

# HOUSE BILL NO. 4609

April 13, 2021, Introduced by Reps. Hammoud, Whiteford, Damoose, Thanedar, Weiss, Aiyash, O'Neal, Frederick, Paquette, Bezotte, LaGrand, Wozniak and Meerman and referred to the Committee on Regulatory Reform.

A bill to amend 2018 IL 1, entitled  
"Michigan Regulation and Taxation of Marihuana Act,"  
by amending sections 3, 8, and 11 (MCL 333.27953, 333.27958, and  
333.27961), sections 3 and 8 as amended by 2020 PA 208.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1       Sec. 3. As used in this act:
- 2       (a) "Billboard" means that term as defined in section 2 of the
- 3 highway advertising act of 1972, 1972 PA 106, MCL 252.302.
- 4       (b) ~~(a)~~"Cultivate" means to propagate, breed, grow, harvest,

1 dry, cure, or separate parts of the marihuana plant by manual or  
2 mechanical means.

3 (c) ~~(b)~~—"Department" means the department of licensing and  
4 regulatory affairs.

5 (d) **"Digital billboard" means that term as defined in section**  
6 **2 of the highway advertising act of 1972, 1972 PA 106, MCL 252.302.**

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

14 (f) ~~(d)~~—"Licensee" means a person holding a state license.

15 (g) ~~(e)~~—"Marihuana" means all parts of the plant of the genus  
16 *Cannabis*, growing or not; the seeds of the plant; the resin  
17 extracted from any part of the plant; and every compound,  
18 manufacture, salt, derivative, mixture, or preparation of the plant  
19 or its seeds or resin, including marihuana concentrate and  
20 marihuana-infused products. Marihuana does not include any of the  
21 following:

22 (i) The mature stalks of the plant, fiber produced from the  
23 mature stalks, oil or cake made from the seeds of the plant, or any  
24 other compound, manufacture, salt, derivative, mixture, or  
25 preparation of the mature stalks.

26 (ii) Industrial hemp.

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

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

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

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

9 (j) ~~(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 marijuana regulatory agency.

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

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

21 (m) ~~(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 (n) ~~(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           **(o)** ~~(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           **(p)** ~~(n)~~—"Marihuana secure transporter" means a person licensed  
6 to obtain marihuana from marihuana establishments in order to  
7 transport marihuana to marihuana establishments.

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

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

14           **(s)** ~~(q)~~—"Municipal license" means a license issued by a  
15 municipality pursuant to section 16 that allows a person to operate  
16 a marihuana establishment in that municipality.

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

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

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

25           **(w)** ~~(u)~~—"State license" means a license issued by the  
26 marijuana regulatory agency that allows a person to operate a  
27 marihuana establishment.

28           **(x)** ~~(v)~~—"Unreasonably impracticable" means that the measures  
29 necessary to comply with the rules or ordinances adopted pursuant

1 to this act subject licensees to unreasonable risk or require such  
2 a high investment of money, time, or any other resource or asset  
3 that a reasonably prudent businessperson would not operate the  
4 marihuana establishment.

5 Sec. 8. (1) The marijuana regulatory agency shall promulgate  
6 rules to implement and administer this act that include all of the  
7 following:

8 (a) Procedures for issuing a state license pursuant to section  
9 9 and for renewing, suspending, and revoking a state license.

10 (b) A schedule of fees in amounts not more than necessary to  
11 pay for implementation, administration, and enforcement costs of  
12 this act and that relate to the size of each licensee or the volume  
13 of business conducted by the licensee.

14 (c) Qualifications for licensure that are directly and  
15 demonstrably related to the operation of a marihuana establishment.  
16 However, a prior conviction solely for a marihuana-related offense  
17 does not disqualify an individual or otherwise affect eligibility  
18 for licensure, unless the offense involved distribution of a  
19 controlled substance to a minor.

20 (d) Requirements and standards for safe cultivation,  
21 processing, and distribution of marihuana by marihuana  
22 establishments, including health standards to ensure the safe  
23 preparation of marihuana-infused products and prohibitions on  
24 pesticides that are not safe for use on marihuana.

25 (e) Testing, packaging, and labeling standards, procedures,  
26 and requirements for marihuana, including, but not limited to, all  
27 of the following:

28 (i) A maximum tetrahydrocannabinol level for marihuana-infused  
29 products.

