

# HOUSE BILL NO. 5965

March 23, 2022, Introduced by Rep. Hauck and referred to the Committee on Regulatory Reform.

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 regulatory  
3 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,

1 a co-member of a limited liability company, or a co-partner in a  
2 limited liability partnership with a licensee or applicant.

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

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

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

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

29 (iv) For a publicly held corporation: all corporate officers or

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

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

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

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

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

16 (f) "Department" means the department of licensing and  
17 regulatory affairs.

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

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

25 (i) "Industrial hemp research and development act" means the  
26 industrial hemp research and development act, 2014 PA 547, MCL  
27 286.841 to 286.859.

28 (j) "Licensee" means a person holding a state operating  
29 license.

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

4 (l) "Marihuana facility" means a location at which a licensee  
5 is licensed to operate under this act.

6 (m) "Marihuana plant" means any plant of the species *Cannabis*  
7 *sativa* L. Marihuana plant does not include industrial hemp.

8 (n) "Marihuana-infused product" means that term as defined in  
9 section 3 of the Michigan Regulation and Taxation of Marihuana Act,  
10 2018 IL 1, MCL 333.27953.

11 (o) "Marihuana tracking act" means the marihuana tracking act,  
12 2016 PA 282, MCL 333.27901 to 333.27904.

13 (p) "Marijuana regulatory agency" means the marijuana  
14 regulatory agency created under Executive Reorganization Order No.  
15 2019-2, MCL 333.27001.

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

19 (r) "Municipality" means a city, township, or village.

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

25 (t) "Person" means an individual, corporation, limited  
26 liability company, partnership, limited partnership, limited  
27 liability partnership, limited liability limited partnership,  
28 trust, or other legal entity.

29 (u) "Plant" means any living organism that produces its own

1 food through photosynthesis and has observable root formation or is  
2 in growth material.

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

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

21 (x) "Registered primary caregiver" means a primary caregiver  
22 who has been issued a current registry identification card under  
23 the Michigan Medical Marihuana Act.

24 (y) "Registered qualifying patient" means a qualifying patient  
25 who has been issued a current registry identification card under  
26 the Michigan Medical Marihuana Act or a visiting qualifying patient  
27 as that term is defined in section 3 of the Michigan Medical  
28 Marihuana Act, MCL 333.26423.

29 (z) "Registry identification card" means that term as defined

1 in section 3 of the Michigan Medical Marihuana Act, MCL 333.26423.

2 (aa) "Rules" means rules promulgated under the administrative  
3 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, by the  
4 marijuana regulatory agency to implement this act.

5 (bb) "Safety compliance facility" means a licensee that is a  
6 commercial entity that ~~takes marihuana from a marihuana facility or~~  
7 ~~receives marihuana from a registered primary caregiver, tests the~~  
8 ~~marihuana for contaminants and for tetrahydrocannabinol and other~~  
9 ~~cannabinoids, returns the test results, and may return the~~  
10 ~~marihuana to the marihuana facility.~~**holds a safety compliance**  
11 **facility license.**

12 (cc) "Secure transporter" means a licensee that is a  
13 commercial entity located in this state that ~~stores marihuana and~~  
14 ~~transports marihuana between marihuana facilities for a fee.~~**holds a**  
15 **secure transporter license.**

16 (dd) "Seed" means the fertilized, ungerminated, matured ovule,  
17 containing an embryo or rudimentary plant, of a marihuana plant  
18 that is flowering.

19 (ee) "Seedling" means a marihuana plant that has germinated  
20 and has not flowered and is not harvestable.

21 (ff) "State operating license" or, unless the context requires  
22 a different meaning, "license" means a license that is issued under  
23 this act that allows the licensee to operate as 1 of the following,  
24 specified in the license:

25 (i) A grower.

26 (ii) A processor.

27 (iii) A secure transporter.

28 (iv) A provisioning center.

29 (v) A safety compliance facility.

1 (gg) "Statewide monitoring system" or, unless the context  
2 requires a different meaning, "system" means an internet-based,  
3 statewide database established, implemented, and maintained by the  
4 department under the marihuana tracking act, that is available to  
5 licensees, law enforcement agencies, and authorized state  
6 departments and agencies on a 24-hour basis for all of the  
7 following:

8 (i) Verifying registry identification cards.

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

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

15 (hh) "Tissue culture" means a marihuana plant cell, cutting,  
16 tissue, or organ, that is kept under a sterile condition on a  
17 nutrient culture medium of known composition and that does not have  
18 visible root formation. A tissue culture is not a marihuana plant  
19 for purposes of a grower.

20 (ii) "Usable marihuana" means the dried leaves, flowers, plant  
21 resin, or extract of the marihuana plant, but does not include the  
22 seeds, stalks, and roots of the plant.