

HOUSE BILL NO. 4963

September 16, 2025, Introduced by Rep. Aragona and referred to Committee on Regulatory Reform.

A bill to amend 2018 IL 1, entitled
"Michigan Regulation and Taxation of Marihuana Act,"
by amending sections 3, 8, 11, and 14 (MCL 333.27953, 333.27958,
333.27961, and 333.27964), sections 3 and 8 as amended by 2023 PA
166 and section 14 as amended by 2023 PA 165.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3. As used in this act:
- 2 (a) **"Agent of the cannabis regulatory agency" means an**
- 3 **employee of the cannabis regulatory agency.**
- 4 (b) ~~(a)~~—"Cannabis regulatory agency" means the marijuana

1 regulatory agency created under Executive Reorganization Order No.
2 2019-2, MCL 333.27001, renamed the cannabis regulatory agency under
3 Executive Reorganization Order No. 2022-1, MCL 333.27002.

4 (c) ~~(b)~~—"Cultivate" means to propagate, breed, grow, harvest,
5 dry, cure, or separate parts of a marihuana plant by manual or
6 mechanical means.

7 (d) ~~(e)~~—"Department" means the cannabis regulatory agency.

8 (e) ~~(d)~~—"Indian lands" means any of the following:

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

10 (ii) Any lands title to which is either held in trust by the
11 United States for the benefit of any Indian tribe or individual or
12 held by any Indian tribe or individual subject to restriction by
13 the United States against alienation and over which an Indian tribe
14 exercises governmental power.

15 (f) ~~(e)~~—"Indian tribe" means any Indian tribe, band, nation,
16 or other organized group or community of Indians which is
17 recognized as eligible by the United States Secretary of the
18 Interior for the special programs and services provided by the
19 United States to Indians because of their status as Indians, and is
20 recognized as possessing powers of self-government.

21 (g) ~~(f)~~—"Industrial hemp" means any of the following:

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

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

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

29 (iv) If it has a THC concentration of 0.3% or less on a dry-

1 weight basis, a compound, manufacture, derivative, mixture,
2 preparation, extract, cannabinoid, acid, salt, isomer, or salt of
3 an isomer of any of the following:

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

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

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

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

10 (I) Has a THC concentration of 0.3% or less on a dry-weight or
11 per volume basis.

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

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

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

19 (II) Has a THC concentration of 0.3% or less on a dry-weight
20 basis.

21 (h) ~~(g)~~—"Licensee" means a person holding a state license.

22 (i) ~~(h)~~—"Marihuana" means any of the following:

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

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

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

27 (iv) Marihuana concentrate.

28 (v) A compound, manufacture, salt, derivative, mixture,
29 extract, acid, isomer, salt of an isomer, or preparation of any of

1 the following:

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

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

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

5 (D) Marihuana concentrate.

6 (vi) A marihuana-infused product.

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

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

15 (j) ~~(i)~~—Except for marihuana concentrate extracted from any of
16 the following, "marihuana" does not include any of the following:

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

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

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

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

24 (v) Industrial hemp.

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

27 (vii) A drug for which an application filed in accordance with
28 21 USC 355 is approved by the Food and Drug Administration.

29 (k) ~~(j)~~—"Marihuana accessories" means any equipment, product,

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

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

9 (m) ~~(l)~~—"Marihuana establishment" means a marihuana grower,
10 marihuana safety compliance facility, marihuana processor,
11 marihuana microbusiness, marihuana retailer, marihuana secure
12 transporter, or any other type of marihuana-related business
13 licensed by the cannabis regulatory agency.

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

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

21 (p) ~~(o)~~—"Marihuana microbusiness" means a person licensed to
22 cultivate not more than 150 marihuana plants; process and package
23 marihuana; and sell or otherwise transfer marihuana to individuals
24 who are 21 years of age or older or to a marihuana safety
25 compliance facility, but not to other marihuana establishments.

26 (q) ~~(p)~~—"Marihuana processor" means a person licensed to
27 obtain marihuana from marihuana establishments; process and package
28 marihuana; and sell or otherwise transfer marihuana to marihuana
29 establishments.

1 **(r)** ~~(q)~~—"Marihuana retailer" means a person licensed to obtain
 2 marihuana from marihuana establishments and to sell or otherwise
 3 transfer marihuana to marihuana establishments and to individuals
 4 who are 21 years of age or older.

5 **(s)** ~~(r)~~—"Marihuana safety compliance facility" means a person
 6 licensed to test marihuana, including certification for potency and
 7 the presence of contaminants.

8 **(t)** ~~(s)~~—"Marihuana secure transporter" means a person licensed
 9 to obtain marihuana from marihuana establishments in order to
 10 transport marihuana to marihuana establishments.

11 **(u)** ~~(t)~~—"Marijuana regulatory agency", unless the context
 12 dictates otherwise, means the cannabis regulatory agency.

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

16 **(w)** ~~(v)~~—"Municipality" means a city, village, or township.

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

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

24 **(z)** ~~(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 is in effect.

