

HOUSE BILL NO. 5884

June 27, 2024, Introduced by Reps. Wilson, Filler, Edwards, Aragona, Dievendorf, Steckloff, Rheingans, Rogers, Tsernoglou, McFall, Liberati, Herzberg, Hope, Hood, Morgan and McKinney 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 the title and sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 9a,
11a, 12, 13, 14, 15, and 17 (MCL 333.27951, 333.27952, 333.27953,
333.27954, 333.27955, 333.27956, 333.27957, 333.27958, 333.27959,
333.27959a, 333.27961a, 333.27962, 333.27963, 333.27964, 333.27965,
and 333.27967), sections 3, 7, 8, and 13 as amended by 2023 PA 166,
section 9a as added by 2020 PA 208, section 11a as added by 2021 PA
55, and section 14 as amended by 2023 PA 165, and by adding

sections 20, 21, 22, 23, 24, 24a, 25, 26, 27, and 28; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An initiation of legislation to allow ~~under state law for~~ the
 3 personal possession, **cultivation, transfer,** and use of marihuana by
 4 ~~persons individuals~~ 21 years of age or older; to ~~provide for allow~~
 5 **for** the ~~lawful commercial~~ cultivation, **processing, testing,**
 6 **transportation,** and sale of marihuana and ~~industrial hemp~~ by
 7 **certain** persons; ~~21 years of age or older; to allow for the~~
 8 **commercial processing, distribution, and sale of industrial hemp** by
 9 certain persons; **to require the licensing of certain persons**
 10 **engaged in commercial marihuana activities;** to ~~permit the taxation~~
 11 ~~of revenue derived from impose a tax on commercial marihuana~~
 12 ~~facilities; sales;~~ **to provide for the powers and duties of certain**
 13 **state and local governmental officers and entities;** to ~~permit~~
 14 **require** the promulgation of ~~administrative rules;~~ and to prescribe
 15 certain penalties **and civil sanctions** for violations of this act.
 16 ~~If not enacted by the Michigan State Legislature in accordance with~~
 17 ~~the Michigan Constitution of 1963, the proposed legislation is to~~
 18 ~~be voted on at the General Election, November 6, 2018.~~

19 Sec. 1. This act ~~shall be known and may be cited as the~~
 20 ~~Michigan Regulation and Taxation of Marihuana Act.~~ **"Michigan**
 21 **regulation and taxation of marihuana act"**.

22 Sec. 2. **(1)** The purpose of this act is to ~~make~~ **do both of the**
 23 **following:**

24 **(a) Make** marihuana legal under state and local law for ~~adults~~
 25 **individuals who are** 21 years of age or older. ~~, to make industrial~~
 26 ~~hemp legal under state and local law, and to control~~

1 **(b) Control** the commercial production and distribution of
2 marihuana under a system that licenses, regulates, and taxes the
3 businesses involved.

4 **(2)** The intent **of this act** is to ~~prevent~~**do all of the**
5 **following:**

6 **(a) Prevent** arrest and penalty for personal possession and
7 cultivation of marihuana by ~~adults~~**individuals who are** 21 years of
8 age or older. ~~remove~~

9 **(b) Remove** the commercial production and distribution of
10 marihuana from the illicit market. ~~prevent~~

11 **(c) Prevent** revenue generated from commerce in marihuana from
12 going to criminal enterprises or gangs. ~~prevent~~

13 **(d) Prevent** the **unauthorized** distribution of marihuana to
14 ~~persons under~~**individuals younger than** 21 years of age. ~~prevent~~

15 **(e) Prevent** the diversion of marihuana to illicit markets. ~~ensure~~

16 **(f) Ensure** the safety of marihuana and marihuana-infused
17 products. ~~and ensure~~

18 **(g) Ensure the** security of ~~marihuana establishments~~**licensed**
19 **premises.**

20 **(3) This act does not affect the cannabis regulatory agency's**
21 **ability to enter into an agreement with an Indian tribe concerning**
22 **the regulation of marihuana.**

23 **(4)** To the fullest extent possible, this act ~~shall~~**must** be
24 interpreted **and construed** in accordance with the purpose and intent
25 set forth in this section.

26 Sec. 3. As used in this act:

27 **(a) "Adulterated marihuana" or "adulterated marihuana-infused**
28 **product" means a product sold as marihuana that contains any**
29

1 unintended substance or chemical or biological matter other than
2 marihuana and that causes an adverse reaction to an individual who
3 ingests or consumes the product.

4 (b) "Applicant" means a person that applies for a state
5 license. Applicant includes, with respect to disclosures in an
6 application for a state license or for purposes of ineligibility
7 for a state license, a managerial employee of the applicant, a
8 person holding a direct or indirect ownership interest of more than
9 10% in the applicant, and the following for each type of applicant:

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

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

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

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

1 direct or indirect ownership interest of 10% or less, and their
2 spouses.

3 (v) For a nonprofit corporation: all individuals and entities
4 with membership or shareholder rights in accordance with the
5 articles of incorporation or the bylaws, and the spouses of the
6 individuals.

7 (c) ~~(a)~~—"Cannabis regulatory agency" means the marijuana
8 regulatory agency created under Executive Reorganization Order No.
9 2019-2, MCL 333.27001, renamed the cannabis regulatory agency under
10 Executive Reorganization Order No. 2022-1, MCL 333.27002.

11 (d) "Class A marihuana grower" means a person that holds a
12 state license described in section 20(1) (a) (i) or (1) (b) (i) .

13 (e) "Class B marihuana grower" means a person that holds a
14 state license described in section 20(1) (a) (ii) or (1) (b) (ii) .

15 (f) "Class C marihuana grower" means a person that holds a
16 state license described in section 20(1) (a) (iii) or (1) (b) (iii) .

17 (g) ~~(b)~~—"Cultivate" means to propagate, breed, grow, harvest,
18 dry, cure, or separate parts of a marihuana plant by manual or
19 mechanical means.

20 ~~(c) "Department" means the cannabis regulatory agency.~~

21 (h) "Financial institution" means any of the following:

22 (i) A state or national bank.

23 (ii) A state or federally chartered savings and loan
24 association.

25 (iii) A state or federally chartered savings bank.

26 (iv) A state or federally chartered credit union.

27 (v) An insurance company.

28 (vi) An entity that offers any of the following to a resident
29 of this state:

1 (A) A mutual fund account.

2 (B) A securities brokerage account.

3 (C) A money market account.

4 (D) A retail investment account.

5 (vii) A legal entity regulated by the Securities and Exchange
6 Commission that collects funds from the public.

7 (viii) A legal entity that is a member of the National
8 Association of Securities Dealers and that collects funds from the
9 public.

10 (ix) Any other legal entity that collects funds from the
11 public.

12 (i) "Financial service" means a deposit; withdrawal; transfer
13 between accounts; exchange of currency; loan; extension of credit;
14 purchase or sale of any stock, bond, certificate of deposit, or
15 other monetary instrument; or any other payment, transfer, or
16 delivery by, through, or to a financial institution, by whatever
17 means effected.

18 (j) ~~(d)~~—"Indian lands" means any of the following:

19 (i) All lands within the limits of an Indian reservation.

20 (ii) Any lands title to which is either held in trust by the
21 United States for the benefit of any Indian tribe or individual or
22 held by any Indian tribe or individual subject to restriction by
23 the United States against alienation and over which an Indian tribe
24 exercises governmental power.

25 (k) ~~(e)~~—"Indian tribe" means any Indian tribe, band, nation,
26 or other organized group or community of Indians which is
27 recognized as eligible by the United States Secretary of the
28 Interior for the special programs and services provided by the
29 United States to Indians because of their status as Indians, and is

1 recognized as possessing powers of self-government.

2 (l) ~~(f)~~—"Industrial hemp" means any of the following:

3 (i) A plant of the genus *Cannabis*, whether growing or not, with
4 a THC concentration of 0.3% or less on a dry-weight basis.

5 (ii) A part of a plant of the genus *Cannabis*, whether growing
6 or not, with a THC concentration of 0.3% or less on a dry-weight
7 basis.

8 (iii) The seeds of a plant of the genus *Cannabis* with a THC
9 concentration of 0.3% or less on a dry-weight basis.

10 (iv) If it has a THC concentration of 0.3% or less on a dry-
11 weight basis, a compound, manufacture, derivative, mixture,
12 preparation, extract, cannabinoid, acid, salt, isomer, or salt of
13 an isomer of any of the following:

14 (A) A plant of the genus *Cannabis*.

15 (B) A part of a plant of the genus *Cannabis*.

16 (v) A product to which 1 of the following applies:

17 (A) If the product is intended for human or animal
18 consumption, the product, in the form in which it is intended for
19 sale to a consumer, meets both of the following requirements:

20 (I) Has a THC concentration of 0.3% or less on a dry-weight or
21 ~~per volume~~ **per-volume** basis.

22 (II) Contains a total amount of THC that is less than or equal
23 to the limit established by the cannabis regulatory agency under
24 section 8(1)(n).

25 (B) If the product is not intended for human or animal
26 consumption, the product meets both of the following requirements:

27 (I) Contains a substance listed in subparagraph (i), (ii), (iii),
28 or (iv).

29 (II) Has a THC concentration of 0.3% or less on a dry-weight

1 basis.

2 (n) "Licensed premises" means the location at which the
3 cannabis regulatory agency has authorized a licensee to operate.

4 (n) ~~(g)~~—"Licensee" means a person holding a state license.

5 (o) ~~(h)~~—"Marihuana" means any of the following:

6 (i) A plant of the genus *Cannabis*, whether growing or not.

7 (ii) A part of a plant of the genus *Cannabis*, whether growing
8 or not.

9 (iii) The seeds of a plant of the genus *Cannabis*.

10 (iv) Marihuana concentrate.

11 (v) A compound, manufacture, salt, derivative, mixture,
12 extract, acid, isomer, salt of an isomer, or preparation of any of
13 the following:

14 (A) A plant of the genus *Cannabis*.

15 (B) A part of a plant of the genus *Cannabis*.

16 (C) The seeds of a plant of the genus *Cannabis*.

17 (D) Marihuana concentrate.

18 (vi) A marihuana-infused product.

19 (vii) A product with a THC concentration of more than 0.3% on a
20 dry-weight or ~~per volume~~ **per-volume** basis in the form in which it
21 is intended for sale to a consumer.

22 (viii) A product that is intended for human or animal
23 consumption and that contains, in the form in which it is intended
24 for sale to a consumer, a total amount of THC that is greater than
25 the limit established by the cannabis regulatory agency under
26 section 8(1)(n).

27 (p) ~~(i)~~—Except for marihuana concentrate extracted from any of
28 the following, "marihuana" does not include any of the following:

29 (i) The mature stalks of a plant of the genus *Cannabis*.

1 (ii) Fiber produced from the mature stalks of a plant of the
2 genus *Cannabis*.

3 (iii) Oil or cake made from the seeds of a plant of the genus
4 *Cannabis*.

5 (iv) A compound, manufacture, salt, derivative, mixture, or
6 preparation of the mature stalks of a plant of the genus *Cannabis*.

