

HOUSE BILL NO. 4965

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

A bill to amend 2016 PA 281, entitled
"Medical marihuana facilities licensing act,"
by amending the title and sections 102, 206, 502, and 505 (MCL
333.27102, 333.27206, 333.27502, and 333.27505), the title and
sections 502 and 505 as amended by 2018 PA 648, section 102 as
amended by 2021 PA 57, and section 206 as amended by 2020 PA 207.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 TITLE
- 2 An act to license and regulate medical marihuana growers,

1 processors, provisioning centers, secure transporters, and safety
 2 compliance facilities; ~~to allow certain licensees to process, test,~~
 3 ~~or sell industrial hemp;~~ to provide for the powers and duties of
 4 certain state and local governmental officers and entities; to
 5 create a medical marihuana licensing board; to provide for
 6 interaction with the statewide monitoring system for commercial
 7 marihuana transactions; to create an advisory panel; to provide
 8 immunity from prosecution for marihuana-related offenses for
 9 persons engaging in certain activities in compliance with this act;
 10 to prescribe civil fines and sanctions and provide remedies; to
 11 provide for forfeiture of contraband; to provide for taxes, fees,
 12 and assessments; and to require the promulgation of rules.

13 Sec. 102. As used in this act:

14 (a) "Advisory panel" or "panel" means the ~~marijuana~~ **cannabis**
 15 regulatory agency.

16 (b) "Affiliate" means any person that controls, is controlled
 17 by, or is under common control with; is in a partnership or joint
 18 venture relationship with; or is a co-shareholder of a corporation,
 19 a co-member of a limited liability company, or a co-partner in a
 20 limited liability partnership with a licensee or applicant.

21 (c) "Applicant" means a person who applies for a state
 22 operating license. Applicant includes, with respect to disclosures
 23 in an application, for purposes of ineligibility for a license
 24 under section 402, or for purposes of prior ~~marijuana~~ **cannabis**
 25 regulatory agency approval of a transfer of interest under section
 26 406, and only for applications submitted on or after January 1,
 27 2019, a managerial employee of the applicant, a person holding a
 28 direct or indirect ownership interest of more than 10% in the
 29 applicant, and the following for each type of applicant:

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

3 (ii) For a partnership and limited liability partnership: all
4 partners and their spouses. For a limited partnership and limited
5 liability limited partnership: all general and limited partners,
6 not including a limited partner holding a direct or indirect
7 ownership interest of 10% or less and who does not exercise control
8 over or participate in the management of the partnership, and their
9 spouses. For a limited liability company: all members and managers,
10 not including a member holding a direct or indirect ownership
11 interest of 10% or less and who does not exercise control over or
12 participate in the management of the company, and their spouses.

13 (iii) For a privately held corporation: all corporate officers
14 or persons with equivalent titles and their spouses, all directors
15 and their spouses, and all stockholders, not including those
16 holding a direct or indirect ownership interest of 10% or less, and
17 their spouses.

18 (iv) For a publicly held corporation: all corporate officers or
19 persons with equivalent titles and their spouses, all directors and
20 their spouses, and all stockholders, not including those holding a
21 direct or indirect ownership interest of 10% or less, and their
22 spouses.

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

27 (vi) For a nonprofit corporation: all individuals and entities
28 with membership or shareholder rights in accordance with the
29 articles of incorporation or the bylaws and the spouses of the

1 individuals.

2 (d) "Board" means the ~~marijuana~~**cannabis** regulatory agency.

3 (e) **"Cannabis regulatory agency" means that term as defined in**
 4 **section 3 of the Michigan Regulation and Taxation of Marihuana Act,**
 5 **2018 IL 1, MCL 333.27953.**

6 (f) ~~(e)~~ "Cutting" means a section of a lead stem or root stock
 7 that is used for vegetative asexual propagation.

8 (g) ~~(f)~~ "Department" means the department of licensing and
 9 regulatory affairs.

10 (h) ~~(g)~~ "Grower" means a licensee that is a commercial entity
 11 located in this state that cultivates, dries, trims, or cures and
 12 packages marihuana for sale to a processor, provisioning center, or
 13 another grower.

