

# SENATE BILL No. 813

February 24, 2016, Introduced by Senator YOUNG and referred to the Committee on Judiciary.

A bill to regulate and tax marihuana; to require registration of marihuana establishments and provide for registration, application, and renewal fees; to regulate growth, manufacture, and retail sale of marihuana; to regulate marihuana testing, labeling, and packaging for retail sale; to restrict marihuana possession, sale, and use by individuals under the age of 21; to limit landlord restrictions on marihuana in rental property; to impose an excise tax and provide for distribution of the proceeds of that tax; to require the promulgation of rules; and to provide sanctions for violations of this act.

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

1           Sec. 1. (1) This act shall be known and may be cited as the  
2 "nonmedical marihuana code".

3           (2) In the interest of allowing law enforcement to focus on

1 violent and property crimes, generating revenue for education and  
2 other public purposes, and individual freedom, the legislature  
3 finds and declares that the use of marihuana should be legal for  
4 individuals 21 years of age or older and taxed in a manner similar  
5 to alcohol.

6 (3) This act is intended to be complete within itself to  
7 regulate the entire field of growth, manufacture, distribution,  
8 retail sale, possession, and use of marihuana, other than medical  
9 marihuana, and supersedes any conflicting law except a law  
10 regulating marihuana for medical use.

11 Sec. 2. As used in this act unless the context otherwise  
12 requires:

13 (a) "Consumer" means an individual 21 years of age or older  
14 who purchases marihuana or marihuana products for personal use by  
15 an individual 21 years of age or older, but not for resale.

16 (b) "Department" means the department of licensing and  
17 regulatory affairs or its successor agency.

18 (c) "Hemp" means a plant of the genus Cannabis and any part of  
19 that plant, whether growing or not, with a delta-9  
20 tetrahydrocannabinol concentration that does not exceed 0.3% on a  
21 dry weight basis of any part of the plant, or per volume or weight  
22 of marihuana product, or the combined percentage of delta-9  
23 tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of  
24 the plant cannabis, regardless of moisture content.

25 (d) "Immature marihuana plant" means a marihuana plant that  
26 has not flowered and does not have visible buds.

27 (e) "Local regulatory authority" means the office or entity

1 designated to process marihuana establishment applications by a  
2 municipality or, in reference to a location outside the boundaries  
3 of a municipality, by a county.

4 (f) "Locality" means a municipality or, in reference to a  
5 location outside the boundaries of a municipality, a county.

6 (g) "Marihuana" means any part of the plant of the genus  
7 Cannabis; the seeds thereof; the resin extracted from any part of  
8 the plant; and a compound, manufacture, salt, derivative, mixture,  
9 or preparation of the plant, its seeds, or its resin, including  
10 marihuana concentrate. Marihuana does not include hemp; the fiber  
11 produced from the stalks; oil or cake made from the seeds of the  
12 plant; sterilized seed of the plant that is incapable of  
13 germination; or the weight of any other ingredient combined with  
14 marihuana to prepare topical or oral administrations, food, drink,  
15 or other product.

16 (h) "Marihuana accessories" means any equipment, products, or  
17 materials that are used, intended for use, or designed for use in  
18 planting, propagating, cultivating, growing, harvesting,  
19 composting, manufacturing, compounding, converting, producing,  
20 processing, preparing, testing, analyzing, packaging, repackaging,  
21 storing, vaporizing, or containing marihuana, or for ingesting,  
22 inhaling, or otherwise introducing marihuana into the human body.

23 (i) "Marihuana cultivation facility" means an entity  
24 registered to cultivate, prepare, and package marihuana and to sell  
25 marihuana to retail marihuana stores, to marihuana product  
26 manufacturing facilities, to marihuana lounges, and to other  
27 marihuana cultivation facilities, but not to consumers. A marihuana

1 cultivation facility shall not produce marihuana concentrates,  
2 tinctures, extracts, or other marihuana products.

3 (j) "Marihuana establishment" means a marihuana cultivation  
4 facility, a marihuana lounge, a marihuana testing facility, a  
5 marihuana product manufacturing facility, or a retail marihuana  
6 store.

7 (k) "Marihuana lounge" means an entity registered to sell  
8 marihuana or marihuana products for on-site consumption by means  
9 other than smoking.