1           (ii) A requirement that a representative sample of marihuana be  
2 tested by a marihuana safety compliance facility.

3           (iii) A requirement that the amount of marihuana or marihuana  
4 concentrate contained within a marihuana-infused product be  
5 specified on the product label.

6           (iv) A requirement that all marihuana sold through marihuana  
7 retailers and marihuana microbusinesses include on the exterior of  
8 the marihuana packaging the following warning printed in clearly  
9 legible type and surrounded by a continuous heavy line:

10           WARNING: USE BY PREGNANT OR BREASTFEEDING WOMEN, OR BY  
11           WOMEN PLANNING TO BECOME PREGNANT, MAY RESULT IN FETAL  
12           INJURY, PRETERM BIRTH, LOW BIRTH WEIGHT, OR DEVELOPMENTAL  
13           PROBLEMS FOR THE CHILD.

14           (f) Security requirements, including lighting, physical  
15 security, and alarm requirements, and requirements for securely  
16 transporting marihuana between marihuana establishments. The  
17 requirements described in this subdivision must not prohibit  
18 cultivation of marihuana outdoors or in greenhouses.

19           (g) Record keeping requirements for marihuana establishments  
20 and monitoring requirements to track the transfer of marihuana by  
21 licensees.

22           (h) Requirements for the operation of marihuana secure  
23 transporters to ensure that all marihuana establishments are  
24 properly serviced.

25           (i) ~~Reasonable~~ **Subject to section 11(7), reasonable**  
26 restrictions on advertising, marketing, and display of marihuana  
27 and marihuana establishments.

28           (j) A plan to promote and encourage participation in the  
29 marihuana industry by people from communities that have been

1 disproportionately impacted by marihuana prohibition and  
2 enforcement and to positively impact those communities.

3 (k) Penalties for failure to comply with any rule promulgated  
4 pursuant to this section or for any violation of this act by a  
5 licensee, including civil fines and suspension, revocation, or  
6 restriction of a state license.

7 (l) Informational pamphlet standards for marihuana retailers  
8 and marihuana microbusinesses, including, but not limited to, a  
9 requirement to make available to every customer at the time of sale  
10 a pamphlet measuring 3.5 inches by 5 inches that includes safety  
11 information related to marihuana use by minors and the poison  
12 control hotline number.

13 (m) Procedures and standards for approving an appointee to  
14 operate a marihuana establishment under section 9a.

15 (2) The marijuana regulatory agency may promulgate rules to do  
16 any of the following:

17 (a) Provide for the issuance of additional types or classes of  
18 state licenses to operate marihuana-related businesses, including  
19 licenses that authorize any of the following:

20 (i) Limited cultivation, processing, transportation, delivery,  
21 storage, sale, or purchase of marihuana.

22 (ii) Consumption of marihuana within designated areas.

23 (iii) Consumption of marihuana at special events in limited  
24 areas and for a limited time.

25 (iv) Cultivation for purposes of propagation.

26 (v) Facilitation of scientific research or education.

27 (b) Regulate the cultivation, processing, distribution, and  
28 sale of industrial hemp.

29 (3) The marijuana regulatory agency shall not promulgate a

1 rule that does any of the following:

2 (a) Establishes a limit on the number of any type of state  
3 ~~licenses~~**license** that may be granted.

4 (b) Requires a customer to provide a marihuana retailer with  
5 identifying information other than identification to determine the  
6 customer's age or requires the marihuana retailer to acquire or  
7 record personal information about customers other than information  
8 typically required in a retail transaction.

9 (c) Prohibits a marihuana establishment from operating at a  
10 shared location of a marihuana facility operating pursuant to the  
11 medical marihuana facilities licensing act, 2016 PA 281, MCL  
12 333.27101 to 333.27801, or prohibits a marihuana grower, marihuana  
13 processor, or marihuana retailer from operating within a single  
14 facility.

15 (d) Is unreasonably impracticable.

16 (4) A rule promulgated under this act must be promulgated  
17 pursuant to the administrative procedures act of 1969, 1969 PA 306,  
18 MCL 24.201 to 24.328.

19 Sec. 11. **(1)** ~~(a)~~A marihuana establishment ~~may~~**shall** not allow  
20 ~~cultivation, processing, sale,~~**do any of the following:**

21 **(a) Cultivate, process, sell,** or display ~~of~~ marihuana or **sell**  
22 **or display** marihuana accessories ~~to be~~**if the cultivating,**  
23 **processing, selling, or displaying is** visible from a public place  
24 outside of the marihuana establishment without the use of  
25 binoculars, aircraft, or other optical aids.