14 ~~(h) "Industrial hemp" means that term as defined in section 3~~
 15 ~~of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL~~
 16 ~~1, MCL 333.27953.~~

17 ~~(i) "Industrial hemp research and development act" means the~~
 18 ~~industrial hemp research and development act, 2014 PA 547, MCL~~
 19 ~~286.841 to 286.859.~~

20 (i) ~~(j)~~ "Licensee" means a person holding a state operating
 21 license.

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

25 (k) ~~(l)~~ "Marihuana facility" means a location at which a
 26 licensee is licensed to operate under this act.

27 (l) ~~(m)~~ "Marihuana plant" means any plant of the species
 28 *Cannabis sativa* L. ~~Marihuana plant does not include industrial~~
 29 ~~hemp.~~

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

(n) ~~(o)~~—"Marihuana tracking act" means the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.

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

(p) ~~(q)~~ ~~"Michigan medical marihuana act"~~—"Michigan Medical Marihuana Act" means the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.

(q) ~~(r)~~—"Municipality" means a city, township, or village.

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

(s) ~~(t)~~—"Person" means an individual, corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited liability limited partnership, trust, or other legal entity.

(t) ~~(u)~~—"Plant" means any living organism that produces its own food through photosynthesis and has observable root formation or is in growth material.

(u) ~~(v)~~—"Processor" means a licensee that is a commercial entity located in this state that purchases marihuana from a grower and that extracts resin from the marihuana or creates a marihuana-infused product for sale and transfer in packaged form to a

1 provisioning center or another processor.

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

14 **(w)** ~~(x)~~—"Registered primary caregiver" means a primary
 15 caregiver who has been issued a current registry identification
 16 card under the Michigan Medical Marihuana Act.

17 **(x)** ~~(y)~~—"Registered qualifying patient" means a qualifying
 18 patient who has been issued a current registry identification card
 19 under the Michigan Medical Marihuana Act or a visiting qualifying
 20 patient as that term is defined in section 3 of the Michigan
 21 Medical Marihuana Act, MCL 333.26423.

22 **(y)** ~~(z)~~—"Registry identification card" means that term as
 23 defined in section 3 of the Michigan Medical Marihuana Act, MCL
 24 333.26423.

25 **(z)** ~~(aa)~~—"Rules" means rules promulgated under the
 26 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
 27 24.328, by the ~~marijuana~~ **cannabis** regulatory agency to implement
 28 this act.

29 **(aa)** ~~(bb)~~—"Safety compliance facility" means a licensee that

1 is a commercial entity that takes marihuana from a marihuana
 2 facility or receives marihuana from a registered primary caregiver,
 3 tests the marihuana for contaminants and for tetrahydrocannabinol
 4 and other cannabinoids, returns the test results, and may return
 5 the marihuana to the marihuana facility.

6 (bb) ~~(ee)~~ "Secure transporter" means a licensee that is a
 7 commercial entity located in this state that stores marihuana and
 8 transports marihuana between marihuana facilities for a fee.

9 (cc) ~~(dd)~~ "Seed" means the fertilized, ungerminated, matured
 10 ovule, containing an embryo or rudimentary plant, of a marihuana
 11 plant that is flowering.

12 (dd) ~~(ee)~~ "Seedling" means a marihuana plant that has
 13 germinated and has not flowered and is not harvestable.

14 (ee) ~~(ff)~~ "State operating license" or, unless the context
 15 requires a different meaning, "license" means a license that is
 16 issued under this act that allows the licensee to operate as 1 of
 17 the following, specified in the license:

- 18 (i) A grower.
- 19 (ii) A processor.
- 20 (iii) A secure transporter.
- 21 (iv) A provisioning center.
- 22 (v) A safety compliance facility.

23 (ff) ~~(gg)~~ "Statewide monitoring system" or, unless the context
 24 requires a different meaning, "system" means an internet-based,
 25 statewide database established, implemented, and maintained by the
 26 ~~department~~ **cannabis regulatory agency** under the marihuana tracking
 27 act, that is available to licensees, law enforcement agencies, and
 28 authorized state departments and agencies on a 24-hour basis for
 29 all of the following:

1 (i) Verifying registry identification cards.