10 (l) "Marihuana product manufacturing facility" means an entity  
11 registered to purchase marihuana; manufacture, prepare, and package  
12 marihuana products; and sell marihuana and marihuana products to  
13 other marihuana product manufacturing facilities and to retail  
14 marihuana stores, but not to consumers.

15 (m) "Marihuana products" means concentrated marihuana products  
16 and marihuana products that comprise marihuana and other  
17 ingredients and are intended for use or consumption, such as, but  
18 not limited to, edible products, ointments, and tinctures.

19 (n) "Marihuana testing facility" means an entity registered to  
20 test marihuana for potency and contaminants.

21 (o) "Possession limit" means the maximum amount of marihuana  
22 that may be possessed at any 1 time by an individual over 21 years  
23 of age and which does not exceed the total of the following:

24 (i) For a resident of this state:

25 (A) One ounce of marihuana, not more than 5 grams of which are  
26 hashish.

27 (B) Five marihuana plants.

1 (C) Any additional marihuana produced by the individual's  
2 marihuana plants, but any amount of marihuana in excess of 1 ounce  
3 must be possessed in the same secure facility where the plants are  
4 cultivated.

5 (ii) For an individual who is not a resident of this state,  
6 not more than 1/2 ounce of marihuana, including not more than 1  
7 gram of hashish.

8 (p) "Public place" means a place to which the general public  
9 has access.

10 (q) "Retail marihuana store" means an entity registered with  
11 the department to purchase marihuana from marihuana cultivation  
12 facilities and marihuana and marihuana products from marihuana  
13 product manufacturing facilities and to sell marihuana and  
14 marihuana products to consumers.

15 (r) "Rule" means a rule promulgated under the administrative  
16 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

17 (s) "Unreasonably impracticable" means that the measures  
18 necessary to comply with the regulations require such a high  
19 investment of risk, money, time, or any other resource or assets  
20 that the operation of a marihuana establishment is not worth being  
21 carried out in practice by a reasonably prudent businessperson.

22 Sec. 3. Notwithstanding any other provision of law, except as  
23 otherwise provided in this act, all of the following acts are not  
24 unlawful and are not a criminal or civil offense under the law of  
25 this state or the law of any political subdivision of this state  
26 and are not a basis for seizure or forfeiture of assets under the  
27 law of this state if performed by an individual 21 years of age or

1 older:

2 (a) Possessing, consuming, growing, using, processing,  
3 purchasing, or transporting an amount of marihuana that does not  
4 exceed the possession limit.

5 (b) Transferring 1 ounce or less of marihuana or not more than  
6 6 immature marihuana plants to an individual who is 21 years of age  
7 or older without remuneration.

8 (c) Controlling property where actions that are described in  
9 this section occur.

10 (d) Assisting another individual who is 21 years of age or  
11 older in any of the acts described in this section.

12 Sec. 4. (1) A person who cultivates marihuana shall comply  
13 with all of the following:

14 (a) Cultivate marihuana plants in a location where the plants  
15 are not subject to public view without the use of binoculars,  
16 aircraft, or other optical aids, including view from another  
17 private property.

18 (b) Take reasonable precautions to ensure the plants are  
19 secure from unauthorized access and access by an individual under  
20 21 years of age. For purposes of illustration and not limitation,  
21 cultivating marihuana in an enclosed, locked space for which an  
22 individual under 21 years of age does not possess a key constitutes  
23 reasonable precaution.

24 (c) Cultivate only on property lawfully in possession of the  
25 cultivator or with the consent of the person in lawful possession  
26 of the property.

27 (2) A person who violates this section is responsible for a

1 state civil infraction and may be ordered to pay a civil fine of  
2 not more than \$750.00.

3 Sec. 5. An individual shall not smoke marihuana in a public  
4 place. An individual who violates this section is responsible for a  
5 state civil infraction and may be ordered to pay a civil fine of  
6 not more than \$100.00.

7 Sec. 6. (1) An individual shall not consume marihuana while  
8 operating or driving a motor vehicle, boat, vessel, aircraft, or  
9 other motorized device used for transportation.

10 (2) A violation of this section is punishable as follows:

11 (a) For a first violation, a fine of not more than \$200.00 or  
12 driver license suspension for up to 6 months, or both.

13 (b) For a second or subsequent violation, a fine of not more  
14 than \$500.00 or driver license suspension for not more than 1 year,  
15 or both.

