

**STATE OF MICHIGAN  
101ST LEGISLATURE  
REGULAR SESSION OF 2022**

Introduced by Reps. Outman and Alexander

**ENROLLED HOUSE BILL No. 5839**

AN ACT to amend 2018 IL 1, entitled “An initiation of legislation to allow under state law the personal possession and use of marihuana by persons 21 years of age or older; to provide for the lawful cultivation and sale of marihuana and industrial hemp by persons 21 years of age or older; to permit the taxation of revenue derived from commercial marihuana facilities; to permit the promulgation of administrative rules; and to prescribe certain penalties for violations of this act. If not enacted by the Michigan State Legislature in accordance with the Michigan Constitution of 1963, the proposed legislation is to be voted on at the General Election, November 6, 2018,” by amending section 7 (MCL 333.27957).

*The People of the State of Michigan enact:*

Sec. 7. (1) The cannabis regulatory agency is responsible for implementing this act and has the powers and duties necessary to control the commercial production and distribution of marihuana. The cannabis regulatory agency shall do all of the following:

- (a) Promulgate rules pursuant to section 8 that are necessary to implement, administer, and enforce this act.
- (b) Subject to subsection (2), grant or deny each application for licensure and investigate each applicant to determine eligibility for licensure, including by conducting a background investigation of each person holding an ownership interest in the applicant. If an applicant has a spouse and does not submit an attestation under subsection (3), the applicant’s spouse is considered an applicant for purposes of this subdivision.

(c) Ensure that marihuana establishments comply with this act and the rules promulgated under this act by doing all of the following:

(i) Performing investigations of compliance and regular inspections of marihuana establishments.

(ii) Taking appropriate disciplinary action against a licensee, including prescribing civil fines for violations of this act or the rules promulgated under this act and suspending, restricting, or revoking a state license.

(d) Hold at least 4 public meetings each calendar year for the purpose of hearing complaints and receiving the views of the public with respect to administration of this act.

(e) Collect fees for licensure and fines for violations of this act or the rules promulgated under this act.

(f) Deposit all fees collected for licensure into the marihuana regulation fund established under section 14 and remit all fines collected for deposit into the general fund.

(g) Submit an annual report to the governor that includes all of the following information for the immediately preceding year:

(i) The number of state licenses of each class issued.

(ii) Demographic information of licensees.

(iii) A description of enforcement and disciplinary actions taken against licensees.

(iv) A statement of revenues and expenses of the cannabis regulatory agency related to the implementation, administration, and enforcement of this act.

(h) Employ personnel as necessary to adequately perform its duties under this act.

(2) If an applicant submits an attestation under subsection (3), the cannabis regulatory agency shall not, in exercising its duties under subsection (1)(b), do any of the following:

(a) Conduct a background investigation of the applicant's spouse.

(b) Require the applicant's spouse to submit an application for licensure.

(c) Deny the applicant's application for licensure solely because the applicant's spouse is a member of or employed by a regulatory body of a governmental unit in this state, another state, or the federal government, or is employed by a governmental unit of this state, unless 1 of the following conditions applies:

(i) The spouse's position creates a conflict of interest.

(ii) The spouse's position is within the cannabis regulatory agency.

(iii) The spouse's position is within a regulatory body of a governmental unit in this state, another state, or the federal government that makes decisions regarding marihuana.

(3) If an applicant has a spouse, the applicant may submit to the cannabis regulatory agency an attestation, on a form and in a manner as prescribed by the cannabis regulatory agency, that states that all of the following are true:

(a) The applicant's spouse does not control or direct the affairs of a marihuana establishment.

(b) The applicant's spouse does not have the ability to make policy decisions regarding a marihuana establishment.

(c) The applicant's spouse is not an applicant for a state license.

(d) If the applicant is granted a state license, the applicant's spouse will not control or direct the affairs of the applicant's marihuana establishment or have the ability to make policy decisions regarding the applicant's marihuana establishment.

(e) If the applicant's spouse has a position described in subsection (2)(c), none of the conditions listed in subsection (2)(c)(i) to (iii) apply.

(4) The cannabis regulatory agency may enter into an agreement with an advisor or consultant as necessary to adequately perform its duties under this act.

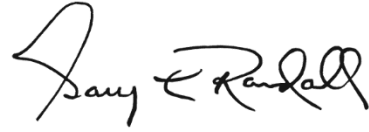
(5) A person who has a pecuniary interest, directly or indirectly, in a marihuana establishment must not be an employee, advisor, or consultant involved in the implementation, administration, or enforcement of this act. An employee, advisor, or consultant of the cannabis regulatory agency is not personally liable for any action at law for damages sustained by a person because of an action performed or done in the performance of the employee's, advisor's, or consultant's duties in the implementation, administration, or enforcement of this act.

(6) The department of state police shall cooperate with and assist the cannabis regulatory agency in conducting background investigations of applicants.

(7) As used in this section, "cannabis regulatory agency" means the marijuana regulatory agency and renamed the cannabis regulatory agency under Executive Reorganization Order No. 2022-1, MCL 333.27002.

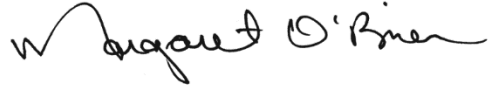
Enacting section 1. This amendatory act takes effect 90 days after the date it is enacted into law.

This act is ordered to take immediate effect.



---

Clerk of the House of Representatives



---

Secretary of the Senate

Approved \_\_\_\_\_

---

Governor