

SENATE BILL No. 1243

November 29, 2018, Introduced by Senator MEEKHOF and referred to the Committee on Government Operations.

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, and 15 (MCL 333.28101, 333.28102, 333.28103, 333.28104, 333.28105, and 333.28115), and by adding sections 201, 205, 206, 207, 208, 301, 302, 303, 305, 401, 402, 403, 404, 405, 406, 407, 408, 409, 501, 502, 503, 504, 505, 601, 602, 603, 604, 701, 702, and 801; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An initiation of legislation to allow under state law the personal possession and use of marihuana by persons 21 years of age or older; to provide for the lawful ~~cultivation and~~ sale of

1 marihuana and industrial hemp by persons 21 years of age or older;
 2 to permit the taxation of revenue derived from commercial marihuana
 3 facilities; **TO LICENSE AND REGULATE MARIHUANA GROWERS, PROCESSORS,**
 4 **PROVISIONING CENTERS, SECURE TRANSPORTERS, AND SAFETY COMPLIANCE**
 5 **FACILITIES; TO PROVIDE FOR THE POWERS AND DUTIES OF CERTAIN STATE**
 6 **AND LOCAL GOVERNMENTAL OFFICERS AND ENTITIES; TO CREATE A MARIHUANA**
 7 **LICENSING BOARD; TO PROVIDE FOR INTERACTION WITH THE STATEWIDE**
 8 **MONITORING SYSTEM FOR COMMERCIAL MARIHUANA TRANSACTIONS; TO CREATE**
 9 **AN ADVISORY PANEL; TO PROVIDE IMMUNITY FROM PROSECUTION AND OTHER**
 10 **ACTIONS FOR MARIHUANA-RELATED OFFENSES FOR PERSONS ENGAGING IN**
 11 **CERTAIN ACTIVITIES IN COMPLIANCE WITH THIS ACT; TO PROVIDE**
 12 **FORFEITURE OF CONTRABAND; to permit-REQUIRE** the promulgation of
 13 ~~administrative rules; and to prescribe certain penalties. for~~
 14 ~~violations of this act. If not enacted by the Michigan State~~
 15 ~~Legislature in accordance with the Michigan Constitution of 1963,~~
 16 ~~the proposed legislation is to be voted on at the General Election,~~
 17 ~~November 6, 2018.~~

18 Sec. 1. This act shall be known and may be cited as the
 19 ~~Michigan Regulation and Taxation of Marihuana Act.~~ **"REGULATION AND**
 20 **TAXATION OF MARIHUANA ACT".**

21 Sec. 2. The purpose of this act is to make marihuana legal
 22 under state and local law for adults 21 years of age or older, to
 23 make industrial hemp legal under state and local law, and to
 24 control the commercial production and distribution of marihuana
 25 under a system that licenses, regulates, and taxes the businesses
 26 involved. The intent is to prevent arrest and penalty for personal
 27 possession ~~and cultivation~~ of marihuana by adults 21 years of age

1 or older; remove the commercial production and distribution of
2 marihuana from the illicit market; prevent revenue generated from
3 commerce in marihuana from going to criminal enterprises or gangs;
4 prevent the distribution of marihuana to persons under 21 years of
5 age; prevent the diversion of marihuana to illicit markets; ensure
6 the safety of marihuana and marihuana-infused products; and ensure
7 security of marihuana establishments. To the fullest extent
8 possible, this act shall be interpreted in accordance with the
9 purpose and intent set forth in this section.

10 Sec. 3. As used in this act:

11 (A) "ADVISORY PANEL" OR "PANEL" MEANS THE MARIHUANA ADVISORY
12 PANEL CREATED IN SECTION 801.

13 (B) "AFFILIATE" MEANS ANY PERSON THAT CONTROLS, IS CONTROLLED
14 BY, OR IS UNDER COMMON CONTROL WITH; IS IN A PARTNERSHIP OR JOINT
15 VENTURE RELATIONSHIP WITH; OR IS A CO-SHAREHOLDER OF A CORPORATION,
16 A CO-MEMBER OF A LIMITED LIABILITY COMPANY, OR A CO-PARTNER IN A
17 LIMITED LIABILITY PARTNERSHIP WITH A LICENSEE OR APPLICANT.

18 (C) "APPLICANT" MEANS A PERSON WHO APPLIES FOR A STATE
19 OPERATING LICENSE. WITH RESPECT TO DISCLOSURES IN AN APPLICATION,
20 OR FOR PURPOSES OF INELIGIBILITY FOR A LICENSE UNDER SECTION 402,
21 THE TERM "APPLICANT" INCLUDES AN OFFICER, DIRECTOR, AND MANAGERIAL
22 EMPLOYEE OF THE APPLICANT AND A PERSON WHO HOLDS ANY DIRECT OR
23 INDIRECT OWNERSHIP INTEREST IN THE APPLICANT.

24 (D) "BOARD" MEANS THE MARIHUANA LICENSING BOARD CREATED IN
25 SECTION 301.

26 (E) ~~(a)~~ "Cultivate" means to propagate, breed, grow, harvest,
27 dry, cure, or separate parts of the marihuana plant by manual or

1 mechanical means.

2 (F) "CUTTING" MEANS A SECTION OF A LEAD STEM OR ROOT STOCK
3 THAT IS USED FOR VEGETATIVE ASEXUAL PROPAGATION.

4 (G) ~~(b)~~"Department" means the department of licensing and
5 regulatory affairs.

6 (H) "GROWER" MEANS A LICENSEE THAT IS A COMMERCIAL ENTITY
7 LOCATED IN THIS STATE THAT CULTIVATES, DRIES, TRIMS, OR CURES AND
8 PACKAGES MARIHUANA FOR SALE TO A PROCESSOR, PROVISIONING CENTER, OR
9 ANOTHER GROWER.

10 (I) ~~(e)~~"Industrial hemp" means a plant of the genus cannabis
11 and any part of that plant, whether growing or not, with a delta-9
12 tetrahydrocannabinol concentration that does not exceed 0.3% on a
13 dry-weight basis, or per volume or weight of marihuana-infused
14 product, or the combined percent of delta-9-tetrahydrocannabinol
15 and tetrahydrocannabinolic acid in any part of the plant of the
16 genus cannabis regardless of moisture content.

17 (J) ~~(d)~~"Licensee" means a person holding a state **OPERATING**
18 license.

19 (K) ~~(e)~~"Marihuana" means all parts of the plant of the genus
20 cannabis, growing or not; the seeds of the plant; the resin
21 extracted from any part of the plant; and every compound,
22 manufacture, salt, derivative, mixture, or preparation of the plant
23 or its seeds or resin, including marihuana concentrate and
24 marihuana-infused products. ~~For purposes of this act, marihuana~~
25 **MARIHUANA** does not include **ANY OF THE FOLLOWING:**

26 (i) ~~(1) the~~**THE** mature stalks of the plant, fiber produced
27 from the stalks, oil or cake made from the seeds of the plant, any

1 other compound, manufacture, salt, derivative, mixture, or
2 preparation of the mature stalks, except the resin extracted from
3 those stalks, fiber, oil, or cake, or any sterilized seed of the
4 plant that is incapable of germination. †

5 (ii) ~~(2) industrial~~ **INDUSTRIAL** hemp. †~~or~~

6 (iii) ~~(3) any~~ **ANY** other ingredient combined with marihuana to
7 prepare topical or oral administrations, food, drink, or other
8 products.

9 ~~— (f) "Marihuana accessories" means any equipment, product,~~
10 ~~material, or combination of equipment, products, or materials,~~
11 ~~which is specifically designed for use in planting, propagating,~~
12 ~~cultivating, growing, harvesting, manufacturing, compounding,~~
13 ~~converting, producing, processing, preparing, testing, analyzing,~~
14 ~~packaging, repackaging, storing, containing, ingesting, inhaling,~~
15 ~~or otherwise introducing marihuana into the human body.~~

16 (l) ~~(g)~~ "Marihuana concentrate" means the resin extracted from
17 any part of the plant of the genus cannabis.

18 ~~— (h) "Marihuana establishment" means a marihuana grower,~~
19 ~~marihuana safety compliance facility, marihuana processor,~~
20 ~~marihuana microbusiness, marihuana retailer, marihuana secure~~
21 ~~transporter, or any other type of marihuana related business~~
22 ~~licensed by the department.~~

23 ~~— (i) "Marihuana grower" means a person licensed to cultivate~~
24 ~~marihuana and sell or otherwise transfer marihuana to marihuana~~
25 ~~establishments.~~

26 (M) **"MARIHUANA FACILITY" MEANS A LOCATION AT WHICH A LICENSEE**
27 **IS LICENSED TO OPERATE UNDER THIS ACT.**

1 (N) ~~(j)~~ "Marihuana-infused product" means a topical
2 formulation, tincture, beverage, edible substance, or similar
3 product containing marihuana and other ingredients and that is
4 intended for human consumption.

5 ~~(k) "Marihuana microbusiness" means a person licensed to~~
6 ~~cultivate not more than 150 marihuana plants; process and package~~
7 ~~marihuana; and sell or otherwise transfer marihuana to individuals~~
8 ~~who are 21 years of age or older or to a marihuana safety~~
9 ~~compliance facility, but not to other marihuana establishments.~~

10 ~~(l) "Marihuana processor" means a person licensed to obtain~~
11 ~~marihuana from marihuana establishments; process and package~~
12 ~~marihuana; and sell or otherwise transfer marihuana to marihuana~~
13 ~~establishments.~~

14 ~~(m) "Marihuana retailer" means a person licensed to obtain~~
15 ~~marihuana from marihuana establishments and to sell or otherwise~~
16 ~~transfer marihuana to marihuana establishments and to individuals~~
17 ~~who are 21 years of age or older.~~

18 ~~(n) "Marihuana secure transporter" means a person licensed to~~
19 ~~obtain marihuana from marihuana establishments in order to~~
20 ~~transport marihuana to marihuana establishments.~~

21 ~~(o) "Marihuana safety compliance facility" means a person~~
22 ~~licensed to test marihuana, including certification for potency and~~
23 ~~the presence of contaminants.~~

24 ~~(p) "Municipal license" means a license issued by a~~
25 ~~municipality pursuant to section 16 of this act that allows a~~
26 ~~person to operate a marihuana establishment in that municipality.~~

27 (O) "MARIHUANA PLANT" MEANS ANY PLANT OF THE SPECIES *Cannabis*

1 *sativa* L.

2 (P) "MARIHUANA TRACKING ACT" MEANS THE MARIHUANA TRACKING ACT,
3 2016 PA 282, MCL 333.27901 TO 333.27904.

4 (q) "Municipality" means a city, village, or township.

5 (R) "PARAPHERNALIA" MEANS ANY EQUIPMENT, PRODUCT, OR MATERIAL
6 OF ANY KIND THAT IS DESIGNED FOR OR USED IN GROWING, CULTIVATING,
7 PRODUCING, MANUFACTURING, COMPOUNDING, CONVERTING, STORING,
8 PROCESSING, PREPARING, TRANSPORTING, INJECTING, SMOKING, INGESTING,
9 INHALING, OR OTHERWISE INTRODUCING INTO THE HUMAN BODY, MARIHUANA.

10 (S) ~~(r)~~ "Person" means an individual, corporation, limited
11 liability company, partnership of any type, trust, or other legal
12 entity.

13 (T) "PLANT" MEANS ANY LIVING ORGANISM THAT PRODUCES ITS OWN
14 FOOD THROUGH PHOTOSYNTHESIS AND HAS OBSERVABLE ROOT FORMATION OR IS
15 IN GROWTH MATERIAL.

16 ~~—— (s) "Process" or "Processing" means to separate or otherwise
17 prepare parts of the marihuana plant and to compound, blend,
18 extract, infuse, or otherwise make or prepare marihuana concentrate
19 or marihuana infused products.~~

20 ~~—— (t) "State license" means a license issued by the department
21 that allows a person to operate a marihuana establishment.~~

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

1 (U) "PROCESSOR" MEANS A LICENSEE THAT IS A COMMERCIAL ENTITY
2 LOCATED IN THIS STATE THAT PURCHASES MARIHUANA FROM A GROWER AND
3 THAT EXTRACTS RESIN FROM THE MARIHUANA OR CREATES A MARIHUANA-
4 INFUSED PRODUCT FOR SALE AND TRANSFER IN PACKAGED FORM TO A
5 PROVISIONING CENTER OR ANOTHER PROCESSOR.

6 (V) "PROVISIONING CENTER" MEANS A LICENSEE THAT IS A
7 COMMERCIAL ENTITY LOCATED IN THIS STATE THAT PURCHASES MARIHUANA
8 FROM A GROWER OR PROCESSOR AND SELLS, SUPPLIES, OR PROVIDES
9 MARIHUANA TO INDIVIDUALS. PROVISIONING CENTER INCLUDES ANY
10 COMMERCIAL PROPERTY WHERE MARIHUANA IS SOLD AT RETAIL TO
11 INDIVIDUALS.

12 (W) "RULES" MEANS RULES PROMULGATED UNDER THE ADMINISTRATIVE
13 PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328, BY THE
14 DEPARTMENT IN CONSULTATION WITH THE BOARD TO IMPLEMENT THIS ACT.

15 (X) "SAFETY COMPLIANCE FACILITY" MEANS A LICENSEE THAT IS A
16 COMMERCIAL ENTITY THAT TAKES MARIHUANA FROM A MARIHUANA FACILITY,
17 TESTS THE MARIHUANA FOR CONTAMINANTS AND FOR TETRAHYDROCANNABINOL
18 AND OTHER CANNABINOIDS, RETURNS THE TEST RESULTS, AND MAY RETURN
19 THE MARIHUANA TO THE MARIHUANA FACILITY.

20 (Y) "SECURE TRANSPORTER" MEANS A LICENSEE THAT IS A COMMERCIAL
21 ENTITY LOCATED IN THIS STATE THAT STORES MARIHUANA AND TRANSPORTS
22 MARIHUANA BETWEEN MARIHUANA FACILITIES FOR A FEE.

23 (Z) "SEED" MEANS THE FERTILIZED, UNGERMINATED, MATURED OVULE,
24 CONTAINING AN EMBRYO OR RUDIMENTARY PLANT, OF A MARIHUANA PLANT
25 THAT IS FLOWERING.

26 (AA) "SEEDLING" MEANS A MARIHUANA PLANT THAT HAS GERMINATED
27 AND HAS NOT FLOWERED AND IS NOT HARVESTABLE.

1 (BB) "STATE LICENSE" MEANS A LICENSE ISSUED BY THE DEPARTMENT
2 THAT ALLOWS A PERSON TO OPERATE A MARIHUANA ESTABLISHMENT.

3 (CC) "STATE OPERATING LICENSE" OR, UNLESS THE CONTEXT REQUIRES
4 A DIFFERENT MEANING, "LICENSE" MEANS A LICENSE THAT IS ISSUED UNDER
5 THIS ACT THAT ALLOWS THE LICENSEE TO OPERATE AS 1 OF THE FOLLOWING,
6 SPECIFIED IN THE LICENSE:

7 (i) A GROWER.

8 (ii) A PROCESSOR.

9 (iii) A SECURE TRANSPORTER.

10 (iv) A PROVISIONING CENTER.

11 (v) A SAFETY COMPLIANCE FACILITY.

12 (DD) "STATEWIDE MONITORING SYSTEM" OR, UNLESS THE CONTEXT
13 REQUIRES A DIFFERENT MEANING, "SYSTEM" MEANS AN INTERNET-BASED,
14 STATEWIDE DATABASE ESTABLISHED, IMPLEMENTED, AND MAINTAINED BY THE
15 DEPARTMENT UNDER THE MARIHUANA TRACKING ACT, THAT IS AVAILABLE TO
16 LICENSEES, LAW ENFORCEMENT AGENCIES, AND AUTHORIZED STATE
17 DEPARTMENTS AND AGENCIES ON A 24-HOUR BASIS FOR BOTH OF THE
18 FOLLOWING:

19 (i) TRACKING MARIHUANA TRANSFER AND TRANSPORTATION BY
20 LICENSEES, INCLUDING TRANSFEREE, DATE, QUANTITY, AND PRICE.

21 (ii) VERIFYING IN COMMERCIALY REASONABLE TIME THAT A TRANSFER
22 WILL NOT EXCEED THE LIMIT THAT INDIVIDUAL IS AUTHORIZED TO RECEIVE
23 UNDER THIS ACT.

24 (EE) "TISSUE CULTURE" MEANS A MARIHUANA PLANT CELL, CUTTING,
25 TISSUE, OR ORGAN, THAT IS KEPT UNDER A STERILE CONDITION ON A
26 NUTRIENT CULTURE MEDIUM OF KNOWN COMPOSITION AND THAT DOES NOT HAVE
27 VISIBLE ROOT FORMATION. A TISSUE CULTURE IS NOT A MARIHUANA PLANT

1 FOR PURPOSES OF A GROWER.

2 (FF) "USABLE MARIHUANA" MEANS THE DRIED LEAVES, FLOWERS, PLANT
3 RESIN, OR EXTRACT OF THE MARIHUANA PLANT, BUT DOES NOT INCLUDE THE
4 SEEDS, STALKS, AND ROOTS OF THE PLANT.

5 Sec. 4. (1) ~~1.~~—This act does not authorize **ANY OF THE**
6 **FOLLOWING:**

7 (a) ~~operating,~~ **OPERATING**, navigating, or being in physical
8 control of any motor vehicle, aircraft, snowmobile, off-road
9 recreational vehicle, or motorboat while under the influence of
10 marihuana. †

11 (b) ~~transfer~~ **TRANSFER** of marihuana or marihuana accessories to
12 a person under the age of 21. †

13 (c) ~~any~~ **A** person under the age of 21 to possess, consume,
14 purchase or otherwise obtain, cultivate, process, transport, or
15 sell marihuana. †

16 (d) ~~separation~~ **SEPARATION** of plant resin by butane extraction
17 or another method that utilizes a substance with a flashpoint below
18 100 degrees Fahrenheit in any public place, motor vehicle, or
19 within the curtilage of any residential structure. †

20 (e) ~~consuming~~ **CONSUMING** marihuana in a public place or smoking
21 marihuana where prohibited by the person who owns, occupies, or
22 manages the property, except for purposes of this subdivision a
23 public place does not include an area designated for consumption
24 within a municipality that has authorized consumption in designated
25 areas that are not accessible to persons under 21 years of age. †

26 (f) ~~cultivating~~ **UNLESS OTHERWISE AUTHORIZED UNDER A STATE**
27 **OPERATING LICENSE, CULTIVATING** marihuana plants. ~~if the plants are~~

1 ~~visible from a public place without the use of binoculars,~~
 2 ~~aircraft, or other optical aids or outside of an enclosed area~~
 3 ~~equipped with locks or other functioning security devices that~~
 4 ~~restrict access to the area;~~

5 (g) ~~consuming~~ **CONSUMING** marihuana while operating, navigating,
 6 or being in physical control of any motor vehicle, aircraft,
 7 snowmobile, off-road recreational vehicle, or motorboat, or smoking
 8 marihuana within the passenger area of a vehicle upon a public way.

9 ~~+~~

10 (h) ~~possessing~~ **POSSESSING** marihuana accessories or possessing
 11 or consuming marihuana on the grounds of a public or private school
 12 where children attend classes in preschool programs, kindergarten
 13 programs, or grades 1 through 12, in a school bus, or on the
 14 grounds of any correctional facility. ~~+~~ ~~or~~

15 (i) Possessing more than 2.5 ounces of marihuana within a
 16 person's place of residence unless the excess marihuana is stored
 17 in a container or area equipped with locks or other functioning
 18 security devices that restrict access to the contents of the
 19 container or area.

20 (2) ~~2.~~—This act does not limit any privileges, rights,
 21 immunities, or defenses of a person as provided in the Michigan
 22 medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430, the
 23 medical marihuana facilities licensing act, 2016 PA 281, MCL
 24 333.27101 to 333.27801, or any other law of this state allowing for
 25 or regulating marihuana for medical use.

26 (3) ~~3.~~—This act does not ~~require~~ **DO ANY OF THE FOLLOWING:**

27 (A) **REQUIRE** an employer to permit or accommodate conduct

1 otherwise allowed by this act in any workplace or on the employer's
2 property. ~~This act does not prohibit~~

3 (B) **PROHIBIT** an employer from disciplining an employee for
4 violation of a workplace drug policy or for working while under the
5 influence of marihuana. ~~This act does not prevent~~

6 (C) **PREVENT** an employer from refusing to hire, discharging,
7 disciplining, or otherwise taking an adverse employment action
8 against a person with respect to hire, tenure, terms, conditions,
9 or privileges of employment because of that person's violation of a
10 workplace drug policy or because that person was working while
11 under the influence of marihuana.

12 (4) ~~4. This act allows a~~ **A** person ~~to~~ **MAY** prohibit or otherwise
13 regulate the consumption, cultivation, distribution, processing,
14 sale, or display of marihuana and marihuana accessories on property
15 the person owns, occupies, or manages. ~~, except that~~ **HOWEVER**, a
16 lease agreement may not prohibit a tenant from lawfully possessing
17 and consuming marihuana by means other than smoking.

18 (5) ~~5.~~ All other laws inconsistent with this act do not apply
19 to conduct that is permitted by this act.

20 Sec. 5. (1) ~~1.~~ Notwithstanding any other law or provision of
21 this act, and except as otherwise provided in section 4, ~~of this~~
22 ~~act,~~ the following acts by a person 21 years of age or older are
23 not unlawful, are not an offense, are not grounds for seizing or
24 forfeiting property, are not grounds for arrest, prosecution, or
25 penalty in any manner, are not grounds for search or inspection,
26 and are not grounds to deny any other right or privilege:

27 (a) ~~except~~ **EXCEPT** as permitted by ~~by~~ **UNDER** subdivision (b),

1 possessing, using or consuming, internally possessing, purchasing,
2 transporting, or processing 2.5 ounces or less of marihuana, except
3 that not more than 15 grams of marihuana may be in the form of
4 marihuana concentrate. †

5 (b) ~~within~~ **WITHIN** the person's residence, possessing, storing,
6 and processing not more than 10 ounces of marihuana. ~~and any~~
7 ~~marihuana produced by marihuana plants cultivated on the premises~~
8 ~~and cultivating not more than 12 marihuana plants for personal use,~~
9 ~~provided that no more than 12 marihuana plants are possessed,~~
10 ~~cultivated, or processed on the premises at once,~~

11 (c) ~~assisting~~ **ASSISTING** another person who is 21 years of age
12 or older in any of the acts described in this section. † ~~and~~

13 (d) ~~giving~~ **GIVING** away or otherwise transferring without
14 remuneration up to 2.5 ounces of marihuana, except that not more
15 than 15 grams of marihuana may be in the form of marihuana
16 concentrate, to a person 21 years of age or older, as long as the
17 transfer is not advertised or promoted to the public.