28 (ii) The Indian tribe has entered into an agreement with the
 29 department of treasury that is in effect and that does all of the

1 following:

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

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

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

21 (aa) ~~(z)~~—"State license" means a license issued by the
22 cannabis regulatory agency that allows a person to operate a
23 marihuana establishment.

24 (bb) ~~(aa)~~—"THC" means any of the following:

25 (i) Tetrahydrocannabinolic acid.

26 (ii) Unless excluded by the cannabis regulatory agency under
27 section 8(2)(c), a tetrahydrocannabinol, regardless of whether it
28 is artificially or naturally derived.

29 (iii) A tetrahydrocannabinol that is a structural, optical, or

geometric isomer of a tetrahydrocannabinol described in
subparagraph (ii).

(cc) ~~(bb)~~—"Tribal marihuana business" means a business that
meets all of the following conditions:

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

(ii) The business is not a marihuana establishment.

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

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

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

(dd) ~~(ee)~~—"Unreasonably impracticable" means that the measures
necessary to comply with the rules or ordinances adopted pursuant
to this act subject licensees to unreasonable risk or require such
a high investment of money, time, or any other resource or asset
that a reasonably prudent businessperson would not operate the
marihuana establishment.

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

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

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

1 of business conducted by the licensee.

2 (c) Qualifications for licensure that are directly and
3 demonstrably related to the operation of a marihuana establishment.
4 However, a prior conviction solely for a marihuana-related offense
5 must not disqualify an individual or otherwise affect eligibility
6 for licensure, unless the offense involved distribution of a
7 controlled substance to a minor.

8 (d) Requirements and standards for safe cultivation,
9 processing, and distribution of marihuana by marihuana
10 establishments, including health standards to ensure the safe
11 preparation of marihuana-infused products and prohibitions on
12 pesticides that are not safe for use on marihuana.

13 (e) Testing, packaging, and labeling standards, procedures,
14 and requirements for marihuana, including, but not limited to, all
15 of the following:

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

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

19 (iii) A requirement that the amount of marihuana or marihuana
20 concentrate contained within a marihuana-infused product be
21 specified on the product label.

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

26 WARNING: USE BY PREGNANT OR BREASTFEEDING WOMEN, OR BY
27 WOMEN PLANNING TO BECOME PREGNANT, MAY RESULT IN FETAL
28 INJURY, PRETERM BIRTH, LOW BIRTH WEIGHT, OR DEVELOPMENTAL
29 PROBLEMS FOR THE CHILD.

1 (f) Security requirements, including lighting, physical
2 security, and alarm requirements, and requirements for securely
3 transporting marihuana between marihuana establishments. The
4 requirements described in this subdivision must not prohibit
5 cultivation of marihuana outdoors or in greenhouses.

6 (g) Record keeping requirements for marihuana establishments
7 and monitoring requirements to track the transfer of marihuana by
8 licensees.

9 (h) Requirements for the operation of marihuana secure
10 transporters to ensure that all marihuana establishments are
11 properly serviced.

12 (i) Reasonable restrictions on advertising, marketing, and
13 display of marihuana and marihuana establishments.

14 (j) A plan to promote and encourage participation in the
15 marihuana industry by people from communities that have been
16 disproportionately impacted by marihuana prohibition and
17 enforcement and to positively impact those communities.

18 (k) Penalties for failure to comply with a rule promulgated
19 pursuant to this section or for a violation of this act by a
20 licensee, including civil fines and suspension, revocation, or
21 restriction of a state license.

22 (l) Informational pamphlet standards for marihuana retailers
23 and marihuana microbusinesses, including, but not limited to, a
24 requirement to make available to every customer at the time of sale
25 a pamphlet measuring 3.5 inches by 5 inches that includes safety
26 information related to marihuana use by minors and the poison
27 control hotline number.

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

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

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

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

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

10 (ii) Consumption of marihuana within designated areas.

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

13 (iv) Cultivation for purposes of propagation.

14 (v) Facilitation of scientific research or education.

15 (b) Regulate the cultivation, processing, distribution, and
16 sale of industrial hemp.

17 (c) Exclude from the definition of THC in section 3 a
18 tetrahydrocannabinol if, after the cannabis regulatory agency makes
19 findings with respect to each of the following factors, the
20 cannabis regulatory agency determines that the tetrahydrocannabinol
21 does not have a potential for abuse:

22 (i) The actual or relative potential for abuse of the
23 tetrahydrocannabinol.

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

26 (iii) The state of current scientific knowledge regarding the
27 tetrahydrocannabinol.

28 (iv) The history and current pattern of abuse of the
29 tetrahydrocannabinol.

1 (v) The scope, duration, and significance of abuse of the
2 tetrahydrocannabinol.

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

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

6 (3) The cannabis regulatory agency shall not promulgate a rule
7 that is unreasonably impracticable or that does any of the
8 following:

9 (a) Establishes a limit on the number of any type of state
10 license that may be granted.

11 (b) Requires a customer to provide a marihuana retailer with
12 identifying information other than identification to determine the
13 customer's age or requires the marihuana retailer to acquire or
14 record personal information about customers other than information
15 typically required in a retail transaction.