7 (v) Industrial hemp.

8 (vi) An ingredient combined with marihuana to prepare topical
9 or oral administrations, food, drink, or other products.

10 (vii) A drug for which an application filed in accordance with
11 21 USC 355 is approved by the Food and Drug Administration.

12 (q) ~~(j)~~—"Marihuana accessories" means any equipment, product,
13 material, or combination of equipment, products, or materials, that
14 is specifically designed for use in ~~planting~~, **any of the following:**

15 (i) **Planting**, propagating, cultivating, growing, harvesting,
16 manufacturing, compounding, converting, producing, processing,
17 preparing, testing, analyzing, packaging, repackaging, storing, **or**
18 containing ~~, ingesting, marihuana~~.

19 (ii) **Ingesting**, inhaling, or otherwise introducing marihuana
20 into the ~~human~~ body **of a human or animal**.

21 (r) ~~(k)~~—"Marihuana concentrate" means the resin extracted from
22 any part of a **marihuana** plant. ~~of the genus *Cannabis*~~.

23 ~~(l)~~—"Marihuana establishment" means a ~~marihuana grower,~~
24 ~~marihuana safety compliance facility, marihuana processor,~~
25 ~~marihuana microbusiness, marihuana retailer, marihuana secure~~
26 ~~transporter, or any other type of marihuana-related business~~
27 ~~licensed by the cannabis regulatory agency.~~

28 (s) ~~(m)~~—"Marihuana grower" means a person ~~licensed to~~
29 ~~cultivate marihuana and sell or otherwise transfer marihuana to~~

1 ~~marihuana establishments that holds a state license described in~~
2 **section 20.**

3 (t) ~~(n)~~—"Marihuana-infused product" means a topical
4 formulation, tincture, beverage, edible substance, or similar
5 product containing marihuana and other ingredients and that is
6 intended for human **or animal** consumption.

7 (u) ~~(o)~~—"Marihuana microbusiness" means a person ~~licensed to~~
8 ~~cultivate not more than 150 marihuana plants; process and package~~
9 ~~marihuana; and sell or otherwise transfer marihuana to individuals~~
10 ~~who are 21 years of age or older or to a marihuana safety~~
11 ~~compliance facility, but not to other marihuana establishments that~~
12 **holds a state license described in section 25.**

13 (v) "Marihuana plant" means any plant of the genus *Cannabis*
14 **sativa L. Marihuana plant does not include industrial hemp.**

15 (w) ~~(p)~~—"Marihuana processor" means a person ~~licensed to~~
16 ~~obtain marihuana from marihuana establishments; process and package~~
17 ~~marihuana; and sell or otherwise transfer marihuana to marihuana~~
18 ~~establishments that holds a state license described in section 21.~~

19 (x) "Marihuana provisioning center" means a person that holds
20 **a state license described in section 24a.**

21 (y) "Marihuana regulation fund" means the marihuana regulation
22 **fund created under section 14.**

23 (z) ~~(q)~~—"Marihuana retailer" means a person ~~licensed to obtain~~
24 ~~marihuana from marihuana establishments and to sell or otherwise~~
25 ~~transfer marihuana to marihuana establishments and to individuals~~
26 ~~who are 21 years of age or older that holds a state license~~
27 **described in section 24.**

28 (aa) ~~(r)~~—"Marihuana safety compliance facility" means a person
29 ~~licensed to test marihuana, including certification for potency and~~

1 ~~the presence of contaminants.~~that holds a state license described
2 in section 23.

3 (bb) ~~(s)~~"Marihuana secure transporter" means a person
4 licensed to obtain marihuana from marihuana establishments in order
5 to transport marihuana to marihuana establishments.~~that holds a~~
6 state license described in section 22.

7 ~~(t) "Marijuana regulatory agency", unless the context dictates~~
8 ~~otherwise, means the cannabis regulatory agency.~~

9 (cc) "Mature marihuana plant" means a marihuana plant, whether
10 flowering or unflowering, that meets all of the following
11 conditions:

12 (i) The marihuana plant is in 1 of the following:

13 (A) A growing medium.

14 (B) A cultivating medium.

15 (C) A growing container.

16 (D) A cultivating container.

17 (ii) The marihuana plant has taken root.

18 (iii) The marihuana plant meets 1 or both of the following
19 conditions:

20 (A) Is 8 inches or taller as measured from the growing or
21 cultivating medium.

22 (B) Has a plant spread of 8 inches or more.

23 (iv) The marihuana plant was produced from a cutting, clipping,
24 tissue culture, or seedling.

25 (dd) "Medical facility licensee" means either of the
26 following, as applicable:

27 (i) Before March 1, 2026, a person that holds a state operating
28 license granted under the medical marihuana facilities licensing
29 act.

1 (ii) On or after March 1, 2026, a licensee that is granted a
2 state license under section 28.

3 (ee) "Medical marihuana facilities licensing act" means the
4 medical marihuana facilities licensing act, 2016 PA 281, MCL
5 333.27101 to 333.27801.

6 (ff) "Michigan Medical Marihuana Act" means the Michigan
7 Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.

8 (gg) ~~(u)~~ "Municipal license" means a license issued by a
9 municipality pursuant to ~~under~~ section 16 that allows a person to
10 operate a marihuana establishment in that municipality. ~~6~~.

11 (hh) ~~(v)~~ "Municipality" means a city, village, or township.
12 For purposes of section 6, municipality includes an Indian tribe.

13 (ii) ~~(w)~~ "Person" means an individual, corporation, limited
14 liability company, partnership of any type, trust, or other legal
15 entity.

16 (jj) "Primary caregiver" means that term as defined in section
17 3 of the Michigan Medical Marihuana Act, MCL 333.26423.

18 (kk) ~~(x)~~ "Process" or "processing" means to ~~separate~~ do any of
19 the following:

20 (i) **Separate** or otherwise prepare parts of a marihuana plant.
21 and to ~~compound,~~

22 (ii) **Compound**, blend, extract, infuse, or otherwise make or
23 prepare marihuana concentrate or marihuana-infused products.

24 (ll) ~~(y)~~ "Qualifying Indian tribe" means an Indian tribe that
25 meets all of the following conditions:

26 (i) The Indian tribe has entered into an agreement with the
27 cannabis regulatory agency under section 7(2)(b) ~~that~~ **and the**
28 **agreement** is in effect.

29 (ii) The Indian tribe has entered into an agreement with the

1 department of treasury, ~~that~~**the agreement** is in effect, and ~~that~~
 2 **the agreement** does all of the following:

3 (A) States that the revenue collected from the tax or fee
 4 described in subparagraph (iii) is not state money ~~and~~ requires
 5 that this revenue be retained by and used as determined by only the
 6 Indian tribe, if the marihuana subject to the tax or fee was grown
 7 and processed on only the Indian tribe's Indian lands.

8 (B) States whether the revenue collected from the tax or fee
 9 described in subparagraph (iii) from marihuana not described in sub-
 10 subparagraph (A) is subject to revenue sharing between the Indian
 11 tribe and this state and, if so, the details of the revenue sharing
 12 arrangement.

13 (iii) The Indian tribe imposes a tax or fee on each sale or
 14 transfer of marihuana from a tribal marihuana business located in
 15 the Indian tribe's Indian lands to a person other than a tribal
 16 marihuana business or ~~marihuana establishment.~~**licensee.** This
 17 subparagraph does not prohibit a qualifying Indian tribe from
 18 imposing the tax or fee on sales or transfers of marihuana that are
 19 not described in this subparagraph. The tax or fee must be based on
 20 the sales price of the marihuana, and the rate of the tax or fee
 21 must be equal to or greater than the rate established under section
 22 13.

23 (mm) **"Qualifying patient" means that term as defined in**
 24 **section 3 of the Michigan Medical Marihuana Act, MCL 333.26423.**

25 (nn) **"Registry identification card" means that term as defined**
 26 **in section 3 of the Michigan Medical Marihuana Act, MCL 333.26423.**

27 (oo) **"Seed" means the fertilized, ungerminated, matured ovule,**
 28 **containing an embryo or rudimentary plant, of a marihuana plant**
 29 **that is flowering.**

1 **(pp)** "Seedling" means a marihuana plant that has germinated,
2 has not flowered, and is not harvestable.

3 **(qq)** ~~(z)~~"State license" means ~~a license issued an~~
4 **authorization granted** by the cannabis regulatory agency **under this**
5 **act** that allows a person to operate **as** a marihuana
6 establishment.licensee.

7 **(rr)** ~~(aa)~~"THC" means any of the following:

8 (i) Tetrahydrocannabinolic acid.

9 (ii) Unless excluded by **a rule promulgated by** the cannabis
10 regulatory agency under section ~~8(2)(e), 8~~, a tetrahydrocannabinol,
11 regardless of whether it is artificially or naturally derived.

12 (iii) A tetrahydrocannabinol that is a structural, optical, or
13 geometric isomer of a tetrahydrocannabinol described in
14 subparagraph (ii).

15 **(ss)** ~~(bb)~~"Tribal marihuana business" means a business that
16 meets all of the following conditions:

17 (i) The business engages in the type of activities licensed
18 under this act.

19 (ii) The business is not a ~~marihuana establishment.licensee~~.

20 (iii) The business is wholly owned by a qualifying Indian tribe,
21 the enrolled members of a qualifying Indian tribe, or a combination
22 of a qualifying Indian tribe and the members of that qualifying
23 Indian tribe.

24 (iv) The business is located in this state and in the Indian
25 lands of the qualifying Indian tribe described in subparagraph (iii).

26 (v) The business is subject to a tax or fee described in
27 subdivision ~~(y)(iii)~~. **(ll) (iii)** .

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

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

5 (uu) "Statewide monitoring system" means that term as defined
 6 in section 2 of the marihuana tracking act, 2016 PA 282, MCL
 7 333.27902.

8 (vv) "Visiting qualifying patient" means that term as defined
 9 in section 3 of the Michigan Medical Marihuana Act, MCL 333.26423.

10 Sec. 4. (1) ~~1.~~This act does not authorize **any of the**
 11 **following:**

12 (a) ~~operating,~~**Operating**, navigating, or being in physical
 13 control of any motor vehicle, aircraft, snowmobile, off-road
 14 recreational vehicle, or motorboat while under the influence of
 15 marihuana. †

16 (b) ~~transfer of~~**Except as otherwise authorized under this act,**
 17 **transferring** marihuana or marihuana accessories to ~~a person under~~
 18 ~~the age of an individual who is younger than 21~~ †**years of age.**

19 (c) ~~any person under the age of~~**Except as otherwise authorized**
 20 **under this act, an individual who is younger than 21 years of age**
 21 to possess, consume, purchase or otherwise obtain, cultivate,
 22 process, transport, or sell marihuana. †

23 (d) ~~separation of~~**Separating marihuana** plant resin by butane
 24 extraction or another method that utilizes a substance with a
 25 flashpoint below 100 degrees Fahrenheit in any public place, motor
 26 vehicle, or within the curtilage of any residential structure. †

27 (e) ~~consuming~~**Consuming** marihuana in a public place or smoking
 28 marihuana where prohibited by the person ~~who~~**that** owns, occupies,
 29 or manages the property. ~~, except for~~**For** purposes of this

1 subdivision, a public place does not include an area designated for
 2 **marihuana** consumption within a municipality that has authorized
 3 **marihuana** consumption in designated areas that are not accessible
 4 to ~~persons under~~ **individuals who are younger than** 21 years of age.

