act, 1982 PA 162, MCL 450.2101
18 to 450.3192.

19 (c) 1931 PA 327, MCL 450.98 to 450.192.

20 (d) The Michigan revised uniform limited partnership act, 1982
21 PA 213, MCL 449.1101 to 449.2108.

22 (e) The Michigan limited liability company act, 1993 PA 23,
23 MCL 450.4101 to 450.5200.

24 (f) 1907 PA 101, MCL 445.1 to 445.5.

25 (g) 1913 PA 164, MCL 449.101 to 449.106.

26 (h) The uniform partnership act, 1917 PA 72, MCL 449.1 to
27 449.48.

28 (7) As used in this section:

29 (a) "Financial institution" means any of the following:

- 1 (i) A state or national bank.
- 2 (ii) A state or federally chartered savings and loan
3 association.
- 4 (iii) A state or federally chartered savings bank.
- 5 (iv) A state or federally chartered credit union.
- 6 (v) An insurance company.
- 7 (vi) An entity that offers any of the following to a resident
8 of this state:
- 9 (A) A mutual fund account.
- 10 (B) A securities brokerage account.
- 11 (C) A money market account.
- 12 (D) A retail investment account.
- 13 (vii) An entity regulated by the Securities and Exchange
14 Commission that collects funds from the public.
- 15 (viii) An entity that is a member of the National Association of
16 Securities Dealers and that collects funds from the public.
- 17 (ix) Another entity that collects funds from the public.
- 18 (b) "Financial service" means a deposit; withdrawal; transfer
19 between accounts; exchange of currency; loan; extension of credit;
20 purchase or sale of any stock, bond, certificate of deposit, or
21 other monetary instrument; or any other payment, transfer, or
22 delivery by, through, or to a financial institution, by whatever
23 means effected.

24 **Sec. 202. (1) A marihuana disposer and its agents are not**
25 **subject to any of the following for engaging in the activities**
26 **described in subsection (2):**

27 **(a) Criminal penalties under state law or local ordinances**
28 **regulating marihuana.**

29 **(b) State or local criminal prosecution for a marihuana-**

1 related offense.

2 (c) State or local civil prosecution for a marihuana-related
3 offense.

4 (d) Search or inspection, except for either of the following:

5 (i) An inspection authorized under this act by law enforcement
6 officers, the municipality, or the department.

7 (ii) An inspection authorized under the natural resources and
8 environmental protection act, 1994 PA 451, MCL 324.101 to
9 324.90106.

10 (e) Seizure of marihuana, real property, personal property, or
11 anything of value based on a marihuana-related offense.

12 (f) Any sanction, including disciplinary action or denial of a
13 right or privilege, by a business or occupational or professional
14 licensing board or bureau based on a marihuana-related offense.

15 (2) The following activities performed by a marihuana disposer
16 or its agent are protected under subsection (1) if performed in
17 compliance with this act and the rules and, if applicable, the
18 natural resources and environmental protection act, 1994 PA 451,
19 MCL 324.101 to 324.90106:

20 (a) Disposing of marihuana plant waste at the marihuana
21 disposer's site or facility.

22 (b) Transporting marihuana plant waste from a licensee to the
23 marihuana disposer's site or facility.

24 Sec. 206. The marijuana regulatory agency shall promulgate
25 rules and emergency rules as necessary to implement, administer,
26 and enforce this act. The rules must ensure the safety, security,
27 and integrity of the operation of marihuana facilities, and must
28 include rules to do the following:

29 (a) Set appropriate standards for marihuana facilities and

1 associated equipment.

2 (b) Subject to section 408, establish minimum levels of
3 insurance that licensees must maintain.

4 (c) Establish operating regulations for each category of
5 license to ensure the health, safety, and security of the public
6 and the integrity of marihuana facility operations.

7 (d) Establish qualifications and restrictions for persons
8 participating in or involved with operating marihuana facilities.

9 (e) Establish testing standards, procedures, and requirements
10 for marihuana sold through provisioning centers.

11 (f) Provide for the levy and collection of fines for a
12 violation of this act or rules.

13 (g) Prescribe use of the statewide monitoring system to track
14 all marihuana transfers, as provided in the marihuana tracking act
15 and this act, and provide for a funding mechanism to support the
16 system.

17 (h) Establish quality control standards, procedures, and
18 requirements for marihuana facilities.

19 (i) Establish chain of custody standards, procedures, and
20 requirements for marihuana facilities.

21 (j) ~~Establish~~ **Subject to this subdivision, establish**
22 standards, procedures, and requirements for waste product disposal
23 and storage by marihuana facilities. **However, the marijuana**
24 **regulatory agency shall not promulgate a rule or emergency rule**
25 **that requires a marihuana facility to do any of the following:**

26 (i) **Combine marihuana plant waste with any other product.**

27 (ii) **Render marihuana plant waste unusable or unrecognizable.**

28 (k) Establish chemical storage standards, procedures, and
29 requirements for marihuana facilities.