16 Sec. 7. (1) An individual less than 21 years of age shall not  
17 present or offer to a marihuana establishment or the marihuana  
18 establishment's agent or employee any written or oral evidence of  
19 age that is false, fraudulent, or not actually the individual's  
20 own, for any of the following purposes:

21 (a) Purchasing, attempting to purchase, or otherwise procuring  
22 or attempting to procure marihuana.

23 (b) Gaining access to a marihuana establishment.

24 (2) An individual who violates this section is guilty of a  
25 state civil infraction and may be ordered to pay a civil fine of  
26 not more than \$400.00.

27 Sec. 8. (1) A person, other than a marihuana product

1 manufacturer complying with this act and department regulations,  
2 shall not perform solvent-based extractions on marihuana using  
3 solvents other than water or vegetable glycerin.

4 (2) A person who violates this section is guilty of a felony  
5 punishable by imprisonment for not more than 3 years or a fine of  
6 not more than \$5,000.00, or both.

7 Sec. 9. (1) Notwithstanding any other provision of law, it is  
8 not unlawful and not a criminal or civil offense under the law of  
9 this state or the law of any political subdivision of this state  
10 and not a basis for seizing or forfeiting assets under the law of  
11 this state for an individual 21 years of age or older to  
12 manufacture, possess, or purchase marihuana accessories, or to  
13 distribute or sell marihuana accessories to an individual who is 21  
14 years of age or older.

15 (2) An individual who is 21 years of age or older may  
16 manufacture, possess, and purchase marihuana accessories, and  
17 distribute or sell marihuana accessories to an individual who is 21  
18 years of age or older.

19 Sec. 10. (1) Notwithstanding any other provision of law, the  
20 following acts, if performed by a retail marihuana store with a  
21 current, valid registration, or an individual 21 years of age or  
22 older who is acting in his or her capacity as an owner, employee,  
23 or agent of a retail marihuana store, are not a criminal or civil  
24 offense under the law of this state or a basis for seizing or  
25 forfeiting assets under the law of this state:

26 (a) Possessing, displaying, storing, or transporting marihuana  
27 or marihuana products.



1           (b) Purchasing marihuana from a marihuana cultivation  
2 facility.

3           (c) Purchasing marihuana or marihuana products from a  
4 marihuana product manufacturing facility.

5           (d) Delivering or transferring marihuana or marihuana products  
6 to a marihuana testing facility.

7           (e) Delivering, distributing, or selling marihuana or  
8 marihuana products to a consumer.

9           (2) Notwithstanding any other provision of law, the following  
10 acts, when performed by a marihuana lounge with a current, valid  
11 registration, or an individual 21 years of age or older who is  
12 acting in his or her capacity as an owner, employee, or agent of a  
13 marihuana lounge, are not unlawful and are not a criminal or civil  
14 offense under the law of this state or a basis for seizure or  
15 forfeiture of assets under the law of this state:

16           (a) Possessing, displaying, storing, or transporting marihuana  
17 or marihuana products.

18           (b) Purchasing marihuana from a marihuana cultivation  
19 facility.

20           (c) Purchasing marihuana or marihuana products from a  
21 marihuana product manufacturing facility.

22           (d) Delivering or transferring marihuana or marihuana products  
23 to a marihuana testing facility.

24           (e) Delivering, distributing, or selling marihuana or  
25 marihuana products to consumers.

26           (3) Notwithstanding any other provision of law, the following  
27 acts, if performed by a marihuana cultivation facility with a

1 current, valid registration, or an individual 21 years of age or  
2 older who is acting in his or her capacity as an owner, employee,  
3 or agent of a marihuana cultivation facility are not unlawful, a  
4 criminal or civil offense under the law of this state, or a basis  
5 for seizing or forfeiting assets under the law of this state:

6 (a) Cultivating, harvesting, processing, packaging,  
7 transporting, displaying, storing, or possessing marihuana.

8 (b) Delivering or transferring marihuana to a marihuana  
9 testing facility.

10 (c) Delivering, distributing, or selling marihuana to a  
11 marihuana cultivation facility, a marihuana product manufacturing  
12 facility, a marihuana lounge, or a retail marihuana store.

13 (d) Receiving or purchasing marihuana from a marihuana  
14 cultivation facility.

15 (e) Receiving marihuana seeds or immature marihuana plants  
16 from an individual 21 years of age or older.