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

27 (3) ~~3.~~ A person shall not be denied custody of or visitation

1 with a minor for conduct that is permitted by this act, unless the
2 person's behavior is such that it creates an unreasonable danger to
3 the minor that can be clearly articulated and substantiated.

4 Sec. 15. A person who commits any of the following acts, and
5 is not otherwise authorized by this act to conduct such activities,
6 may be punished only as provided in this section and is not subject
7 to any other form of punishment or disqualification, unless the
8 person consents to another disposition authorized by law:

9 (A) ~~1.~~—Except for a person who engaged in conduct described in
10 ~~sections~~ **SECTION** 4(1) (a), 4(1) (b), 4(1) (c), 4(1) (d), 4(1) (g), or
11 4(1) (h), a person who possesses not more than the amount of
12 marihuana allowed by section 5, ~~cultivates not more than the amount~~
13 ~~of marihuana allowed by section 5,~~ delivers without receiving any
14 remuneration to a person who is at least 21 years of age not more
15 than the amount of marihuana allowed by section 5, or possesses
16 with intent to deliver not more than the amount of marihuana
17 allowed by section 5, is responsible for a civil infraction and may
18 be punished by a fine of not more than ~~\$100~~ **\$100.00** and forfeiture
19 of the marihuana.

20 (B) ~~2.~~—Except for a person who engaged in conduct described in
21 section 4, a person who possesses not more than twice the amount of
22 marihuana allowed by section 5, ~~cultivates not more than twice the~~
23 ~~amount of marihuana allowed by section 5,~~ delivers without
24 receiving any remuneration to a person who is at least 21 years of
25 age not more than twice the amount of marihuana allowed by section
26 5, or possesses with intent to deliver not more than twice the
27 amount of marihuana allowed by section 5:

1 (i) ~~(a) for~~ **FOR** a first violation, is responsible for a civil
2 infraction and may be punished by a fine of not more than ~~\$500~~
3 **\$500.00** and forfeiture of the marihuana. †

4 (ii) ~~(b) for~~ **FOR** a second violation, is responsible for a
5 civil infraction and may be punished by a fine of not more than
6 ~~\$1,000~~ **\$1,000.00** and forfeiture of the marihuana. †

7 (iii) ~~(c) for~~ **FOR** a third or subsequent violation, is guilty
8 of a misdemeanor and may be punished by a fine of not more than
9 ~~\$2,000~~ **\$2,000.00** and forfeiture of the marihuana.

10 (C) ~~3.~~ Except for a person who engaged in conduct described by
11 section 4(1)(a), 4(1)(d), or 4(1)(g), a person under 21 years of
12 age who possesses not more than 2.5 ounces of marihuana: ~~or who~~
13 ~~cultivates not more than 12 marihuana plants:~~

14 (i) ~~(a) for~~ **FOR** a first violation, is responsible for a civil
15 infraction and may be punished as follows:

16 (A) ~~(1) if~~ **IF** the person is less than 18 years of age, by a
17 fine of not more than ~~\$100~~ **\$100.00** or community service, forfeiture
18 of the marihuana, and completion of 4 hours of drug education or
19 counseling. †~~or~~

20 (B) ~~(2) if~~ **IF** the person is at least 18 years of age, by a
21 fine of not more than ~~\$100~~ **\$100.00** and forfeiture of the marihuana.

22 (ii) ~~(b) for~~ **FOR** a second violation, is responsible for a
23 civil infraction and may be punished as follows:

24 (A) ~~(1) if~~ **IF** the person is less than 18 years of age, by a
25 fine of not more than ~~\$500~~ **\$500.00** or community service, forfeiture
26 of the marihuana, and completion of 8 hours of drug education or
27 counseling. †~~or~~

1 (B) ~~(2) if~~ **IF** the person is at least 18 years of age, by a
2 fine of not more than ~~\$500~~ **\$500.00** and forfeiture of the marihuana.

3 (D) ~~4.~~ Except for a person who engaged in conduct described in
4 section 4, a person who possesses more than twice the amount of
5 marihuana allowed by section 5, ~~cultivates more than twice the~~
6 ~~amount of marihuana allowed by section 5,~~ or delivers without
7 receiving any remuneration to a person who is at least 21 years of
8 age more than twice the amount of marihuana allowed by section 5,
9 shall be responsible for a misdemeanor, but shall not be subject to
10 imprisonment unless the violation was habitual, willful, and for a
11 commercial purpose or the violation involved violence.

12 **SEC. 201. (1) EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, IF A**
13 **PERSON HAS BEEN GRANTED A STATE OPERATING LICENSE AND IS OPERATING**
14 **WITHIN THE SCOPE OF THE LICENSE, THE LICENSEE AND ITS AGENTS ARE**
15 **NOT SUBJECT TO ANY OF THE FOLLOWING FOR ENGAGING IN ACTIVITIES**
16 **DESCRIBED IN SUBSECTION (2):**

17 (A) **CRIMINAL PENALTIES UNDER STATE LAW OR LOCAL ORDINANCES**
18 **REGULATING MARIHUANA.**

19 (B) **STATE OR LOCAL CRIMINAL PROSECUTION FOR A MARIHUANA-**
20 **RELATED OFFENSE.**

21 (C) **STATE OR LOCAL CIVIL PROSECUTION FOR A MARIHUANA-RELATED**
22 **OFFENSE.**

23 (D) **SEARCH OR INSPECTION, EXCEPT FOR AN INSPECTION AUTHORIZED**
24 **UNDER THIS ACT BY LAW ENFORCEMENT OFFICERS, THE MUNICIPALITY, OR**
25 **THE DEPARTMENT.**

26 (E) **SEIZURE OF MARIHUANA, REAL PROPERTY, PERSONAL PROPERTY, OR**
27 **ANYTHING OF VALUE BASED ON A MARIHUANA-RELATED OFFENSE.**

1 (F) ANY SANCTION, INCLUDING DISCIPLINARY ACTION OR DENIAL OF A
2 RIGHT OR PRIVILEGE, BY A BUSINESS OR OCCUPATIONAL OR PROFESSIONAL
3 LICENSING BOARD OR BUREAU BASED ON A MARIHUANA-RELATED OFFENSE.

4 (2) THE FOLLOWING ACTIVITIES ARE PROTECTED UNDER SUBSECTION
5 (1) IF PERFORMED UNDER A STATE OPERATING LICENSE WITHIN THE SCOPE
6 OF THAT LICENSE AND IN ACCORD WITH THIS ACT, RULES, AND ANY
7 ORDINANCE ADOPTED UNDER SECTION 205:

8 (A) GROWING MARIHUANA.

9 (B) PURCHASING, RECEIVING, SELLING, TRANSPORTING, OR
10 TRANSFERRING MARIHUANA FROM OR TO A LICENSEE OR A LICENSEE'S AGENT.

11 (C) POSSESSING MARIHUANA.

12 (D) POSSESSING OR MANUFACTURING MARIHUANA PARAPHERNALIA.

13 (E) PROCESSING MARIHUANA.

14 (F) TRANSPORTING MARIHUANA.

15 (G) TESTING, TRANSFERRING, INFUSING, EXTRACTING, ALTERING, OR
16 STUDYING MARIHUANA.

17 (H) RECEIVING OR PROVIDING COMPENSATION FOR PRODUCTS OR
18 SERVICES.

19 (3) EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, A PERSON WHO
20 OWNS OR LEASES REAL PROPERTY UPON WHICH A MARIHUANA FACILITY IS
21 LOCATED AND WHO HAS NO KNOWLEDGE THAT THE LICENSEE VIOLATED THIS
22 ACT IS NOT SUBJECT TO ANY OF THE FOLLOWING FOR OWNING, LEASING, OR
23 PERMITTING THE OPERATION OF A MARIHUANA FACILITY ON THE REAL
24 PROPERTY:

25 (A) CRIMINAL PENALTIES UNDER STATE LAW OR LOCAL ORDINANCES
26 REGULATING MARIHUANA.

27 (B) STATE OR LOCAL CIVIL PROSECUTION BASED ON A MARIHUANA-

1 RELATED OFFENSE.

2 (C) STATE OR LOCAL CRIMINAL PROSECUTION BASED ON A MARIHUANA-
3 RELATED OFFENSE.

4 (D) SEARCH OR INSPECTION, EXCEPT FOR AN INSPECTION AUTHORIZED
5 UNDER THIS ACT BY LAW ENFORCEMENT OFFICERS, THE MUNICIPALITY, OR
6 THE DEPARTMENT.

7 (E) SEIZURE OF ANY REAL OR PERSONAL PROPERTY OR ANYTHING OF
8 VALUE BASED ON A MARIHUANA-RELATED OFFENSE.

9 (F) ANY SANCTION, INCLUDING DISCIPLINARY ACTION OR DENIAL OF A
10 RIGHT OR PRIVILEGE, BY A BUSINESS OR OCCUPATIONAL OR PROFESSIONAL
11 LICENSING BOARD OR BUREAU.

12 (4) EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, A CERTIFIED
13 PUBLIC ACCOUNTANT WHO IS LICENSED UNDER ARTICLE 7 OF THE
14 OCCUPATIONAL CODE, 1980 PA 299, MCL 339.720 TO 339.736, IS NOT
15 SUBJECT TO ANY OF THE FOLLOWING FOR ENGAGING IN THE PRACTICE OF
16 PUBLIC ACCOUNTING AS THAT TERM IS DEFINED IN SECTION 720 OF THE
17 OCCUPATIONAL CODE, 1980 PA 299, MCL 339.720, FOR AN APPLICANT OR
18 LICENSEE WHO IS IN COMPLIANCE WITH THIS ACT AND RULES:

19 (A) CRIMINAL PENALTIES UNDER STATE LAW OR LOCAL ORDINANCES
20 REGULATING MARIHUANA.

21 (B) STATE OR LOCAL CIVIL PROSECUTION BASED ON A MARIHUANA-
22 RELATED OFFENSE.

23 (C) STATE OR LOCAL CRIMINAL PROSECUTION BASED ON A MARIHUANA-
24 RELATED OFFENSE.

25 (D) SEIZURE OF ANY REAL OR PERSONAL PROPERTY OR ANYTHING OF
26 VALUE BASED ON A MARIHUANA-RELATED OFFENSE.

27 (E) ANY SANCTION, INCLUDING DISCIPLINARY ACTION OR DENIAL OF A

1 RIGHT OR PRIVILEGE, BY A BUSINESS OR OCCUPATIONAL OR PROFESSIONAL
2 LICENSING BOARD OR BUREAU BASED ON A MARIHUANA-RELATED OFFENSE.

3 (5) EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, A FINANCIAL
4 INSTITUTION IS NOT SUBJECT TO ANY OF THE FOLLOWING FOR PROVIDING A
5 FINANCIAL SERVICE TO A LICENSEE UNDER THIS ACT:

6 (A) CRIMINAL PENALTIES UNDER STATE LAW OR LOCAL ORDINANCES
7 REGULATING MARIHUANA.

8 (B) STATE OR LOCAL CIVIL PROSECUTION BASED ON A MARIHUANA-
9 RELATED OFFENSE.

10 (C) STATE OR LOCAL CRIMINAL PROSECUTION BASED ON A MARIHUANA-
11 RELATED OFFENSE.

12 (D) SEIZURE OF ANY REAL OR PERSONAL PROPERTY OR ANYTHING OF
13 VALUE BASED ON A MARIHUANA-RELATED OFFENSE.

14 (E) ANY SANCTION, INCLUDING DISCIPLINARY ACTION OR DENIAL OF A
15 RIGHT OR PRIVILEGE, BY A BUSINESS OR OCCUPATIONAL OR PROFESSIONAL
16 LICENSING BOARD OR BUREAU BASED ON A MARIHUANA-RELATED OFFENSE.

17 (6) FOR THE PURPOSES OF REGULATING THE COMMERCIAL ENTITIES
18 ESTABLISHED UNDER THIS ACT, ANY PROVISIONS OF THE FOLLOWING ACTS
19 THAT ARE INCONSISTENT WITH THIS ACT DO NOT APPLY TO A GROWER,
20 PROCESSOR, SECURE TRANSPORTER, PROVISIONING CENTER, OR SAFETY
21 COMPLIANCE FACILITY OPERATING IN COMPLIANCE WITH THIS ACT:

22 (A) THE BUSINESS CORPORATION ACT, 1972 PA 284, MCL 450.1101 TO
23 450.2098.

24 (B) THE NONPROFIT CORPORATION ACT, 1982 PA 162, MCL 450.2101
25 TO 450.3192.

26 (C) 1931 PA 327, MCL 450.98 TO 450.192.

27 (D) THE MICHIGAN REVISED UNIFORM LIMITED PARTNERSHIP ACT, 1982

1 PA 213, MCL 449.1101 TO 449.2108.

2 (E) THE MICHIGAN LIMITED LIABILITY COMPANY ACT, 1993 PA 23,
3 MCL 450.4101 TO 450.5200.

4 (F) 1907 PA 101, MCL 445.1 TO 445.5.

5 (G) 1913 PA 164, MCL 449.101 TO 449.106.

6 (H) THE UNIFORM PARTNERSHIP ACT, 1917 PA 72, MCL 449.1 TO
7 449.48.

8 (7) AS USED IN THIS SECTION:

9 (A) "FINANCIAL INSTITUTION" MEANS ANY OF THE FOLLOWING:

10 (i) A STATE OR NATIONAL BANK.

11 (ii) A STATE OR FEDERALLY CHARTERED SAVINGS AND LOAN
12 ASSOCIATION.

13 (iii) A STATE OR FEDERALLY CHARTERED SAVINGS BANK.

14 (iv) A STATE OR FEDERALLY CHARTERED CREDIT UNION.

15 (v) AN INSURANCE COMPANY.

16 (vi) AN ENTITY THAT OFFERS ANY OF THE FOLLOWING TO A RESIDENT
17 OF THIS STATE:

18 (A) A MUTUAL FUND ACCOUNT.

19 (B) A SECURITIES BROKERAGE ACCOUNT.

20 (C) A MONEY MARKET ACCOUNT.

21 (D) A RETAIL INVESTMENT ACCOUNT.

22 (vii) AN ENTITY REGULATED BY THE SECURITIES AND EXCHANGE
23 COMMISSION THAT COLLECTS FUNDS FROM THE PUBLIC.

24 (viii) AN ENTITY THAT IS A MEMBER OF THE NATIONAL ASSOCIATION
25 OF SECURITIES DEALERS AND THAT COLLECTS FUNDS FROM THE PUBLIC.

26 (ix) ANOTHER ENTITY THAT COLLECTS FUNDS FROM THE PUBLIC.

27 (B) "FINANCIAL SERVICE" MEANS A DEPOSIT; WITHDRAWAL; TRANSFER

1 BETWEEN ACCOUNTS; EXCHANGE OF CURRENCY; LOAN; EXTENSION OF CREDIT;
2 PURCHASE OR SALE OF ANY STOCK, BOND, CERTIFICATE OF DEPOSIT, OR
3 OTHER MONETARY INSTRUMENT; OR ANY OTHER PAYMENT, TRANSFER, OR
4 DELIVERY BY, THROUGH, OR TO A FINANCIAL INSTITUTION, BY WHATEVER
5 MEANS EFFECTED.

6 SEC. 205. (1) THE BOARD SHALL NOT ISSUE A STATE OPERATING
7 LICENSE TO AN APPLICANT UNLESS THE MUNICIPALITY IN WHICH THE
8 APPLICANT'S PROPOSED MARIHUANA FACILITY WILL OPERATE HAS ADOPTED AN
9 ORDINANCE THAT AUTHORIZES THAT TYPE OF FACILITY. A MUNICIPALITY MAY
10 ADOPT AN ORDINANCE TO AUTHORIZE 1 OR MORE TYPES OF MARIHUANA
11 FACILITIES WITHIN ITS BOUNDARIES AND TO LIMIT THE NUMBER OF EACH
12 TYPE OF MARIHUANA FACILITY. A MUNICIPALITY MAY ADOPT OTHER
13 ORDINANCES RELATING TO MARIHUANA FACILITIES WITHIN ITS
14 JURISDICTION, INCLUDING ZONING REGULATIONS, BUT SHALL NOT IMPOSE
15 REGULATIONS REGARDING THE PURITY OR PRICING OF MARIHUANA OR
16 INTERFERING OR CONFLICTING WITH THIS ACT OR RULES FOR LICENSING
17 MARIHUANA FACILITIES. A MUNICIPALITY THAT ADOPTS AN ORDINANCE UNDER
18 THIS SUBSECTION THAT AUTHORIZES A MARIHUANA FACILITY SHALL PROVIDE
19 THE DEPARTMENT WITH ALL OF THE FOLLOWING ON A FORM PRESCRIBED AND
20 PROVIDED BY THE DEPARTMENT:

21 (A) AN ATTESTATION THAT THE MUNICIPALITY HAS ADOPTED AN
22 ORDINANCE UNDER THIS SUBSECTION THAT AUTHORIZES THE MARIHUANA
23 FACILITY.

24 (B) A DESCRIPTION OF ANY ZONING REGULATIONS THAT APPLY TO THE
25 PROPOSED MARIHUANA FACILITY WITHIN THE MUNICIPALITY.

26 (C) THE SIGNATURE OF THE CLERK OF THE MUNICIPALITY OR HIS OR
27 HER DESIGNEE.

1 (D) ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT.

2 (2) A MUNICIPAL ORDINANCE MAY ESTABLISH AN ANNUAL,
3 NONREFUNDABLE FEE OF NOT MORE THAN \$5,000.00 TO HELP DEFRAY
4 ADMINISTRATIVE AND ENFORCEMENT COSTS ASSOCIATED WITH THE OPERATION
5 OF A MARIHUANA FACILITY IN THE MUNICIPALITY.

6 (3) THE DEPARTMENT MAY REQUIRE A MUNICIPALITY TO PROVIDE THE
7 FOLLOWING INFORMATION TO THE DEPARTMENT ON A FORM PRESCRIBED AND
8 PROVIDED BY THE DEPARTMENT REGARDING A LICENSEE WHO SUBMITS AN
9 APPLICATION FOR LICENSE RENEWAL:

10 (A) INFORMATION THAT THE BOARD DECLARES NECESSARY TO DETERMINE
11 WHETHER THE LICENSEE'S LICENSE SHOULD BE RENEWED.

12 (B) A DESCRIPTION OF A VIOLATION OF AN ORDINANCE OR A ZONING
13 REGULATION ADOPTED UNDER SUBSECTION (1) COMMITTED BY THE LICENSEE,
14 BUT ONLY IF THE VIOLATION RELATES TO ACTIVITIES LICENSED UNDER THIS
15 ACT AND RULES.

16 (C) WHETHER THERE HAS BEEN A CHANGE TO AN ORDINANCE OR A
17 ZONING REGULATION ADOPTED UNDER SUBSECTION (1) SINCE THE LICENSE
18 WAS ISSUED TO THE LICENSEE AND A DESCRIPTION OF THE CHANGE.

19 (4) INFORMATION A MUNICIPALITY OBTAINS FROM AN APPLICANT UNDER
20 THIS SECTION IS EXEMPT FROM DISCLOSURE UNDER THE FREEDOM OF
21 INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246. EXCEPT AS
22 OTHERWISE PROVIDED IN THIS SUBSECTION, INFORMATION A MUNICIPALITY
23 PROVIDES TO THE DEPARTMENT UNDER THIS SECTION IS SUBJECT TO
24 DISCLOSURE UNDER THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL
25 15.231 TO 15.246.

26 SEC. 206. THE DEPARTMENT, IN CONSULTATION WITH THE BOARD,
27 SHALL PROMULGATE RULES AND EMERGENCY RULES AS NECESSARY TO

1 IMPLEMENT, ADMINISTER, AND ENFORCE THIS ACT. THE RULES MUST ENSURE
2 THE SAFETY, SECURITY, AND INTEGRITY OF THE OPERATION OF MARIHUANA
3 FACILITIES, AND MUST INCLUDE RULES TO DO THE FOLLOWING:

4 (A) SET APPROPRIATE STANDARDS FOR MARIHUANA FACILITIES AND
5 ASSOCIATED EQUIPMENT.

6 (B) SUBJECT TO SECTION 408, ESTABLISH MINIMUM LEVELS OF
7 INSURANCE THAT LICENSEES MUST MAINTAIN.

8 (C) ESTABLISH OPERATING REGULATIONS FOR EACH CATEGORY OF
9 LICENSE TO ENSURE THE HEALTH, SAFETY, AND SECURITY OF THE PUBLIC
10 AND THE INTEGRITY OF MARIHUANA FACILITY OPERATIONS.

11 (D) ESTABLISH QUALIFICATIONS AND RESTRICTIONS FOR PERSONS
12 PARTICIPATING IN OR INVOLVED WITH OPERATING MARIHUANA FACILITIES.

13 (E) ESTABLISH TESTING STANDARDS, PROCEDURES, AND REQUIREMENTS
14 FOR MARIHUANA SOLD THROUGH PROVISIONING CENTERS.

15 (F) PROVIDE FOR THE LEVY AND COLLECTION OF FINES FOR A
16 VIOLATION OF THIS ACT OR RULES.

17 (G) PRESCRIBE USE OF THE STATEWIDE MONITORING SYSTEM TO TRACK
18 ALL MARIHUANA TRANSFERS, AS PROVIDED IN THE MARIHUANA TRACKING ACT
19 AND THIS ACT AND PROVIDE FOR A FUNDING MECHANISM TO SUPPORT THE
20 SYSTEM.

21 (H) ESTABLISH QUALITY CONTROL STANDARDS, PROCEDURES, AND
22 REQUIREMENTS FOR MARIHUANA FACILITIES.

23 (I) ESTABLISH CHAIN OF CUSTODY STANDARDS, PROCEDURES, AND
24 REQUIREMENTS FOR MARIHUANA FACILITIES.