16 (c) Prohibits a marihuana establishment from operating at a
17 shared location of a marihuana facility operating pursuant to the
18 medical marihuana facilities licensing act, 2016 PA 281, MCL
19 333.27101 to 333.27801, or prohibits a marihuana grower, marihuana
20 processor, or marihuana retailer from operating within a single
21 facility.

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

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

27 **(a) Cultivate, process, sell,** or display ~~of marihuana or~~ **sell**
28 **or display** marihuana accessories ~~to be~~ **if the cultivating,**
29 **processing, selling, or displaying is** visible from a public place

1 outside of the marihuana establishment without the use of
2 binoculars, aircraft, or other optical aids.

3 ~~(b) A marihuana establishment may not cultivate,~~ **Cultivate,**
4 process, test, or store marihuana at any location other than a
5 physical address approved by the ~~department and within an enclosed~~
6 ~~area that is secured in a manner that prevents access by persons~~
7 ~~not permitted by the marihuana establishment to access the~~
8 ~~area.~~ **cannabis regulatory agency.**

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

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

13 **(e) Purchase marihuana from another marihuana establishment**
14 **unless the marihuana establishment pays for the marihuana at the**
15 **time the marihuana is transferred.**

16 **(f) Sell or otherwise transfer tobacco.**

17 **(2) ~~(e)~~ A marihuana establishment shall ~~secure~~ comply with all**
18 **of the following:**

19 **(a) Cultivate, process, test, and store marihuana within an**
20 **enclosed area that is secured in a manner that prevents access by**
21 **persons not allowed by the marihuana establishment to access the**
22 **area.**

23 **(b) Secure every entrance to the marihuana establishment so**
24 **that access to areas containing marihuana is restricted to**
25 **~~employees only~~ the following:**

26 **(i) Employees** and other persons permitted by the marihuana
27 establishment to access the area. ~~and to agents~~

28 **(ii) Agents** of the ~~department or state.~~ **cannabis regulatory**
29 **agency.**

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

3 **(c) Secure** its inventory and equipment during and after
4 operating hours to deter and prevent theft of marihuana and
5 marihuana accessories.

6 ~~(d) No marihuana establishment may refuse representatives~~
7 **Allow agents** of the department the right **cannabis regulatory**
8 **agency**, during the **marihuana establishment's** hours of operation, to
9 inspect the licensed premises or to audit the books and records of
10 the marihuana establishment.

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

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

16 **(3) (g)** ~~A marihuana grower, marihuana retailer, marihuana~~
17 ~~processor, marihuana microbusiness, or marihuana testing facility~~
18 ~~or agents acting on their behalf may~~ **its agent shall** not transport
19 more than 15 ounces of marihuana or more than 60 grams of marihuana
20 concentrate at ~~one~~ **1** time.

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

23 **(5) (i)** ~~No A marihuana processor may~~ **shall not** process and ~~no~~
24 **a marihuana retailer may** **shall not** sell edible marihuana-infused
25 candy in shapes or packages that are attractive to children or that
26 are easily confused with commercially sold candy that does not
27 contain marihuana.

28 **(6) (j)** ~~No A marihuana retailer may~~ **shall not** sell or
29 otherwise transfer marihuana ~~that~~ **unless it** is ~~not~~ contained in an

1 opaque, resealable, child-resistant package designed to be
 2 significantly difficult for children ~~under~~**younger than** 5 years of
 3 age to open and not difficult for normal adults to use properly as
 4 defined by ~~16 C.F.R. 1700.20 (1995)~~, **provided for under 16 CFR**
 5 **1700.20**, unless the marihuana is transferred for consumption on the
 6 premises where sold.

7 ~~(k) No marihuana establishment may sell or otherwise transfer~~
 8 ~~tobacco.~~

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

21 (2) Funds for the initial activities of the cannabis
 22 regulatory agency to implement this act shall be appropriated from
 23 the general fund. The cannabis regulatory agency shall repay any
 24 amount appropriated under this subsection from proceeds in the
 25 fund.

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

28 (a) For the implementation, administration, and enforcement of
 29 this act.

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

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

12 (a) Subject to subsection (5), 15% to municipalities in which
13 a marihuana retailer or marihuana microbusiness is located,
14 allocated in proportion to the number of marihuana retailers and
15 marihuana microbusinesses within each municipality.

16 (b) Subject to subsection (5), 15% to counties in which a
17 marihuana retailer or marihuana microbusiness is located, allocated
18 in proportion to the number of marihuana retailers and marihuana
19 microbusinesses within each county.

20 (c) 35% to the school aid fund to be used for K-12 education.

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

23 (5) If a marihuana retailer or marihuana microbusiness is
24 located in Indian lands, the portions of the unexpended balances
25 attributable to the marihuana retailer or marihuana microbusiness
26 that would have otherwise been allocated to a municipality under
27 subsection (4)(a) and a county under subsection (4)(b) must instead
28 be allocated to the Indian tribe in whose Indian lands the
29 marihuana retailer or marihuana microbusiness is located.