5 †

6 (f) ~~cultivating~~ **Cultivating** marihuana plants if the plants are
 7 visible from a public place without the use of binoculars,
 8 aircraft, or other optical aids or **if the plants are** outside of an
 9 enclosed area equipped with locks or other functioning security
 10 devices that restrict access to the area. †

11 (g) ~~consuming~~ **Consuming** marihuana while operating, navigating,
 12 or being in physical control of any motor vehicle, aircraft,
 13 snowmobile, off-road recreational vehicle, or motorboat, or smoking
 14 marihuana within the passenger area of a vehicle upon a public way.

15 †

16 (h) ~~possessing~~ **Possessing** marihuana **or marihuana** accessories
 17 or ~~possessing or~~ consuming marihuana ~~on the~~ **or in any of the**
 18 **following:**

19 (i) **The** grounds of a public or private school where ~~children~~
 20 **individuals** attend classes in preschool programs, kindergarten
 21 programs, or grades 1 ~~through to~~ 12. ~~† in a~~

22 (ii) **A** school bus. ~~† or on the~~

23 (iii) **The** grounds of any correctional facility. ~~† or~~

24 (i) Possessing more than 2.5 ounces of marihuana within a
 25 ~~person's place of~~ **an individual's** residence unless ~~the~~ **any**
 26 **marihuana in** excess ~~marihuana~~ **of 2.5 ounces** is stored in a
 27 container or area equipped with locks or other functioning security
 28 devices that restrict access to the contents of the container or
 29 area.

1 (2) ~~2.~~ This act does not limit any privileges, rights,
 2 immunities, or defenses of a person as provided in the Michigan
 3 ~~medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430, the~~
 4 ~~medical marihuana facilities licensing act, 2016 PA 281, MCL~~
 5 ~~333.27101 to 333.27801, **Medical Marihuana Act**~~ or any other law of
 6 this state allowing for or regulating marihuana for medical use.

7 (3) ~~3.~~ This act does not ~~require~~ **do any of the following:**

8 (a) **Require** an employer to ~~permit~~ **allow** or accommodate conduct
 9 otherwise allowed ~~by~~ **under** this act in any workplace or on the
 10 employer's property. ~~This act does not prohibit~~

11 (b) **Prohibit** an employer from disciplining an employee ~~for~~
 12 ~~violation of~~ **who violates** a workplace drug policy or for working
 13 while under the influence of marihuana. ~~This act does not prevent~~

14 (c) **Prohibit** an employer from ~~refusing to hire,~~ discharging,
 15 disciplining, **refusing to hire,** or otherwise taking an adverse
 16 employment action against ~~a person~~ **an individual** with respect to
 17 hire, tenure, terms, conditions, or privileges of employment
 18 because ~~of that person's violation of~~ **the individual violated** a
 19 workplace drug policy or because ~~that person~~ **the individual** was
 20 working while under the influence of marihuana.

21 (4) ~~4.~~ ~~This act allows a person to~~ **A person may** prohibit or
 22 otherwise regulate the consumption, cultivation, distribution,
 23 processing, sale, or display of marihuana ~~and~~ **or** marihuana
 24 accessories on property the person owns, occupies, or manages. ~~7~~
 25 ~~except that~~ **However,** a lease agreement ~~may~~ **must** not prohibit a
 26 tenant from ~~lawfully possessing and consuming~~ marihuana **on the**
 27 **leased premises or from consuming marihuana on the leased premises**
 28 by means other than smoking, **if the possession or consumption is**
 29 **authorized under this act.**

1 (5) ~~5.~~—All other laws inconsistent with this act do not apply
 2 to conduct that is ~~permitted by~~ **authorized under** this act. **A**
 3 **contract is not void or voidable as against public policy solely**
 4 **because it pertains to an activity that is authorized under this**
 5 **act.**

6 Sec. 5. (1) ~~1.~~—Notwithstanding any other law or provision of
 7 this act, and except as otherwise provided in section 4, ~~of this~~
 8 ~~act,~~ the following acts by ~~a person~~ **an individual who is** 21 years
 9 of age or older are not unlawful, are not an offense, are not
 10 grounds for seizing or forfeiting property, are not grounds for
 11 arrest, prosecution, or penalty in any manner, are not grounds for
 12 search or inspection, and are not grounds to deny any other right
 13 or privilege:

14 (a) ~~except~~ **Except** as ~~permitted by~~ **provided in** subdivision (b),
 15 possessing, using or consuming, internally possessing, purchasing,
 16 transporting, or processing **not more than** 2.5 ounces ~~or less~~ of
 17 marihuana, ~~except that~~ **of which** not more than 15 grams ~~of marihuana~~
 18 may be in the form of marihuana concentrate. †

19 (b) ~~within~~ **Within** the ~~person's~~ **individual's** residence,
 20 ~~possessing,~~ **any of the following:**

21 (i) **Possessing**, storing, and processing not more than 10 ounces
 22 of marihuana **that was not produced by marihuana plants cultivated**
 23 **on the premises at which the individual's residence is located as**
 24 **provided for in subparagraph (iii).**

25 (ii) **Possessing**, storing, and **processing** any marihuana produced
 26 by marihuana plants cultivated on the premises **at which the**
 27 **individual's residence is located as provided for in subparagraph**
 28 **(iii).** ~~and cultivating~~

29 (iii) **Possessing**, cultivating, and **processing** not more than 12

1 marihuana plants for personal use ~~, provided that no~~ **if not** more
 2 than 12 marihuana plants are possessed, cultivated, or processed on
 3 the premises at ~~once;~~ **1 time.**

4 ~~(c) assisting~~ **Assisting** another ~~person~~ **individual** who is 21
 5 years of age or older in any of the acts described in this section.
 6 ~~;~~ and

7 ~~(d) giving~~ **Giving** away or otherwise transferring without
 8 remuneration ~~up to~~ **not more than** 2.5 ounces of marihuana, ~~except~~
 9 ~~that of which~~ not more than 15 grams ~~of marihuana~~ may be in the
 10 form of marihuana concentrate, to ~~a person~~ **an individual who is** 21
 11 years of age or older, ~~as long as~~ **but only if** the transfer is not
 12 advertised or promoted to the public.

13 ~~(2) 2.~~ Notwithstanding any other law or provision of this act,
 14 **and** except as otherwise provided in section 4, ~~of this act,~~ the
 15 use, manufacture, possession, and purchase of marihuana accessories
 16 by ~~a person~~ **an individual who is** 21 years of age or older **or who is**
 17 **a qualifying patient, visiting qualifying patient, or primary**
 18 **caregiver,** and the distribution or sale of marihuana accessories to
 19 ~~a person~~ **an individual who is** 21 years of age or older **or who is a**
 20 **qualifying patient, visiting qualifying patient, or primary**
 21 **caregiver,** is authorized, is not unlawful, is not an offense, is
 22 not grounds for seizing or forfeiting property, is not grounds for
 23 arrest, prosecution, or penalty in any manner, and is not grounds
 24 to deny any other right or privilege.

25 ~~(3) 3. A person shall~~ **An individual must** not be denied custody
 26 of or visitation with a minor for conduct that is ~~permitted by~~
 27 **allowed under** this act, unless the ~~person's~~ **individual's** behavior
 28 ~~is such that it~~ creates an unreasonable danger to the minor that
 29 can be clearly articulated and substantiated.

1 Sec. 6. (1) ~~1.~~—Except as **otherwise** provided in **this section**
2 **and** section 4, a municipality may, **by adopting or enforcing an**
3 **ordinance or taking an action that the municipality is authorized**
4 **by law to take**, completely prohibit or limit the number of
5 ~~marihuana establishments~~ **licensees that may operate** within its
6 boundaries. ~~Individuals~~ **An individual** may petition to initiate an
7 ordinance to provide for the number of ~~marihuana establishments~~
8 **licensees that are allowed to operate** within **the boundaries of** a
9 municipality or to completely prohibit ~~marihuana establishments~~
10 **licensees from operating** within **the boundaries of** a municipality. ~~and such~~
11 **If the petition is signed by qualified electors in the**
12 **municipality in a number greater than 5% of the votes cast for**
13 **governor by qualified electors in the municipality at the last**
14 **gubernatorial election, the ordinance shall** ~~must~~ be submitted to
15 the electors of the municipality at the next regular election ~~when~~
16 ~~a petition is signed by qualified electors~~ **held** in the
17 municipality. ~~in a number greater than 5% of the votes cast for~~
18 ~~governor by qualified electors in the municipality at the last~~
19 ~~gubernatorial election.~~ A petition under this subsection is subject
20 to section 488 of the Michigan election law, 1954 PA 116, MCL
21 168.488.

22 (2) ~~2.~~—A municipality may adopt ~~other ordinances that are not~~
23 ~~unreasonably impracticable and do not conflict with this act or~~
24 ~~with any rule promulgated pursuant to this act and~~ **or enforce an**
25 **ordinance that does any of the following:**

26 (a) ~~establish~~ **Establishes** reasonable restrictions on public
27 signs related to ~~marihuana establishments;~~ **licensees and licensed**
28 **premises.**

29 (b) ~~regulate~~ **Regulates** the time, place, and manner of

1 operation of ~~marihuana establishments~~ **licensees** and of the
 2 production, manufacture, sale, or display of marihuana
 3 accessories.†

4 (c) ~~authorize~~ **Authorizes** the sale of marihuana for consumption
 5 in designated areas that are not accessible to ~~persons under~~
 6 **individuals who are younger than** 21 years of age, or at special
 7 events in limited areas and for a limited time. †~~and~~

8 (d) ~~designate~~ **Designates** a violation of the ordinance and
 9 ~~provide~~ **provides** for a ~~penalty~~ **sanction** for that violation by a
 10 ~~marihuana establishment, provided that such violation is licensee.~~
 11 **However, a violation designated under this subdivision must be a**
 12 **civil infraction and such penalty is the sanction must be** a civil
 13 fine of not more than ~~\$500.~~ **\$500.00.**

14 (e) ~~3. A municipality may adopt an ordinance requiring~~ **Except**
 15 **as otherwise provided for in subsection (4)(d), requires** a
 16 ~~marihuana establishment licensee~~ with a ~~physical location~~ **licensed**
 17 **premises located** within the **boundaries of the** municipality to
 18 obtain a municipal license. †~~but may not impose qualifications for~~
 19 ~~licensure that conflict with this act or rules promulgated by the~~
 20 ~~department.~~

21 (f) **Prohibits a medical facility licensee that is operating as**
 22 **a provisioning center from operating as a marihuana retailer. This**
 23 **subdivision applies if the ordinance is adopted before March 1,**
 24 **2026.**

25 (3) ~~4. A municipality may charge an annual fee of not more~~
 26 ~~than \$5,000~~ **\$5,000.00** to defray application, administrative, and
 27 enforcement costs associated with ~~the operation of the marihuana~~
 28 ~~establishment~~ **a licensee operating** in the municipality.