1 (l) Establish standards, procedures, and requirements for
2 securely and safely transporting marihuana between marihuana
3 facilities.

4 (m) Establish standards, procedures, and requirements for the
5 storage of marihuana by marihuana facilities.

6 (n) Establish labeling and packaging standards, procedures,
7 and requirements for marihuana sold or transferred through
8 provisioning centers, including, but not limited to:

9 (i) A prohibition on labeling or packaging that is intended to
10 appeal to or has the effect of appealing to minors.

11 (ii) A requirement that all marihuana sold through provisioning
12 centers include on the exterior of the marihuana packaging the
13 following warning printed in clearly legible type and surrounded by
14 a continuous heavy line:

15 WARNING: USE BY PREGNANT OR BREASTFEEDING WOMEN, OR BY
16 WOMEN PLANNING TO BECOME PREGNANT, MAY RESULT IN FETAL
17 INJURY, PRETERM BIRTH, LOW BIRTH WEIGHT, OR DEVELOPMENTAL
18 PROBLEMS FOR THE CHILD.

19 (o) Establish daily and monthly purchasing limits at
20 provisioning centers for registered qualifying patients and
21 registered primary caregivers to ensure compliance with the
22 Michigan Medical Marihuana Act.

23 (p) Establish marketing and advertising restrictions for
24 marihuana products and marihuana facilities.

25 (q) Establish maximum tetrahydrocannabinol levels for
26 marihuana-infused products sold or transferred through provisioning
27 centers.

28 (r) Establish health standards to ensure the safe preparation
29 of products containing marihuana that are intended for human

1 consumption in a manner other than smoke inhalation.

2 (s) Establish restrictions on edible marihuana-infused
3 products to prohibit shapes that would appeal to minors.

4 (t) Establish standards, procedures, and requirements for the
5 sale of industrial hemp from a provisioning center to a registered
6 qualified patient. The rules promulgated under this subdivision
7 must be promulgated before March 1, 2019.

8 (u) Establish informational pamphlet standards for
9 provisioning centers including, but not limited to, a requirement
10 to make available to every patron at the time of sale a pamphlet
11 measuring 3.5 inches by 5 inches that includes safety information
12 related to marihuana use by minors and the poison control hotline
13 number.

14 (v) Establish procedures and standards for approving an
15 appointee to operate a marihuana facility under section 206a.

16 Sec. 501. (1) A grower license authorizes the grower to grow
17 not more than the following number of marihuana plants under the
18 indicated license class for each license the grower holds in that
19 class:

20 (a) Class A - 500 marihuana plants.

21 (b) Class B - 1,000 marihuana plants.

22 (c) Class C - 1,500 marihuana plants.

23 (2) Except as otherwise provided in this subsection, a grower
24 license authorizes sale of marihuana plants to a grower only by
25 means of a secure transporter. A grower license authorizes the sale
26 or transfer of seeds, seedlings, or tissue cultures to a grower
27 from a registered primary caregiver or another grower without using
28 a secure transporter.

29 (3) A grower license authorizes a grower to transfer marihuana

1 without using a secure transporter to a processor or provisioning
2 center if both of the following are met:

3 (a) The processor or provisioning center occupies the same
4 location as the grower and the marihuana is transferred using only
5 private real property without accessing public roadways.

6 (b) The grower enters each transfer into the statewide
7 monitoring system.

8 (4) A grower license authorizes sale of marihuana, other than
9 seeds, seedlings, tissue cultures, and cuttings, to a processor or
10 provisioning center.

11 (5) Except as otherwise provided in subsections (2) and (3)
12 and section 505, a grower license authorizes the grower to transfer
13 marihuana only by means of a secure transporter.

14 (6) To be eligible for a grower license, the applicant and
15 each investor in the grower must not have an interest in a secure
16 transporter or safety compliance facility.

17 (7) Until December 31, 2018, for a period of 30 days after the
18 issuance of a grower license and in accord with rules, a grower may
19 transfer any of the following that are lawfully possessed by an
20 individual formerly registered as a primary caregiver who is an
21 active employee of the grower:

22 (a) Marihuana plants.

23 (b) Seeds.

24 (c) Seedlings.

25 (8) A grower shall comply with all of the following:

26 (a) Until December 31, 2021, have, or have as an active
27 employee an individual who has, a minimum of 2 years' experience as
28 a registered primary caregiver.

29 (b) While holding a license as a grower, not be a registered

1 primary caregiver and not employ an individual who is
2 simultaneously a registered primary caregiver.

3 (c) Enter all transactions, current inventory, and other
4 information into the statewide monitoring system as required in
5 this act, rules, and the marihuana tracking act.

