

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5965

A bill to amend 2016 PA 281, entitled
"Medical marihuana facilities licensing act,"
by amending section 102 (MCL 333.27102), as amended by 2021 PA 57.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 102. As used in this act:

2 (a) "Advisory panel" or "panel" means the ~~marijuana~~**cannabis**
3 regulatory agency.

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

9 (c) "Applicant" means a person who applies for a state

1 operating license. Applicant includes, with respect to disclosures
2 in an application, for purposes of ineligibility for a license
3 under section 402, or for purposes of prior ~~marijuana~~**cannabis**
4 regulatory agency approval of a transfer of interest under section
5 406, ~~and only for applications submitted on or after January 1,~~
6 ~~2019,~~ a managerial employee of the applicant, a person holding a
7 direct or indirect ownership interest of more than 10% in the
8 applicant, and the following for each type of applicant:

9 (i) For an individual or sole proprietorship: the proprietor.
10 ~~and the proprietor's spouse.~~

11 (ii) For a partnership and limited liability partnership: all
12 partners. ~~and their spouses.~~ For a limited partnership and limited
13 liability limited partnership: all general and limited partners,
14 not including a limited partner holding a direct or indirect
15 ownership interest of 10% or less and who does not exercise control
16 over or participate in the management of the partnership. ~~, and~~
17 ~~their spouses.~~ For a limited liability company: all members and
18 managers, not including a member holding a direct or indirect
19 ownership interest of 10% or less and who does not exercise control
20 over or participate in the management of the company. ~~, and their~~
21 ~~spouses.~~

22 (iii) For a privately held corporation: all corporate officers
23 or persons with equivalent titles, ~~and their spouses,~~ all
24 directors, ~~and their spouses,~~ and all stockholders, not including
25 those holding a direct or indirect ownership interest of 10% or
26 less. ~~, and their spouses.~~

27 (iv) For a publicly held corporation: all corporate officers or
28 persons with equivalent titles, ~~and their spouses,~~ all directors,
29 ~~and their spouses,~~ and all stockholders, not including those

1 holding a direct or indirect ownership interest of 10% or less. ~~7~~
 2 ~~and their spouses.~~

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

7 (vi) For a nonprofit corporation: all individuals and entities
 8 with membership or shareholder rights in accordance with the
 9 articles of incorporation or the bylaws. ~~and the spouses of the~~
 10 ~~individuals.~~

11 (d) "Board" means the ~~marijuana~~ **cannabis** regulatory agency.

12 (e) **"Cannabis regulatory agency" means the marijuana**
 13 **regulatory agency created under Executive Reorganization Order No.**
 14 **2019-2, MCL 333.27001, and renamed the cannabis regulatory agency**
 15 **under Executive Reorganization Order No. 2022-1, MCL 333.27002.**

16 (f) ~~(e)~~ "Cutting" means a section of a lead stem or root stock
 17 that is used for vegetative asexual propagation.

18 (g) ~~(f)~~ "Department" means the department of licensing and
 19 regulatory affairs.

20 (h) ~~(g)~~ "Grower" means a licensee that is a commercial entity
 21 located in this state that ~~cultivates, dries, trims, or cures and~~
 22 ~~packages marihuana for sale to a processor, provisioning center, or~~
 23 ~~another grower.~~ **holds a grower license.**

24 (i) ~~(h)~~ "Industrial hemp" means that term as defined in
 25 section 3 of the Michigan Regulation and Taxation of Marihuana Act,
 26 2018 IL 1, MCL 333.27953.

27 (j) ~~(i)~~ "Industrial hemp research and development act" means
 28 the industrial hemp research and development act, 2014 PA 547, MCL
 29 286.841 to 286.859.

1 (k) ~~(j)~~—"Licensee" means a person holding a state operating
2 license.

3 (l) ~~(k)~~—"Marihuana" means that term as defined in section 3 of
4 the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1,
5 MCL 333.27953.

6 (m) ~~(l)~~—"Marihuana facility" means a location at which a
7 licensee is licensed to operate under this act.

8 (n) ~~(m)~~—"Marihuana plant" means any plant of the species
9 *Cannabis sativa* L. Marihuana plant does not include industrial
10 hemp.

11 (o) ~~(n)~~—"Marihuana-infused product" means that term as defined
12 in section 3 of the Michigan Regulation and Taxation of Marihuana
13 Act, 2018 IL 1, MCL 333.27953.

14 (p) ~~(o)~~—"Marihuana tracking act" means the marihuana tracking
15 act, 2016 PA 282, MCL 333.27901 to 333.27904.

16 (q) ~~(p)~~—"Marijuana regulatory agency" means the ~~marijuana~~
17 ~~regulatory agency created under Executive Reorganization Order No.~~
18 ~~2019-2, MCL 333.27001.~~ **cannabis regulatory agency.**

19 (r) ~~(q)~~ ~~"Michigan medical marihuana act"~~—"Michigan Medical
20 **Marihuana Act**" means the Michigan Medical Marihuana Act, 2008 IL 1,
21 MCL 333.26421 to 333.26430.