29 (4) ~~5. A municipality may~~ **shall** not adopt **or enforce** an

1 ordinance that ~~restricts~~ **is unreasonably impracticable or that does**
2 **any of the following:**

3 (a) **Conflicts with this act or a rule promulgated under this**
4 **act.**

5 (b) **Restricts** the transportation of marihuana through the
6 municipality. ~~or prohibits~~

7 (c) **Prohibits** a marihuana grower, ~~a marihuana processor, and a~~
8 **or** marihuana retailer from operating ~~within a single facility or~~
9 ~~from operating at a location shared with a marihuana facility~~
10 ~~operating pursuant to the medical marihuana facilities licensing~~
11 ~~act, 2016 PA 281, MCL 333.27101 to 333.27801.~~ **at the same licensed**
12 **premises or at a licensed premises that is shared with a medical**
13 **facility licensee that is operating in accordance with the medical**
14 **marihuana facilities licensing act.**

15 (d) **Requires** a medical facility licensee, other than a medical
16 facility licensee that is operating as a provisioning center, to do
17 either of the following in order to continue operating before March
18 1, 2026 or to qualify for a state license under section 28:

19 (i) **Obtain** a municipal license that is in addition to a
20 municipal license the medical facility licensee already holds.

21 (ii) **Renew** a municipal license before the expiration of that
22 municipal license.

23 (e) **Discriminate** against, or otherwise treat a medical
24 facility licensee differently than, any other licensee solely
25 because the medical facility licensee was granted a state license
26 under section 28.

27 Sec. 7. (1) The cannabis regulatory agency is responsible for
28 implementing this act and has the powers and duties necessary to
29 control the commercial production and distribution of marihuana.

1 The cannabis regulatory agency shall do all of the following:

2 (a) Promulgate rules ~~pursuant to~~ **as required under** section 8.
3 ~~that are necessary to implement, administer, and enforce this act.~~

4 (b) Grant or deny each application for licensure and
5 investigate each applicant to determine eligibility for licensure,
6 including **by** conducting a background investigation on each ~~person~~
7 ~~holding an ownership interest in the applicant.~~

8 (c) Ensure that ~~marihuana establishments~~ **licensees** comply with
9 this act and the rules promulgated under this act by doing all of
10 the following:

11 (i) Performing investigations of compliance and, ~~regular~~ **if the**
12 **cannabis regulatory agency has reason to believe that a violation**
13 **of this act or the rules promulgated under this act has occurred,**
14 inspections of ~~marihuana establishments~~ **licensed premises.**

15 (ii) Taking appropriate disciplinary action against a licensee
16 **that violates this act or the rules promulgated under this act,**
17 including, **but not limited to,** prescribing civil fines ~~for~~
18 ~~violations of this act or the rules promulgated under this act and~~
19 **or** suspending, restricting, or revoking a state license.

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

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

25 (f) Deposit all fees collected for licensure into the
26 marihuana regulation fund. ~~established under section 14 and remit~~

27 **(g) Remit** all fines collected **to the department of treasury**
28 for deposit into the general fund.

29 **(h)** ~~(g)~~ Submit an annual report to the governor covering the

1 immediately preceding **calendar** year that includes all of the
2 following:

3 **(i) The total number of state licenses granted.**

4 **(ii)** ~~(i)~~ The number of **each type of** state ~~licenses of each class~~
5 ~~issued.~~ **license granted.**

6 **(iii)** ~~(ii)~~ Demographic information of licensees.

7 **(iv)** ~~(iii)~~ A description of enforcement and disciplinary actions
8 taken against licensees.

9 **(v)** ~~(iv)~~ A statement of revenues and expenses of the cannabis
10 regulatory agency ~~related to~~ **regarding** the implementation,
11 administration, and enforcement of this act.

12 **(i)** ~~(h)~~ Employ personnel as necessary to adequately perform
13 its duties.

14 (2) The cannabis regulatory agency may do either of the
15 following:

16 (a) Enter into an agreement with an advisor or consultant as
17 necessary to adequately perform its duties under this act.

18 (b) Enter into an agreement with an Indian tribe regarding
19 marihuana-related regulatory issues that involve the interests of
20 this state and the Indian tribe, including, but not limited to,
21 issues related to the commercial growing, processing, sale,
22 testing, transportation, and possession of marihuana.

23 (3) A person ~~who~~ **that** has a **direct or indirect** pecuniary
24 interest ~~, directly or indirectly,~~ in a ~~marihuana establishment~~
25 **licensee** or tribal marihuana business may not be an employee,
26 advisor, or consultant involved in the implementation,
27 administration, or enforcement of this act. An employee, advisor,
28 or consultant of the cannabis regulatory agency is not personally
29 liable for any action at law for damages sustained by a person

1 because of an action performed or done in the performance of the
2 employee's, advisor's, or consultant's duties in the
3 implementation, administration, or enforcement of this act.

4 (4) The department of state police shall cooperate and assist
5 the cannabis regulatory agency in performing the cannabis
6 regulatory agency's duties under this act, including, but not
7 limited to, conducting background investigations of applicants.

8 Sec. 8. (1) The cannabis regulatory agency shall promulgate
9 rules to implement, ~~and administer,~~ **and enforce** this act that
10 include all of the following:

11 (a) Procedures for ~~issuing~~ **granting** a state license pursuant
12 ~~to~~ **under** section 9 and for renewing, suspending, and revoking a
13 state license.

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

18 (c) Qualifications for licensure that are directly and
19 demonstrably related to ~~the operation of~~ **operating as** a marijuana
20 establishment. ~~licensee~~. However, a prior conviction solely for a
21 marijuana-related offense must not disqualify an individual or
22 otherwise affect eligibility for licensure, unless the offense
23 involved distribution of a controlled substance to a minor.

24 (d) Requirements and standards for safe cultivation,
25 processing, and distribution of marijuana by ~~marijuana~~
26 establishments, **licensees**, including health standards to ensure the
27 safe preparation of marijuana-infused products and prohibitions on
28 pesticides that are not safe for use on marijuana.

29 (e) Testing, packaging, and labeling standards, procedures,

1 and requirements for marihuana, including, but not limited to, all
2 of the following:

3 (i) A maximum THC level for marihuana-infused products.

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

6 (iii) A requirement that the amount of marihuana or marihuana
7 concentrate contained within a marihuana-infused product be
8 specified on the product label.

9 (iv) A requirement that all marihuana sold through marihuana
10 retailers, ~~and marihuana microbusinesses,~~ **and marihuana**
11 **provisioning centers** include on the exterior of the marihuana
12 packaging the following warning printed in clearly legible type and
13 surrounded by a continuous heavy line:

14 WARNING: USE BY PREGNANT OR BREASTFEEDING WOMEN, OR BY
15 WOMEN PLANNING TO BECOME PREGNANT, MAY RESULT IN FETAL
16 INJURY, PRETERM BIRTH, LOW BIRTH WEIGHT, OR DEVELOPMENTAL
17 PROBLEMS FOR THE CHILD.

18 (f) Security requirements, including lighting, physical
19 security, and alarm requirements, and requirements for securely
20 transporting marihuana between ~~marihuana establishments.~~ **licensed**
21 **premises**. The requirements described in this subdivision must not
22 prohibit cultivation of marihuana outdoors or in greenhouses.

23 (g) ~~Record keeping~~ **Record-keeping** requirements for ~~marihuana~~
24 ~~establishments~~ **licensees** and monitoring requirements to track the
25 transfer of marihuana by licensees.

26 (h) Requirements for the operation of marihuana secure
27 transporters to ensure that all ~~marihuana establishments~~ **licensees**
28 are properly serviced.

29 (i) Reasonable restrictions on advertising, marketing, and

1 display of marihuana, **licensees**, and ~~marihuana~~
2 ~~establishments~~. **licensed premises**.

3 (j) A plan to promote and encourage participation in the
4 marihuana industry by ~~people~~ **individuals** from communities that have
5 been disproportionately impacted by marihuana prohibition and
6 enforcement and to positively impact those communities.

7 (k) ~~Penalties~~ **Sanctions** for failure to comply with a rule
8 promulgated ~~pursuant to~~ **under** this section or for a violation of
9 this act by a licensee, including civil fines and suspension,
10 revocation, or restriction of a state license.

11 (l) Informational pamphlet standards for marihuana retailers,
12 ~~and marihuana microbusinesses~~, **and marihuana provisioning centers**,
13 including, but not limited to, a requirement to make available to
14 every customer at the time of sale a pamphlet measuring 3.5 inches
15 by 5 inches that includes safety information related to marihuana
16 use by ~~minors~~ **individuals younger than 21 years of age** and the
17 poison control hotline number.

18 (m) Procedures and standards for approving an appointee to
19 operate **as** a ~~marihuana establishment~~ **licensee** under section 9a.

20 (n) A limit on the total amount of THC that a product
21 described in section ~~3(f)(v)(A)~~ **3(l)(v)(A)** may contain.

22 (2) The cannabis regulatory agency may promulgate rules to do
23 any of the following:

24 (a) Provide for the ~~issuance~~ **granting** of additional types or
25 classes of state licenses to ~~operate~~ **engage in** marihuana-related
26 ~~businesses~~, **activities**, including licenses that authorize any of
27 the following:

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

1 (ii) Consumption of marihuana within designated areas.

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

4 (iv) Cultivation for purposes of propagation.

5 (v) Facilitation of scientific research or education.

6 (b) Regulate the ~~cultivation~~, processing, distribution, and
7 sale of industrial hemp.

8 (c) Exclude from the definition of THC in section 3 a
9 tetrahydrocannabinol if, after the cannabis regulatory agency makes
10 findings with respect to each of the following factors, the
11 cannabis regulatory agency determines that the tetrahydrocannabinol
12 does not have a potential for abuse:

13 (i) The actual or relative potential for abuse of the
14 tetrahydrocannabinol.

15 (ii) The scientific evidence of the tetrahydrocannabinol's
16 pharmacological effect, if known.

17 (iii) The state of current scientific knowledge regarding the
18 tetrahydrocannabinol.

19 (iv) The history and current pattern of abuse of the
20 tetrahydrocannabinol.

21 (v) The scope, duration, and significance of abuse of the
22 tetrahydrocannabinol.

23 (vi) The tetrahydrocannabinol's risk to the public health.

24 (vii) The potential of the tetrahydrocannabinol to produce
25 psychic or physiological dependence liability.

26 (3) The cannabis regulatory agency shall not promulgate a rule
27 that is unreasonably impracticable or that does any of the
28 following:

29 (a) Establishes a limit on the number of any type of state

1 license that may be granted.