17 (4) Notwithstanding any other provision of law, the following  
18 acts, if performed by a marihuana product manufacturing facility  
19 with a current, valid registration, or an individual 21 years of  
20 age or older who is acting in his or her capacity as an owner,  
21 employee, or agent of a marihuana product manufacturing facility  
22 are not unlawful, an offense under the law of this state, or a  
23 basis for seizing or forfeiting assets under the law of this state:

24 (a) Packaging, processing, transporting, manufacturing,  
25 displaying, or possessing marihuana or marihuana products.

26 (b) Delivering or transferring marihuana or marihuana products  
27 to a marihuana testing facility.

1 (c) Delivering or selling marihuana or marihuana products to a  
2 retail marihuana store, a marihuana lounge, or a marihuana product  
3 manufacturing facility.

4 (d) Purchasing marihuana from a marihuana cultivation  
5 facility.

6 (e) Purchasing marihuana or marihuana products from a  
7 marihuana product manufacturing facility.

8 (5) Notwithstanding any other provision of law, the following  
9 acts, if performed by a marihuana testing facility with a current,  
10 valid registration, or an individual 21 years of age or older who  
11 is acting in his or her capacity as an owner, employee, or agent of  
12 a marihuana testing facility, are not unlawful, an offense under  
13 the law of this state, or a basis for seizing or forfeiting assets  
14 under the law of this state:

15 (a) Possessing, cultivating, processing, repackaging, storing,  
16 transporting, or displaying marihuana or marihuana products.

17 (b) Receiving marihuana or marihuana products from a marihuana  
18 establishment or an individual 21 years of age or older.

19 (c) Returning marihuana or marihuana products to a marihuana  
20 establishment, or an individual 21 years of age or older.

21 (6) This section does not prohibit penalties for violating  
22 this act or rules adopted by the department or localities as  
23 authorized under this act.

24 Sec. 11. (1) A marihuana establishment or an agent or staffer  
25 of a marihuana establishment shall not sell, deliver, give,  
26 transfer, or otherwise furnish marihuana to an individual under 21  
27 years of age.

1           (2) Except as otherwise provided in this section, in a  
2 prosecution for selling, transferring, delivering, giving, or  
3 otherwise furnishing marihuana, marihuana products, or marihuana  
4 paraphernalia to an individual who is under 21 years of age, it is  
5 a complete defense if both of the following conditions apply:

6           (a) The person who sold, gave, or otherwise furnished  
7 marihuana, marihuana products, or marihuana paraphernalia was a  
8 retailer or marihuana lounge or was acting in his or her capacity  
9 as an owner, employee, or agent of a retailer or marihuana lounge  
10 at the time the marihuana, marihuana products, or marihuana  
11 paraphernalia was sold, given, or otherwise furnished to the  
12 individual.

13           (b) Before selling, giving, or otherwise furnishing marihuana,  
14 marihuana products, or marihuana paraphernalia to an individual who  
15 is under 21 years of age, the individual who furnished the  
16 marihuana or marihuana paraphernalia or an employee or agent of the  
17 furnishing retailer was shown a document that appeared to be issued  
18 by an agency of a federal, state, tribal, or foreign sovereign  
19 government indicating that the individual to whom the marihuana or  
20 marihuana paraphernalia was furnished was 21 years of age or older  
21 at the time of the transaction.

22           (3) The complete defense set forth in this section does not  
23 apply if both of the following conditions are met:

24           (a) The document that was shown to the individual who sold,  
25 gave, or otherwise furnished the marihuana, marihuana products, or  
26 marihuana paraphernalia was counterfeit, forged, altered, or issued  
27 to an individual other than the individual to whom the marihuana,

1 marihuana products, or marihuana paraphernalia was sold, given, or  
2 otherwise furnished.

3 (b) Under the circumstances, a reasonable person would have  
4 known or suspected that the document was counterfeit, forged,  
5 altered, or issued to an individual other than the individual to  
6 whom the marihuana, marihuana products, or marihuana paraphernalia  
7 was sold, given, or otherwise furnished.

8 Sec. 12. (1) Not later than 180 days after the effective date  
9 of this act, the department shall promulgate rules necessary for  
10 implementing this act. The rules must not prohibit the operation of  
11 marihuana establishments, either expressly or through rules that  
12 make their operation unreasonably impracticable. The rules shall  
13 include all of the following:

14 (a) Procedures for issuing, renewing, suspending, and revoking  
15 a registration to operate a marihuana establishment, which  
16 procedures are subject to the administrative procedures act of  
17 1969, 1969 PA 306, MCL 24.201 to 24.328.