6 (9) A grower license does not authorize the grower to operate
7 in an area unless the area is zoned for industrial or agricultural
8 uses or is unzoned and otherwise meets the requirements established
9 in section 205(1).

10 **(10) A grower license authorizes a grower to transfer**
11 **marihuana plant waste to a marihuana disposer. A grower license**
12 **does not authorize a grower to transport marihuana plant waste.**

13 Sec. 502. (1) A processor license authorizes purchase of
14 marihuana only from a grower and sale of marihuana-infused products
15 or marihuana only to a provisioning center or another processor.

16 (2) Except as otherwise provided in section 505 and this
17 subsection, a processor license authorizes the processor to
18 transfer marihuana only by means of a secure transporter. A
19 processor license authorizes a processor to transfer marihuana
20 without using a secure transporter to a grower or provisioning
21 center if both of the following are met:

22 (a) The grower or provisioning center occupies the same
23 location as the processor and the marihuana is transferred using
24 only private real property without accessing public roadways.

25 (b) The processor enters each transfer into the statewide
26 monitoring system.

27 (3) To be eligible for a processor license, the applicant and
28 each investor in the processor must not have an interest in a
29 secure transporter or safety compliance facility.

1 (4) Until December 31, 2018, for a period of 30 days after the
 2 issuance of a processor license and in accord with rules, a
 3 processor may transfer any of the following that are lawfully
 4 possessed by an individual formerly registered as a primary
 5 caregiver who is an active employee of the processor:

6 (a) Marihuana plants.

7 (b) Usable marihuana.

8 (5) A processor shall comply with all of the following:

9 (a) Until December 31, 2021, have, or have as an active
 10 employee an individual who has, a minimum of 2 years' experience as
 11 a registered primary caregiver.

12 (b) While holding a license as a processor, not be a
 13 registered primary caregiver and not employ an individual who is
 14 simultaneously a registered primary caregiver.

15 (c) Enter all transactions, current inventory, and other
 16 information into the statewide monitoring system as required in
 17 this act, rules, and the marihuana tracking act.

18 (6) This act does not prohibit a processor from handling,
 19 processing, marketing, or brokering, as those terms are defined in
 20 section 2 of the industrial hemp research and development act, MCL
 21 286.842, industrial hemp.

22 **(7) A processor license authorizes a processor to transfer**
 23 **marihuana plant waste to a marihuana disposer. A processor license**
 24 **does not authorize a processor to transport marihuana plant waste.**

25 Sec. 503. (1) A secure transporter license authorizes the
 26 licensee to store and transport marihuana and money associated with
 27 the purchase or sale of marihuana between marihuana facilities for
 28 a fee upon request of a person with legal custody of that marihuana
 29 or money. It does not authorize transport to a registered

1 qualifying patient or registered primary caregiver. If a secure
2 transporter has its primary place of business in a municipality
3 that has adopted an ordinance under section 205 authorizing that
4 marihuana facility, the secure transporter may travel through any
5 municipality.

6 (2) To be eligible for a secure transporter license, the
7 applicant and each investor with an interest in the secure
8 transporter must not have an interest in a grower, processor,
9 provisioning center, or safety compliance facility and must not be
10 a registered qualifying patient or a registered primary caregiver.

11 (3) A secure transporter shall enter all transactions, current
12 inventory, and other information into the statewide monitoring
13 system as required in this act, rules, and the marihuana tracking
14 act.

15 (4) A secure transporter shall comply with all of the
16 following:

17 (a) Each driver transporting marihuana must have a chauffeur's
18 license issued by this state.

19 (b) Each employee who has custody of marihuana or money that
20 is related to a marihuana transaction shall not have been convicted
21 of or released from incarceration for a felony under the laws of
22 this state, any other state, or the United States within the past 5
23 years or have been convicted of a misdemeanor involving a
24 controlled substance within the past 5 years.

25 (c) Each vehicle must be operated with a 2-person crew with at
26 least 1 individual remaining with the vehicle at all times during
27 the transportation of marihuana.

28 (d) A route plan and manifest must be entered into the
29 statewide monitoring system, and a copy must be carried in the

1 transporting vehicle and presented to a law enforcement officer
2 upon request.

3 (e) The marihuana must be transported in 1 or more sealed
4 containers and not be accessible while in transit.

5 (f) A secure transporting vehicle must not bear markings or
6 other indication that it is carrying marihuana or a marihuana-
7 infused product.

8 (5) A secure transporter is subject to administrative
9 inspection by a law enforcement officer at any point during the
10 transportation of marihuana to determine compliance with this act.