22 (s) ~~(r)~~—"Municipality" means a city, township, or village.

23 (t) ~~(s)~~—"Paraphernalia" means any equipment, product, or
24 material of any kind that is designed for or used in growing,
25 cultivating, producing, manufacturing, compounding, converting,
26 storing, processing, preparing, transporting, injecting, smoking,
27 ingesting, inhaling, or otherwise introducing into the human body,
28 marihuana.

29 (u) ~~(t)~~—"Person" means an individual, corporation, limited

1 liability company, partnership, limited partnership, limited
 2 liability partnership, limited liability limited partnership,
 3 trust, or other legal entity.

4 (v) ~~(u)~~—"Plant" means any living organism that produces its
 5 own food through photosynthesis and has observable root formation
 6 or is in growth material.

7 (w) ~~(v)~~—"Processor" means a licensee that is a commercial
 8 entity located in this state that ~~purchases marihuana from a grower~~
 9 ~~and that extracts resin from the marihuana or creates a marihuana-~~
 10 ~~infused product for sale and transfer in packaged form to a~~
 11 ~~provisioning center or another processor.~~ **holds a processor license.**

12 (x) ~~(w)~~—"Provisioning center" means a licensee that is a
 13 commercial entity located in this state that ~~purchases marihuana~~
 14 ~~from a grower or processor and sells, supplies, or provides~~
 15 ~~marihuana to registered qualifying patients, directly or through~~
 16 ~~the patients' registered primary caregivers.~~ **holds a provisioning**
 17 **center license.** Provisioning center includes any commercial
 18 property where marihuana is sold at retail to registered qualifying
 19 patients or registered primary caregivers. A noncommercial location
 20 used by a registered primary caregiver to assist a qualifying
 21 patient connected to the caregiver through the ~~department's~~
 22 **cannabis regulatory agency's** marihuana registration process in
 23 accordance with the Michigan Medical Marihuana Act is not a
 24 provisioning center for purposes of this act.

25 (y) ~~(x)~~—"Registered primary caregiver" means a primary
 26 caregiver who has been issued a current registry identification
 27 card under the Michigan Medical Marihuana Act.

28 (z) ~~(y)~~—"Registered qualifying patient" means a qualifying
 29 patient who has been issued a current registry identification card

1 under the Michigan Medical Marihuana Act or a visiting qualifying
 2 patient as that term is defined in section 3 of the Michigan
 3 Medical Marihuana Act, MCL 333.26423.

4 (aa) ~~(z)~~—"Registry identification card" means that term as
 5 defined in section 3 of the Michigan Medical Marihuana Act, MCL
 6 333.26423.

7 (bb) ~~(aa)~~—"Rules" means rules promulgated under the
 8 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
 9 24.328, by the ~~marijuana~~ **cannabis** regulatory agency to implement
 10 this act.

11 (cc) ~~(bb)~~—"Safety compliance facility" means a licensee that
 12 is a commercial entity that ~~takes marihuana from a marihuana~~
 13 ~~facility or receives marihuana from a registered primary caregiver,~~
 14 ~~tests the marihuana for contaminants and for tetrahydrocannabinol~~
 15 ~~and other cannabinoids, returns the test results, and may return~~
 16 ~~the marihuana to the marihuana facility.~~ **holds a safety compliance**
 17 **facility license.**

18 (dd) ~~(ee)~~—"Secure transporter" means a licensee that is a
 19 commercial entity located in this state that ~~stores marihuana and~~
 20 ~~transports marihuana between marihuana facilities for a fee.~~ **holds a**
 21 **secure transporter license.**

22 (ee) ~~(dd)~~—"Seed" means the fertilized, ungerminated, matured
 23 ovule, containing an embryo or rudimentary plant, of a marihuana
 24 plant that is flowering.

25 (ff) ~~(ee)~~—"Seedling" means a marihuana plant that has
 26 germinated and has not flowered and is not harvestable.

27 (gg) ~~(ff)~~—"State operating license" or, unless the context
 28 requires a different meaning, "license" means a license that is
 29 issued under this act that allows the licensee to operate as 1 of

1 the following, specified in the license:

2 (i) A grower.

3 (ii) A processor.

4 (iii) A secure transporter.

5 (iv) A provisioning center.

6 (v) A safety compliance facility.

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

14 (i) Verifying registry identification cards.

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

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

21 **(ii)** ~~(hh)~~ "Tissue culture" means a marihuana plant cell,
22 cutting, tissue, or organ, that is kept under a sterile condition
23 on a nutrient culture medium of known composition and that does not
24 have visible root formation. A tissue culture is not a marihuana
25 plant for purposes of a grower.

26 **(jj)** ~~(ii)~~ "Usable marihuana" means the dried leaves, flowers,
27 plant resin, or extract of the marihuana plant, but does not
28 include the seeds, stalks, and roots of the plant.

29 Enacting section 1. This amendatory act takes effect 90 days

1 after the date it is enacted into law.

2 Enacting section 2. This amendatory act does not take effect
3 unless House Bill No. 5871 of the 101st Legislature is enacted into
4 law.