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

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

8 (gg) ~~(hh)~~ "Tissue culture" means a marihuana plant cell,
9 cutting, tissue, or organ, that is kept under a sterile condition
10 on a nutrient culture medium of known composition and that does not
11 have visible root formation. A tissue culture is not a marihuana
12 plant for purposes of a grower.

13 (hh) ~~(ii)~~ "Usable marihuana" means the dried leaves, flowers,
14 plant resin, or extract of the marihuana plant, but does not
15 include the seeds, stalks, and roots of the plant.

16 Sec. 206. The ~~marijuana~~ **cannabis** regulatory agency shall
17 promulgate rules and emergency rules as necessary to implement,
18 administer, and enforce this act. The rules must ensure the safety,
19 security, and integrity of the operation of marihuana facilities,
20 and must include rules to do the following:

21 (a) Set appropriate standards for marihuana facilities and
22 associated equipment.

23 (b) Subject to section 408, establish minimum levels of
24 insurance that licensees must maintain.

25 (c) Establish operating regulations for each category of
26 license to ensure the health, safety, and security of the public
27 and the integrity of marihuana facility operations.

28 (d) Establish qualifications and restrictions for persons
29 participating in or involved with operating marihuana facilities.

1 (e) Establish testing standards, procedures, and requirements
2 for marihuana sold through provisioning centers.

3 (f) Provide for the levy and collection of fines for a
4 violation of this act or rules.

5 (g) Prescribe use of the statewide monitoring system to track
6 all marihuana transfers, as provided in the marihuana tracking act
7 and this act, and provide for a funding mechanism to support the
8 system.

9 (h) Establish quality control standards, procedures, and
10 requirements for marihuana facilities.

11 (i) Establish chain of custody standards, procedures, and
12 requirements for marihuana facilities.

13 (j) Establish standards, procedures, and requirements for
14 waste product disposal and storage by marihuana facilities.

15 (k) Establish chemical storage standards, procedures, and
16 requirements for marihuana facilities.

17 (l) Establish standards, procedures, and requirements for
18 securely and safely transporting marihuana between marihuana
19 facilities.

20 (m) Establish standards, procedures, and requirements for the
21 storage of marihuana by marihuana facilities.

22 (n) Establish labeling and packaging standards, procedures,
23 and requirements for marihuana sold or transferred through
24 provisioning centers, including, but not limited to:

25 (i) A prohibition on labeling or packaging that is intended to
26 appeal to or has the effect of appealing to minors.

27 (ii) A requirement that all marihuana sold through provisioning
28 centers include on the exterior of the marihuana packaging the
29 following warning printed in clearly legible type and surrounded by

1 a continuous heavy line:

2 WARNING: USE BY PREGNANT OR BREASTFEEDING WOMEN, OR BY
3 WOMEN PLANNING TO BECOME PREGNANT, MAY RESULT IN FETAL
4 INJURY, PRETERM BIRTH, LOW BIRTH WEIGHT, OR DEVELOPMENTAL
5 PROBLEMS FOR THE CHILD.

6 (o) Establish daily and monthly purchasing limits at
7 provisioning centers for registered qualifying patients and
8 registered primary caregivers to ensure compliance with the
9 Michigan Medical Marihuana Act.

10 (p) Establish marketing and advertising restrictions for
11 marihuana products and marihuana facilities.

12 (q) Establish maximum tetrahydrocannabinol levels for
13 marihuana-infused products sold or transferred through provisioning
14 centers.

15 (r) Establish health standards to ensure the safe preparation
16 of products containing marihuana that are intended for human
17 consumption in a manner other than smoke inhalation.

18 (s) Establish restrictions on edible marihuana-infused
19 products to prohibit shapes that would appeal to minors.

20 ~~(t) Establish standards, procedures, and requirements for the~~
21 ~~sale of industrial hemp from a provisioning center to a registered~~
22 ~~qualified patient. The rules promulgated under this subdivision~~
23 ~~must be promulgated before March 1, 2019.~~

24 (t) ~~(u)~~ Establish informational pamphlet standards for
25 provisioning centers including, but not limited to, a requirement
26 to make available to every patron at the time of sale a pamphlet
27 measuring 3.5 inches by 5 inches that includes safety information
28 related to marihuana use by minors and the poison control hotline
29 number.

1 (u) ~~(v)~~ Establish procedures and standards for approving an
2 appointee to operate a marihuana facility under section 206a.