11 **(6) A secure transporter license authorizes a secure**
12 **transporter to transfer marihuana plant waste to a marihuana**
13 **disposer and transport marihuana plant waste from a licensee to a**
14 **marihuana disposer's site or facility.**

15 Sec. 504. (1) A provisioning center license authorizes the
16 purchase or transfer of marihuana only from a grower or processor
17 and sale or transfer to only a registered qualifying patient or
18 registered primary caregiver. Except as otherwise provided in
19 section 505 and this subsection, all transfers of marihuana to a
20 provisioning center from a separate marihuana facility must be by
21 means of a secure transporter. A transfer of marihuana to a
22 provisioning center from a marihuana facility that occupies the
23 same location as the provisioning center does not require a secure
24 transporter if the marihuana is transferred to the provisioning
25 center using only private real property without accessing public
26 roadways.

27 (2) A provisioning center license authorizes the provisioning
28 center to transfer marihuana to or from a safety compliance
29 facility for testing by means of a secure transporter or as

1 provided in section 505.

2 (3) To be eligible for a provisioning center license, the
3 applicant and each investor in the provisioning center must not
4 have an interest in a secure transporter or safety compliance
5 facility.

6 (4) A provisioning center shall comply with all of the
7 following:

8 (a) Sell or transfer marihuana to a registered qualifying
9 patient or registered primary caregiver only after it has been
10 tested and bears the label required for retail sale.

11 (b) Enter all transactions, current inventory, and other
12 information into the statewide monitoring system as required in
13 this act, rules, and the marihuana tracking act.

14 (c) Before selling or transferring marihuana to a registered
15 qualifying patient or to a registered primary caregiver on behalf
16 of a registered qualifying patient, inquire of the statewide
17 monitoring system to determine whether the patient and, if
18 applicable, the caregiver hold a valid, current, unexpired, and
19 unrevoked registry identification card and that the sale or
20 transfer will not exceed the daily and monthly purchasing limit
21 established by the medical marihuana licensing board under this
22 act.

23 (d) Not allow the sale, consumption, or use of alcohol or
24 tobacco products on the premises.

25 (e) Not allow a physician to conduct a medical examination or
26 issue a medical certification document on the premises for the
27 purpose of obtaining a registry identification card.

28 **(5) A provisioning center license authorizes a provisioning**
29 **center to transfer marihuana plant waste to a marihuana disposer. A**

**1 provisioning center license does not authorize a provisioning
2 center to transport marihuana plant waste.**

3 Sec. 505. (1) In addition to transfer and testing authorized
4 in section 203, a safety compliance facility license authorizes the
5 safety compliance facility to do all of the following without using
6 a secure transporter:

7 (a) Take marihuana from, test marihuana for, and return
8 marihuana to only a marihuana facility.

9 (b) Collect a random sample of marihuana at the marihuana
10 facility of a grower, processor, or provisioning center for
11 testing.

12 (2) A safety compliance facility must be accredited by an
13 entity approved by the board by 1 year after the date the license
14 is issued or have previously provided drug testing services to this
15 state or this state's court system and be a vendor in good standing
16 in regard to those services. The board may grant a variance from
17 this requirement upon a finding that the variance is necessary to
18 protect and preserve the public health, safety, or welfare.

19 (3) To be eligible for a safety compliance facility license,
20 the applicant and each investor with any interest in the safety
21 compliance facility must not have an interest in a grower, secure
22 transporter, processor, or provisioning center.

23 (4) A safety compliance facility shall comply with all of the
24 following:

25 (a) Perform tests to certify that marihuana is reasonably free
26 of chemical residues such as fungicides and insecticides.

27 (b) Use validated test methods to determine
28 tetrahydrocannabinol, tetrahydrocannabinol acid, cannabidiol, and
29 cannabidiol acid levels.

1 (c) Perform tests that determine whether marihuana complies
2 with the standards the board establishes for microbial and
3 mycotoxin contents.

4 (d) Perform other tests necessary to determine compliance with
5 any other good manufacturing practices as prescribed in rules.

6 (e) Enter all transactions, current inventory, and other
7 information into the statewide monitoring system as required in
8 this act, rules, and the marihuana tracking act.

9 (f) Have a secured laboratory space that cannot be accessed by
10 the general public.

11 (g) Retain and employ at least 1 staff member with a relevant
12 advanced degree in a medical or laboratory science.

13 (5) This act does not prohibit a safety compliance facility
14 from taking or receiving industrial hemp for testing purposes and
15 testing the industrial hemp pursuant to the industrial hemp
16 research and development act.

17 **(6) A safety compliance facility license authorizes a safety**
18 **compliance facility to transfer marihuana plant waste to a**
19 **marihuana disposer. A safety compliance facility license does not**
20 **authorize a safety compliance facility to transport marihuana plant**
21 **waste.**

22 Enacting section 1. This amendatory act does not take effect
23 unless Senate Bill No. ____ or House Bill No. 6057 (request no.
24 03053'21) of the 101st Legislature is enacted into law.