25 (J) ESTABLISH STANDARDS, PROCEDURES, AND REQUIREMENTS FOR
26 WASTE PRODUCT DISPOSAL AND STORAGE BY MARIHUANA FACILITIES.

27 (K) ESTABLISH CHEMICAL STORAGE STANDARDS, PROCEDURES, AND

1 REQUIREMENTS FOR MARIHUANA FACILITIES.

2 (I) ESTABLISH STANDARDS, PROCEDURES, AND REQUIREMENTS FOR
3 SECURELY AND SAFELY TRANSPORTING MARIHUANA BETWEEN MARIHUANA
4 FACILITIES.

5 (M) ESTABLISH STANDARDS, PROCEDURES, AND REQUIREMENTS FOR THE
6 STORAGE OF MARIHUANA BY MARIHUANA FACILITIES.

7 (N) ESTABLISH LABELING AND PACKAGING STANDARDS, PROCEDURES,
8 AND REQUIREMENTS FOR MARIHUANA SOLD OR TRANSFERRED THROUGH
9 PROVISIONING CENTERS, INCLUDING A PROHIBITION ON LABELING OR
10 PACKAGING THAT IS INTENDED TO APPEAL TO OR HAS THE EFFECT OF
11 APPEALING TO MINORS.

12 (O) ESTABLISH DAILY AND MONTHLY PURCHASING LIMITS AT
13 PROVISIONING CENTERS TO ENSURE COMPLIANCE WITH THIS ACT.

14 (P) ESTABLISH MARKETING AND ADVERTISING RESTRICTIONS FOR
15 MARIHUANA PRODUCTS AND MARIHUANA FACILITIES.

16 (Q) ESTABLISH MAXIMUM TETRAHYDROCANNABINOL LEVELS FOR
17 MARIHUANA-INFUSED PRODUCTS SOLD OR TRANSFERRED THROUGH PROVISIONING
18 CENTERS.

19 (R) ESTABLISH HEALTH STANDARDS TO ENSURE THE SAFE PREPARATION
20 OF PRODUCTS CONTAINING MARIHUANA THAT ARE INTENDED FOR HUMAN
21 CONSUMPTION IN A MANNER OTHER THAN SMOKE INHALATION.

22 (S) ESTABLISH RESTRICTIONS ON EDIBLE MARIHUANA-INFUSED
23 PRODUCTS TO PROHIBIT SHAPES THAT WOULD APPEAL TO MINORS.

24 SEC. 207. A LICENSEE SHALL ADOPT AND USE A THIRD-PARTY
25 INVENTORY CONTROL AND TRACKING SYSTEM THAT IS CAPABLE OF
26 INTERFACING WITH THE STATEWIDE MONITORING SYSTEM TO ALLOW THE
27 LICENSEE TO ENTER OR ACCESS INFORMATION IN THE STATEWIDE MONITORING

1 SYSTEM AS REQUIRED UNDER THIS ACT AND RULES. THE THIRD-PARTY
2 INVENTORY CONTROL AND TRACKING SYSTEM MUST HAVE ALL OF THE
3 FOLLOWING CAPABILITIES NECESSARY FOR THE LICENSEE TO COMPLY WITH
4 THE REQUIREMENTS APPLICABLE TO THE LICENSEE'S LICENSE TYPE:

5 (A) TRACKING ALL MARIHUANA PLANTS, PRODUCTS, PACKAGES,
6 PURCHASE TOTALS, WASTE, TRANSFERS, CONVERSIONS, SALES, AND RETURNS
7 THAT ARE LINKED TO UNIQUE IDENTIFICATION NUMBERS.

8 (B) TRACKING LOT AND BATCH INFORMATION THROUGHOUT THE ENTIRE
9 CHAIN OF CUSTODY.

10 (C) TRACKING ALL PRODUCTS, CONVERSIONS, AND DERIVATIVES
11 THROUGHOUT THE ENTIRE CHAIN OF CUSTODY.

12 (D) TRACKING MARIHUANA PLANT, BATCH, AND PRODUCT DESTRUCTION.

13 (E) TRACKING TRANSPORTATION OF PRODUCT.

14 (F) PERFORMING COMPLETE BATCH RECALL TRACKING THAT CLEARLY
15 IDENTIFIES ALL OF THE FOLLOWING DETAILS RELATING TO THE SPECIFIC
16 BATCH SUBJECT TO THE RECALL:

17 (i) SOLD PRODUCT.

18 (ii) PRODUCT INVENTORY THAT IS FINISHED AND AVAILABLE FOR
19 SALE.

20 (iii) PRODUCT THAT IS IN THE PROCESS OF TRANSFER.

21 (iv) PRODUCT BEING PROCESSED INTO ANOTHER FORM.

22 (v) POSTHARVEST RAW PRODUCT, SUCH AS PRODUCT THAT IS IN THE
23 DRYING, TRIMMING, OR CURING PROCESS.

24 (G) REPORTING AND TRACKING LOSS, THEFT, OR DIVERSION OF
25 PRODUCT CONTAINING MARIHUANA.

26 (H) REPORTING AND TRACKING ALL INVENTORY DISCREPANCIES.

27 (I) REPORTING AND TRACKING ADVERSE RESPONSES.

1 (J) REPORTING AND TRACKING ALL SALES AND REFUNDS.

2 (K) ELECTRONICALLY RECEIVING AND TRANSMITTING INFORMATION AS
3 REQUIRED UNDER THIS ACT AND THE MARIHUANA TRACKING ACT.

4 (L) RECEIVING TESTING RESULTS ELECTRONICALLY FROM A SAFETY
5 COMPLIANCE FACILITY VIA A SECURED APPLICATION PROGRAM INTERFACE
6 INTO THE SYSTEM AND DIRECTLY LINKING THE TESTING RESULTS TO EACH
7 APPLICABLE SOURCE BATCH AND SAMPLE.

8 (M) IDENTIFYING TEST RESULTS THAT MAY HAVE BEEN ALTERED.

9 (N) PROVIDING THE LICENSEE WITH ACCESS TO INFORMATION IN THE
10 TRACKING SYSTEM THAT IS NECESSARY TO VERIFY THAT THE LICENSEE IS
11 CARRYING OUT THE MARIHUANA TRANSACTIONS AUTHORIZED UNDER THE
12 LICENSEE'S LICENSE IN ACCORDANCE WITH THIS ACT.

13 (O) PROVIDING INFORMATION TO CROSS-CHECK THAT PRODUCT RECEIVED
14 THE REQUIRED TESTING.

15 (P) PROVIDING THE DEPARTMENT AND STATE AGENCIES WITH ACCESS TO
16 INFORMATION IN THE DATABASE THAT THEY ARE AUTHORIZED TO ACCESS.

17 (Q) PROVIDING LICENSEES WITH ACCESS ONLY TO THE INFORMATION IN
18 THE SYSTEM THAT THEY ARE REQUIRED TO RECEIVE BEFORE A SALE,
19 TRANSFER, TRANSPORT, OR OTHER ACTIVITY AUTHORIZED UNDER A LICENSE
20 ISSUED UNDER THIS ACT.

21 (R) SECURING THE CONFIDENTIALITY OF INFORMATION IN THE
22 DATABASE BY PREVENTING ACCESS BY A PERSON WHO IS NOT AUTHORIZED TO
23 ACCESS THE STATEWIDE MONITORING SYSTEM OR IS NOT AUTHORIZED TO
24 ACCESS THE PARTICULAR INFORMATION.

25 (S) PROVIDING ANALYTICS TO THE DEPARTMENT REGARDING KEY
26 PERFORMANCE INDICATORS SUCH AS THE FOLLOWING:

27 (i) TOTAL DAILY SALES.

1 (ii) TOTAL MARIHUANA PLANTS IN PRODUCTION.

2 (iii) TOTAL MARIHUANA PLANTS DESTROYED.

3 (iv) TOTAL INVENTORY ADJUSTMENTS.

4 SEC. 208. A MARIHUANA FACILITY AND ALL ARTICLES OF PROPERTY IN
5 THAT FACILITY ARE SUBJECT TO EXAMINATION AT ANY TIME BY A LOCAL
6 POLICE AGENCY OR THE DEPARTMENT OF STATE POLICE.

7 SEC. 301. (1) THE MARIHUANA LICENSING BOARD IS CREATED WITHIN
8 THE DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS.

9 (2) THE BOARD CONSISTS OF 5 MEMBERS WHO ARE RESIDENTS OF THIS
10 STATE, NOT MORE THAN 3 OF WHOM ARE MEMBERS OF THE SAME POLITICAL
11 PARTY. THE GOVERNOR SHALL APPOINT THE MEMBERS. ONE OF THE MEMBERS
12 SHALL BE APPOINTED FROM 3 NOMINEES SUBMITTED BY THE SENATE MAJORITY
13 LEADER AND 1 FROM 3 NOMINEES SUBMITTED BY THE SPEAKER OF THE HOUSE.
14 THE GOVERNOR SHALL DESIGNATE 1 OF THE MEMBERS AS CHAIRPERSON.

15 (3) THE MEMBERS SHALL BE APPOINTED FOR TERMS OF 4 YEARS,
16 EXCEPT, OF THOSE WHO ARE FIRST APPOINTED, 1 MEMBER SHALL BE
17 APPOINTED FOR A TERM OF 2 YEARS AND 2 MEMBERS SHALL BE APPOINTED
18 FOR A TERM OF 3 YEARS. A MEMBER'S TERM EXPIRES ON DECEMBER 31 OF
19 THE LAST YEAR OF THE MEMBER'S TERM. IF A VACANCY OCCURS, THE
20 GOVERNOR SHALL APPOINT A SUCCESSOR TO FILL THE UNEXPIRED TERM IN
21 THE MANNER OF THE ORIGINAL APPOINTMENT.

22 (4) EACH MEMBER OF THE BOARD SHALL BE REIMBURSED FOR ALL
23 ACTUAL AND NECESSARY EXPENSES AND DISBURSEMENTS INCURRED IN
24 CARRYING OUT OFFICIAL DUTIES.

25 (5) A BOARD MEMBER SHALL NOT HOLD ANY OTHER PUBLIC OFFICE FOR
26 WHICH HE OR SHE RECEIVES COMPENSATION OTHER THAN NECESSARY TRAVEL
27 OR OTHER INCIDENTAL EXPENSES.

1 (6) A PERSON WHO IS NOT OF GOOD MORAL CHARACTER OR WHO HAS
2 BEEN INDICTED FOR, CHARGED WITH, OR CONVICTED OF, PLED GUILTY OR
3 NOLO CONTENDERE TO, OR FORFEITED BAIL CONCERNING ANY FELONY OR A
4 MISDEMEANOR INVOLVING A CONTROLLED SUBSTANCE VIOLATION, THEFT,
5 DISHONESTY, OR FRAUD UNDER THE LAWS OF THIS STATE, ANY OTHER STATE,
6 OR THE UNITED STATES OR A LOCAL ORDINANCE IN ANY STATE INVOLVING A
7 CONTROLLED SUBSTANCE VIOLATION, DISHONESTY, THEFT, OR FRAUD THAT
8 SUBSTANTIALLY CORRESPONDS TO A MISDEMEANOR IN THAT STATE IS NOT
9 ELIGIBLE TO SERVE ON THE BOARD.

10 (7) THE GOVERNOR MAY REMOVE ANY MEMBER OF THE BOARD FOR
11 NEGLECT OF DUTY, MISFEASANCE, MALFEASANCE, NONFEASANCE, OR ANY
12 OTHER JUST CAUSE.

13 (8) THE DEPARTMENT IN CONJUNCTION WITH THE BOARD SHALL EMPLOY
14 AN EXECUTIVE DIRECTOR AND OTHER PERSONNEL AS NECESSARY TO ASSIST
15 THE BOARD IN CARRYING OUT ITS DUTIES. THE EXECUTIVE DIRECTOR SHALL
16 DEVOTE HIS OR HER FULL TIME TO THE DUTIES OF THE OFFICE AND SHALL
17 NOT HOLD ANY OTHER OFFICE OR EMPLOYMENT.

18 (9) THE BOARD SHALL NOT APPOINT OR EMPLOY AN INDIVIDUAL IF ANY
19 OF THE FOLLOWING CIRCUMSTANCES EXIST:

20 (A) DURING THE 3 YEARS IMMEDIATELY PRECEDING APPOINTMENT OR
21 EMPLOYMENT, THE INDIVIDUAL HELD ANY DIRECT OR INDIRECT INTEREST IN,
22 OR WAS EMPLOYED BY, A PERSON WHO IS LICENSED TO OPERATE UNDER THIS
23 ACT OR UNDER A CORRESPONDING LICENSE IN ANOTHER JURISDICTION OR A
24 PERSON WITH AN APPLICATION FOR AN OPERATING LICENSE PENDING BEFORE
25 THE BOARD OR IN ANY OTHER JURISDICTION. THE BOARD SHALL NOT EMPLOY
26 AN INDIVIDUAL WHO HAS A DIRECT OR INDIRECT INTEREST IN A LICENSEE
27 OR A MARIHUANA FACILITY.

1 (B) THE INDIVIDUAL OR HIS OR HER SPOUSE, PARENT, CHILD,
2 CHILD'S SPOUSE, SIBLING, OR SPOUSE OF A SIBLING HAS AN APPLICATION
3 FOR A LICENSE PENDING BEFORE THE BOARD OR IS A MEMBER OF THE BOARD
4 OF DIRECTORS OF, OR AN INDIVIDUAL FINANCIALLY INTERESTED IN, ANY
5 LICENSEE OR MARIHUANA FACILITY.

6 (10) EACH MEMBER OF THE BOARD, THE EXECUTIVE DIRECTOR, AND
7 EACH KEY EMPLOYEE AS DETERMINED BY THE DEPARTMENT SHALL FILE WITH
8 THE GOVERNOR A FINANCIAL DISCLOSURE STATEMENT LISTING ALL ASSETS
9 AND LIABILITIES, PROPERTY AND BUSINESS INTERESTS, AND SOURCES OF
10 INCOME OF THE MEMBER, EXECUTIVE DIRECTOR, AND KEY EMPLOYEE AND HIS
11 OR HER SPOUSE, IF ANY, AFFIRMING THAT THE MEMBER, EXECUTIVE
12 DIRECTOR, AND KEY EMPLOYEE ARE IN COMPLIANCE WITH SUBSECTION (9) (A)
13 AND (B). THE FINANCIAL DISCLOSURE STATEMENT SHALL BE MADE UNDER
14 OATH AND FILED AT THE TIME OF EMPLOYMENT AND ANNUALLY THEREAFTER.

15 (11) EACH EMPLOYEE OF THE BOARD SHALL FILE WITH THE BOARD A
16 FINANCIAL DISCLOSURE STATEMENT LISTING ALL ASSETS AND LIABILITIES,
17 PROPERTY AND BUSINESS INTERESTS, AND SOURCES OF INCOME OF THE
18 EMPLOYEE AND HIS OR HER SPOUSE. THIS SUBSECTION DOES NOT APPLY TO
19 THE EXECUTIVE DIRECTOR OR A KEY EMPLOYEE.

20 (12) A MEMBER OF THE BOARD, EXECUTIVE DIRECTOR, OR KEY
21 EMPLOYEE SHALL NOT HOLD ANY DIRECT OR INDIRECT INTEREST IN, BE
22 EMPLOYED BY, OR ENTER INTO A CONTRACT FOR SERVICES WITH AN
23 APPLICANT, A BOARD LICENSEE, OR A MARIHUANA FACILITY FOR A PERIOD
24 OF 4 YEARS AFTER THE DATE HIS OR HER EMPLOYMENT OR MEMBERSHIP ON
25 THE BOARD TERMINATES. THE DEPARTMENT IN CONSULTATION WITH THE BOARD
26 SHALL DEFINE THE TERM "DIRECT OR INDIRECT INTEREST" BY RULE.

27 (13) FOR 2 YEARS AFTER THE DATE HIS OR HER EMPLOYMENT WITH THE

1 BOARD IS TERMINATED, AN EMPLOYEE OF THE BOARD SHALL NOT ACQUIRE ANY
2 DIRECT OR INDIRECT INTEREST IN, BE EMPLOYED BY, OR ENTER INTO A
3 CONTRACT FOR SERVICES WITH ANY APPLICANT, LICENSEE, OR MARIHUANA
4 FACILITY.

5 (14) FOR 2 YEARS AFTER THE TERMINATION OF HIS OR HER OFFICE OR
6 EMPLOYMENT WITH THE BOARD, A BOARD MEMBER OR AN INDIVIDUAL EMPLOYED
7 BY THE BOARD SHALL NOT REPRESENT ANY PERSON OR PARTY OTHER THAN
8 THIS STATE BEFORE OR AGAINST THE BOARD.

9 (15) A BUSINESS ENTITY IN WHICH A FORMER BOARD MEMBER OR
10 EMPLOYEE OR AGENT HAS AN INTEREST, OR ANY PARTNER, OFFICER, OR
11 EMPLOYEE OF THE BUSINESS ENTITY, SHALL NOT MAKE ANY APPEARANCE OR
12 REPRESENT A PARTY THAT THE FORMER MEMBER, EMPLOYEE, OR AGENT IS
13 PROHIBITED FROM APPEARING FOR OR REPRESENTING. AS USED IN THIS
14 SUBSECTION, "BUSINESS ENTITY" MEANS A CORPORATION, LIMITED
15 LIABILITY COMPANY, PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP,
16 ASSOCIATION, TRUST, OR OTHER FORM OF LEGAL ENTITY.

17 SEC. 302. THE BOARD HAS GENERAL RESPONSIBILITY FOR
18 IMPLEMENTING THIS ACT. THE BOARD HAS THE POWERS AND DUTIES
19 SPECIFIED IN THIS ACT AND ALL OTHER POWERS NECESSARY AND PROPER TO
20 FULLY AND EFFECTIVELY IMPLEMENT AND ADMINISTER THIS ACT FOR THE
21 PURPOSE OF LICENSING, REGULATING, AND ENFORCING THE LICENSING AND
22 REGULATION SYSTEM ESTABLISHED UNDER THIS ACT FOR MARIHUANA GROWTH,
23 PROCESSING, TESTING, AND TRANSPORTING. THE BOARD IS SUBJECT TO THE
24 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO
25 24.328. THE BOARD'S DUTIES INCLUDE ALL OF THE FOLLOWING:

26 (A) GRANTING OR DENYING EACH APPLICATION FOR A STATE OPERATING
27 LICENSE WITHIN A REASONABLE TIME.

1 (B) DECIDING ALL LICENSE APPLICATIONS IN REASONABLE ORDER.

2 (C) CONDUCTING ITS PUBLIC MEETINGS IN COMPLIANCE WITH THE OPEN
3 MEETINGS ACT, 1976 PA 267, MCL 15.231 TO 15.246.

4 (D) CONSULTING WITH THE DEPARTMENT IN PROMULGATING RULES AND
5 EMERGENCY RULES AS NECESSARY TO IMPLEMENT, ADMINISTER, AND ENFORCE
6 THIS ACT. THE BOARD SHALL NOT PROMULGATE A RULE ESTABLISHING A
7 LIMIT ON THE NUMBER OR TYPE OF MARIHUANA FACILITY LICENSES THAT MAY
8 BE GRANTED.

9 (E) IMPLEMENTING AND COLLECTING THE APPLICATION FEE DESCRIBED
10 IN SECTION 401 AND, IN CONJUNCTION WITH THE DEPARTMENT OF TREASURY,
11 THE TAX DESCRIBED IN SECTION 601 AND REGULATORY ASSESSMENT
12 DESCRIBED IN SECTION 603.

13 (F) PROVIDING FOR THE LEVY AND COLLECTION OF FINES FOR A
14 VIOLATION OF THIS ACT OR RULES.

15 (G) PROVIDING OVERSIGHT OF A MARIHUANA FACILITY THROUGH THE
16 BOARD'S INSPECTORS, AGENTS, AND AUDITORS AND THROUGH THE STATE
17 POLICE OR ATTORNEY GENERAL FOR THE PURPOSE OF CERTIFYING THE
18 REVENUE, RECEIVING COMPLAINTS FROM THE PUBLIC, OR CONDUCTING
19 INVESTIGATIONS INTO THE OPERATION OF THE MARIHUANA FACILITY AS THE
20 BOARD CONSIDERS NECESSARY AND PROPER TO ENSURE COMPLIANCE WITH THIS
21 ACT AND RULES AND TO PROTECT AND PROMOTE THE OVERALL SAFETY,
22 SECURITY, AND INTEGRITY OF THE OPERATION OF A MARIHUANA FACILITY.

23 (H) PROVIDING OVERSIGHT OF MARIHUANA FACILITIES TO ENSURE THAT
24 MARIHUANA-INFUSED PRODUCTS MEET HEALTH AND SAFETY STANDARDS THAT
25 PROTECT THE PUBLIC TO A DEGREE COMPARABLE TO STATE AND FEDERAL
26 STANDARDS APPLICABLE TO SIMILAR FOOD AND DRUGS.

27 (I) REVIEWING AND RULING ON ANY COMPLAINT BY A LICENSEE

1 REGARDING ANY INVESTIGATIVE PROCEDURES OF THIS STATE THAT ARE
2 BELIEVED TO BE UNNECESSARILY DISRUPTIVE OF MARIHUANA FACILITY
3 OPERATIONS. THE NEED TO INSPECT AND INVESTIGATE IS PRESUMED AT ALL
4 TIMES. THE BOARD MAY DELEGATE AUTHORITY TO HEAR, REVIEW, OR RULE ON
5 LICENSEE COMPLAINTS TO A SUBCOMMITTEE OF THE BOARD. TO PREVAIL ON
6 THE COMPLAINT, A LICENSEE MUST ESTABLISH BY A PREPONDERANCE OF THE
7 EVIDENCE THAT THE PROCEDURES UNREASONABLY DISRUPTED ITS MARIHUANA
8 FACILITY OPERATIONS.