18 (b) A schedule of application, registration, and renewal fees.  
19 Each of the 3 types of fees must not exceed \$5,000.00 adjusted  
20 annually for inflation in the manner provided in section 21(3),  
21 unless the department determines a greater fee is necessary to  
22 carry out its responsibilities under this act.

23 (c) Qualifications for registration that are directly and  
24 demonstrably related to the operation of a marihuana establishment.

25 (d) Security requirements including lighting, physical  
26 security, video, and alarm requirements.

27 (e) Requirements for the transportation and storage of

1 marihuana and marihuana products by marihuana establishments.

2 (f) Employment and training requirements, including requiring  
3 that each marihuana establishment create an identification badge  
4 for each employee or agent.

5 (g) Requirements designed to prevent the sale or diversion of  
6 marihuana and marihuana products to individuals under the age of  
7 21.

8 (h) Standards for marihuana product manufacturers to determine  
9 marihuana equivalency amounts for marihuana products.

10 (i) Requirements for marihuana and marihuana products sold or  
11 distributed by a marihuana establishment, including requirements  
12 for marihuana products' labels and packaging to include all of the  
13 following:

14 (i) The length of time it typically takes for a product to  
15 take effect.

16 (ii) The marihuana equivalency of the product.

17 (iii) The ingredients and possible allergens.

18 (iv) A nutritional fact panel.

19 (v) Packaging that is opaque, child resistant, and designed or  
20 constructed to be significantly difficult for children under 5  
21 years of age to open, but not difficult for normal adults to use  
22 properly as described in the testing procedures in 16 CFR 1700.20  
23 (1995).

24 (vi) For an edible marihuana product, clear indication that it  
25 contains marihuana through use of a standard symbol, if  
26 practicable.

27 (j) Health and safety regulations and standards applicable to

1 marihuana establishments for marihuana product manufacture and both  
2 indoor and outdoor marihuana cultivation.

3 (k) Restrictions on advertising, marketing, and signage,  
4 including, but not limited to, a prohibition on mass-market  
5 campaigns that have a high likelihood of reaching individuals less  
6 than 21 years of age.

7 (l) Restrictions on marihuana and marihuana product display,  
8 including restrictions to ensure that marihuana and marihuana  
9 product displays are not visible to the general public from a  
10 public right-of-way.

11 (m) Restrictions or prohibitions on additives to marihuana and  
12 marihuana-infused products, including, but not limited to, those  
13 that are toxic, designed to make the product more addictive or more  
14 appealing to children, or misleading to consumers. The restrictions  
15 must not extend to common baking and cooking additives.

16 (n) Restrictions on the use of pesticides that are injurious  
17 to human health.

18 (o) Regulations governing visits to cultivation facilities and  
19 product manufacturers, including requirements for a marihuana  
20 establishment to maintain a visitor log.

21 (p) A definition of the amount of delta-9 tetrahydrocannabinol  
22 that constitutes a single serving of or dose in a marihuana  
23 product.

24 (q) Safety standards for manufacturing marihuana extracts and  
25 concentrates.

26 (r) Requirements for educational materials to be disseminated  
27 to consumers who purchase marihuana-infused products.

1 (s) Requirements for random sample tests to ensure quality  
2 control, including accurate potency labels for marihuana and  
3 marihuana-infused products. The sampling must include tests for  
4 residual solvents, poisons, or toxins; harmful chemicals; dangerous  
5 molds or mildew; filth; harmful microbes such as E. coli or  
6 salmonella; and pesticides.

7 (t) Standards for operating testing laboratories, including  
8 equipment requirements and personnel qualifications.

9 (u) Civil fines for failure to comply with rules promulgated  
10 under this act.

11 (v) Procedures for assisting the department of treasury in  
12 collecting taxes levied on marihuana cultivation facilities under  
13 section 21.

14 (2) To ensure that individual privacy is protected, the  
15 department shall not require a consumer to provide a retail  
16 marihuana store with personal information other than government-  
17 issued identification to determine the consumer's age, and a retail  
18 marihuana store shall not be required to acquire or record personal  
19 information about consumers.

20 Sec. 13. (1) A person shall not operate a marihuana  
21 establishment unless the person is registered with the department  
22 as provided in this act. To register, a person shall submit an  
23 application to the department. The term of a registration is 1  
24 year. An applicant shall not submit a renewal application more than  
25 90 days before the applicant's registration expires.

