

# HOUSE BILL NO. 5839

February 24, 2022, Introduced by Reps. Outman and Alexander 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 section 7 (MCL 333.27957).

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

1           Sec. 7. **(1)** ~~1.~~ ~~The department~~ **marijuana regulatory agency** is  
2 responsible for implementing this act and has the powers and duties  
3 necessary to control the commercial production and distribution of  
4 marihuana. The ~~department~~ **marijuana regulatory agency** shall employ  
5 ~~personnel and may contract with advisors and consultants as~~

1 ~~necessary to adequately perform its duties. No person who is~~  
2 ~~pecuniarily interested, directly or indirectly, in any marijuana~~  
3 ~~establishment may be an employee, advisor, or consultant involved~~  
4 ~~in the implementation, administration, or enforcement of this act.~~  
5 ~~An employee, advisor, or consultant of the department may not be~~  
6 ~~personally liable for any action at law for damages sustained by a~~  
7 ~~person because of an action performed or done in the performance of~~  
8 ~~their duties in the implementation, administration, or enforcement~~  
9 ~~of this act. The department of state police shall cooperate and~~  
10 ~~assist the department in conducting background investigations of~~  
11 ~~applicants. Responsibilities of the department include:~~ **do all of**  
12 **the following:**

13 (a) ~~promulgating~~ **Promulgate** rules pursuant to section 8 ~~of~~  
14 ~~this act~~ that are necessary to implement, administer, and enforce  
15 this act. †

16 (b) ~~granting~~ **Grant** or ~~denying~~ **deny** each application for  
17 licensure and ~~investigating~~ **investigate** each applicant to determine  
18 eligibility for licensure, including **by** conducting a background  
19 investigation on each person holding an ownership interest in the  
20 applicant. † **However, the marijuana regulatory agency shall not**  
21 **deny an application for licensure solely because the spouse of an**  
22 **individual who holds an ownership interest in the applicant is a**  
23 **member of or employed by a regulatory body of a governmental unit**  
24 **in this state, another state, or the federal government, or is**  
25 **employed by a governmental unit of this state, unless 1 of the**  
26 **following conditions applies:**

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

28 (ii) **The spouse's position is within the marijuana regulatory**  
29 **agency.**

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

4           (c) ~~ensuring compliance~~ **Ensure that marihuana establishments**  
5 **comply** with this act and the rules promulgated ~~thereunder by~~  
6 ~~marihuana establishments under this act~~ by ~~performing~~ **doing all of**  
7 **the following:**

8           (i) **Performing** investigations of compliance and regular  
9 inspections of marihuana establishments. ~~and by taking~~

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

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

17           (e) ~~collecting~~ **Collect** fees for licensure and fines for  
18 violations of this act or **the** rules promulgated ~~thereunder,~~  
19 ~~depositing~~ **under this act.**

20           (f) **Deposit** all fees collected ~~in for licensure into~~ the  
21 marihuana regulation fund established ~~by under~~ section 14 ~~of this~~  
22 ~~act,~~ and ~~remitting~~ **remit** all fines collected ~~to be deposited in for~~  
23 **deposit into** the general fund. † ~~and~~

24           (g) ~~(f) submitting~~ **Submit** an annual report to the governor  
25 ~~covering the previous~~ **that includes all of the following**  
26 **information for the immediately preceding year:** † ~~which report~~  
27 ~~shall include the~~

28           (i) **The** number of state licenses of each class issued. †  
29 ~~demographic~~

1           (ii) **Demographic** information ~~en-of~~ licensees. ~~—a~~

2           (iii) **A** description of enforcement and disciplinary actions  
3 taken against licensees. ~~—and a~~

4           (iv) **A** statement of revenues and expenses of the ~~department~~  
5 **marijuana regulatory agency** related to the implementation,  
6 administration, and enforcement of this act.

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

9           (2) **The marihuana regulatory agency may enter into an**  
10 **agreement with an advisor or consultant as necessary to adequately**  
11 **perform its duties under this act.**

12           (3) **A person who has a pecuniary interest, directly or**  
13 **indirectly, in a marihuana establishment must not be an employee,**  
14 **advisor, or consultant involved in the implementation,**  
15 **administration, or enforcement of this act. An employee, advisor,**  
16 **or consultant of the marijuana regulatory agency is not personally**  
17 **liable for any action at law for damages sustained by a person**  
18 **because of an action performed or done in the performance of the**  
19 **employee's, advisor's, or consultant's duties in the**  
20 **implementation, administration, or enforcement of this act.**

21           (4) **The department of state police shall cooperate with and**  
22 **assist the marijuana regulatory agency in conducting background**  
23 **investigations of applicants.**