9 (J) HOLDING AT LEAST 2 PUBLIC MEETINGS EACH YEAR. UPON 72
10 HOURS' WRITTEN NOTICE TO EACH MEMBER, THE CHAIRPERSON OR ANY 2
11 BOARD MEMBERS MAY CALL A SPECIAL MEETING. THREE MEMBERS OF THE
12 BOARD CONSTITUTE A QUORUM, INCLUDING WHEN MAKING DETERMINATIONS ON
13 AN APPLICATION FOR A LICENSE. THREE VOTES ARE REQUIRED IN SUPPORT
14 OF FINAL DETERMINATIONS OF THE BOARD ON APPLICATIONS FOR LICENSES
15 AND ALL OTHER LICENSING DETERMINATIONS, EXCEPT THAT 4 VOTES ARE
16 REQUIRED IN SUPPORT OF A DETERMINATION TO SUSPEND OR REVOKE A
17 LICENSE. THE BOARD SHALL KEEP A COMPLETE AND ACCURATE RECORD OF ALL
18 OF ITS MEETINGS AND HEARINGS. UPON ORDER OF THE BOARD, 1 OF THE
19 BOARD MEMBERS OR A HEARING OFFICER DESIGNATED BY THE BOARD MAY
20 CONDUCT ANY HEARING PROVIDED FOR UNDER THIS ACT OR BY RULES AND MAY
21 RECOMMEND FINDINGS AND DECISIONS TO THE BOARD. THE BOARD MEMBER OR
22 HEARING OFFICER CONDUCTING THE HEARING HAS ALL POWERS AND RIGHTS
23 REGARDING THE CONDUCT OF HEARINGS GRANTED TO THE BOARD UNDER THIS
24 ACT. THE RECORD MADE AT THE TIME OF THE HEARING SHALL BE REVIEWED
25 BY THE BOARD OR A MAJORITY OF THE BOARD, AND THE FINDINGS AND
26 DECISION OF THE MAJORITY OF THE BOARD ARE THE ORDER OF THE BOARD IN
27 THE CASE.

1 (K) MAINTAINING RECORDS THAT ARE SEPARATE AND DISTINCT FROM
2 THE RECORDS OF ANY OTHER STATE BOARD. THE RECORDS SHALL BE MADE
3 AVAILABLE FOR PUBLIC INSPECTION SUBJECT TO THE LIMITATIONS OF THIS
4 ACT AND SHALL ACCURATELY REFLECT ALL BOARD PROCEEDINGS.

5 (l) REVIEWING THE PATTERNS OF MARIHUANA TRANSFERS BY THE
6 LICENSEES UNDER THIS ACT AS RECORDED IN A STATEWIDE DATABASE
7 ESTABLISHED FOR USE IN ADMINISTERING AND ENFORCING THIS ACT AND
8 MAKING RECOMMENDATIONS TO THE GOVERNOR AND THE LEGISLATURE IN A
9 WRITTEN ANNUAL REPORT TO THE GOVERNOR AND THE LEGISLATURE AND
10 ADDITIONAL REPORTS THAT THE GOVERNOR REQUESTS. THE ANNUAL REPORT
11 SHALL BE SUBMITTED BY APRIL 15 OF EACH YEAR AND SHALL INCLUDE THE
12 REPORT REQUIRED UNDER SECTION 702, A STATEMENT OF RECEIPTS AND
13 DISBURSEMENTS BY THE BOARD, THE ACTIONS TAKEN BY THE BOARD, AND ANY
14 ADDITIONAL INFORMATION AND RECOMMENDATIONS THAT THE BOARD CONSIDERS
15 APPROPRIATE OR THAT THE GOVERNOR REQUESTS.

16 (m) EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, ALL INFORMATION,
17 RECORDS, INTERVIEWS, REPORTS, STATEMENTS, MEMORANDA, OR OTHER DATA
18 SUPPLIED TO OR USED BY THE BOARD ARE SUBJECT TO THE FREEDOM OF
19 INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246, EXCEPT FOR THE
20 FOLLOWING:

21 (i) UNLESS PRESENTED DURING A PUBLIC HEARING OR REQUESTED BY
22 THE LICENSEE OR APPLICANT WHO IS THE SOLE SUBJECT OF THE DATA, ALL
23 OF THE INFORMATION, RECORDS, INTERVIEWS, REPORTS, STATEMENTS,
24 MEMORANDA, OR OTHER DATA SUPPLIED TO, CREATED BY, OR USED BY THE
25 BOARD RELATED TO BACKGROUND INVESTIGATION OF APPLICANTS OR
26 LICENSEES AND TO TRADE SECRETS, INTERNAL CONTROLS, AND SECURITY
27 MEASURES OF THE LICENSEES OR APPLICANTS.

1 (ii) ALL INFORMATION, RECORDS, INTERVIEWS, REPORTS,
2 STATEMENTS, MEMORANDA, OR OTHER DATA SUPPLIED TO OR USED BY THE
3 BOARD THAT HAVE BEEN RECEIVED FROM ANOTHER JURISDICTION OR LOCAL,
4 STATE, OR FEDERAL AGENCY UNDER A PROMISE OF CONFIDENTIALITY OR IF
5 THE RELEASE OF THE INFORMATION IS OTHERWISE BARRED BY THE STATUTES,
6 RULES, OR REGULATIONS OF THAT JURISDICTION OR AGENCY OR BY AN
7 INTERGOVERNMENTAL AGREEMENT.

8 (iii) ALL INFORMATION IN THE STATEWIDE MONITORING SYSTEM.

9 SEC. 303. (1) THE BOARD HAS JURISDICTION OVER THE OPERATION OF
10 ALL MARIHUANA FACILITIES. THE BOARD HAS ALL POWERS NECESSARY AND
11 PROPER TO FULLY AND EFFECTIVELY OVERSEE THE OPERATION OF MARIHUANA
12 FACILITIES, INCLUDING THE AUTHORITY TO DO ALL OF THE FOLLOWING:

13 (A) INVESTIGATE APPLICANTS FOR STATE OPERATING LICENSES,
14 DETERMINE THE ELIGIBILITY FOR LICENSES, AND GRANT LICENSES TO
15 APPLICANTS IN ACCORDANCE WITH THIS ACT AND THE RULES.

16 (B) INVESTIGATE ALL INDIVIDUALS EMPLOYED BY MARIHUANA
17 FACILITIES.

18 (C) AT ANY TIME, THROUGH ITS INVESTIGATORS, AGENTS, AUDITORS,
19 OR THE STATE POLICE, WITHOUT A WARRANT AND WITHOUT NOTICE TO THE
20 LICENSEE, ENTER THE PREMISES, OFFICES, FACILITIES, OR OTHER PLACES
21 OF BUSINESS OF A LICENSEE, IF EVIDENCE OF COMPLIANCE OR
22 NONCOMPLIANCE WITH THIS ACT OR RULES IS LIKELY TO BE FOUND AND
23 CONSISTENT WITH CONSTITUTIONAL LIMITATIONS, FOR THE FOLLOWING
24 PURPOSES:

25 (i) TO INSPECT AND EXAMINE ALL PREMISES OF MARIHUANA
26 FACILITIES.

27 (ii) TO INSPECT, EXAMINE, AND AUDIT RELEVANT RECORDS OF THE

1 LICENSEE AND, IF THE LICENSEE FAILS TO COOPERATE WITH AN
2 INVESTIGATION, IMPOUND, SEIZE, ASSUME PHYSICAL CONTROL OF, OR
3 SUMMARILY REMOVE FROM THE PREMISES ALL BOOKS, LEDGERS, DOCUMENTS,
4 WRITINGS, PHOTOCOPIES, CORRESPONDENCE, RECORDS, AND VIDEOTAPES,
5 INCLUDING ELECTRONICALLY STORED RECORDS, MONEY RECEPTACLES, OR
6 EQUIPMENT IN WHICH THE RECORDS ARE STORED.

7 (iii) TO INSPECT THE PERSON, AND INSPECT OR EXAMINE PERSONAL
8 EFFECTS PRESENT IN A MARIHUANA FACILITY, OF ANY HOLDER OF A STATE
9 OPERATING LICENSE WHILE THAT PERSON IS PRESENT IN A MARIHUANA
10 FACILITY.

11 (iv) TO INVESTIGATE ALLEGED VIOLATIONS OF THIS ACT OR RULES.

12 (D) INVESTIGATE ALLEGED VIOLATIONS OF THIS ACT OR RULES AND
13 TAKE APPROPRIATE DISCIPLINARY ACTION AGAINST A LICENSEE.

14 (E) CONSULT WITH THE DEPARTMENT IN ADOPTING RULES TO ESTABLISH
15 APPROPRIATE STANDARDS FOR MARIHUANA FACILITIES AND ASSOCIATED
16 EQUIPMENT.

17 (F) REQUIRE ALL RELEVANT RECORDS OF LICENSEES, INCLUDING
18 FINANCIAL OR OTHER STATEMENTS, TO BE KEPT ON THE PREMISES
19 AUTHORIZED FOR OPERATION OF THE MARIHUANA FACILITY OF THE LICENSEE
20 OR IN THE MANNER PRESCRIBED BY THE BOARD.

21 (G) REQUIRE THAT EACH LICENSEE OF A MARIHUANA FACILITY SUBMIT
22 TO THE BOARD A LIST OF THE STOCKHOLDERS OR OTHER PERSONS HAVING A
23 1% OR GREATER BENEFICIAL INTEREST IN THE FACILITY IN ADDITION TO
24 ANY OTHER INFORMATION THE BOARD CONSIDERS NECESSARY TO EFFECTIVELY
25 ADMINISTER THIS ACT AND RULES, ORDERS, AND FINAL DECISIONS MADE
26 UNDER THIS ACT.

27 (H) EJECT, OR EXCLUDE OR AUTHORIZE THE EJECTION OR EXCLUSION

1 OF, AN INDIVIDUAL FROM A MARIHUANA FACILITY IF THE INDIVIDUAL
2 VIOLATES THIS ACT, RULES, OR FINAL ORDERS OF THE BOARD. HOWEVER,
3 THE PROPRIETY OF THE EJECTION OR EXCLUSION IS SUBJECT TO A
4 SUBSEQUENT HEARING BY THE BOARD.

5 (I) CONDUCT PERIODIC AUDITS OF MARIHUANA FACILITIES LICENSED
6 UNDER THIS ACT.

7 (J) CONSULT WITH THE DEPARTMENT AS TO APPROPRIATE MINIMUM
8 LEVELS OF INSURANCE FOR LICENSEES IN ADDITION TO THE MINIMUM
9 ESTABLISHED UNDER SECTION 408 FOR LIABILITY INSURANCE.

10 (K) DELEGATE THE EXECUTION OF ANY OF ITS POWERS THAT ARE NOT
11 SPECIFICALLY AND EXCLUSIVELY RESERVED TO THE BOARD UNDER THIS ACT
12 FOR THE PURPOSE OF ADMINISTERING AND ENFORCING THIS ACT AND RULES.

13 (L) TAKE DISCIPLINARY ACTION AS THE BOARD CONSIDERS
14 APPROPRIATE TO PREVENT PRACTICES THAT VIOLATE THIS ACT AND RULES.

15 (M) REVIEW A LICENSEE IF THAT LICENSEE IS UNDER REVIEW OR THE
16 SUBJECT OF DISCIPLINE BY A REGULATORY BODY IN ANY OTHER
17 JURISDICTION FOR A VIOLATION OF A CONTROLLED SUBSTANCE OR MARIHUANA
18 LAW OR REGULATION IN THAT JURISDICTION.

19 (N) TAKE ANY OTHER REASONABLE OR APPROPRIATE ACTION TO ENFORCE
20 THIS ACT AND RULES.

21 (2) THE BOARD MAY SEEK AND SHALL RECEIVE THE COOPERATION AND
22 ASSISTANCE OF THE DEPARTMENT OF STATE POLICE IN CONDUCTING
23 BACKGROUND INVESTIGATIONS OF APPLICANTS AND IN FULFILLING ITS
24 RESPONSIBILITIES UNDER THIS ACT. THE DEPARTMENT OF STATE POLICE MAY
25 RECOVER ITS COSTS OF COOPERATION UNDER THIS SUBSECTION.

26 SEC. 305. (1) BY JANUARY 31 OF EACH YEAR, EACH MEMBER OF THE
27 BOARD SHALL PREPARE AND FILE WITH THE GOVERNOR'S OFFICE AND THE

1 BOARD A DISCLOSURE FORM IN WHICH THE MEMBER DOES ALL OF THE
2 FOLLOWING:

3 (A) AFFIRMS THAT THE MEMBER OR THE MEMBER'S SPOUSE, PARENT,
4 CHILD, OR CHILD'S SPOUSE IS NOT A MEMBER OF THE BOARD OF DIRECTORS
5 OF, FINANCIALLY INTERESTED IN, OR EMPLOYED BY A LICENSEE OR
6 APPLICANT.

7 (B) AFFIRMS THAT THE MEMBER CONTINUES TO MEET ANY OTHER
8 CRITERIA FOR BOARD MEMBERSHIP UNDER THIS ACT OR THE RULES
9 PROMULGATED BY THE BOARD.

10 (C) DISCLOSES ANY LEGAL OR BENEFICIAL INTERESTS IN ANY REAL
11 PROPERTY THAT IS OR THAT MAY BE DIRECTLY OR INDIRECTLY INVOLVED
12 WITH OPERATIONS AUTHORIZED BY THIS ACT.

13 (D) DISCLOSES ANY OTHER INFORMATION AS MAY BE REQUIRED TO
14 ENSURE THAT THE INTEGRITY OF THE BOARD AND ITS WORK IS MAINTAINED.

15 (2) BY JANUARY 31 OF EACH YEAR, EACH EMPLOYEE OF THE BOARD
16 SHALL PREPARE AND FILE WITH THE BOARD AN EMPLOYEE DISCLOSURE FORM
17 IN WHICH THE EMPLOYEE DOES ALL OF THE FOLLOWING:

18 (A) AFFIRMS THE ABSENCE OF FINANCIAL INTERESTS PROHIBITED BY
19 THIS ACT.

20 (B) DISCLOSES ANY LEGAL OR BENEFICIAL INTERESTS IN ANY REAL
21 PROPERTY THAT IS OR THAT MAY BE DIRECTLY OR INDIRECTLY INVOLVED
22 WITH OPERATIONS AUTHORIZED BY THIS ACT.

23 (C) DISCLOSES WHETHER THE EMPLOYEE OR THE EMPLOYEE'S SPOUSE,
24 PARENT, CHILD, OR CHILD'S SPOUSE IS FINANCIALLY INTERESTED IN OR
25 EMPLOYED BY A LICENSEE OR AN APPLICANT FOR A LICENSE UNDER THIS
26 ACT.

27 (D) DISCLOSES SUCH OTHER MATTERS AS MAY BE REQUIRED TO ENSURE

1 THAT THE INTEGRITY OF THE BOARD AND ITS WORK IS MAINTAINED.

2 (3) A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD WHO BECOMES
3 AWARE THAT THE MEMBER, EMPLOYEE, OR AGENT OF THE BOARD OR HIS OR
4 HER SPOUSE, PARENT, OR CHILD IS A MEMBER OF THE BOARD OF DIRECTORS
5 OF, FINANCIALLY INTERESTED IN, OR EMPLOYED BY A LICENSEE OR AN
6 APPLICANT SHALL IMMEDIATELY PROVIDE DETAILED WRITTEN NOTICE THEREOF
7 TO THE CHAIRPERSON.

8 (4) A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD WHO WITHIN THE
9 PREVIOUS 10 YEARS HAS BEEN INDICTED FOR, CHARGED WITH, OR CONVICTED
10 OF, PLED GUILTY OR NOLO CONTENDERE TO, OR FORFEITED BAIL CONCERNING
11 A MISDEMEANOR INVOLVING CONTROLLED SUBSTANCES, DISHONESTY, THEFT,
12 OR FRAUD OR A LOCAL ORDINANCE IN ANY STATE INVOLVING CONTROLLED
13 SUBSTANCES, DISHONESTY, THEFT, OR FRAUD THAT SUBSTANTIALLY
14 CORRESPONDS TO A MISDEMEANOR IN THAT STATE, OR A FELONY UNDER
15 MICHIGAN LAW, THE LAWS OF ANY OTHER STATE, OR THE LAWS OF THE
16 UNITED STATES OR ANY OTHER JURISDICTION SHALL IMMEDIATELY PROVIDE
17 DETAILED WRITTEN NOTICE OF THE CONVICTION OR CHARGE TO THE
18 CHAIRPERSON.

19 (5) ANY MEMBER, EMPLOYEE, OR AGENT OF THE BOARD WHO IS
20 NEGOTIATING FOR, OR ACQUIRES BY ANY MEANS, ANY INTEREST IN ANY
21 PERSON WHO IS A LICENSEE OR AN APPLICANT, OR ANY PERSON AFFILIATED
22 WITH SUCH A PERSON, SHALL IMMEDIATELY PROVIDE WRITTEN NOTICE OF THE
23 DETAILS OF THE INTEREST TO THE CHAIRPERSON. THE MEMBER, EMPLOYEE,
24 OR AGENT OF THE BOARD SHALL NOT ACT ON BEHALF OF THE BOARD WITH
25 RESPECT TO THAT PERSON.

26 (6) A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD SHALL NOT ENTER
27 INTO ANY NEGOTIATIONS FOR EMPLOYMENT WITH ANY PERSON OR AFFILIATE

1 OF ANY PERSON WHO IS A LICENSEE OR AN APPLICANT AND SHALL
2 IMMEDIATELY PROVIDE WRITTEN NOTICE OF THE DETAILS OF ANY SUCH
3 NEGOTIATIONS OR DISCUSSIONS IN PROGRESS TO THE CHAIRPERSON. THE
4 MEMBER, EMPLOYEE, OR AGENT OF THE BOARD SHALL NOT TAKE ACTION ON
5 BEHALF OF THE BOARD WITH RESPECT TO THAT PERSON.

6 (7) ANY MEMBER, EMPLOYEE, OR AGENT OF THE BOARD WHO RECEIVES
7 AN INVITATION, WRITTEN OR ORAL, TO INITIATE A DISCUSSION CONCERNING
8 EMPLOYMENT OR THE POSSIBILITY OF EMPLOYMENT WITH A PERSON OR
9 AFFILIATE OF A PERSON WHO IS A LICENSEE OR AN APPLICANT SHALL
10 IMMEDIATELY REPORT THAT HE OR SHE RECEIVED THE INVITATION TO THE
11 CHAIRPERSON. THE MEMBER, EMPLOYEE, OR AGENT OF THE BOARD SHALL NOT
12 TAKE ACTION ON BEHALF OF THE BOARD WITH RESPECT TO THE PERSON.

13 (8) A LICENSEE OR APPLICANT SHALL NOT KNOWINGLY INITIATE A
14 NEGOTIATION FOR OR DISCUSSION OF EMPLOYMENT WITH A MEMBER,
15 EMPLOYEE, OR AGENT OF THE BOARD. A LICENSEE OR APPLICANT WHO
16 INITIATES A NEGOTIATION OR DISCUSSION ABOUT EMPLOYMENT SHALL
17 IMMEDIATELY PROVIDE WRITTEN NOTICE OF THE DETAILS OF THE
18 NEGOTIATION OR DISCUSSION TO THE CHAIRPERSON AS SOON AS HE OR SHE
19 BECOMES AWARE THAT THE NEGOTIATION OR DISCUSSION HAS BEEN INITIATED
20 WITH A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD.

21 (9) A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD, OR FORMER
22 MEMBER, EMPLOYEE, OR AGENT OF THE BOARD, SHALL NOT DISSEMINATE OR
23 OTHERWISE DISCLOSE ANY MATERIAL OR INFORMATION IN THE POSSESSION OF
24 THE BOARD THAT THE BOARD CONSIDERS CONFIDENTIAL UNLESS SPECIFICALLY
25 AUTHORIZED TO DO SO BY THE CHAIRPERSON OR THE BOARD.

26 (10) A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD OR A PARENT,
27 SPOUSE, SIBLING, SPOUSE OF A SIBLING, CHILD, OR SPOUSE OF A CHILD

1 OF A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD SHALL NOT ACCEPT ANY
2 GIFT, GRATUITY, COMPENSATION, TRAVEL, LODGING, OR ANYTHING OF
3 VALUE, DIRECTLY OR INDIRECTLY, FROM ANY LICENSEE OR ANY APPLICANT
4 OR AFFILIATE OR REPRESENTATIVE OF A LICENSEE OR APPLICANT, UNLESS
5 THE ACCEPTANCE CONFORMS TO A WRITTEN POLICY OR DIRECTIVE THAT IS
6 ISSUED BY THE CHAIRPERSON OR THE BOARD. ANY MEMBER, EMPLOYEE, OR
7 AGENT OF THE BOARD WHO IS OFFERED OR RECEIVES ANY GIFT, GRATUITY,
8 COMPENSATION, TRAVEL, LODGING, OR ANYTHING OF VALUE, DIRECTLY OR
9 INDIRECTLY, FROM ANY LICENSEE OR ANY APPLICANT OR AFFILIATE OR
10 REPRESENTATIVE OF AN APPLICANT OR LICENSEE SHALL IMMEDIATELY
11 PROVIDE WRITTEN NOTIFICATION OF THE DETAILS TO THE CHAIRPERSON.

12 (11) A LICENSEE OR APPLICANT, OR AN AFFILIATE OR
13 REPRESENTATIVE OF AN APPLICANT OR LICENSEE, SHALL NOT, DIRECTLY OR
14 INDIRECTLY, GIVE OR OFFER TO GIVE ANY GIFT, GRATUITY, COMPENSATION,
15 TRAVEL, LODGING, OR ANYTHING OF VALUE TO ANY MEMBER, EMPLOYEE, OR
16 AGENT OF THE BOARD THAT THE MEMBER, EMPLOYEE, OR AGENT OF THE BOARD
17 IS PROHIBITED FROM ACCEPTING UNDER SUBSECTION (10).

18 (12) A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD SHALL NOT
19 ENGAGE IN ANY CONDUCT THAT CONSTITUTES A CONFLICT OF INTEREST AND
20 SHALL IMMEDIATELY ADVISE THE CHAIRPERSON IN WRITING OF THE DETAILS
21 OF ANY INCIDENT OR CIRCUMSTANCES THAT WOULD PRESENT THE EXISTENCE
22 OF A CONFLICT OF INTEREST WITH RESPECT TO PERFORMING BOARD-RELATED
23 WORK OR DUTIES.