26 (2) The department shall begin accepting and processing  
27 applications to operate a marihuana establishment 1 year after the



1 effective date of this act.

2 (3) If the locality in which the applicant proposes to operate  
3 the marihuana establishment has designated a local regulatory  
4 authority, immediately upon receiving the application or renewal  
5 application for a marihuana establishment registration, the  
6 department shall forward a copy of the application and 1/2 of the  
7 application fee to that local regulatory authority. That forwarded  
8 application serves as the application for registration with the  
9 locality.

10 (4) Unless the department finds the applicant is not in  
11 compliance with rules promulgated under section 12 or the  
12 department is notified by the relevant locality that the applicant  
13 is not in compliance with ordinances and rules adopted under  
14 section 14 and in effect at the time of application, the department  
15 shall issue an annual registration or renewal to the applicant  
16 within 90 days after receiving the application.

17 (5) If a locality has adopted a numerical limit on the number  
18 of marihuana establishments under section 14 and a greater number  
19 of applicants seek registrations, the department shall solicit and  
20 consider input from the local regulatory authority as to the  
21 locality's preference or preferences for registration.

22 (6) The department shall notify the applicant in writing of  
23 the specific reason for its denial of an application.

24 (7) A marihuana establishment registration shall specify the  
25 location where the marihuana establishment will operate. A separate  
26 registration is required for each location at which a marihuana  
27 establishment operates.

1           (8) A marihuana establishment and the books and records  
2 maintained and created by marihuana establishments are subject to  
3 inspection by the department or an agent of the department.

4           Sec. 14. (1) A marihuana lounge may operate only if the local  
5 regulatory authority in the locality where it operates issues a  
6 permit, license, or registration that expressly allows the  
7 operation of the marihuana lounge.

8           (2) A locality may prohibit any type of marihuana  
9 establishment by ordinance or an initiated or referred measure;  
10 however, an initiated or referred measure under this subsection  
11 must be adopted at a general election.

12           (3) A locality may enact an ordinance or regulation not in  
13 conflict with this act or with rules promulgated under this act  
14 that governs the time, place, manner, and number of marihuana  
15 establishment operations, which may include civil fines for  
16 violation of the ordinance or regulation.

17           (4) A locality may designate a local regulatory authority that  
18 is responsible for processing applications submitted for  
19 registration to operate a marihuana establishment in the locality.

20           (5) A locality may establish procedures for issuing,  
21 suspending, or revoking a registration issued by the locality under  
22 this section, consistent with the applicant's right to due process  
23 of law.

24           (6) A locality may establish a schedule of annual operating,  
25 registration, and application fees for marihuana establishments.

26           Sec. 15. This act does not require an employer to permit or  
27 accommodate the use, consumption, possession, transfer, display,

1 transportation, sale, or growing of marihuana in the workplace and  
2 does not limit an employer's policy restricting employee marihuana  
3 use or prescribing employee discipline for being under the  
4 influence of marihuana in the workplace.

5       Sec. 16. This act does not authorize operating a motor vehicle  
6 under the influence of marihuana or operating a motor vehicle while  
7 impaired by marihuana or supersede laws related to operating a  
8 motor vehicle under the influence of marihuana or operating a motor  
9 vehicle while impaired by marihuana.

10       Sec. 17. This act does not permit the transfer of marihuana,  
11 with or without remuneration, to an individual under the age of 21  
12 or allow an individual under the age of 21 to purchase, possess,  
13 use, transport, grow, or consume marihuana.

14       Sec. 18. (1) Except as provided in this section, this act does  
15 not require an individual, corporation, or any other entity that  
16 occupies, owns, or controls a property to allow the consumption,  
17 cultivation, display, sale, or transfer of marihuana on or in that  
18 property.

19       (2) A landlord shall not prohibit the possession or  
20 consumption of marihuana by nonsmoked means on residential property  
21 unless 1 of the following circumstances applies:

22       (a) The tenant is a roomer who is not leasing the entire  
23 residential dwelling.

24       (b) The residence is incidental to detention or the provision  
25 of medical, geriatric, educational, counseling, religious, or  
26 similar service.

27       (c) The residence is a transitional housing facility.