2 (b) Requires a customer to provide a marihuana retailer,
 3 **marihuana microbusiness, or marihuana provisioning center** with
 4 identifying information other than identification to determine the
 5 customer's age or, ~~requires the~~ **if the customer is a qualifying**
 6 **patient, visiting qualifying patient, or primary caregiver, the**
 7 **customer's registry identification card.**

8 (c) **Requires a marihuana retailer, marihuana microbusiness, or**
 9 **marihuana provisioning center** to acquire or record personal
 10 information about customers other than information typically
 11 required in a retail transaction.

12 ~~(c) Prohibits a marihuana establishment from operating at a~~
 13 ~~shared location of a marihuana facility operating pursuant to the~~
 14 ~~medical marihuana facilities licensing act, 2016 PA 281, MCL~~
 15 ~~333.27101 to 333.27801, or prohibits~~

16 (d) **Prohibits** a marihuana grower, marihuana processor, or
 17 marihuana retailer from operating ~~within a single facility.~~ **at the**
 18 **same licensed premises.**

19 (4) A rule promulgated under this act must be promulgated
 20 ~~pursuant to~~ **in accordance with** the administrative procedures act of
 21 1969, 1969 PA 306, MCL 24.201 to 24.328.

22 Sec. 9. (1) ~~1. Each application for a state license must be~~
 23 ~~submitted~~ **Subject to section 28, to apply for a state license, a**
 24 **person must submit all of the following** to the department. ~~Upon~~
 25 ~~receipt of~~ **cannabis regulatory agency:**

26 (a) **An application on a form prescribed by the cannabis**
 27 **regulatory agency.**

28 (b) **Written consent to a criminal history check.**

29 (c) **The application fee.**

1 **(2) Not later than 90 days after receiving** a complete
 2 application and **the** application fee, the ~~department~~ **cannabis**
 3 **regulatory agency** shall ~~forward a copy of the application to~~ **do all**
 4 **of the following:**

5 **(a) Notify** the municipality in which the ~~marihuana~~
 6 ~~establishment~~ **proposed licensed premises** is ~~to be located~~ **that the**
 7 **cannabis regulatory agency received the application.** ~~;~~ ~~determine~~

8 **(b) Determine** whether the applicant and the **applicant's**
 9 **proposed licensed** premises qualify for the state license and comply
 10 with this act. ~~;~~ ~~and issue~~

11 **(c) Grant** the ~~appropriate~~ **applicant the** state license or send
 12 the applicant a notice of rejection ~~setting forth~~ **that states the**
 13 specific reasons why the ~~department~~ **cannabis regulatory agency** did
 14 not approve the state license application. ~~within 90 days.~~

15 **(3) 2.** ~~The~~ ~~department~~ **cannabis regulatory agency** shall ~~issue~~
 16 **grant** the following state license types: ~~marihuana~~

17 **(a) Marihuana** retailer. ~~;~~ ~~marihuana~~

18 **(b) Marihuana** safety compliance facility. ~~;~~ ~~marihuana~~

19 **(c) Marihuana** secure transporter. ~~;~~ ~~marihuana~~

20 **(d) Marihuana** processor. ~~;~~ ~~marihuana~~

21 **(e) Marihuana** microbusiness. ~~;~~ ~~class~~

22 **(f) Class A** marihuana grower. ~~authorizing cultivation of not~~
 23 ~~more than 100 marihuana plants;~~ ~~class~~

24 **(g) Class B** marihuana grower. ~~authorizing cultivation of not~~
 25 ~~more than 500 marihuana plants;~~ ~~and class~~

26 **(h) Class C** marihuana grower. ~~authorizing cultivation of not~~
 27 ~~more than 2,000 marihuana plants.~~

28 **(i) Beginning March 1, 2026, marihuana provisioning center.**

29 **(4) 3.** ~~Except as otherwise provided in this section, the~~

1 ~~department-cannabis regulatory agency~~ shall approve a state license
 2 application and ~~issue-grant the applicant~~ a state license if **all of**
 3 **the following conditions are met:**

4 (a) ~~the~~**The** applicant has submitted ~~an-the~~ application in
 5 ~~compliance-accordance~~ with **this act and** the rules promulgated by
 6 ~~the department, under this act,~~ is in compliance with this act and
 7 the rules **promulgated under this act,** and has paid the ~~required~~
 8 **application fee.** †

9 (b) ~~the~~**Subject to section 28(2)(g),** the municipality in which
 10 the proposed ~~marihuana-establishment-licensed premises will be-is~~
 11 located does not notify the ~~department-cannabis regulatory agency~~
 12 that the proposed ~~marihuana-establishment-is-licensed premises~~
 13 **would not in compliance-comply** with an ordinance ~~consistent with~~
 14 **adopted under** section 6 of ~~this act and that is~~ in effect at the
 15 ~~time of application;on the date the application is submitted.~~

16 (c) ~~the property where the~~**The** proposed marihuana
 17 ~~establishment is to be located-is-licensed premises is~~ not within
 18 ~~an-either of the following:~~

19 (i) **An** area zoned exclusively for residential use. ~~and is not~~
 20 ~~within~~

21 (ii) **1,000 feet, or a shorter distance prescribed by an**
 22 **applicable ordinance adopted under section 6,** of a pre-existing
 23 public or private school providing education in kindergarten or any
 24 of grades 1 ~~through to~~ 12. ~~, unless a municipality adopts an~~
 25 ~~ordinance that reduces this distance requirement;~~

26 (d) ~~no~~**Approval of the application will not result in a person**
 27 ~~who-that~~ holds an ownership interest in the ~~marihuana-establishment~~
 28 applicant **holding any of the following:**

29 (i) ~~(1) will hold an~~**An** ownership interest in ~~both-a~~ marihuana

1 safety compliance facility ~~or in a marihuana secure transporter and~~
 2 in ~~a~~ **any of the following:**

- 3 (A) A marihuana grower. ~~or a~~
- 4 (B) A marihuana processor. ~~or a~~
- 5 (C) A marihuana retailer. ~~or a~~
- 6 (D) A marihuana microbusiness. ~~or~~
- 7 (E) A marihuana secure transporter.
- 8 (F) A marihuana provisioning center.

9 (ii) An ownership interest in a marihuana secure transporter
 10 and in any of the following:

- 11 (A) A marihuana grower.
- 12 (B) A marihuana processor.
- 13 (C) A marihuana retailer.
- 14 (D) A marihuana microbusiness.
- 15 (E) A marihuana safety compliance facility.
- 16 (F) A marihuana provisioning center.

17 (iii) ~~(2) will hold an~~ An ownership interest in ~~both a marihuana~~
 18 microbusiness and in ~~a~~ **any of the following:**

- 19 (A) A marihuana grower. ~~or a~~
- 20 (B) A marihuana processor. ~~or a~~
- 21 (C) A marihuana retailer. ~~or a~~
- 22 (D) A marihuana safety compliance facility. ~~or a~~
- 23 (E) A marihuana secure transporter. ~~and~~
- 24 (F) A marihuana provisioning center.

25 (iv) ~~(3) will hold an~~ An ownership interest in more than 5
 26 marihuana growers ~~or in more than 1 marihuana microbusiness, except~~
 27 ~~that the department may approve a license application from a person~~
 28 ~~who holds an ownership interest in more than 5 marihuana growers or~~
 29 ~~more than 1 marihuana microbusiness if, after January 1, 2023, the~~

1 ~~department unless the cannabis regulatory agency~~ promulgates a rule
 2 ~~authorizing an individual that authorizes a person~~ to hold an
 3 ownership interest in more than 5 ~~marihuana growers or in more than~~
 4 1 marihuana microbusiness.

5 (5) ~~4. If a municipality an ordinance adopted under section 6~~
 6 limits the number of ~~marihuana establishments licensees~~ that may be
 7 ~~licensed operate~~ in the ~~a~~ municipality pursuant to ~~section 6 of~~
 8 ~~this act and if~~ that limit prevents the ~~department cannabis~~
 9 **regulatory agency** from issuing a state license to ~~all applicants~~
 10 ~~who meet every applicant that meets~~ the requirements of subsection
 11 ~~3 of this section, (4) and whose proposed licensed premises is~~
 12 **located in the municipality,** the municipality shall decide among
 13 competing applications by a competitive process intended to select
 14 applicants ~~who that~~ are best suited to operate in compliance with
 15 this act within the municipality.

16 (6) ~~5. All A state licenses are license is~~ effective for 1
 17 year, unless the ~~department issues cannabis regulatory agency~~
 18 **grants** the state license for a longer term. ~~A The cannabis~~
 19 **regulatory agency shall renew a licensee's** state license ~~is renewed~~
 20 upon receipt of a ~~receiving the licensee's~~ complete renewal
 21 application and a renewal fee, ~~from any marihuana establishment if~~
 22 **the licensee is** in good standing.

23 (7) ~~6. The department Except as otherwise provided in this~~
 24 **subsection, the cannabis regulatory agency** shall begin accepting
 25 applications for ~~marihuana establishments within 12 months after~~
 26 the effective date of this act. ~~Except as otherwise provided in~~
 27 ~~this section, for 24 months after the department begins to receive~~
 28 ~~applications for marihuana establishments, the department may only~~
 29 ~~accept applications for licensure: for a class A marihuana grower~~

~~1 or for a marihuana microbusiness, from persons who are residents of~~
~~2 Michigan; for a marihuana retailer, marihuana processor, class B~~
~~3 marihuana grower, class C marihuana grower, or a marihuana secure~~
~~4 transporter, from persons holding a state operating license~~
~~5 pursuant to the medical marihuana facilities licensing act, 2016 PA~~
~~6 281, MCL 333.27101 to 333.27801; and for a marihuana safety~~
~~7 compliance facility, from any applicant. One year after the~~
~~8 department begins to accept applications pursuant to this section,~~
~~9 the department shall begin accepting applications from any~~
~~10 applicant if the department determines that additional state~~
~~11 licenses are necessary to minimize the illegal market for marihuana~~
~~12 in this state, to efficiently meet the demand for marihuana, or to~~
~~13 provide for reasonable access to marihuana in rural areas.~~**state**
~~14 licenses by December 6, 2019. The cannabis regulatory agency shall~~
~~15 begin accepting applications for marihuana provisioning center~~
~~16 licenses on March 1, 2026.~~

~~17 (8) 7.—~~Information obtained from an applicant related to
~~18 licensure under this act is exempt from confidential, is not~~
~~19 subject to disclosure under the freedom of information act, 1976 PA~~
~~20 442, MCL 15.231 to 15.246, and must not be disclosed to any person~~
~~21 except for purposes of this act or for law enforcement purposes.~~

~~22 Sec. 9a. (1) The marijuana cannabis~~ regulatory agency may
~~23 approve the operation of a marihuana establishment by any of the~~
~~24 following to operate as a licensee:~~

~~25 (a) A court-appointed personal representative, guardian, or~~
~~26 conservator of an individual who holds a state license or has an~~
~~27 interest in a person that holds a state license.~~

~~28 (b) A court-appointed receiver or trustee.~~

~~29 (2) If an individual approved to operate as a marihuana~~

1 ~~establishment~~**licensee** under subsection (1) receives notice from
2 the ~~marijuana~~**cannabis** regulatory agency that the ~~marihuana~~
3 ~~establishment~~**licensee** the individual is operating is in violation
4 of this act or the rules promulgated under this act, the individual
5 shall notify the court that appointed the individual of the notice
6 of violation ~~within~~**not later than** 2 days after receiving the
7 notice of violation.