24 (13) A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD WHO IS
25 APPROACHED AND OFFERED A BRIBE AS DESCRIBED IN SECTION 118 OF THE
26 MICHIGAN PENAL CODE, 1931 PA 328, MCL 750.118, OR THIS ACT SHALL
27 IMMEDIATELY PROVIDE WRITTEN ACCOUNT OF THE DETAILS OF THE INCIDENT

1 TO THE CHAIRPERSON AND TO A LAW ENFORCEMENT OFFICER OF A LAW
2 ENFORCEMENT AGENCY HAVING JURISDICTION.

3 (14) A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD SHALL DISCLOSE
4 HIS OR HER PAST INVOLVEMENT WITH ANY MARIHUANA ENTERPRISE IN THE
5 PAST 5 YEARS AND SHALL NOT ENGAGE IN POLITICAL ACTIVITY OR
6 POLITICALLY RELATED ACTIVITY DURING THE DURATION OF HIS OR HER
7 APPOINTMENT OR EMPLOYMENT.

8 (15) A FORMER MEMBER, EMPLOYEE, OR AGENT OF THE BOARD MAY
9 APPEAR BEFORE THE BOARD AS A FACT WITNESS ABOUT MATTERS OR ACTIONS
10 HANDLED BY THE MEMBER, EMPLOYEE, OR AGENT DURING HIS OR HER TENURE
11 AS A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD. THE MEMBER, EMPLOYEE,
12 OR AGENT OF THE BOARD SHALL NOT RECEIVE COMPENSATION FOR SUCH AN
13 APPEARANCE OTHER THAN A STANDARD WITNESS FEE AND REIMBURSEMENT FOR
14 TRAVEL EXPENSES AS ESTABLISHED BY STATUTE OR COURT RULE.

15 (16) A LICENSEE OR APPLICANT OR ANY AFFILIATE OR
16 REPRESENTATIVE OF AN APPLICANT OR LICENSEE SHALL NOT ENGAGE IN EX
17 PARTE COMMUNICATIONS WITH A MEMBER OF THE BOARD. A MEMBER OF THE
18 BOARD SHALL NOT ENGAGE IN ANY EX PARTE COMMUNICATIONS WITH A
19 LICENSEE OR AN APPLICANT OR WITH ANY AFFILIATE OR REPRESENTATIVE OF
20 AN APPLICANT OR LICENSEE.

21 (17) ANY BOARD MEMBER, LICENSEE, OR APPLICANT OR AFFILIATE OR
22 REPRESENTATIVE OF A BOARD MEMBER, LICENSEE, OR APPLICANT WHO
23 RECEIVES ANY EX PARTE COMMUNICATION IN VIOLATION OF SUBSECTION
24 (16), OR WHO IS AWARE OF AN ATTEMPTED COMMUNICATION IN VIOLATION OF
25 SUBSECTION (16), SHALL IMMEDIATELY REPORT DETAILS OF THE
26 COMMUNICATION OR ATTEMPTED COMMUNICATION IN WRITING TO THE
27 CHAIRPERSON.

1 (18) ANY MEMBER OF THE BOARD WHO RECEIVES AN EX PARTE
2 COMMUNICATION IN AN ATTEMPT TO INFLUENCE THAT MEMBER'S OFFICIAL
3 ACTION SHALL DISCLOSE THE SOURCE AND CONTENT OF THE COMMUNICATION
4 TO THE CHAIRPERSON. THE CHAIRPERSON MAY INVESTIGATE OR INITIATE AN
5 INVESTIGATION OF THE MATTER WITH THE ASSISTANCE OF THE ATTORNEY
6 GENERAL AND STATE POLICE TO DETERMINE IF THE COMMUNICATION VIOLATES
7 SUBSECTION (16) OR SUBSECTION (17) OR OTHER STATE LAW. THE
8 DISCLOSURE UNDER THIS SECTION AND THE INVESTIGATION ARE
9 CONFIDENTIAL. FOLLOWING AN INVESTIGATION, THE CHAIRPERSON SHALL
10 ADVISE THE GOVERNOR OR THE BOARD, OR BOTH, OF THE RESULTS OF THE
11 INVESTIGATION AND MAY RECOMMEND ACTION AS THE CHAIRPERSON CONSIDERS
12 APPROPRIATE. IF THE CHAIRPERSON RECEIVES SUCH AN EX PARTE
13 COMMUNICATION, HE OR SHE SHALL REPORT THE COMMUNICATION TO THE
14 GOVERNOR'S OFFICE FOR APPROPRIATE ACTION.

15 (19) A NEW OR CURRENT EMPLOYEE OR AGENT OF THE BOARD SHALL
16 OBTAIN WRITTEN PERMISSION FROM THE EXECUTIVE DIRECTOR BEFORE
17 CONTINUING OUTSIDE EMPLOYMENT HELD AT THE TIME THE EMPLOYEE BEGINS
18 TO WORK FOR THE BOARD. PERMISSION SHALL BE DENIED, OR PERMISSION
19 PREVIOUSLY GRANTED SHALL BE REVOKED, IF THE EXECUTIVE DIRECTOR
20 CONSIDERS THE NATURE OF THE WORK TO CREATE A POSSIBLE CONFLICT OF
21 INTEREST OR IF IT WOULD OTHERWISE INTERFERE WITH THE DUTIES OF THE
22 EMPLOYEE OR AGENT FOR THE BOARD.

23 (20) AN EMPLOYEE OR AGENT OF THE BOARD GRANTED PERMISSION FOR
24 OUTSIDE EMPLOYMENT SHALL NOT CONDUCT ANY BUSINESS OR PERFORM ANY
25 ACTIVITIES, INCLUDING SOLICITATION, RELATED TO OUTSIDE EMPLOYMENT
26 ON PREMISES USED BY THE BOARD OR DURING THE EMPLOYEE'S WORKING
27 HOURS FOR THE BOARD.

1 (21) THE CHAIRPERSON SHALL REPORT ANY ACTION HE OR SHE HAS
2 TAKEN OR PROPOSES TO TAKE UNDER THIS SECTION WITH RESPECT TO AN
3 EMPLOYEE OR AGENT OR FORMER EMPLOYEE OR FORMER AGENT TO THE BOARD
4 AT THE NEXT MEETING OF THE BOARD. THE BOARD MAY DIRECT THE
5 EXECUTIVE DIRECTOR TO TAKE ADDITIONAL OR DIFFERENT ACTION.

6 (22) A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD SHALL NOT ENTER
7 INTO ANY PERSONAL TRANSACTION INVOLVING MARIHUANA WITH A LICENSEE
8 OR APPLICANT, OTHER THAN TRANSACTIONS FOR PERSONAL CONSUMPTION.

9 (23) IF A LICENSEE OR APPLICANT, OR AN AFFILIATE OR
10 REPRESENTATIVE OF A LICENSEE OR APPLICANT, VIOLATES THIS SECTION,
11 THE BOARD MAY DENY A LICENSE APPLICATION, REVOKE OR SUSPEND A
12 LICENSE, OR TAKE OTHER DISCIPLINARY ACTION AS PROVIDED IN SECTION
13 407.

14 (24) VIOLATION OF THIS SECTION BY A MEMBER OF THE BOARD MAY
15 RESULT IN DISQUALIFICATION OR CONSTITUTE CAUSE FOR REMOVAL UNDER
16 SECTION 301(7) OR OTHER DISCIPLINARY ACTION AS RECOMMENDED BY THE
17 BOARD TO THE GOVERNOR.

18 (25) A VIOLATION OF THIS SECTION BY AN EMPLOYEE OR AGENT OF
19 THE BOARD NEED NOT RESULT IN TERMINATION OF EMPLOYMENT IF THE BOARD
20 DETERMINES THAT THE CONDUCT INVOLVED DOES NOT VIOLATE THE PURPOSE
21 OF THIS ACT. HOWEVER, ALL OF THE FOLLOWING APPLY:

22 (A) IF, AFTER BEING OFFERED EMPLOYMENT OR BEGINNING EMPLOYMENT
23 WITH THE BOARD, THE EMPLOYEE OR AGENT INTENTIONALLY ACQUIRES A
24 FINANCIAL INTEREST IN A LICENSEE OR AN APPLICANT, OR AN AFFILIATE
25 OR REPRESENTATIVE OF A LICENSEE OR APPLICANT, THE OFFER OR
26 EMPLOYMENT WITH THE BOARD SHALL BE TERMINATED.

27 (B) IF A FINANCIAL INTEREST IN A LICENSEE OR AN APPLICANT, OR

1 AN AFFILIATE OR REPRESENTATIVE OF A LICENSEE OR APPLICANT, IS
2 ACQUIRED BY AN EMPLOYEE OR AGENT THAT HAS BEEN OFFERED EMPLOYMENT
3 WITH THE BOARD, AN EMPLOYEE OF THE BOARD, OR THE EMPLOYEE'S OR
4 AGENT'S SPOUSE, PARENT, OR CHILD, THROUGH NO INTENTIONAL ACTION OF
5 THE EMPLOYEE OR AGENT, THE INDIVIDUAL SHALL HAVE UP TO 30 DAYS TO
6 DIVEST OR TERMINATE THE FINANCIAL INTEREST. EMPLOYMENT MAY BE
7 TERMINATED IF THE INTEREST HAS NOT BEEN DIVESTED AFTER 30 DAYS.

8 (C) EMPLOYMENT SHALL BE TERMINATED IF THE EMPLOYEE OR AGENT IS
9 A SPOUSE, PARENT, CHILD, OR SPOUSE OF A CHILD OF A BOARD MEMBER.

10 (26) VIOLATION OF THIS SECTION DOES NOT CREATE A CIVIL CAUSE
11 OF ACTION.

12 (27) AS USED IN THIS SECTION:

13 (A) "OUTSIDE EMPLOYMENT", IN ADDITION TO EMPLOYMENT BY A THIRD
14 PARTY, INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING:

15 (i) OPERATION OF A PROPRIETORSHIP.

16 (ii) PARTICIPATION IN A PARTNERSHIP OR GROUP BUSINESS
17 ENTERPRISE.

18 (iii) PERFORMANCE AS A DIRECTOR OR CORPORATE OFFICER OF ANY
19 FOR-PROFIT OR NONPROFIT CORPORATION OR BANKING OR CREDIT
20 INSTITUTION.

21 (iv) PERFORMANCE AS A MANAGER OF A LIMITED LIABILITY COMPANY.

22 (B) "POLITICAL ACTIVITY" OR "POLITICALLY RELATED ACTIVITY"
23 INCLUDES ALL OF THE FOLLOWING:

24 (i) USING HIS OR HER OFFICIAL AUTHORITY OR INFLUENCE FOR THE
25 PURPOSE OF INTERFERING WITH OR AFFECTING THE RESULT OF AN ELECTION.

26 (ii) KNOWINGLY SOLICITING, ACCEPTING, OR RECEIVING A POLITICAL
27 CONTRIBUTION FROM ANY PERSON.

1 (iii) RUNNING FOR THE NOMINATION OR AS A CANDIDATE FOR
2 ELECTION TO A PARTISAN POLITICAL OFFICE.

3 (iv) KNOWINGLY SOLICITING OR DISCOURAGING THE PARTICIPATION IN
4 ANY POLITICAL ACTIVITY OF ANY PERSON WHO IS EITHER OF THE
5 FOLLOWING:

6 (A) APPLYING FOR ANY COMPENSATION, GRANT, CONTRACT, RULING,
7 LICENSE, PERMIT, OR CERTIFICATE PENDING BEFORE THE BOARD.

8 (B) THE SUBJECT OF OR A PARTICIPANT IN AN ONGOING AUDIT,
9 INVESTIGATION, OR ENFORCEMENT ACTION BEING CARRIED OUT BY THE
10 BOARD.

11 SEC. 401. (1) BEGINNING 360 DAYS AFTER THE EFFECTIVE DATE OF
12 THIS ACT, A PERSON MAY APPLY TO THE BOARD FOR STATE OPERATING
13 LICENSES IN THE CATEGORIES OF CLASS A, B, OR C GROWER; PROCESSOR;
14 PROVISIONING CENTER; SECURE TRANSPORTER; AND SAFETY COMPLIANCE
15 FACILITY AS PROVIDED IN THIS ACT. THE APPLICATION SHALL BE MADE
16 UNDER OATH ON A FORM PROVIDED BY THE BOARD AND SHALL CONTAIN
17 INFORMATION AS PRESCRIBED BY THE BOARD, INCLUDING, BUT NOT LIMITED
18 TO, ALL OF THE FOLLOWING:

19 (A) THE NAME, BUSINESS ADDRESS, BUSINESS TELEPHONE NUMBER,
20 SOCIAL SECURITY NUMBER, AND, IF APPLICABLE, FEDERAL TAX
21 IDENTIFICATION NUMBER OF THE APPLICANT.

22 (B) THE IDENTITY OF EVERY PERSON HAVING ANY OWNERSHIP INTEREST
23 IN THE APPLICANT WITH RESPECT TO WHICH THE LICENSE IS SOUGHT. IF
24 THE DISCLOSED ENTITY IS A TRUST, THE APPLICATION SHALL DISCLOSE THE
25 NAMES AND ADDRESSES OF THE BENEFICIARIES; IF A CORPORATION, THE
26 NAMES AND ADDRESSES OF ALL SHAREHOLDERS, OFFICERS, AND DIRECTORS;
27 IF A PARTNERSHIP OR LIMITED LIABILITY PARTNERSHIP, THE NAMES AND

1 ADDRESSES OF ALL PARTNERS; IF A LIMITED PARTNERSHIP OR LIMITED
2 LIABILITY LIMITED PARTNERSHIP, THE NAMES OF ALL PARTNERS, BOTH
3 GENERAL AND LIMITED; OR IF A LIMITED LIABILITY COMPANY, THE NAMES
4 AND ADDRESSES OF ALL MEMBERS AND MANAGERS.

5 (C) AN IDENTIFICATION OF ANY BUSINESS THAT IS DIRECTLY OR
6 INDIRECTLY INVOLVED IN THE GROWING, PROCESSING, TESTING,
7 TRANSPORTING, OR SALE OF MARIHUANA, INCLUDING, IF APPLICABLE, THE
8 STATE OF INCORPORATION OR REGISTRATION, IN WHICH AN APPLICANT OR,
9 IF THE APPLICANT IS AN INDIVIDUAL, THE APPLICANT'S SPOUSE, PARENT,
10 OR CHILD HAS ANY EQUITY INTEREST. IF AN APPLICANT IS A CORPORATION,
11 PARTNERSHIP, OR OTHER BUSINESS ENTITY, THE APPLICANT SHALL IDENTIFY
12 ANY OTHER CORPORATION, PARTNERSHIP, OR OTHER BUSINESS ENTITY THAT
13 IS DIRECTLY OR INDIRECTLY INVOLVED IN THE GROWING, PROCESSING,
14 TESTING, TRANSPORTING, OR SALE OF MARIHUANA IN WHICH IT HAS ANY
15 EQUITY INTEREST, INCLUDING, IF APPLICABLE, THE STATE OF
16 INCORPORATION OR REGISTRATION. AN APPLICANT MAY COMPLY WITH THIS
17 SUBDIVISION BY FILING A COPY OF THE APPLICANT'S REGISTRATION WITH
18 THE SECURITIES AND EXCHANGE COMMISSION IF THE REGISTRATION CONTAINS
19 THE INFORMATION REQUIRED BY THIS SUBDIVISION.

20 (D) WHETHER AN APPLICANT HAS BEEN INDICTED FOR, CHARGED WITH,
21 ARRESTED FOR, OR CONVICTED OF, PLED GUILTY OR NOLO CONTENDERE TO,
22 FORFEITED BAIL CONCERNING ANY CRIMINAL OFFENSE UNDER THE LAWS OF
23 ANY JURISDICTION, EITHER FELONY OR CONTROLLED-SUBSTANCE-RELATED
24 MISDEMEANOR, NOT INCLUDING TRAFFIC VIOLATIONS, REGARDLESS OF
25 WHETHER THE OFFENSE HAS BEEN REVERSED ON APPEAL OR OTHERWISE,
26 INCLUDING THE DATE, THE NAME AND LOCATION OF THE COURT, ARRESTING
27 AGENCY, AND PROSECUTING AGENCY, THE CASE CAPTION, THE DOCKET

1 NUMBER, THE OFFENSE, THE DISPOSITION, AND THE LOCATION AND LENGTH
2 OF INCARCERATION.

3 (E) WHETHER AN APPLICANT HAS EVER APPLIED FOR OR HAS BEEN
4 GRANTED ANY COMMERCIAL LICENSE OR CERTIFICATE ISSUED BY A LICENSING
5 AUTHORITY IN THIS STATE OR ANY OTHER JURISDICTION THAT HAS BEEN
6 DENIED, RESTRICTED, SUSPENDED, REVOKED, OR NOT RENEWED AND A
7 STATEMENT DESCRIBING THE FACTS AND CIRCUMSTANCES CONCERNING THE
8 APPLICATION, DENIAL, RESTRICTION, SUSPENSION, REVOCATION, OR
9 NONRENEWAL, INCLUDING THE LICENSING AUTHORITY, THE DATE EACH ACTION
10 WAS TAKEN, AND THE REASON FOR EACH ACTION.

11 (F) WHETHER AN APPLICANT HAS FILED, OR BEEN SERVED WITH, A
12 COMPLAINT OR OTHER NOTICE FILED WITH ANY PUBLIC BODY, REGARDING THE
13 DELINQUENCY IN THE PAYMENT OF, OR A DISPUTE OVER THE FILINGS
14 CONCERNING THE PAYMENT OF, ANY TAX REQUIRED UNDER FEDERAL, STATE,
15 OR LOCAL LAW, INCLUDING THE AMOUNT, TYPE OF TAX, TAXING AGENCY, AND
16 TIME PERIODS INVOLVED.

17 (G) A STATEMENT LISTING THE NAMES AND TITLES OF ALL PUBLIC
18 OFFICIALS OR OFFICERS OF ANY UNIT OF GOVERNMENT, AND THE SPOUSES,
19 PARENTS, AND CHILDREN OF THOSE PUBLIC OFFICIALS OR OFFICERS, WHO,
20 DIRECTLY OR INDIRECTLY, OWN ANY FINANCIAL INTEREST IN, HAVE ANY
21 BENEFICIAL INTEREST IN, ARE THE CREDITORS OF OR HOLD ANY DEBT
22 INSTRUMENT ISSUED BY, OR HOLD OR HAVE ANY INTEREST IN ANY
23 CONTRACTUAL OR SERVICE RELATIONSHIP WITH AN APPLICANT. AS USED IN
24 THIS SUBDIVISION, PUBLIC OFFICIAL OR OFFICER DOES NOT INCLUDE A
25 PERSON WHO WOULD HAVE TO BE LISTED SOLELY BECAUSE OF HIS OR HER
26 STATE OR FEDERAL MILITARY SERVICE.

27 (H) A DESCRIPTION OF THE TYPE OF MARIHUANA FACILITY;

1 ANTICIPATED OR ACTUAL NUMBER OF EMPLOYEES; AND PROJECTED OR ACTUAL
2 GROSS RECEIPTS.

3 (I) FINANCIAL INFORMATION IN THE MANNER AND FORM PRESCRIBED BY
4 THE BOARD.

5 (J) A PAPER COPY OR ELECTRONIC POSTING WEBSITE REFERENCE FOR
6 THE ORDINANCE OR ZONING RESTRICTION THAT THE MUNICIPALITY ADOPTED
7 TO AUTHORIZE OR RESTRICT OPERATION OF 1 OR MORE MARIHUANA
8 FACILITIES IN THE MUNICIPALITY.

9 (K) A COPY OF THE NOTICE INFORMING THE MUNICIPALITY BY
10 REGISTERED MAIL THAT THE APPLICANT HAS APPLIED FOR A LICENSE UNDER
11 THIS ACT. THE APPLICANT SHALL ALSO CERTIFY THAT IT HAS DELIVERED
12 THE NOTICE TO THE MUNICIPALITY OR WILL DO SO BY 10 DAYS AFTER THE
13 DATE THE APPLICANT SUBMITS THE APPLICATION FOR A LICENSE TO THE
14 BOARD.

15 (L) ANY OTHER INFORMATION THE DEPARTMENT REQUIRES BY RULE.

16 (2) THE BOARD SHALL USE INFORMATION PROVIDED ON THE
17 APPLICATION AS A BASIS TO CONDUCT A THOROUGH BACKGROUND
18 INVESTIGATION ON THE APPLICANT. A FALSE APPLICATION IS CAUSE FOR
19 THE BOARD TO DENY A LICENSE. THE BOARD SHALL NOT CONSIDER AN
20 INCOMPLETE APPLICATION BUT SHALL, WITHIN A REASONABLE TIME, RETURN
21 THE APPLICATION TO THE APPLICANT WITH NOTIFICATION OF THE
22 DEFICIENCY AND INSTRUCTIONS FOR SUBMITTING A CORRECTED APPLICATION.
23 INFORMATION THE BOARD OBTAINS FROM THE BACKGROUND INVESTIGATION IS
24 EXEMPT FROM DISCLOSURE UNDER THE FREEDOM OF INFORMATION ACT, 1976
25 PA 442, MCL 15.231 TO 15.246.

26 (3) AN APPLICANT MUST PROVIDE WRITTEN CONSENT TO THE
27 INSPECTIONS, EXAMINATIONS, SEARCHES, AND SEIZURES PROVIDED FOR IN

1 SECTION 303(1)(C) (i) TO (iv) AND TO DISCLOSURE TO THE BOARD AND ITS
2 AGENTS OF OTHERWISE CONFIDENTIAL RECORDS, INCLUDING TAX RECORDS
3 HELD BY ANY FEDERAL, STATE, OR LOCAL AGENCY, OR CREDIT BUREAU OR
4 FINANCIAL INSTITUTION, WHILE APPLYING FOR OR HOLDING A LICENSE.
5 INFORMATION THE BOARD RECEIVES UNDER THIS SUBSECTION IS EXEMPT FROM
6 DISCLOSURE UNDER THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL
7 15.231 TO 15.246.

8 (4) AN APPLICANT MUST CERTIFY THAT THE APPLICANT DOES NOT HAVE
9 AN INTEREST IN ANY OTHER STATE OPERATING LICENSE THAT IS PROHIBITED
10 UNDER THIS ACT.