1 (d) Failing to prohibit marihuana possession or consumption  
2 would violate federal law or regulations or cause the landlord to  
3 lose a monetary or licensing-related benefit under federal law or  
4 regulations.

5 Sec. 19. A contract entered into by a registered marihuana  
6 establishment or its employee or agent, or by another person, for  
7 property to be used by a registered marihuana establishment, its  
8 employees, or its agents under a valid registration, is enforceable  
9 under the law of this state, even if cultivating, obtaining,  
10 manufacturing, distributing, dispensing, transporting, selling,  
11 possessing, or using marihuana or hemp is prohibited by federal  
12 law.

13 Sec. 20. The marihuana regulation revolving fund is  
14 established in the state treasury and revenue from fees and civil  
15 fines collected by or on behalf of the department under this act  
16 shall be credited to the fund. The department is the administrator  
17 of the fund for auditing purposes. Money in the fund is  
18 continuously appropriated only for the costs of registering and  
19 monitoring marihuana establishments and performing other activities  
20 authorized under this act.

21 Sec. 21. (1) An excise tax is imposed on the sale or transfer  
22 of marihuana from a marihuana cultivation facility to a retail  
23 marihuana store, marihuana lounge, or marihuana product  
24 manufacturing facility at the following rates:

25 (a) \$50.00 per ounce of marihuana flowers.

26 (b) \$25.00 per immature marihuana plant.

27 (c) \$15.00 per ounce on marihuana other than marihuana flowers

1 or immature marihuana plants.

2 (2) The tax rates in this section apply proportionately to  
3 fractions of an ounce.

4 (3) The state treasurer shall adjust the tax rate under this  
5 section by an amount determined by the state treasurer at the end  
6 of each calendar year to reflect the cumulative annual percentage  
7 change in the consumer price index. As used in this subsection,  
8 "consumer price index" means the most comprehensive index of  
9 consumer prices available for this state from the Bureau of Labor  
10 Statistics of the United States Department of Labor.

11 (4) On the fifteenth day of each month, a marihuana  
12 cultivation facility shall remit to the department of treasury the  
13 excise taxes due on the marihuana that the marihuana cultivation  
14 facility transferred or sold in the prior calendar month.

15 Sec. 22. (1) The marihuana excise tax fund is created within  
16 the state treasury.

17 (2) The state treasurer may receive money generated by the  
18 marihuana excise tax for deposit into the marihuana excise tax  
19 fund. The state treasurer shall direct the investment of the fund.  
20 The state treasurer shall credit to the fund interest and earnings  
21 from fund investments.

22 (3) Money in the fund at the close of the fiscal year shall  
23 remain in the fund and shall not lapse to the general fund.

24 (4) Money from the fund shall be distributed by the treasurer  
25 and expended, upon appropriation, only as follows:

26 (a) Not more than 10% of the total collected to the department  
27 for the necessary expenses of implementing and enforcing this act.

1 (b) The balance in the fund after the distribution under  
2 subdivision (a) shall be distributed every 3 months as follows:

3 (i) Thirty percent to the department of education.

4 (ii) Ten percent to the department of health and human  
5 services for use in evidence-based, voluntary programs for  
6 treatment of alcohol, tobacco, and marihuana abuse.

7 (iii) Ten percent to the department of community health for a  
8 scientifically and medically accurate public education campaign to  
9 educate youth and adults about the health and safety risks of  
10 alcohol, tobacco, and marihuana.

11 (d) Fifty percent to the general fund.

12 Sec. 23. (1) This act does not limit any privilege or right of  
13 a medical marihuana patient, primary caregiver, or medical  
14 marihuana establishment under the Michigan medical marihuana act,  
15 2008 IL 1, MCL 333.26421 to 333.26430.

16 (2) This act does not prohibit the operation of a facility  
17 licensed to distribute marihuana under any other law of this state.

18 (3) Possession of 1 ounce or less of marihuana by an  
19 individual under the age of 21 is a civil offense punishable by  
20 forfeiture of the marihuana and completion of up to 4 hours of  
21 instruction in a drug awareness program. The law enforcement agency  
22 issuing the citation shall notify the parents or legal guardian of  
23 any offender under the age of 18 of the offense and of available  
24 drug awareness programs. An offender who fails to complete a drug  
25 awareness program within 1 year after notice of the offense and  
26 available programs is sent is subject to a civil fine of not more  
27 than \$300.00 or up to 40 hours of community service, or both.