8 Sec. 11a. (1) A licensee authorized to sell or otherwise
9 transfer marihuana under this act or a rule promulgated under this
10 act shall not directly, or by a clerk, agent, or servant, sell or
11 otherwise transfer marihuana to a minor or to an individual who, at
12 the time of the sale or transfer, is visibly intoxicated.

13 (2) Except as otherwise provided in this section, an
14 individual who suffers damage or is personally injured by a minor
15 or visibly intoxicated person as a result of a violation of
16 subsection (1), if the violation is a proximate cause of the damage
17 or personal injury or death, shall have a right of action in ~~his or~~
18 ~~her~~**the individual's** name against the licensee that sold or
19 transferred the marihuana.

20 (3) An action under this section must be instituted within 2
21 years after the injury or death. A person shall give written notice
22 to all defendants within 120 days after entering an attorney-client
23 relationship for the purposes of pursuing a claim for damages under
24 this section. Failure to give written notice to the licensee within
25 that time period is grounds for dismissal of the claim unless the
26 licensee could not be identified within that time period with
27 reasonable diligence. If the licensee is identified after that time
28 period, failure to give written notice within 120 days thereafter
29 is grounds for dismissal. In the event of the death of either

1 party, the right of action under this section survives to or
2 against ~~his or her~~ **the party's** personal representative.

3 (4) An action under this section shall not be commenced unless
4 the minor or alleged visibly intoxicated individual is a named
5 defendant and is retained in the action until the litigation is
6 concluded by final action or the licensee is dismissed with
7 prejudice.

8 (5) A licensee described in subsection (2) has the right to
9 full indemnification from the minor or alleged visibly intoxicated
10 individual for all damages awarded against the licensee.

11 (6) All defenses of the minor or alleged visibly intoxicated
12 individual are available to the licensee. In an action alleging a
13 violation of subsection (1) involving a minor, proof that the
14 licensee demanded and was shown a government-issued photographic
15 identification appearing to be genuine and showing the minor to be
16 21 years of age or older, is a complete defense to the action.

17 (7) It is presumed that a licensee, other than the licensee
18 that last sold or transferred marihuana to a minor or visibly
19 intoxicated person, is not a proximate cause of an injury that gave
20 rise to a cause of action under subsection (2). This presumption
21 may be overcome by clear and convincing evidence.

22 (8) A minor or alleged visibly intoxicated individual does not
23 have a cause of action under this section. A person does not have a
24 cause of action against a licensee for any loss or damage sustained
25 resulting from the injury or death of the minor or visibly
26 intoxicated person.

27 (9) An individual who suffers damage or who is personally
28 injured by a minor or visibly intoxicated person as a result of a
29 violation of subsection (1) has the right to recover actual damages

1 in a sum of not less than \$50.00 in each case in which the court or
 2 jury determines that intoxication was a proximate cause of the
 3 damage, injury, or death.

4 (10) A licensee authorized to sell or otherwise transfer
 5 marihuana under this act or a rule promulgated under this act must
 6 maintain insurance coverage provided by a licensed and admitted
 7 insurance company in ~~Michigan~~ **this state** in a minimum amount of
 8 \$50,000.00 for actions brought under subsection (2).

9 (11) This section provides the exclusive remedy for money
 10 damages against a licensee and the licensee's clerks, agents, and
 11 employees arising out of a violation of subsection (1). This
 12 subsection does not apply to a remedy available under law to lawful
 13 users of marihuana for liability resulting from the manufacture,
 14 distribution, transportation, or sale of adulterated marihuana.

15 (12) Except as otherwise provided in this section, a civil
 16 action against a licensee is subject to the revised judicature act
 17 of 1961, 1961 PA 236, MCL 600.101 to 600.9947.

18 (13) As used in this section:

19 ~~(a) "Adulterated marihuana" means a product sold as marihuana~~
 20 ~~that contains any unintended substance or chemical or biological~~
 21 ~~matter other than marihuana that causes adverse reaction after~~
 22 ~~ingestion or consumption.~~

23 **(a) ~~(b)~~ "Minor" means an individual who is younger than 21**
 24 **years of age and who is not a qualifying patient or visiting**
 25 **qualifying patient.**

26 **(b) ~~(e)~~ "Visibly intoxicated" means displaying obvious,**
 27 **objective, and visible evidence of intoxication that would be**
 28 **apparent to an ordinary observer.**

29 **(c) ~~(d)~~ "Written notice" means a communication in writing that**

1 does all of the following:

2 (i) Identifies the minor or alleged visibly intoxicated person
3 by name and address.

4 (ii) States all of the following:

5 (A) The date of the alleged violation of subsection (1).

6 (B) The name and address of the injured or killed individual.

7 (C) The location and circumstances of the accident or event
8 that caused injury or death.

9 (D) The date of retention of the person or law firm giving the
10 notice.

11 Sec. 12. In computing ~~net-taxable~~ income ~~for marihuana~~
12 ~~establishments, deductions from state taxes are allowed for under~~
13 **the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.847, a**
14 **licensee may deduct** all the ordinary and necessary expenses paid or
15 incurred during the taxable year in carrying out a trade or
16 business.

17 Sec. 13. (1) Except as otherwise provided in subsection (4),
18 in addition to all other taxes, an excise tax is imposed on each
19 ~~marihuana establishment-licensee~~ and on each person who sells
20 marihuana at the rate of 10% of the sales price for marihuana sold
21 or otherwise transferred. ~~to a person other than a marihuana~~
22 ~~establishment or tribal marihuana business.~~

23 (2) Except as otherwise provided by a rule promulgated by the
24 department of treasury, a product subject to the tax imposed under
25 this section ~~may~~**must** not be bundled in a single transaction with a
26 product or service that is not subject to the tax imposed by this
27 section.

28 (3) The department of treasury shall administer the taxes
29 imposed under this act ~~pursuant to~~ **in accordance with** 1941 PA 122,

1 MCL 205.1 to 205.31. The department of treasury may promulgate
2 rules ~~pursuant to~~ **under** the administrative procedures act of 1969,
3 1969 PA 306, MCL 24.201 to MCL 24.328, that prescribe a method and
4 manner for payment and collection of the taxes imposed under this
5 act.

6 (4) The tax imposed under subsection (1) does not apply to any
7 of the following:

8 (a) Marihuana sold or otherwise transferred from a tribal
9 marihuana business.

10 (b) Marihuana sold or otherwise transferred under the Michigan
11 Medical Marihuana Act. ~~, 2008 IL 1, MCL 333.26421 to 333.26430.~~

12 (c) Marihuana sold or otherwise transferred ~~under the medical~~
13 ~~marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to~~
14 ~~333.27801.~~ **to a qualifying patient, primary caregiver, or visiting**
15 **qualifying patient.**

16 (d) **Marihuana sold or otherwise transferred from a licensee to**
17 **another licensee or a tribal marihuana business.**

18 Sec. 14. (1) The marihuana regulation fund is created in the
19 state treasury. The department of treasury shall deposit into the
20 fund all money collected under section 13 and all money collected
21 by the department of treasury in accordance with an agreement
22 described in section ~~3(y)(ii),~~ **3(ll)(ii)**, and the cannabis regulatory
23 agency shall deposit into the fund all fees collected under this
24 act. The state treasurer shall direct the investment of the fund
25 and shall credit to the fund interest and earnings from fund
26 investments. The cannabis regulatory agency shall administer the
27 fund for auditing purposes. Money in the fund at the close of the
28 fiscal year must remain in the fund and must not lapse to the
29 general fund.

1 (2) Funds for the initial activities of the cannabis
 2 regulatory agency to implement this act ~~shall~~**must** be appropriated
 3 from the general fund. The cannabis regulatory agency shall repay
 4 any amount appropriated under this subsection from proceeds in the
 5 fund.

6 (3) The cannabis regulatory agency shall expend money in the
 7 fund as follows:

8 (a) For the implementation, administration, and enforcement of
 9 this act.

10 (b) Until 2022 or for at least 2 years, whichever is later,
 11 for 1 or more development and research projects, including clinical
 12 trials, that are approved by the ~~United States~~ Food and Drug
 13 Administration and sponsored by a nonprofit organization or
 14 researcher within an academic institution researching the efficacy
 15 of marihuana in treating the medical conditions and preventing the
 16 suicide of United States Armed Services veterans. The cannabis
 17 regulatory agency shall expend \$20,000,000.00 per year under this
 18 subdivision.

19 (4) Upon appropriation, the unexpended balances in the fund
 20 must be allocated as follows:

21 (a) Subject to subsection (5), 15% to municipalities in which
 22 **the licensed premises of** a marihuana retailer or marihuana
 23 microbusiness is located, allocated in proportion to the number of
 24 marihuana retailers and marihuana microbusinesses ~~within~~**with**
 25 **licensed premises located in** each municipality.

26 (b) Subject to subsection (5), 15% to counties in which **the**
 27 **licensed premises of** a marihuana retailer or marihuana
 28 microbusiness is located, allocated in proportion to the number of
 29 marihuana retailers and marihuana microbusinesses ~~within~~**with**

1 **licensed premises located in** each county.

2 (c) 35% to the school aid fund to be used for K-12 education,
3 **as provided for under section 11 of article IX of the state**
4 **constitution of 1963.**

5 (d) 35% to the Michigan transportation fund to be used for the
6 repair and maintenance of roads and bridges.

7 (5) If **the licensed premises of** a marihuana retailer or
8 marihuana microbusiness is located in Indian lands, the portions of
9 the unexpended balances attributable to the marihuana retailer or
10 marihuana microbusiness that would have otherwise been allocated to
11 a municipality under subsection (4) (a) and a county under
12 subsection (4) (b) must instead be allocated to the Indian tribe in
13 whose Indian lands the **licensed premises of the** marihuana retailer
14 or marihuana microbusiness is located.

15 Sec. 15. ~~A person~~ **Subject to the exceptions in this section,**
16 **an individual** who commits any of the following acts, and is not
17 otherwise authorized by this act to ~~conduct such activities,~~ **commit**
18 **the acts,** may be punished only as provided in this section and is
19 not subject to any other form of punishment or disqualification,
20 unless the person consents to another disposition authorized by
21 law:

22 (a) ~~1. Except for a person~~ **an individual** who engaged in
23 conduct described in ~~sections 4(1) (a), 4(1) (b), 4(1) (c), 4(1) (d),~~
24 ~~4(1) (g), or 4(1) (h), a person~~ **section 4(1) (a), (b), (c), (d), (g),**
25 **or (h), an individual** who possesses not more than the amount of
26 marihuana allowed ~~by~~ **under** section 5, cultivates not more than the
27 amount of marihuana allowed ~~by~~ **under** section 5, delivers without
28 receiving any remuneration to ~~a person~~ **an individual** who is ~~at~~
29 ~~least~~ 21 years of age **or older** not more than the amount of

1 marihuana allowed ~~by~~**under** section 5, or possesses with intent to
 2 deliver not more than the amount of marihuana allowed ~~by~~**under**
 3 section 5, is responsible for a civil infraction and may be
 4 punished by a fine of not more than ~~\$100~~**\$100.00** and forfeiture of
 5 the marihuana.