11 (5) A NONREFUNDABLE APPLICATION FEE MUST BE PAID AT THE TIME
12 OF FILING TO DEFRAY THE COSTS ASSOCIATED WITH THE BACKGROUND
13 INVESTIGATION CONDUCTED BY THE BOARD. THE DEPARTMENT IN
14 CONSULTATION WITH THE BOARD SHALL SET THE AMOUNT OF THE APPLICATION
15 FEE FOR EACH CATEGORY AND CLASS OF LICENSE BY RULE. IF THE COSTS OF
16 THE INVESTIGATION AND PROCESSING THE APPLICATION EXCEED THE
17 APPLICATION FEE, THE APPLICANT SHALL PAY THE ADDITIONAL AMOUNT TO
18 THE BOARD. ALL INFORMATION, RECORDS, INTERVIEWS, REPORTS,
19 STATEMENTS, MEMORANDA, OR OTHER DATA SUPPLIED TO OR USED BY THE
20 BOARD IN THE COURSE OF ITS REVIEW OR INVESTIGATION OF AN
21 APPLICATION FOR A LICENSE UNDER THIS ACT SHALL BE DISCLOSED ONLY IN
22 ACCORDANCE WITH THIS ACT. THE INFORMATION, RECORDS, INTERVIEWS,
23 REPORTS, STATEMENTS, MEMORANDA, OR OTHER DATA ARE NOT ADMISSIBLE AS
24 EVIDENCE OR DISCOVERABLE IN ANY ACTION OF ANY KIND IN ANY COURT OR
25 BEFORE ANY TRIBUNAL, BOARD, AGENCY, OR PERSON, EXCEPT FOR ANY
26 ACTION CONSIDERED NECESSARY BY THE BOARD.

27 (6) BY 10 DAYS AFTER THE DATE THE APPLICANT SUBMITS AN

1 APPLICATION TO THE BOARD, THE APPLICANT SHALL NOTIFY THE
2 MUNICIPALITY BY REGISTERED MAIL THAT IT HAS APPLIED FOR A LICENSE
3 UNDER THIS ACT.

4 SEC. 402. (1) THE BOARD SHALL ISSUE A LICENSE TO AN APPLICANT
5 WHO SUBMITS A COMPLETE APPLICATION AND PAYS BOTH THE NONREFUNDABLE
6 APPLICATION FEE REQUIRED UNDER SECTION 401(5) AND THE REGULATORY
7 ASSESSMENT ESTABLISHED BY THE BOARD FOR THE FIRST YEAR OF
8 OPERATION, IF THE BOARD DETERMINES THAT THE APPLICANT IS QUALIFIED
9 TO RECEIVE A LICENSE UNDER THIS ACT.

10 (2) AN APPLICANT IS INELIGIBLE TO RECEIVE A LICENSE IF ANY OF
11 THE FOLLOWING CIRCUMSTANCES EXIST:

12 (A) THE APPLICANT HAS BEEN CONVICTED OF OR RELEASED FROM
13 INCARCERATION FOR A FELONY UNDER THE LAWS OF THIS STATE, ANY OTHER
14 STATE, OR THE UNITED STATES WITHIN THE PAST 10 YEARS OR HAS BEEN
15 CONVICTED OF A CONTROLLED SUBSTANCE-RELATED FELONY WITHIN THE PAST
16 10 YEARS.

17 (B) WITHIN THE PAST 5 YEARS THE APPLICANT HAS BEEN CONVICTED
18 OF A MISDEMEANOR INVOLVING A CONTROLLED SUBSTANCE, THEFT,
19 DISHONESTY, OR FRAUD IN ANY STATE OR BEEN FOUND RESPONSIBLE FOR
20 VIOLATING A LOCAL ORDINANCE IN ANY STATE INVOLVING A CONTROLLED
21 SUBSTANCE, DISHONESTY, THEFT, OR FRAUD THAT SUBSTANTIALLY
22 CORRESPONDS TO A MISDEMEANOR IN THAT STATE.

23 (C) THE APPLICANT HAS KNOWINGLY SUBMITTED AN APPLICATION FOR A
24 LICENSE UNDER THIS ACT THAT CONTAINS FALSE INFORMATION.

25 (D) THE APPLICANT IS A MEMBER OF THE BOARD.

26 (E) THE APPLICANT FAILS TO DEMONSTRATE THE APPLICANT'S ABILITY
27 TO MAINTAIN ADEQUATE PREMISES LIABILITY AND CASUALTY INSURANCE FOR

1 ITS PROPOSED MARIHUANA FACILITY.

2 (F) THE APPLICANT HOLDS AN ELECTIVE OFFICE OF A GOVERNMENTAL
3 UNIT OF THIS STATE, ANOTHER STATE, OR THE FEDERAL GOVERNMENT; IS A
4 MEMBER OF OR EMPLOYED BY A REGULATORY BODY OF A GOVERNMENTAL UNIT
5 IN THIS STATE, ANOTHER STATE, OR THE FEDERAL GOVERNMENT; OR IS
6 EMPLOYED BY A GOVERNMENTAL UNIT OF THIS STATE. THIS SUBDIVISION
7 DOES NOT APPLY TO AN ELECTED OFFICER OF OR EMPLOYEE OF A FEDERALLY
8 RECOGNIZED INDIAN TRIBE OR TO AN ELECTED PRECINCT DELEGATE.

9 (G) THE APPLICANT, IF AN INDIVIDUAL, HAS BEEN A RESIDENT OF
10 THIS STATE FOR LESS THAN A CONTINUOUS 2-YEAR PERIOD IMMEDIATELY
11 PRECEDING THE DATE OF FILING THE APPLICATION. THE REQUIREMENTS IN
12 THIS SUBDIVISION DO NOT APPLY AFTER JUNE 30, 2020.

13 (H) THE BOARD DETERMINES THAT THE APPLICANT IS NOT IN
14 COMPLIANCE WITH SECTION 205(1).

15 (I) THE APPLICANT FAILS TO MEET OTHER CRITERIA ESTABLISHED BY
16 RULE.

17 (3) IN DETERMINING WHETHER TO GRANT A LICENSE TO AN APPLICANT,
18 THE BOARD MAY ALSO CONSIDER ALL OF THE FOLLOWING:

19 (A) THE INTEGRITY, MORAL CHARACTER, AND REPUTATION; PERSONAL
20 AND BUSINESS PROBITY; FINANCIAL ABILITY AND EXPERIENCE; AND
21 RESPONSIBILITY OR MEANS TO OPERATE OR MAINTAIN A MARIHUANA FACILITY
22 OF THE APPLICANT AND OF ANY OTHER PERSON THAT MEETS EITHER OF THE
23 FOLLOWING:

24 (i) CONTROLS, DIRECTLY OR INDIRECTLY, THE APPLICANT.

25 (ii) IS CONTROLLED, DIRECTLY OR INDIRECTLY, BY THE APPLICANT
26 OR BY A PERSON WHO CONTROLS, DIRECTLY OR INDIRECTLY, THE APPLICANT.

27 (B) THE FINANCIAL ABILITY OF THE APPLICANT TO PURCHASE AND

1 MAINTAIN ADEQUATE LIABILITY AND CASUALTY INSURANCE.

2 (C) THE SOURCES AND TOTAL AMOUNT OF THE APPLICANT'S
3 CAPITALIZATION TO OPERATE AND MAINTAIN THE PROPOSED MARIHUANA
4 FACILITY.

5 (D) WHETHER THE APPLICANT HAS BEEN INDICTED FOR, CHARGED WITH,
6 ARRESTED FOR, OR CONVICTED OF, PLED GUILTY OR NOLO CONTENDERE TO,
7 FORFEITED BAIL CONCERNING, OR HAD EXPUNGED ANY RELEVANT CRIMINAL
8 OFFENSE UNDER THE LAWS OF ANY JURISDICTION, EITHER FELONY OR
9 MISDEMEANOR, NOT INCLUDING TRAFFIC VIOLATIONS, REGARDLESS OF
10 WHETHER THE OFFENSE HAS BEEN EXPUNGED, PARDONED, OR REVERSED ON
11 APPEAL OR OTHERWISE.

12 (E) WHETHER THE APPLICANT HAS FILED, OR HAD FILED AGAINST IT,
13 A PROCEEDING FOR BANKRUPTCY WITHIN THE PAST 7 YEARS.

14 (F) WHETHER THE APPLICANT HAS BEEN SERVED WITH A COMPLAINT OR
15 OTHER NOTICE FILED WITH ANY PUBLIC BODY REGARDING PAYMENT OF ANY
16 TAX REQUIRED UNDER FEDERAL, STATE, OR LOCAL LAW THAT HAS BEEN
17 DELINQUENT FOR 1 OR MORE YEARS.

18 (G) WHETHER THE APPLICANT HAS A HISTORY OF NONCOMPLIANCE WITH
19 ANY REGULATORY REQUIREMENTS IN THIS STATE OR ANY OTHER
20 JURISDICTION.

21 (H) WHETHER AT THE TIME OF APPLICATION THE APPLICANT IS A
22 DEFENDANT IN LITIGATION INVOLVING ITS BUSINESS PRACTICES.

23 (I) WHETHER THE APPLICANT MEETS OTHER STANDARDS IN RULES
24 APPLICABLE TO THE LICENSE CATEGORY.

25 (4) EACH APPLICANT SHALL SUBMIT WITH ITS APPLICATION, ON FORMS
26 PROVIDED BY THE BOARD, A PASSPORT QUALITY PHOTOGRAPH AND SHALL
27 ENSURE THAT 1 SET OF FINGERPRINTS IS SUBMITTED TO THE DEPARTMENT OF

1 STATE POLICE FOR EACH PERSON HAVING ANY OWNERSHIP INTEREST IN THE
2 MARIHUANA FACILITY AND EACH PERSON WHO IS AN OFFICER, DIRECTOR, OR
3 MANAGERIAL EMPLOYEE OF THE APPLICANT, IN ORDER FOR THE DEPARTMENT
4 OF STATE POLICE TO CONDUCT A CRIMINAL HISTORY CHECK ON EACH PERSON
5 AND TO FORWARD EACH PERSON'S FINGERPRINTS TO THE FEDERAL BUREAU OF
6 INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY CHECK. THE APPLICANT
7 SHALL SUBMIT WITH ITS APPLICATION EACH PERSON'S WRITTEN CONSENT TO
8 THE CRIMINAL HISTORY CHECK DESCRIBED IN THIS SECTION AND THE
9 SUBMISSION OF EACH PERSON'S FINGERPRINTS TO, AND THE INCLUSION OF
10 EACH PERSON'S FINGERPRINTS IN, THE STATE AND FEDERAL DATABASE
11 SYSTEMS DESCRIBED IN SUBSECTION (7) .

12 (5) THE FINGERPRINTS REQUIRED UNDER SUBSECTION (4) MAY BE
13 TAKEN BY A LAW ENFORCEMENT AGENCY OR ANY OTHER PERSON DETERMINED BY
14 THE DEPARTMENT OF STATE POLICE TO BE QUALIFIED TO TAKE
15 FINGERPRINTS. THE APPLICANT SHALL SUBMIT A FINGERPRINT PROCESSING
16 FEE TO THE DEPARTMENT IN AN AMOUNT REQUIRED UNDER SECTION 3 OF 1935
17 PA 120, MCL 28.273, AND ANY COSTS IMPOSED BY THE FEDERAL BUREAU OF
18 INVESTIGATION.

19 (6) THE DEPARTMENT OF STATE POLICE SHALL CONDUCT A CRIMINAL
20 HISTORY CHECK ON EACH PERSON DESCRIBED IN SUBSECTION (4) AND SHALL
21 REQUEST THE FEDERAL BUREAU OF INVESTIGATION TO MAKE A DETERMINATION
22 OF THE EXISTENCE OF ANY NATIONAL CRIMINAL HISTORY PERTAINING TO
23 EACH PERSON. THE DEPARTMENT OF STATE POLICE SHALL PROVIDE THE BOARD
24 WITH A WRITTEN REPORT CONTAINING THE CRIMINAL HISTORY RECORD
25 INFORMATION OF EACH PERSON WHO WAS THE SUBJECT OF THE CRIMINAL
26 HISTORY CHECK CONDUCTED UNDER THIS SECTION.

27 (7) ALL OF THE FOLLOWING APPLY CONCERNING FINGERPRINTS

1 SUBMITTED TO THE DEPARTMENT OF STATE POLICE UNDER THIS SECTION:

2 (A) THE DEPARTMENT OF STATE POLICE SHALL STORE AND RETAIN ALL
3 FINGERPRINTS SUBMITTED UNDER THIS SECTION IN AN AUTOMATED
4 FINGERPRINT IDENTIFICATION SYSTEM DATABASE THAT SEARCHES AGAINST
5 LATENT FINGERPRINTS, AND PROVIDES FOR AN AUTOMATIC NOTIFICATION IF
6 AND WHEN A SUBSEQUENT FINGERPRINT IS SUBMITTED INTO THE SYSTEM THAT
7 MATCHES A SET OF FINGERPRINTS PREVIOUSLY SUBMITTED UNDER THIS
8 SECTION OR IF AND WHEN THE CRIMINAL HISTORY OF AN INDIVIDUAL WHOSE
9 FINGERPRINTS ARE RETAINED IN THE SYSTEM IS UPDATED. UPON RECEIVING
10 A NOTIFICATION, THE DEPARTMENT OF STATE POLICE SHALL IMMEDIATELY
11 NOTIFY THE BOARD. INFORMATION IN THE DATABASE MAINTAINED UNDER THIS
12 SUBSECTION IS CONFIDENTIAL, IS NOT SUBJECT TO DISCLOSURE UNDER THE
13 FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246, AND
14 SHALL NOT BE DISCLOSED TO ANY PERSON EXCEPT FOR PURPOSES OF THIS
15 ACT OR FOR LAW ENFORCEMENT PURPOSES.

16 (B) THE DEPARTMENT OF STATE POLICE SHALL FORWARD ALL
17 FINGERPRINTS SUBMITTED TO IT UNDER THIS SECTION TO THE FEDERAL
18 BUREAU OF INVESTIGATION FOR SUBMISSION OF THOSE FINGERPRINTS INTO
19 THE FBI AUTOMATIC NOTIFICATION SYSTEM. THIS SUBDIVISION DOES NOT
20 APPLY UNTIL THE DEPARTMENT OF STATE POLICE IS A PARTICIPANT IN THE
21 FBI AUTOMATIC NOTIFICATION SYSTEM. AS USED IN THIS SUBDIVISION:

22 (i) "AUTOMATIC NOTIFICATION SYSTEM" MEANS A SYSTEM THAT STORES
23 AND RETAINS FINGERPRINTS, AND THAT PROVIDES FOR AN AUTOMATIC
24 NOTIFICATION TO A PARTICIPANT IF AND WHEN A FINGERPRINT IS
25 SUBMITTED INTO THE SYSTEM THAT MATCHES AN INDIVIDUAL WHOSE
26 FINGERPRINTS ARE RETAINED IN THE SYSTEM OR IF AND WHEN THE CRIMINAL
27 HISTORY OF AN INDIVIDUAL WHOSE FINGERPRINTS ARE RETAINED IN THE

1 SYSTEM IS UPDATED.

2 (ii) "FBI AUTOMATIC NOTIFICATION SYSTEM" MEANS THE AUTOMATIC
3 NOTIFICATION SYSTEM THAT IS MAINTAINED BY THE FEDERAL BUREAU OF
4 INVESTIGATION.

5 (8) THE BOARD SHALL REVIEW ALL APPLICATIONS FOR LICENSES AND
6 SHALL INFORM EACH APPLICANT OF THE BOARD'S DECISION.

7 (9) A LICENSE SHALL BE ISSUED FOR A 1-YEAR PERIOD AND IS
8 RENEWABLE ANNUALLY. EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, THE
9 BOARD SHALL RENEW A LICENSE IF ALL OF THE FOLLOWING REQUIREMENTS
10 ARE MET:

11 (A) THE LICENSEE APPLIES TO THE BOARD ON A RENEWAL FORM
12 PROVIDED BY THE BOARD THAT REQUIRES INFORMATION PRESCRIBED IN
13 RULES.

14 (B) THE APPLICATION IS RECEIVED BY THE BOARD ON OR BEFORE THE
15 EXPIRATION DATE OF THE CURRENT LICENSE.

16 (C) THE LICENSEE PAYS THE REGULATORY ASSESSMENT UNDER SECTION
17 603.

18 (D) THE LICENSEE MEETS THE REQUIREMENTS OF THIS ACT AND ANY
19 OTHER RENEWAL REQUIREMENTS SET FORTH IN RULES.

20 (10) THE DEPARTMENT SHALL NOTIFY THE LICENSEE BY MAIL OR
21 ELECTRONIC MAIL AT THE LAST KNOWN ADDRESS ON FILE WITH THE BOARD
22 ADVISING OF THE TIME, PROCEDURE, AND REGULATORY ASSESSMENT UNDER
23 SECTION 603. THE FAILURE OF THE LICENSEE TO RECEIVE NOTICE UNDER
24 THIS SUBSECTION DOES NOT RELIEVE THE LICENSEE OF THE RESPONSIBILITY
25 FOR RENEWING THE LICENSE.

26 (11) IF A LICENSE RENEWAL APPLICATION IS NOT SUBMITTED BY THE
27 LICENSE EXPIRATION DATE, THE LICENSE MAY BE RENEWED WITHIN 60 DAYS

1 AFTER ITS EXPIRATION DATE UPON APPLICATION, PAYMENT OF THE
2 REGULATORY ASSESSMENT UNDER SECTION 603, AND SATISFACTION OF ANY
3 RENEWAL REQUIREMENT AND LATE FEE SET FORTH IN RULES. THE LICENSEE
4 MAY CONTINUE TO OPERATE DURING THE 60 DAYS AFTER THE LICENSE
5 EXPIRATION DATE IF THE LICENSE IS RENEWED BY THE END OF THE 60-DAY
6 PERIOD.

7 (12) LICENSE EXPIRATION DOES NOT TERMINATE THE BOARD'S
8 AUTHORITY TO IMPOSE SANCTIONS ON A LICENSEE WHOSE LICENSE HAS
9 EXPIRED.

10 (13) IN ITS DECISION ON AN APPLICATION FOR RENEWAL, THE BOARD
11 SHALL CONSIDER ANY SPECIFIC WRITTEN INPUT IT RECEIVES FROM AN
12 INDIVIDUAL OR ENTITY WITHIN THE LOCAL UNIT OF GOVERNMENT IN WHICH
13 THE APPLICANT FOR RENEWAL IS LOCATED.

14 (14) A LICENSEE MUST CONSENT IN WRITING TO INSPECTIONS,
15 EXAMINATIONS, SEARCHES, AND SEIZURES THAT ARE PERMITTED UNDER THIS
16 ACT AND MUST PROVIDE A HANDWRITING EXEMPLAR, FINGERPRINTS,
17 PHOTOGRAPHS, AND INFORMATION AS AUTHORIZED IN THIS ACT OR BY RULES.

18 (15) AN APPLICANT OR LICENSEE HAS A CONTINUING DUTY TO PROVIDE
19 INFORMATION REQUESTED BY THE BOARD AND TO COOPERATE IN ANY
20 INVESTIGATION, INQUIRY, OR HEARING CONDUCTED BY THE BOARD.

21 SEC. 403. IF THE BOARD IDENTIFIES A DEFICIENCY IN AN
22 APPLICATION, THE BOARD SHALL PROVIDE THE APPLICANT WITH A
23 REASONABLE PERIOD OF TIME TO CORRECT THE DEFICIENCY.

24 SEC. 404. (1) THE BOARD SHALL ISSUE A LICENSE ONLY IN THE NAME
25 OF THE TRUE PARTY OF INTEREST.

26 (2) FOR THE FOLLOWING TRUE PARTIES OF INTEREST, INFORMATION
27 CONCERNING THE INDICATED INDIVIDUALS MUST BE INCLUDED IN THE

1 DISCLOSURES REQUIRED OF AN APPLICANT OR LICENSEE:

2 (A) FOR AN INDIVIDUAL OR SOLE PROPRIETORSHIP: THE PROPRIETOR
3 AND SPOUSE.

4 (B) FOR A PARTNERSHIP AND LIMITED LIABILITY PARTNERSHIP: ALL
5 PARTNERS AND THEIR SPOUSES. FOR A LIMITED PARTNERSHIP AND LIMITED
6 LIABILITY LIMITED PARTNERSHIP: ALL GENERAL AND LIMITED PARTNERS AND
7 THEIR SPOUSES. FOR A LIMITED LIABILITY COMPANY: ALL MEMBERS,
8 MANAGERS, AND THEIR SPOUSES.

9 (C) FOR A PRIVATELY HELD CORPORATION: ALL CORPORATE OFFICERS
10 OR PERSONS WITH EQUIVALENT TITLES AND THEIR SPOUSES AND ALL
11 STOCKHOLDERS AND THEIR SPOUSES.

12 (D) FOR A PUBLICLY HELD CORPORATION: ALL CORPORATE OFFICERS OR
13 PERSONS WITH EQUIVALENT TITLES AND THEIR SPOUSES.

14 (E) FOR A MULTILEVEL OWNERSHIP ENTERPRISE: ANY ENTITY OR
15 PERSON THAT RECEIVES OR HAS THE RIGHT TO RECEIVE A PERCENTAGE OF
16 THE GROSS OR NET PROFIT FROM THE ENTERPRISE DURING ANY FULL OR
17 PARTIAL CALENDAR OR FISCAL YEAR.

18 (F) FOR A NONPROFIT CORPORATION: ALL INDIVIDUALS AND ENTITIES
19 WITH MEMBERSHIP OR SHAREHOLDER RIGHTS IN ACCORDANCE WITH THE
20 ARTICLES OF INCORPORATION OR THE BYLAWS AND THEIR SPOUSES.

21 (3) FOR PURPOSES OF THIS SECTION, "TRUE PARTY OF INTEREST"
22 DOES NOT MEAN:

23 (A) A PERSON OR ENTITY RECEIVING REASONABLE PAYMENT FOR RENT
24 ON A FIXED BASIS UNDER A BONA FIDE LEASE OR RENTAL OBLIGATION,
25 UNLESS THE LESSOR OR PROPERTY MANAGER EXERCISES CONTROL OVER OR
26 PARTICIPATES IN THE MANAGEMENT OF THE BUSINESS.

27 (B) A PERSON WHO RECEIVES A BONUS AS AN EMPLOYEE IF THE

1 EMPLOYEE IS ON A FIXED WAGE OR SALARY AND THE BONUS IS NOT MORE
2 THAN 25% OF THE EMPLOYEE'S PREBONUS ANNUAL COMPENSATION OR IF THE
3 BONUS IS BASED ON A WRITTEN INCENTIVE/BONUS PROGRAM THAT IS NOT OUT
4 OF THE ORDINARY FOR THE SERVICES RENDERED.