26 ~~(b) A marihuana establishment may not cultivate,~~**Cultivate,**  
27 process, test, or store marihuana at any location other than a  
28 physical address approved by the ~~department and within an enclosed~~  
29 ~~area that is secured in a manner that prevents access by persons~~



1 ~~not permitted by the marihuana establishment to access the~~  
 2 ~~area.~~ **marijuana regulatory agency.**

3 (c) **Allow an individual who is younger than 21 years of age to**  
 4 **volunteer or work for the marihuana establishment.**

5 (d) **Sell or otherwise transfer marihuana that was not**  
 6 **produced, distributed, and taxed in compliance with this act.**

7 (e) **Sell or otherwise transfer tobacco.**

8 (2) A marihuana establishment shall ~~secure~~ **comply with all or**  
 9 **the following:**

10 (a) **Cultivate, process, test, and store marihuana within an**  
 11 **enclosed area that is secured in a manner that prevents access by**  
 12 **persons not allowed by the marihuana establishment to access the**  
 13 **area.**

14 (b) **Secure** every entrance to the **marihuana** establishment so  
 15 that access to areas containing marihuana is restricted to  
 16 ~~employees~~ **only the following:**

17 (i) **Employees** and other persons ~~permitted~~ **allowed** by the  
 18 marihuana establishment to access the area. ~~and to agents~~

19 (ii) **Agents** of the ~~department~~ **marijuana regulatory agency.** ~~or~~  
 20 ~~state~~

21 (iii) **State** and local law enforcement officers and emergency  
 22 ~~personnel.~~ ~~and shall secure~~

23 (c) **Secure** its inventory and equipment during and after  
 24 operating hours to deter and prevent theft of marihuana and  
 25 marihuana accessories.

26 (d) ~~No marihuana establishment may refuse representatives~~  
 27 **Allow agents** of the ~~department~~ ~~the right~~ **marijuana regulatory**  
 28 **agency,** during the **marihuana establishment's** hours of operation, to  
 29 inspect the licensed premises or to audit the books and records of

1 the marihuana establishment.

2 ~~(e) No marihuana establishment may allow a person under 21~~  
 3 ~~years of age to volunteer or work for the marihuana establishment.~~

4 ~~(f) No marihuana establishment may sell or otherwise transfer~~  
 5 ~~marihuana that was not produced, distributed, and taxed in~~  
 6 ~~compliance with this act.~~

7 (3) ~~(g) A marihuana grower, marihuana retailer, marihuana~~  
 8 ~~processor, marihuana microbusiness, or marihuana testing facility~~  
 9 ~~or agents acting on their behalf may~~ **its agent shall** not transport  
 10 more than 15 ounces of marihuana or more than 60 grams of marihuana  
 11 concentrate at one time.

12 (4) ~~(h) A marihuana secure transporter may~~ **shall** not hold  
 13 title to marihuana.

14 (5) ~~(i) No A marihuana processor may~~ **shall not** process and ~~ne~~  
 15 **a marihuana retailer may shall not** sell edible marihuana-infused  
 16 candy in shapes or packages that are attractive to children or that  
 17 are easily confused with commercially sold candy that does not  
 18 contain marihuana.

19 (6) ~~(j) No A marihuana retailer may~~ **shall not** sell or  
 20 otherwise transfer marihuana ~~that~~ **unless it** is not contained in an  
 21 opaque, resealable, child-resistant package designed to be  
 22 significantly difficult for children ~~under~~ **younger than** 5 years of  
 23 age to open and not difficult for normal adults to use properly as  
 24 ~~defined by 16 C.F.R. 1700.20 (1995),~~ **provided for under 16 CFR**  
 25 **1700.20**, unless the marihuana is transferred for consumption on the  
 26 premises where sold.

27 ~~(k) No marihuana establishment may sell or otherwise transfer~~  
 28 ~~tobacco.~~

29 (7) **A person shall not advertise any of the following on a**

1 billboard or digital billboard that is located in this state:

2 (a) Marihuana.

3 (b) A marihuana-infused product.

4 (c) A marihuana accessory.

5 (d) A marihuana establishment.