6 **(b) 2.** ~~Except for a person~~**an individual** who engaged in
 7 conduct described in section 4, ~~a person~~**an individual** who
 8 possesses not more than twice the amount of marihuana allowed ~~by~~
 9 **under** section 5, cultivates not more than twice the amount of
 10 marihuana allowed ~~by~~**under** section 5, delivers without receiving
 11 any remuneration to ~~a person~~**an individual** who is ~~at least~~ 21 years
 12 of age **or older** not more than twice the amount of marihuana allowed
 13 ~~by~~**under** section 5, or possesses with intent to deliver not more
 14 than twice the amount of marihuana allowed ~~by~~**under** section 5, **may**
 15 **be punished as follows:**

16 **(i) (a)** ~~for~~**For** a first violation, **the individual** is
 17 responsible for a civil infraction and may be punished by a fine of
 18 not more than ~~\$500~~**\$500.00** and forfeiture of the marihuana. †

19 **(ii) (b)** ~~for~~**For** a second violation, **the individual** is
 20 responsible for a civil infraction and may be punished by a fine of
 21 not more than ~~\$1,000~~**\$1,000.00** and forfeiture of the marihuana. †

22 **(iii) (c)** ~~for a third or~~**For each** subsequent violation, **the**
 23 **individual** is guilty of a misdemeanor and may be punished by a fine
 24 of not more than ~~\$2,000~~**\$2,000.00** and forfeiture of the marihuana.

25 **(c) 3.** ~~Except for a person~~**an individual** who engaged in
 26 conduct described ~~by~~**in** section 4(1) (a), ~~4(1) (d), or 4(1) (g), a~~
 27 ~~person under~~ **(d), or (g), an individual who is younger than 21**
 28 years of age **and** who possesses not more than 2.5 ounces of
 29 marihuana or who cultivates not more than ~~12~~**the number of**

1 marihuana plants **allowed under section 5 may be punished as**
 2 **follows:**

3 (i) ~~(a) for~~ **For** a first violation, **the individual** is
 4 responsible for a civil infraction and may be punished as follows:

5 (A) ~~(1) if~~ **If** the ~~person~~ **individual** is ~~less~~ **younger** than 18
 6 years of age, by a fine of not more than ~~\$100~~ **\$100.00** or community
 7 service, forfeiture of the marihuana, and completion of 4 hours of
 8 drug education or counseling. ~~;~~ ~~or~~

9 (B) ~~(2) if~~ **If** the ~~person~~ **individual** is ~~at least~~ 18 years of
 10 age **or older**, by a fine of not more than ~~\$100~~ **\$100.00** and
 11 forfeiture of the marihuana.

12 (ii) ~~(b) for~~ **For** a second violation, **the individual** is
 13 responsible for a civil infraction and may be punished as follows:

14 (A) ~~(1) if~~ **If** the ~~person~~ **individual** is ~~less~~ **younger** than 18
 15 years of age, by a fine of not more than ~~\$500~~ **\$500.00** or community
 16 service, forfeiture of the marihuana, and completion of 8 hours of
 17 drug education or counseling. ~~;~~ ~~or~~

18 (B) ~~(2) if~~ **If** the ~~person~~ **individual** is ~~at least~~ 18 years of
 19 age **or older**, by a fine of not more than ~~\$500~~ **\$500.00** and
 20 forfeiture of the marihuana.

21 (d) ~~4.~~ Except for a ~~person~~ **an individual** who engaged in
 22 conduct described in section 4, a ~~person~~ **an individual** who
 23 possesses more than twice the amount of marihuana allowed ~~by~~ **under**
 24 section 5, cultivates more than twice the amount of marihuana
 25 allowed ~~by~~ **under** section 5, or delivers without receiving any
 26 remuneration to a ~~person~~ **an individual** who is ~~at least~~ 21 years of
 27 age **or older** more than twice the amount of marihuana allowed ~~by~~
 28 **under** section 5, ~~shall be~~ **is** responsible for a misdemeanor, but
 29 ~~shall~~ **is** not ~~be~~ subject to imprisonment unless the violation was

1 habitual, willful, and for a commercial purpose or the violation
2 involved violence.

3 Sec. 17. This act ~~shall~~**must** be broadly construed to
4 accomplish ~~its~~**the purpose and** intent as stated in section 2. ~~of~~
5 ~~this act.~~ Nothing in this act purports to supersede any applicable
6 federal law, except where allowed by federal law. All provisions of
7 this act are self-executing. Any section of this act that is found
8 invalid as to any person or circumstances ~~shall~~**must** not affect the
9 application of any other section of this act that can be given full
10 effect without the invalid section or application.

11 Sec. 20. A marihuana grower that is granted and holds a
12 marihuana grower license, or an agent acting on behalf of the
13 marihuana grower who is 18 years of age or older, may do any of the
14 following:

15 (a) Before March 1, 2026, cultivate not more than the
16 following number of marihuana plants:

- 17 (i) For a class A grower license, 100.
18 (ii) For a class B grower license, 500.
19 (iii) For a class C grower license, 2,000.

20 (b) On or after March 1, 2026, cultivate not more than the
21 following number of mature marihuana plants:

- 22 (i) For a class A grower license, 500.
23 (ii) For a class B grower license, 1,000.
24 (iii) For a class C grower license, 2,000.

25 (c) Possess, package, store, or test marihuana.

26 (d) Obtain seeds or seedlings from any of the following:

27 (i) An individual who is 21 years of age or older.

28 (ii) On or after March 1, 2026, a qualifying patient or primary
29 caregiver.

1 (e) Sell or otherwise transfer marihuana to a licensee or
2 tribal marihuana business.

3 (f) Purchase or otherwise obtain marihuana from a licensee or
4 tribal marihuana business.

5 (g) Except as provided in subdivision (g), transport at 1 time
6 not more than 15 ounces of marihuana, of which not more than 60
7 grams may be in the form of marihuana concentrate, to or from
8 licensed premises.

9 (h) Transport marihuana to or from a marihuana processor's or
10 marihuana retailer's licensed premises if all of the following
11 conditions are met:

12 (i) The marihuana grower and marihuana processor or marihuana
13 retailer, as applicable, are authorized to operate at the same
14 licensed premises.

15 (ii) The marihuana grower does not use any public real property
16 to transport the marihuana.

17 Sec. 21. (1) A marihuana processor that is granted and holds a
18 marihuana processor license, or an agent acting on behalf of the
19 marihuana processor who is 18 years of age or older, may do any of
20 the following:

21 (a) Possess, process, package, store, or test marihuana.

22 (b) Sell or otherwise transfer marihuana to a licensee or
23 tribal marihuana business.

24 (c) Purchase or otherwise obtain marihuana from a licensee or
25 tribal marihuana business.

26 (d) Except as provided in subdivision (e), transport at 1 time
27 not more than 15 ounces of marihuana, of which not more than 60
28 grams may be in the form of marihuana concentrate, to or from
29 licensed premises.

1 (e) Transport marihuana to or from a marihuana grower's or
2 marihuana retailer's licensed premises if all of the following
3 conditions are met:

4 (i) The marihuana processor and marihuana grower or marihuana
5 retailer, as applicable, are authorized to operate at the same
6 licensed premises.

7 (ii) The marihuana processor does not use any public real
8 property to transport the marihuana.

9 (f) On or after March 1, 2026, handle, process, market, or
10 broker in compliance with the industrial hemp research and
11 development act, 2014 PA 547, MCL 286.841 to 286.859. As used in
12 this subdivision, "handle", "process", "market", and "broker" mean
13 those terms as defined in section 2 of the industrial hemp research
14 and development act, 2014 PA 547, MCL 286.842.

15 (2) A marihuana processor shall not process an edible
16 marihuana-infused product in a shape or package that is attractive
17 to individuals younger than 18 years of age or that is easily
18 confused with commercially sold candy that does not contain
19 marihuana.

20 Sec. 22. (1) A marihuana secure transporter, or an agent
21 acting on behalf of the marihuana secure transporter who is 18
22 years of age or older, may do any of the following:

23 (a) Possess or store marihuana.

24 (b) Transport marihuana to or from licensed premises or a
25 tribal marihuana business.

26 (2) A marihuana secure transporter shall not hold title to
27 marihuana.

28 Sec. 23. A marihuana safety compliance facility, or an agent
29 acting on behalf of the marihuana safety compliance facility who is

1 18 years of age or older, may do all of the following:

2 (a) Test, possess, repackage, or store marihuana.

3 (b) Transfer marihuana to a licensee or tribal marihuana
4 business.

5 (c) Obtain marihuana from a licensee or tribal marihuana
6 business.

7 (d) Transport marihuana to or from licensed premises or a
8 tribal marihuana business.

9 (e) On or after March 1, 2026, obtaining, transporting,
10 transferring, or testing industrial hemp in compliance with the
11 industrial hemp research and development act, 2014 PA 547, MCL
12 286.841 to 286.859.

13 Sec. 24. (1) A marihuana retailer that is granted and holds a
14 marihuana retailer license, or an agent acting on behalf of the
15 marihuana retailer who is 18 years of age or older, may do any of
16 the following:

17 (a) Possess, store, or test marihuana.

18 (b) Sell or otherwise transfer marihuana to any of the
19 following:

20 (i) A licensee.

21 (ii) An individual who is 21 years of age or older.

22 (iii) A tribal marihuana business.

23 (iv) On or after March 1, 2026, any of the following:

24 (A) A qualifying patient.

25 (B) A visiting qualifying patient.

26 (C) A primary caregiver.

27 (c) Purchase or otherwise obtain marihuana from a licensee or
28 tribal marihuana business.

29 (d) Transport at 1 time not more than 15 ounces of marihuana,

1 of which not more than 60 grams may be in the form of marihuana
2 concentrate, to or from licensed premises.

3 (2) A marihuana retailer shall not do either of the following:

4 (a) Sell an edible marihuana-infused product in a shape or
5 package that is attractive to individuals younger than 18 years of
6 age or that is easily confused with commercially sold candy that
7 does not contain marihuana.

8 (b) Sell or otherwise transfer marihuana unless the marihuana
9 is contained in an opaque, resealable, child-resistant package as
10 provided for under 16 CFR 1700.20. This subdivision does not apply
11 to marihuana that is sold or transferred for consumption on the
12 premises where it is sold or transferred.

13 Sec. 24a. (1) A marihuana provisioning center, or an agent
14 acting on behalf of the provisioning center who is 18 years of age
15 or older, may do any of the following:

16 (a) Possess, store, or test marihuana.

17 (b) Sell or otherwise transfer marihuana to any of the
18 following:

19 (i) A licensee.

20 (ii) A qualifying patient.

21 (iii) A visiting qualifying patient.

22 (iv) A primary caregiver.