5 SEC. 405. SUBJECT TO THE LAWS OF THIS STATE, BEFORE HIRING A
6 PROSPECTIVE EMPLOYEE, THE HOLDER OF A LICENSE SHALL CONDUCT A
7 BACKGROUND CHECK OF THE PROSPECTIVE EMPLOYEE. IF THE BACKGROUND
8 CHECK INDICATES A PENDING CHARGE OR CONVICTION WITHIN THE PAST 10
9 YEARS FOR A CONTROLLED SUBSTANCE-RELATED FELONY, A LICENSEE SHALL
10 NOT HIRE THE PROSPECTIVE EMPLOYEE WITHOUT WRITTEN PERMISSION OF THE
11 BOARD.

12 SEC. 406. EACH LICENSE IS EXCLUSIVE TO THE LICENSEE, AND A
13 LICENSEE OR ANY OTHER PERSON MUST APPLY FOR AND RECEIVE THE BOARD'S
14 APPROVAL BEFORE A LICENSE IS TRANSFERRED, SOLD, OR PURCHASED. THE
15 ATTEMPTED TRANSFER, SALE, OR OTHER CONVEYANCE OF AN INTEREST OF
16 MORE THAN 1% IN A LICENSE WITHOUT PRIOR BOARD APPROVAL IS GROUNDS
17 FOR SUSPENSION OR REVOCATION OF THE LICENSE OR FOR OTHER SANCTION
18 CONSIDERED APPROPRIATE BY THE BOARD.

19 SEC. 407. (1) IF AN APPLICANT OR LICENSEE FAILS TO COMPLY WITH
20 THIS ACT OR RULES, IF A LICENSEE FAILS TO COMPLY WITH THE MARIHUANA
21 TRACKING ACT, IF A LICENSEE NO LONGER MEETS THE ELIGIBILITY
22 REQUIREMENTS FOR A LICENSE UNDER THIS ACT, OR IF AN APPLICANT OR
23 LICENSEE FAILS TO PROVIDE INFORMATION THE BOARD REQUESTS TO ASSIST
24 IN ANY INVESTIGATION, INQUIRY, OR BOARD HEARING, THE BOARD MAY
25 DENY, SUSPEND, REVOKE, OR RESTRICT A LICENSE. THE BOARD MAY
26 SUSPEND, REVOKE, OR RESTRICT A LICENSE AND REQUIRE THE REMOVAL OF A
27 LICENSEE OR AN EMPLOYEE OF A LICENSEE FOR A VIOLATION OF THIS ACT,

1 RULES, THE MARIHUANA TRACKING ACT, OR ANY ORDINANCE ADOPTED UNDER
2 SECTION 205. THE BOARD MAY IMPOSE CIVIL FINES OF UP TO \$5,000.00
3 AGAINST AN INDIVIDUAL AND UP TO \$10,000.00 OR AN AMOUNT EQUAL TO
4 THE DAILY GROSS RECEIPTS, WHICHEVER IS GREATER, AGAINST A LICENSEE
5 FOR EACH VIOLATION OF THIS ACT, RULES, OR AN ORDER OF THE BOARD.
6 ASSESSMENT OF A CIVIL FINE UNDER THIS SUBSECTION IS NOT A BAR TO
7 THE INVESTIGATION, ARREST, CHARGING, OR PROSECUTION OF AN
8 INDIVIDUAL FOR ANY OTHER VIOLATION OF THIS ACT AND IS NOT GROUNDS
9 TO SUPPRESS EVIDENCE IN ANY CRIMINAL PROSECUTION THAT ARISES UNDER
10 THIS ACT OR ANY OTHER LAW OF THIS STATE.

11 (2) THE BOARD SHALL COMPLY WITH THE ADMINISTRATIVE PROCEDURES
12 ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328, WHEN DENYING,
13 REVOKING, SUSPENDING, OR RESTRICTING A LICENSE OR IMPOSING A FINE.
14 THE BOARD MAY SUSPEND A LICENSE WITHOUT NOTICE OR HEARING UPON A
15 DETERMINATION THAT THE SAFETY OR HEALTH OF PATRONS OR EMPLOYEES IS
16 JEOPARDIZED BY CONTINUING A MARIHUANA FACILITY'S OPERATION. IF THE
17 BOARD SUSPENDS A LICENSE UNDER THIS SUBSECTION WITHOUT NOTICE OR
18 HEARING, A PROMPT POSTSUSPENSION HEARING MUST BE HELD TO DETERMINE
19 IF THE SUSPENSION SHOULD REMAIN IN EFFECT. THE SUSPENSION MAY
20 REMAIN IN EFFECT UNTIL THE BOARD DETERMINES THAT THE CAUSE FOR
21 SUSPENSION HAS BEEN ABATED. THE BOARD MAY REVOKE THE LICENSE OR
22 APPROVE A TRANSFER OR SALE OF THE LICENSE UPON A DETERMINATION THAT
23 THE LICENSEE HAS NOT MADE SATISFACTORY PROGRESS TOWARD ABATING THE
24 HAZARD.

25 (3) AFTER DENYING AN APPLICATION FOR A LICENSE, THE BOARD
26 SHALL, UPON REQUEST, PROVIDE A PUBLIC INVESTIGATIVE HEARING AT
27 WHICH THE APPLICANT IS GIVEN THE OPPORTUNITY TO PRESENT TESTIMONY

1 AND EVIDENCE TO ESTABLISH ITS SUITABILITY FOR A LICENSE. OTHER
2 TESTIMONY AND EVIDENCE MAY BE PRESENTED AT THE HEARING, BUT THE
3 BOARD'S DECISION MUST BE BASED ON THE WHOLE RECORD BEFORE THE BOARD
4 AND IS NOT LIMITED TO TESTIMONY AND EVIDENCE SUBMITTED AT THE
5 PUBLIC INVESTIGATIVE HEARING.

6 (4) EXCEPT FOR LICENSE APPLICANTS WHO MAY BE GRANTED A HEARING
7 AT THE DISCRETION OF THE BOARD UNDER SUBSECTION (3), ANY PARTY
8 AGGRIEVED BY AN ACTION OF THE BOARD SUSPENDING, REVOKING,
9 RESTRICTING, OR REFUSING TO RENEW A LICENSE, OR IMPOSING A FINE,
10 SHALL BE GIVEN A HEARING BEFORE THE BOARD UPON REQUEST. A REQUEST
11 FOR A HEARING MUST BE MADE TO THE BOARD IN WRITING WITHIN 21 DAYS
12 AFTER SERVICE OF NOTICE OF THE ACTION OF THE BOARD. NOTICE OF THE
13 ACTION OF THE BOARD MUST BE SERVED EITHER BY PERSONAL DELIVERY OR
14 BY CERTIFIED MAIL, POSTAGE PREPAID, TO THE AGGRIEVED PARTY. NOTICE
15 SERVED BY CERTIFIED MAIL IS CONSIDERED COMPLETE ON THE BUSINESS DAY
16 FOLLOWING THE DATE OF THE MAILING.

17 (5) THE BOARD MAY CONDUCT INVESTIGATIVE AND CONTESTED CASE
18 HEARINGS; ISSUE SUBPOENAS FOR THE ATTENDANCE OF WITNESSES; ISSUE
19 SUBPOENAS DUCES TECUM FOR THE PRODUCTION OF BOOKS, LEDGERS,
20 RECORDS, MEMORANDA, ELECTRONICALLY RETRIEVABLE DATA, AND OTHER
21 PERTINENT DOCUMENTS; AND ADMINISTER OATHS AND AFFIRMATIONS TO
22 WITNESSES AS APPROPRIATE TO EXERCISE AND DISCHARGE THE POWERS AND
23 DUTIES OF THE BOARD UNDER THIS ACT. THE EXECUTIVE DIRECTOR OR HIS
24 OR HER DESIGNEE MAY ISSUE SUBPOENAS AND ADMINISTER OATHS AND
25 AFFIRMATIONS TO WITNESSES.

26 SEC. 408. (1) BEFORE THE BOARD GRANTS OR RENEWS ANY LICENSE
27 UNDER THIS ACT, THE LICENSEE OR APPLICANT SHALL FILE WITH THE

1 DEPARTMENT PROOF OF FINANCIAL RESPONSIBILITY FOR LIABILITY FOR
2 BODILY INJURY TO LAWFUL USERS RESULTING FROM THE MANUFACTURE,
3 DISTRIBUTION, TRANSPORTATION, OR SALE OF ADULTERATED MARIHUANA OR
4 ADULTERATED MARIHUANA-INFUSED PRODUCT IN AN AMOUNT NOT LESS THAN
5 \$100,000.00. THE PROOF OF FINANCIAL RESPONSIBILITY MAY BE IN THE
6 FORM OF CASH, UNENCUMBERED SECURITIES, A LIABILITY INSURANCE
7 POLICY, OR A CONSTANT VALUE BOND EXECUTED BY A SURETY COMPANY
8 AUTHORIZED TO DO BUSINESS IN THIS STATE. AS USED IN THIS SECTION:

9 (A) "ADULTERATED MARIHUANA" MEANS A PRODUCT SOLD AS MARIHUANA
10 THAT CONTAINS ANY UNINTENDED SUBSTANCE OR CHEMICAL OR BIOLOGICAL
11 MATTER OTHER THAN MARIHUANA THAT CAUSES ADVERSE REACTION AFTER
12 INGESTION OR CONSUMPTION.

13 (B) "BODILY INJURY" DOES NOT INCLUDE EXPECTED OR INTENDED
14 EFFECT OR LONG-TERM ADVERSE EFFECT OF SMOKING, INGESTION, OR
15 CONSUMPTION OF MARIHUANA OR MARIHUANA-INFUSED PRODUCT.

16 (2) AN INSURED LICENSEE SHALL NOT CANCEL LIABILITY INSURANCE
17 REQUIRED UNDER THIS SECTION UNLESS THE LICENSEE COMPLIES WITH BOTH
18 OF THE FOLLOWING:

19 (A) GIVES 30 DAYS' PRIOR WRITTEN NOTICE TO THE DEPARTMENT.

20 (B) PROCURES NEW PROOF OF FINANCIAL RESPONSIBILITY REQUIRED
21 UNDER THIS SECTION AND DELIVERS THAT PROOF TO THE DEPARTMENT WITHIN
22 30 DAYS AFTER GIVING THE DEPARTMENT THE NOTICE UNDER SUBDIVISION

23 (A).

24 SEC. 409. A STATE OPERATING LICENSE IS A REVOCABLE PRIVILEGE
25 GRANTED BY THIS STATE AND IS NOT A PROPERTY RIGHT. GRANTING A
26 LICENSE DOES NOT CREATE OR VEST ANY RIGHT, TITLE, FRANCHISE, OR
27 OTHER PROPERTY INTEREST. EACH LICENSE IS EXCLUSIVE TO THE LICENSEE,

1 AND A LICENSEE OR ANY OTHER PERSON MUST APPLY FOR AND RECEIVE THE
2 BOARD'S AND MUNICIPALITY'S APPROVAL BEFORE A LICENSE IS
3 TRANSFERRED, SOLD, OR PURCHASED. A LICENSEE OR ANY OTHER PERSON
4 SHALL NOT LEASE, PLEDGE, OR BORROW OR LOAN MONEY AGAINST A LICENSE.
5 THE ATTEMPTED TRANSFER, SALE, OR OTHER CONVEYANCE OF AN INTEREST IN
6 A LICENSE WITHOUT PRIOR BOARD APPROVAL IS GROUNDS FOR SUSPENSION OR
7 REVOCATION OF THE LICENSE OR FOR OTHER SANCTION CONSIDERED
8 APPROPRIATE BY THE BOARD.

9 SEC. 501. (1) A GROWER LICENSE AUTHORIZES THE GROWER TO GROW
10 NOT MORE THAN THE FOLLOWING NUMBER OF MARIHUANA PLANTS UNDER THE
11 INDICATED LICENSE CLASS FOR EACH LICENSE THE GROWER HOLDS IN THAT
12 CLASS:

13 (A) CLASS A - 500 MARIHUANA PLANTS.

14 (B) CLASS B - 1,000 MARIHUANA PLANTS.

15 (C) CLASS C - 1,500 MARIHUANA PLANTS.

16 (2) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A GROWER
17 LICENSE AUTHORIZES SALE OF MARIHUANA PLANTS TO A GROWER ONLY BY
18 MEANS OF A SECURE TRANSPORTER. A GROWER LICENSE AUTHORIZES THE SALE
19 OR TRANSFER OF SEEDS, SEEDLINGS, OR TISSUE CULTURES TO A GROWER
20 FROM ANOTHER GROWER WITHOUT USING A SECURE TRANSPORTER.

21 (3) A GROWER LICENSE AUTHORIZES A GROWER TO TRANSFER MARIHUANA
22 WITHOUT USING A SECURE TRANSPORTER TO A PROCESSOR OR PROVISIONING
23 CENTER IF BOTH OF THE FOLLOWING ARE MET:

24 (A) THE PROCESSOR OR PROVISIONING CENTER OCCUPIES THE SAME
25 LOCATION AS THE GROWER AND THE MARIHUANA IS TRANSFERRED USING ONLY
26 PRIVATE REAL PROPERTY WITHOUT ACCESSING PUBLIC ROADWAYS.

27 (B) THE GROWER ENTERS EACH TRANSFER INTO THE STATEWIDE

1 MONITORING SYSTEM.

2 (4) A GROWER LICENSE AUTHORIZES SALE OF MARIHUANA, OTHER THAN
3 SEEDS, SEEDLINGS, TISSUE CULTURES, AND CUTTINGS, TO A PROCESSOR OR
4 PROVISIONING CENTER.

5 (5) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (2) AND (3)
6 AND SECTION 505, A GROWER LICENSE AUTHORIZES THE GROWER TO TRANSFER
7 MARIHUANA ONLY BY MEANS OF A SECURE TRANSPORTER.

8 (6) TO BE ELIGIBLE FOR A GROWER LICENSE, THE APPLICANT AND
9 EACH INVESTOR IN THE GROWER MUST NOT HAVE AN INTEREST IN A SECURE
10 TRANSPORTER OR SAFETY COMPLIANCE FACILITY.

11 (7) A GROWER SHALL ENTER ALL TRANSACTIONS, CURRENT INVENTORY,
12 AND OTHER INFORMATION INTO THE STATEWIDE MONITORING SYSTEM AS
13 REQUIRED IN THIS ACT, RULES, AND THE MARIHUANA TRACKING ACT.

14 (8) A GROWER LICENSE DOES NOT AUTHORIZE THE GROWER TO OPERATE
15 IN AN AREA UNLESS THE AREA IS ZONED FOR INDUSTRIAL OR AGRICULTURAL
16 USES OR IS UNZONED AND OTHERWISE MEETS THE REQUIREMENTS ESTABLISHED
17 IN SECTION 205(1).

18 SEC. 502. (1) A PROCESSOR LICENSE AUTHORIZES PURCHASE OF
19 MARIHUANA ONLY FROM A GROWER AND SALE OF MARIHUANA-INFUSED PRODUCTS
20 OR MARIHUANA ONLY TO A PROVISIONING CENTER OR ANOTHER PROCESSOR.

21 (2) EXCEPT AS OTHERWISE PROVIDED IN SECTION 505 AND THIS
22 SUBSECTION, A PROCESSOR LICENSE AUTHORIZES THE PROCESSOR TO
23 TRANSFER MARIHUANA ONLY BY MEANS OF A SECURE TRANSPORTER. A
24 PROCESSOR LICENSE AUTHORIZES A PROCESSOR TO TRANSFER MARIHUANA
25 WITHOUT USING A SECURE TRANSPORTER TO A GROWER OR PROVISIONING
26 CENTER IF BOTH OF THE FOLLOWING ARE MET:

27 (A) THE GROWER OR PROVISIONING CENTER OCCUPIES THE SAME

1 LOCATION AS THE PROCESSOR AND THE MARIHUANA IS TRANSFERRED USING
2 ONLY PRIVATE REAL PROPERTY WITHOUT ACCESSING PUBLIC ROADWAYS.

3 (B) THE PROCESSOR ENTERS EACH TRANSFER INTO THE STATEWIDE
4 MONITORING SYSTEM.

5 (3) TO BE ELIGIBLE FOR A PROCESSOR LICENSE, THE APPLICANT AND
6 EACH INVESTOR IN THE PROCESSOR MUST NOT HAVE AN INTEREST IN A
7 SECURE TRANSPORTER OR SAFETY COMPLIANCE FACILITY.

8 (4) A PROCESSOR SHALL ENTER ALL TRANSACTIONS, CURRENT
9 INVENTORY, AND OTHER INFORMATION INTO THE STATEWIDE MONITORING
10 SYSTEM AS REQUIRED IN THIS ACT, RULES, AND THE MARIHUANA TRACKING
11 ACT.

12 SEC. 503. (1) A SECURE TRANSPORTER LICENSE AUTHORIZES THE
13 LICENSEE TO STORE AND TRANSPORT MARIHUANA AND MONEY ASSOCIATED WITH
14 THE PURCHASE OR SALE OF MARIHUANA BETWEEN MARIHUANA FACILITIES FOR
15 A FEE UPON REQUEST OF A PERSON WITH LEGAL CUSTODY OF THAT MARIHUANA
16 OR MONEY. IF A SECURE TRANSPORTER HAS ITS PRIMARY PLACE OF BUSINESS
17 IN A MUNICIPALITY THAT HAS ADOPTED AN ORDINANCE UNDER SECTION 205
18 AUTHORIZING THAT MARIHUANA FACILITY, THE SECURE TRANSPORTER MAY
19 TRAVEL THROUGH ANY MUNICIPALITY.

20 (2) TO BE ELIGIBLE FOR A SECURE TRANSPORTER LICENSE, THE
21 APPLICANT AND EACH INVESTOR WITH AN INTEREST IN THE SECURE
22 TRANSPORTER MUST NOT HAVE AN INTEREST IN A GROWER, PROCESSOR,
23 PROVISIONING CENTER, OR SAFETY COMPLIANCE FACILITY.

24 (3) A SECURE TRANSPORTER SHALL ENTER ALL TRANSACTIONS, CURRENT
25 INVENTORY, AND OTHER INFORMATION INTO THE STATEWIDE MONITORING
26 SYSTEM AS REQUIRED IN THIS ACT, RULES, AND THE MARIHUANA TRACKING
27 ACT.

1 (4) A SECURE TRANSPORTER SHALL COMPLY WITH ALL OF THE
2 FOLLOWING:

3 (A) EACH DRIVER TRANSPORTING MARIHUANA MUST HAVE A CHAUFFEUR'S
4 LICENSE ISSUED BY THIS STATE.

5 (B) EACH EMPLOYEE WHO HAS CUSTODY OF MARIHUANA OR MONEY THAT
6 IS RELATED TO A MARIHUANA TRANSACTION SHALL NOT HAVE BEEN CONVICTED
7 OF OR RELEASED FROM INCARCERATION FOR A FELONY UNDER THE LAWS OF
8 THIS STATE, ANY OTHER STATE, OR THE UNITED STATES WITHIN THE PAST 5
9 YEARS OR HAVE BEEN CONVICTED OF A MISDEMEANOR INVOLVING A
10 CONTROLLED SUBSTANCE WITHIN THE PAST 5 YEARS.

11 (C) EACH VEHICLE MUST BE OPERATED WITH A 2-PERSON CREW WITH AT
12 LEAST 1 INDIVIDUAL REMAINING WITH THE VEHICLE AT ALL TIMES DURING
13 THE TRANSPORTATION OF MARIHUANA.

14 (D) A ROUTE PLAN AND MANIFEST MUST BE ENTERED INTO THE
15 STATEWIDE MONITORING SYSTEM, AND A COPY MUST BE CARRIED IN THE
16 TRANSPORTING VEHICLE AND PRESENTED TO A LAW ENFORCEMENT OFFICER
17 UPON REQUEST.

18 (E) THE MARIHUANA MUST BE TRANSPORTED IN 1 OR MORE SEALED
19 CONTAINERS AND NOT BE ACCESSIBLE WHILE IN TRANSIT.

20 (F) A SECURE TRANSPORTING VEHICLE MUST NOT BEAR MARKINGS OR
21 OTHER INDICATION THAT IT IS CARRYING MARIHUANA OR A MARIHUANA-
22 INFUSED PRODUCT.

23 (5) A SECURE TRANSPORTER IS SUBJECT TO ADMINISTRATIVE
24 INSPECTION BY A LAW ENFORCEMENT OFFICER AT ANY POINT DURING THE
25 TRANSPORTATION OF MARIHUANA TO DETERMINE COMPLIANCE WITH THIS ACT.

26 SEC. 504. (1) A PROVISIONING CENTER LICENSE AUTHORIZES THE
27 PURCHASE OR TRANSFER OF MARIHUANA ONLY FROM A GROWER OR PROCESSOR

1 AND SALE OR TRANSFER TO ONLY AN INDIVIDUAL 21 YEARS OF AGE OR
2 OLDER. EXCEPT AS OTHERWISE PROVIDED IN SECTION 505 AND THIS
3 SUBSECTION, ALL TRANSFERS OF MARIHUANA TO A PROVISIONING CENTER
4 FROM A SEPARATE MARIHUANA FACILITY MUST BE BY MEANS OF A SECURE
5 TRANSPORTER. A TRANSFER OF MARIHUANA TO A PROVISIONING CENTER FROM
6 A MARIHUANA FACILITY THAT OCCUPIES THE SAME LOCATION AS THE
7 PROVISIONING CENTER DOES NOT REQUIRE A SECURE TRANSPORTER IF THE
8 MARIHUANA IS TRANSFERRED TO THE PROVISIONING CENTER USING ONLY
9 PRIVATE REAL PROPERTY WITHOUT ACCESSING PUBLIC ROADWAYS.

10 (2) A PROVISIONING CENTER LICENSE AUTHORIZES THE PROVISIONING
11 CENTER TO TRANSFER MARIHUANA TO OR FROM A SAFETY COMPLIANCE
12 FACILITY FOR TESTING BY MEANS OF A SECURE TRANSPORTER OR AS
13 PROVIDED IN SECTION 505.