3 Sec. 502. (1) A processor license authorizes purchase of
4 marihuana only from a grower and sale of marihuana-infused products
5 or marihuana only to a provisioning center or another processor.

6 (2) Except as otherwise provided in section 505 and this
7 subsection, a processor license authorizes the processor to
8 transfer marihuana only by means of a secure transporter. A
9 processor license authorizes a processor to transfer marihuana
10 without using a secure transporter to a grower or provisioning
11 center if both of the following are met:

12 (a) The grower or provisioning center occupies the same
13 location as the processor and the marihuana is transferred using
14 only private real property without accessing public roadways.

15 (b) The processor enters each transfer into the statewide
16 monitoring system.

17 (3) To be eligible for a processor license, the applicant and
18 each investor in the processor must not have an interest in a
19 secure transporter or safety compliance facility.

20 ~~(4) Until December 31, 2018, for a period of 30 days after the~~
21 ~~issuance of a processor license and in accord with rules, a~~
22 ~~processor may transfer any of the following that are lawfully~~
23 ~~possessed by an individual formerly registered as a primary~~
24 ~~caregiver who is an active employee of the processor:~~

25 ~~(a) Marihuana plants.~~

26 ~~(b) Usable marihuana.~~

27 **(4)** ~~(5)~~ A processor shall comply with all **both** of the
28 following:

29 ~~(a) Until December 31, 2021, have, or have as an active~~

~~employee an individual who has, a minimum of 2 years' experience as a registered primary caregiver.~~

(a) ~~(b)~~ While holding a license as a processor, not be a registered primary caregiver and not employ an individual who is simultaneously a registered primary caregiver.

(b) ~~(c)~~ Enter all transactions, current inventory, and other information into the statewide monitoring system as required in this act, rules, and the marihuana tracking act.

~~(6) This act does not prohibit a processor from handling, processing, marketing, or brokering, as those terms are defined in section 2 of the industrial hemp research and development act, MCL 286.842, industrial hemp.~~

Sec. 505. (1) In addition to transfer and testing authorized in section 203, a safety compliance facility license authorizes the safety compliance facility to do all of the following without using a secure transporter:

(a) Take marihuana from, test marihuana for, and return marihuana to only a marihuana facility.

(b) Collect a random sample of marihuana at the marihuana facility of a grower, processor, or provisioning center for testing.

(2) A safety compliance facility must be accredited by an entity approved by the board by 1 year after the date the license is issued or have previously provided drug testing services to this state or this state's court system and be a vendor in good standing in regard to those services. The board may grant a variance from this requirement upon a finding that the variance is necessary to protect and preserve the public health, safety, or welfare.

(3) To be eligible for a safety compliance facility license,

1 the applicant and each investor with any interest in the safety
2 compliance facility must not have an interest in a grower, secure
3 transporter, processor, or provisioning center.

4 (4) A safety compliance facility shall comply with all of the
5 following:

6 (a) Perform tests to certify that marihuana is reasonably free
7 of chemical residues such as fungicides and insecticides.

8 (b) Use validated test methods to determine
9 tetrahydrocannabinol, tetrahydrocannabinol acid, cannabidiol, and
10 cannabidiol acid levels.

11 (c) Perform tests that determine whether marihuana complies
12 with the standards the board establishes for microbial and
13 mycotoxin contents.

14 (d) Perform other tests necessary to determine compliance with
15 any other good manufacturing practices as prescribed in rules.

16 (e) Enter all transactions, current inventory, and other
17 information into the statewide monitoring system as required in
18 this act, rules, and the marihuana tracking act.

19 (f) Have a secured laboratory space that cannot be accessed by
20 the general public.

21 (g) Retain and employ at least 1 staff member with a relevant
22 advanced degree in a medical or laboratory science.

23 ~~(5) This act does not prohibit a safety compliance facility~~
24 ~~from taking or receiving industrial hemp for testing purposes and~~
25 ~~testing the industrial hemp pursuant to the industrial hemp~~
26 ~~research and development act.~~

27 Enacting section 1. This amendatory act does not take effect
28 unless House Bill No. 4964 (request no. H04854'25) of the 103rd
29 Legislature is enacted into law.