23 (c) Purchase or otherwise obtain marihuana from a licensee.

24 (d) Transport at 1 time not more than 15 ounces of marihuana,
25 of which not more than 60 grams may be in the form of marihuana
26 concentrate, to or from licensed premises.

27 (2) A marihuana provisioning center shall not do either of the
28 following:

29 (a) Sell an edible marihuana-infused product in a shape or

1 package that is attractive to individuals younger than 18 years of
2 age or that is easily confused with commercially sold candy that
3 does not contain marihuana.

4 (b) Sell or otherwise transfer marihuana unless the marihuana
5 is contained in an opaque, resealable, child-resistant package as
6 provided for under 16 CFR 1700.20. This subdivision does not apply
7 to marihuana that is sold or transferred for consumption on the
8 premises where it is sold or transferred.

9 Sec. 25. (1) A marihuana microbusiness that is granted and
10 holds a marihuana microbusiness license, or an agent acting on
11 behalf of the marihuana microbusiness who is 18 years of age or
12 older, may do all of the following:

13 (a) Cultivate not more than 150 marihuana plants.

14 (b) Possess, process, package, store, or test the marihuana
15 produced from the marihuana plants cultivated under subdivision
16 (a).

17 (c) Sell or otherwise transfer marihuana cultivated or
18 processed by the marihuana microbusiness to any of the following:

19 (i) An individual who is 21 years of age or older.

20 (ii) On or after March 1, 2026, any of the following:

21 (A) A qualifying patient.

22 (B) A visiting qualifying patient.

23 (C) A primary caregiver.

24 (2) A marihuana microbusiness shall not do either of the
25 following:

26 (a) Sell an edible marihuana-infused product in a shape or
27 package that is attractive to individuals younger than 18 years of
28 age or that is easily confused with commercially sold candy that
29 does not contain marihuana.

1 (b) Sell or otherwise transfer marihuana unless the marihuana
2 is contained in an opaque, resealable, child-resistant package as
3 provided for under 16 CFR 1700.20. This subdivision does not apply
4 to marihuana that is sold or transferred for consumption on the
5 premises where it is sold or transferred.

6 Sec. 26. (1) A licensee shall do all of the following, as
7 applicable:

8 (a) Cultivate, process, test, and store marihuana within an
9 enclosed area that is secured in a manner that prevents access by
10 individuals not authorized by the licensee to access the area.

11 (b) Secure each entrance to the licensee's licensed premises
12 and restrict access to areas containing marihuana to only the
13 following:

14 (i) Employees and other individuals authorized by the licensee
15 to access the area.

16 (ii) Employees and agents of the cannabis regulatory agency.

17 (iii) State and local law enforcement officers and emergency
18 personnel.

19 (c) Secure its inventory and equipment during and after
20 operating hours to deter and prevent theft of marihuana and
21 marihuana accessories.

22 (d) Allow employees and agents of the cannabis regulatory
23 agency, during the licensee's hours of operation, to do either of
24 the following:

25 (i) Inspect the licensee's licensed premises.

26 (ii) Audit the books and records of the licensee.

27 (e) Use the statewide monitoring system in accordance with the
28 rules promulgated under this act.

29 (2) A licensee shall not do any of the following:

1 (a) Cultivate, process, sell, or display marihuana or sell or
2 display marihuana accessories if the cultivating, processing,
3 selling, or displaying is visible from a public place outside of
4 the licensee's licensed premises without the use of binoculars,
5 aircraft, or other optical aids.

6 (b) Cultivate process, test, or store marihuana at any
7 location other than the licensee's licensed premises.

8 (c) Employ an individual who is younger than 18 years of age.

9 (d) Allow an individual who is younger than 18 years of age to
10 volunteer for the licensee.

11 (e) Sell or otherwise transfer tobacco.

12 (f) Employ an individual if the individual was an employee of
13 the cannabis regulatory agency at any time in the 2 years
14 immediately preceding the date of the licensee's offer of
15 employment.

16 (3) A person may do any of the following:

17 (a) Lease, or otherwise allow the use of, property that the
18 person owns, occupies, or manages for activities allowed under this
19 act or the rules promulgated under this act.

20 (b) Employ an individual who engages in activities allowed
21 under this act or the rules promulgated under this act.

22 (c) If the person is a certified public accountant who is
23 licensed under article 7 of the occupational code, 1980 PA 299, MCL
24 339.720 to 339.736, engage in the practice of public accounting as
25 that term is defined in section 720 of the occupational code, 1980
26 PA 299, MCL 339.720, for a licensee, a prospective licensee, or an
27 applicant.

28 (d) If the person is a financial institution, provide a
29 financial service to a licensee, a prospective licensee, or an

1 applicant.

2 (4) A person shall not do any of the following:

3 (a) Lease, pledge, or borrow or loan money against a license.

4 (b) Transfer a license to another person, unless the cannabis
5 regulatory agency approves the transfer and the transfer is
6 conducted in accordance with the rules promulgated under this act.

7 (c) Hold itself out as a type of licensee if the person does
8 not hold that type of state license or if any of the following
9 apply:

10 (i) The person's state license is suspended, revoked, lapsed,
11 or void.

12 (ii) The person fraudulently obtained the state license.

13 (iii) The state license was transferred to the person in a
14 manner other than in accordance with subdivision (b).

15 Sec. 27. (1) A licensee or applicant shall file with the
16 cannabis regulatory agency proof of financial responsibility for
17 liability for bodily injury to lawful users resulting from the
18 manufacture, distribution, transportation, or sale of adulterated
19 marihuana or adulterated marihuana-infused product in an amount not
20 less than \$100,000.00 for each license. The proof of financial
21 responsibility must be a liability insurance policy that meets all
22 of the following requirements:

23 (a) Is issued by a licensed insurance company or licensed
24 captive insurance company in this state.

25 (b) Does not include a condition, provision, stipulation, or
26 limitation contained in the policy, or any other endorsement, that
27 relieves the insurer from liability for the payment of any claim
28 for which the insured may be held liable under this act.

29 (c) Covers bodily injuries to a qualifying patient or any

1 other lawful user of marihuana, including injuries that are caused
2 by the intentional conduct of the licensee or its employee or
3 agent. However, the proof of financial responsibility is not
4 required to cover bodily injuries to qualifying patients or any
5 other lawful users of marihuana caused by the licensee or its
6 employee or agent if the licensee or its employee or agent acted
7 with the intent to harm.

8 (2) A licensee or applicant must include with its filing under
9 subsection (1) an attestation of compliance with this section on a
10 form approved by the cannabis regulatory agency. An officer of the
11 licensed insurance company or licensed captive insurance company
12 that issues the policy described in subsection (1) must sign the
13 attestation of compliance that the licensee or applicant is
14 required to file under this subsection.

15 (3) A licensee or applicant may furnish proof of financial
16 responsibility that exceeds the requirements of this section.

17 (4) If at any time a licensee does not maintain proof of
18 financial responsibility as required under this section, the
19 cannabis regulatory agency shall immediately suspend the licensee's
20 license until the licensee provides to the cannabis regulatory
21 agency proof of financial responsibility as required under this
22 section.

23 (5) An insured licensee shall not cancel liability insurance
24 required under this section unless the licensee does both of the
25 following:

26 (a) Gives 30 days' prior written notice to the cannabis
27 regulatory agency.

28 (b) Procures new proof of financial responsibility required
29 under this section and delivers that proof to the cannabis

1 regulatory agency within 30 days after giving the cannabis
2 regulatory agency the notice under subdivision (a).

3 (6) As used in this section, "bodily injury" does not include
4 expected or intended effect or long-term adverse effect of smoking,
5 ingestion, or consumption of marihuana or marihuana-infused
6 product.

7 Sec. 28. (1) This section applies beginning on March 1, 2026.

8 (2) An unexpired license issued under the medical marihuana
9 facilities licensing act is considered to be a state license as
10 follows:

11 (a) A class A grower license is a class A marihuana grower
12 license.

13 (b) A class B grower license is a class B marihuana grower
14 license.

15 (c) A class C grower license is a class C marihuana grower
16 license.

17 (d) A processor license is a marihuana processor license.

18 (e) A secure transporter license is a marihuana secure
19 transporter license.

20 (f) A safety compliance facility is a marihuana safety
21 compliance facility.

22 (g) A provisioning center is 1 of the following, as
23 applicable:

24 (i) A marihuana provisioning center if the municipality in
25 which the provisioning center is operating does both of the
26 following before March 1, 2026:

27 (A) Adopts an ordinance that explicitly prohibits a
28 provisioning center operating under the medical marihuana
29 facilities licensing act from operating as a marihuana retailer

1 under this act.

2 (B) Notifies, by certified mail, the cannabis regulatory
3 agency that the municipality has adopted an ordinance described in
4 sub-subparagraph (A).

5 (ii) A marihuana retailer if 1 of the following applies:

6 (A) The conditions in subparagraph (i) are not met.

7 (B) The ordinance described in subparagraph (i) (A) is repealed
8 or no longer includes the prohibition described in subparagraph
9 (i) (A).

10 (3) A state license described in subsection (2) expires on the
11 expiration date of the corresponding license granted under the
12 medical marihuana facilities licensing act.

13 (4) A person that holds a state license as a result of
14 subsection (2) and that does not, on March 1, 2026, hold any other
15 state licenses, is considered a licensee.

16 (5) The cannabis regulatory agency shall not do any of the
17 following:

18 (a) Treat a state license described in subsection (2), or any
19 subsequent renewal of a state license described in subsection (2),
20 differently than any other state license.

21 (b) Treat a licensee described in subsection (4) differently
22 than any other licensee.

23 (c) Treat the marihuana of a licensee described in subsection
24 (4) that is entered into the statewide monitoring system before
25 March 1, 2026 differently than any other marihuana in the statewide
26 monitoring system.

27 (d) Require a licensee described in subsection (4) to do any
28 of the following:

29 (i) Renew the licensee's state license before the applicable

1 expiration date described in subsection (3).

2 (ii) Quarantine, retest, or retag a marihuana plant that was
3 planted in compliance with the medical marihuana facilities
4 licensing act before March 1, 2026.

5 (iii) Quarantine, retest, or retag a marihuana-infused product
6 that was processed, or the production of which was initiated, in
7 compliance with the medical marihuana facilities licensing act
8 before March 1, 2026.

9 (e) Take any type of disciplinary or adverse action against a
10 licensee described in subsection (4) solely because the licensee
11 obtained a license under this section.

12 (6) An activity that a medical facility licensee engages in
13 that would otherwise be a violation of this act is considered to
14 not be a violation of this act if both of the following conditions
15 are met:

16 (a) The activity meets 1 of the following conditions:

17 (i) It is initiated before March 1, 2026.

18 (ii) It is initiated after March 1, 2026 but is directly
19 related to an activity that is initiated before March 1, 2026.

20 (b) The activity is or would have been in compliance with the
21 medical marihuana facilities licensing act.

22 Enacting section 1. Sections 10, 11, and 16 of the Michigan
23 Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27960,
24 333.27961, and 333.27966, are repealed.