14 (3) TO BE ELIGIBLE FOR A PROVISIONING CENTER LICENSE, THE
15 APPLICANT AND EACH INVESTOR IN THE PROVISIONING CENTER MUST NOT
16 HAVE AN INTEREST IN A SECURE TRANSPORTER OR SAFETY COMPLIANCE
17 FACILITY.

18 (4) A PROVISIONING CENTER SHALL COMPLY WITH ALL OF THE
19 FOLLOWING:

20 (A) SELL OR TRANSFER MARIHUANA ONLY AFTER IT HAS BEEN TESTED
21 AND BEARS THE LABEL REQUIRED FOR RETAIL SALE.

22 (B) ENTER ALL TRANSACTIONS, CURRENT INVENTORY, AND OTHER
23 INFORMATION INTO THE STATEWIDE MONITORING SYSTEM AS REQUIRED IN
24 THIS ACT, RULES, AND THE MARIHUANA TRACKING ACT.

25 (C) BEFORE SELLING OR TRANSFERRING MARIHUANA, INQUIRE OF THE
26 STATEWIDE MONITORING SYSTEM TO DETERMINE WHETHER THE SALE OR
27 TRANSFER WILL EXCEED THE PURCHASING LIMIT ESTABLISHED BY THE BOARD

1 UNDER THIS ACT.

2 (D) NOT ALLOW THE SALE, CONSUMPTION, OR USE OF ALCOHOL OR
3 TOBACCO PRODUCTS ON THE PREMISES.

4 SEC. 505. (1) A SAFETY COMPLIANCE FACILITY LICENSE AUTHORIZES
5 THE SAFETY COMPLIANCE FACILITY TO DO ALL OF THE FOLLOWING WITHOUT
6 USING A SECURE TRANSPORTER:

7 (A) TAKE MARIHUANA FROM, TEST MARIHUANA FOR, AND RETURN
8 MARIHUANA TO ONLY A MARIHUANA FACILITY.

9 (B) COLLECT A RANDOM SAMPLE OF MARIHUANA AT THE MARIHUANA
10 FACILITY OF A GROWER, PROCESSOR, OR PROVISIONING CENTER FOR
11 TESTING.

12 (2) A SAFETY COMPLIANCE FACILITY MUST BE ACCREDITED BY AN
13 ENTITY APPROVED BY THE BOARD BY 1 YEAR AFTER THE DATE THE LICENSE
14 IS ISSUED OR HAVE PREVIOUSLY PROVIDED DRUG TESTING SERVICES TO THIS
15 STATE OR THIS STATE'S COURT SYSTEM AND BE A VENDOR IN GOOD STANDING
16 IN REGARD TO THOSE SERVICES. THE BOARD MAY GRANT A VARIANCE FROM
17 THIS REQUIREMENT UPON A FINDING THAT THE VARIANCE IS NECESSARY TO
18 PROTECT AND PRESERVE THE PUBLIC HEALTH, SAFETY, OR WELFARE.

19 (3) TO BE ELIGIBLE FOR A SAFETY COMPLIANCE FACILITY LICENSE,
20 THE APPLICANT AND EACH INVESTOR WITH ANY INTEREST IN THE SAFETY
21 COMPLIANCE FACILITY MUST NOT HAVE AN INTEREST IN A GROWER, SECURE
22 TRANSPORTER, PROCESSOR, OR PROVISIONING CENTER.

23 (4) A SAFETY COMPLIANCE FACILITY SHALL COMPLY WITH ALL OF THE
24 FOLLOWING:

25 (A) PERFORM TESTS TO CERTIFY THAT MARIHUANA IS REASONABLY FREE
26 OF CHEMICAL RESIDUES SUCH AS FUNGICIDES AND INSECTICIDES.

27 (B) USE VALIDATED TEST METHODS TO DETERMINE

1 TETRAHYDROCANNABINOL, TETRAHYDROCANNABINOL ACID, CANNABIDIOL, AND
2 CANNABIDIOL ACID LEVELS.

3 (C) PERFORM TESTS THAT DETERMINE WHETHER MARIHUANA COMPLIES
4 WITH THE STANDARDS THE BOARD ESTABLISHES FOR MICROBIAL AND
5 MYCOTOXIN CONTENTS.

6 (D) PERFORM OTHER TESTS NECESSARY TO DETERMINE COMPLIANCE WITH
7 ANY OTHER GOOD MANUFACTURING PRACTICES AS PRESCRIBED IN RULES.

8 (E) ENTER ALL TRANSACTIONS, CURRENT INVENTORY, AND OTHER
9 INFORMATION INTO THE STATEWIDE MONITORING SYSTEM AS REQUIRED IN
10 THIS ACT, RULES, AND THE MARIHUANA TRACKING ACT.

11 (F) HAVE A SECURED LABORATORY SPACE THAT CANNOT BE ACCESSED BY
12 THE GENERAL PUBLIC.

13 (G) RETAIN AND EMPLOY AT LEAST 1 STAFF MEMBER WITH A RELEVANT
14 ADVANCED DEGREE IN A MEDICAL OR LABORATORY SCIENCE.

15 SEC. 601. (1) A TAX IS IMPOSED ON EACH PROVISIONING CENTER AT
16 THE RATE OF 3% OF THE PROVISIONING CENTER'S GROSS RETAIL RECEIPTS.
17 BY 30 DAYS AFTER THE END OF THE CALENDAR QUARTER, A PROVISIONING
18 CENTER SHALL REMIT THE TAX FOR THE PRECEDING CALENDAR QUARTER TO
19 THE DEPARTMENT OF TREASURY ACCOMPANIED BY A FORM PRESCRIBED BY THE
20 DEPARTMENT OF TREASURY THAT SHOWS THE GROSS QUARTERLY RETAIL INCOME
21 OF THE PROVISIONING CENTER AND THE AMOUNT OF TAX DUE, AND SHALL
22 SUBMIT A COPY OF THE FORM TO THE DEPARTMENT.

23 (2) THE TAXES IMPOSED UNDER THIS SECTION SHALL BE ADMINISTERED
24 BY THE DEPARTMENT OF TREASURY IN ACCORDANCE WITH 1941 PA 122, MCL
25 205.1 TO 205.31, AND THIS ACT. IN CASE OF CONFLICT BETWEEN THE
26 PROVISIONS OF 1941 PA 122, MCL 205.1 TO 205.31, AND THIS ACT, THE
27 PROVISIONS OF THIS ACT PREVAIL.

1 SEC. 602. (1) THE MARIHUANA EXCISE FUND IS CREATED IN THE
2 STATE TREASURY.

3 (2) EXCEPT FOR THE APPLICATION FEE UNDER SECTION 401, THE
4 REGULATORY ASSESSMENT UNDER SECTION 603, AND ANY LOCAL FEES, ALL
5 MONEY COLLECTED UNDER SECTION 601 AND ALL OTHER FEES, FINES, AND
6 CHARGES, IMPOSED UNDER THIS ACT MUST BE DEPOSITED IN THE MARIHUANA
7 EXCISE FUND. THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE
8 FUND. THE STATE TREASURER SHALL CREDIT TO THE FUND INTEREST AND
9 EARNINGS FROM FUND INVESTMENTS.

10 (3) MONEY IN THE MARIHUANA EXCISE FUND AT THE CLOSE OF THE
11 FISCAL YEAR REMAINS IN THE FUND AND DOES NOT LAPSE TO THE GENERAL
12 FUND.

13 (4) THE STATE TREASURER IS THE ADMINISTRATOR OF THE MARIHUANA
14 EXCISE FUND FOR AUDITING PURPOSES.

15 (5) THE MONEY IN THE MARIHUANA EXCISE FUND MUST BE ALLOCATED,
16 UPON APPROPRIATION, AS FOLLOWS:

17 (A) 25% TO MUNICIPALITIES IN WHICH A MARIHUANA FACILITY IS
18 LOCATED, ALLOCATED IN PROPORTION TO THE NUMBER OF MARIHUANA
19 FACILITIES WITHIN THE MUNICIPALITY.

20 (B) 30% TO COUNTIES IN WHICH A MARIHUANA FACILITY IS LOCATED,
21 ALLOCATED IN PROPORTION TO THE NUMBER OF MARIHUANA FACILITIES
22 WITHIN THE COUNTY.

23 (C) 5% TO COUNTIES IN WHICH A MARIHUANA FACILITY IS LOCATED,
24 ALLOCATED IN PROPORTION TO THE NUMBER OF MARIHUANA FACILITIES
25 WITHIN THE COUNTY. MONEY ALLOCATED UNDER THIS SUBDIVISION MUST BE
26 USED EXCLUSIVELY TO SUPPORT THE COUNTY SHERIFFS AND MUST BE IN
27 ADDITION TO AND NOT IN REPLACEMENT OF ANY OTHER FUNDING RECEIVED BY

1 THE COUNTY SHERIFFS.

2 (D) 30% TO THIS STATE FOR THE FOLLOWING:

3 (i) UNTIL SEPTEMBER 30, 2019, FOR DEPOSIT IN THE GENERAL FUND
4 OF THE STATE TREASURY.

5 (ii) BEGINNING OCTOBER 1, 2019, FOR DEPOSIT IN THE FIRST
6 RESPONDER PRESUMED COVERAGE FUND CREATED IN SECTION 405 OF THE
7 WORKER'S DISABILITY COMPENSATION ACT OF 1969, 1969 PA 317, MCL
8 418.405.

9 (E) 5% TO THE MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS
10 FOR TRAINING LOCAL LAW ENFORCEMENT OFFICERS.

11 (F) 5% TO THE DEPARTMENT OF STATE POLICE.

12 SEC. 603. (1) A REGULATORY ASSESSMENT IS IMPOSED ON CERTAIN
13 LICENSEES AS PROVIDED IN THIS SECTION. ALL OF THE FOLLOWING SHALL
14 BE INCLUDED IN ESTABLISHING THE TOTAL AMOUNT OF THE REGULATORY
15 ASSESSMENT ESTABLISHED UNDER THIS SECTION:

16 (A) THE DEPARTMENT'S COSTS TO IMPLEMENT, ADMINISTER, AND
17 ENFORCE THIS ACT, EXCEPT FOR THE COSTS TO PROCESS AND INVESTIGATE
18 APPLICATIONS FOR LICENSES SUPPORTED WITH THE APPLICATION FEE
19 DESCRIBED IN SECTION 401.

20 (B) EXPENSES OF MARIHUANA-RELATED LEGAL SERVICES PROVIDED TO
21 THE DEPARTMENT BY THE DEPARTMENT OF ATTORNEY GENERAL.

22 (C) EXPENSES OF MARIHUANA-RELATED SERVICES PROVIDED TO THE
23 DEPARTMENT BY THE DEPARTMENT OF STATE POLICE.

24 (D) EXPENSES OF MARIHUANA-RELATED SERVICES PROVIDED BY THE
25 DEPARTMENT OF TREASURY.

26 (E) \$500,000.00 TO BE ALLOCATED TO THE DEPARTMENT FOR
27 EXPENDITURES OF THE DEPARTMENT FOR LICENSING SUBSTANCE USE DISORDER

1 PROGRAMS.

2 (F) AN AMOUNT EQUAL TO 5% OF THE SUM OF THE AMOUNTS PROVIDED
3 FOR UNDER SUBDIVISIONS (A) TO (D) TO BE ALLOCATED TO THE DEPARTMENT
4 OF HEALTH AND HUMAN SERVICES FOR SUBSTANCE-ABUSE-RELATED
5 EXPENDITURES INCLUDING, BUT NOT LIMITED TO, SUBSTANCE USE DISORDER
6 PREVENTION, EDUCATION, AND TREATMENT PROGRAMS.

7 (G) EXPENSES RELATED TO THE STANDARDIZED FIELD SOBRIETY TESTS
8 ADMINISTERED IN ENFORCING THE MICHIGAN VEHICLE CODE, 1949 PA 300,
9 MCL 257.1 TO 257.923.

10 (H) AN AMOUNT SUFFICIENT TO PROVIDE FOR THE ADMINISTRATIVE
11 COSTS OF THE MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS.

12 (2) THE REGULATORY ASSESSMENT IS IN ADDITION TO THE
13 APPLICATION FEE DESCRIBED IN SECTION 401, THE TAX DESCRIBED IN
14 SECTION 601, AND ANY LOCAL LICENSING FEES.

15 (3) THE REGULATORY ASSESSMENT SHALL BE COLLECTED ANNUALLY FROM
16 LICENSED GROWERS, PROCESSORS, PROVISIONING CENTERS, AND SECURE
17 TRANSPORTERS. THE REGULATORY ASSESSMENT FOR A CLASS A GROWER
18 LICENSE SHALL NOT EXCEED \$10,000.00.

19 (4) BEGINNING IN THE FIRST YEAR MARIHUANA FACILITIES ARE
20 AUTHORIZED TO OPERATE IN THIS STATE, AND ANNUALLY THEREAFTER, THE
21 DEPARTMENT, IN CONSULTATION WITH THE BOARD, SHALL ESTABLISH THE
22 TOTAL REGULATORY ASSESSMENT AT AN AMOUNT THAT IS ESTIMATED TO BE
23 SUFFICIENT TO COVER THE ACTUAL COSTS AND SUPPORT THE EXPENDITURES
24 LISTED IN SUBSECTION (1).

25 (5) ON OR BEFORE THE DATE THE LICENSEE BEGINS OPERATING AND
26 ANNUALLY THEREAFTER, EACH GROWER, PROCESSOR, PROVISIONING CENTER,
27 AND SECURE TRANSPORTER SHALL PAY TO THE STATE TREASURER AN AMOUNT

1 DETERMINED BY THE DEPARTMENT TO REASONABLY REFLECT THE LICENSEE'S
2 SHARE OF THE TOTAL REGULATORY ASSESSMENT ESTABLISHED UNDER
3 SUBSECTION (4).

4 SEC. 604. (1) THE MARIHUANA REGULATION FUND IS CREATED IN THE
5 STATE TREASURY.

6 (2) THE APPLICATION FEE COLLECTED UNDER SECTION 401 AND THE
7 REGULATORY ASSESSMENT COLLECTED UNDER SECTION 603 SHALL BE
8 DEPOSITED IN THE MARIHUANA REGULATION FUND. THE STATE TREASURER
9 SHALL DIRECT THE INVESTMENT OF THE FUND. THE STATE TREASURER SHALL
10 CREDIT TO THE FUND INTEREST AND EARNINGS FROM FUND INVESTMENTS.

11 (3) MONEY IN THE MARIHUANA REGULATION FUND AT THE CLOSE OF THE
12 FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE
13 GENERAL FUND.

14 (4) THE DEPARTMENT SHALL BE THE ADMINISTRATOR OF THE MARIHUANA
15 REGULATION FUND FOR AUDITING PURPOSES.

16 (5) EXCEPT AS PROVIDED IN SECTION 603(1)(D) AND (E), THE
17 DEPARTMENT SHALL EXPEND MONEY FROM THE MARIHUANA REGULATION FUND,
18 UPON APPROPRIATION, ONLY FOR IMPLEMENTING, ADMINISTERING, AND
19 ENFORCING THIS ACT.

20 SEC. 701. BY 30 DAYS AFTER THE END OF EACH STATE FISCAL YEAR,
21 EACH LICENSEE SHALL TRANSMIT TO THE BOARD AND TO THE MUNICIPALITY
22 FINANCIAL STATEMENTS OF THE LICENSEE'S TOTAL OPERATIONS. THE
23 FINANCIAL STATEMENTS SHALL BE REVIEWED BY A CERTIFIED PUBLIC
24 ACCOUNTANT IN A MANNER AND FORM PRESCRIBED BY THE BOARD. THE
25 CERTIFIED PUBLIC ACCOUNTANT MUST BE LICENSED IN THIS STATE UNDER
26 ARTICLE 7 OF THE OCCUPATIONAL CODE, 1980 PA 299, MCL 339.720 TO
27 339.736. THE COMPENSATION FOR THE CERTIFIED PUBLIC ACCOUNTANT SHALL

1 BE PAID DIRECTLY BY THE LICENSEE TO THE CERTIFIED PUBLIC
2 ACCOUNTANT.

3 SEC. 702. THE BOARD SHALL SUBMIT WITH THE ANNUAL REPORT TO THE
4 GOVERNOR UNDER SECTION 302(K) AND TO THE CHAIRS OF THE LEGISLATIVE
5 COMMITTEES THAT GOVERN ISSUES RELATED TO MARIHUANA FACILITIES A
6 REPORT COVERING THE PREVIOUS YEAR. THE REPORT SHALL INCLUDE AN
7 ACCOUNT OF THE BOARD ACTIONS, ITS FINANCIAL POSITION, RESULTS OF
8 OPERATION UNDER THIS ACT, AND ANY RECOMMENDATIONS FOR LEGISLATION
9 THAT THE BOARD CONSIDERS ADVISABLE.

10 SEC. 801. (1) THE MARIHUANA ADVISORY PANEL IS CREATED WITHIN
11 THE DEPARTMENT.

12 (2) THE MARIHUANA ADVISORY PANEL CONSISTS OF 17 MEMBERS,
13 INCLUDING THE DIRECTOR OF STATE POLICE OR HIS OR HER DESIGNEE, THE
14 DIRECTOR OF THIS STATE'S DEPARTMENT OF HEALTH AND HUMAN SERVICES OR
15 HIS OR HER DESIGNEE, THE DIRECTOR OF THE DEPARTMENT OR HIS OR HER
16 DESIGNEE, THE ATTORNEY GENERAL OR HIS OR HER DESIGNEE, THE DIRECTOR
17 OF THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT OR HIS OR
18 HER DESIGNEE, AND THE FOLLOWING MEMBERS APPOINTED BY THE GOVERNOR:

19 (A) ONE REPRESENTATIVE OF THE INDUSTRY FROM THE GROWERS
20 CATEGORY.

21 (B) ONE REPRESENTATIVE OF THE INDUSTRY FROM THE PROCESSORS
22 CATEGORY.

23 (C) ONE REPRESENTATIVE OF THE INDUSTRY FROM THE PROVISIONING
24 CENTERS CATEGORY.

25 (D) ONE REPRESENTATIVE OF THE INDUSTRY FROM THE SAFETY
26 COMPLIANCE FACILITIES CATEGORY.

27 (E) ONE REPRESENTATIVE OF TOWNSHIPS.

1 (F) ONE REPRESENTATIVE OF CITIES AND VILLAGES.

2 (G) ONE REPRESENTATIVE OF COUNTIES.

3 (H) ONE REPRESENTATIVE OF SHERIFFS.

4 (I) ONE REPRESENTATIVE OF LOCAL POLICE.

5 (J) ONE REPRESENTATIVE OF THE INDUSTRY FROM THE SECURE
6 TRANSPORTER CATEGORY.

7 (3) THE GOVERNOR SHALL APPOINT THE FIRST MEMBERS OF THE PANEL
8 BY MARCH 1, 2019. THE MEMBERS APPOINTED TO THE PANEL SHALL SERVE AT
9 THE PLEASURE OF THE GOVERNOR AND SHALL SERVE FOR TERMS OF 3 YEARS
10 OR UNTIL A SUCCESSOR IS APPOINTED, WHICHEVER IS LATER.

11 (4) IF A VACANCY OCCURS ON THE ADVISORY PANEL, THE GOVERNOR
12 SHALL MAKE AN APPOINTMENT FOR THE UNEXPIRED TERM IN THE SAME MANNER
13 AS THE ORIGINAL APPOINTMENT.

14 (5) THE DIRECTOR OF THE DEPARTMENT OR HIS OR HER DESIGNEE
15 SHALL CALL THE FIRST MEETING OF THE PANEL WITHIN 1 MONTH AFTER THE
16 ADVISORY PANEL IS APPOINTED. AT THE FIRST MEETING, THE PANEL SHALL
17 ELECT FROM AMONG ITS MEMBERS A CHAIRPERSON AND ANY OTHER OFFICERS
18 IT CONSIDERS NECESSARY OR APPROPRIATE. AFTER THE FIRST MEETING, THE
19 PANEL SHALL MEET AT LEAST 2 TIMES EACH YEAR, OR MORE FREQUENTLY AT
20 THE CALL OF THE CHAIRPERSON.

21 (6) A MAJORITY OF THE MEMBERS OF THE PANEL CONSTITUTE A QUORUM
22 FOR THE TRANSACTION OF BUSINESS. A MAJORITY OF THE MEMBERS PRESENT
23 AND SERVING ARE REQUIRED FOR OFFICIAL ACTION OF THE PANEL.

24 (7) THE BUSINESS THAT THE PANEL PERFORMS MUST BE CONDUCTED AT
25 A PUBLIC MEETING HELD IN COMPLIANCE WITH THE OPEN MEETINGS ACT,
26 1976 PA 267, MCL 15.261 TO 15.275.

27 (8) A WRITING PREPARED, OWNED, USED, IN THE POSSESSION OF, OR

1 RETAINED BY THE PANEL IN THE PERFORMANCE OF AN OFFICIAL FUNCTION IS
2 SUBJECT TO THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231
3 TO 15.246.

4 (9) MEMBERS OF THE PANEL SHALL SERVE WITHOUT COMPENSATION.
5 HOWEVER, MEMBERS OF THE PANEL MAY BE REIMBURSED FOR THEIR ACTUAL
6 AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR
7 OFFICIAL DUTIES AS MEMBERS OF THE PANEL.

8 (10) THE PANEL MAY MAKE RECOMMENDATIONS TO THE BOARD
9 CONCERNING PROMULGATION OF RULES AND, AS REQUESTED BY THE BOARD OR
10 THE DEPARTMENT, THE ADMINISTRATION, IMPLEMENTATION, AND ENFORCEMENT
11 OF THIS ACT AND THE MARIHUANA TRACKING ACT.

12 (11) STATE DEPARTMENTS AND AGENCIES SHALL COOPERATE WITH THE
13 PANEL AND, UPON REQUEST, PROVIDE IT WITH MEETING SPACE AND OTHER
14 NECESSARY RESOURCES TO ASSIST IT IN THE PERFORMANCE OF ITS DUTIES.

15 Enacting section 1. Sections 6, 7, 8, 9, 10, 11, 12, 13, 14,
16 and 16 of the Michigan Regulation and Taxation of Marihuana Act,
17 2018 IL 1, MCL 333.28106, 333.28107, 333.28108, 333.28109,
18 333.28110, 333.28111, 333.28112, 333.28113, 333.28114, and
19 333.28116, are repealed.