

SUBSTITUTE FOR
HOUSE BILL NO. 4126

A bill to amend 2018 IL 1, entitled
"Michigan regulation and taxation of marihuana act,"
by amending section 8 (MCL 333.27958).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. **(1)** ~~1. The department~~**The marijuana regulatory agency**
2 shall promulgate rules to implement and administer this act
3 ~~pursuant to the administrative procedures act of 1969, 1969 PA 306,~~
4 ~~MCL 24.201 to MCL 24.328, including:~~**that include all of the**
5 **following:**

6 (a) ~~procedures~~**Procedures** for issuing a state license pursuant
7 to section 9 ~~of this act~~ and for renewing, suspending, and revoking
8 a state license. ~~+~~

9 (b) ~~a~~**A** schedule of fees in amounts not more than necessary to



1 pay for implementation, administration, and enforcement costs of
 2 this act and that relate to the size of each licensee or the volume
 3 of business conducted by the licensee. †

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

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

15 (e) ~~testing~~ **Testing**, packaging, and labeling standards,
 16 procedures, and requirements for marihuana, including, ~~a~~ **but not**
 17 **limited to, all of the following:**

18 (i) **A** maximum tetrahydrocannabinol level for marihuana-infused
 19 products. ~~†~~

20 (ii) **A** requirement that a representative sample of marihuana be
 21 tested by a marihuana safety compliance facility. ~~†~~ ~~and~~ ~~a~~

22 (iii) **A** requirement that the amount of marihuana or marihuana
 23 concentrate contained within a marihuana-infused product be
 24 specified on the product label. †

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



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

6 (f) ~~security~~**Security** requirements, including lighting,
 7 physical security, and alarm requirements, and requirements for
 8 securely transporting marihuana between marihuana establishments. ~~†~~
 9 ~~provided that such~~**The** requirements ~~de~~**described in this**
 10 **subdivision must** not prohibit cultivation of marihuana outdoors or
 11 in greenhouses. ~~†~~

12 (g) ~~record~~**Record** keeping requirements for marihuana
 13 establishments and monitoring requirements to track the transfer of
 14 marihuana by licensees. ~~†~~

15 (h) ~~requirements~~**Requirements** for the operation of marihuana
 16 secure transporters to ensure that all marihuana establishments are
 17 properly serviced. ~~†~~

18 (i) ~~reasonable~~**Reasonable** restrictions on advertising,
 19 marketing, and display of marihuana and marihuana establishments. ~~†~~

20 (j) ~~a~~**A** plan to promote and encourage participation in the
 21 marihuana industry by people from communities that have been
 22 disproportionately impacted by marihuana prohibition and
 23 enforcement and to positively impact those communities. ~~†~~~~and~~

24 (k) ~~penalties~~**Penalties** for failure to comply with any rule
 25 promulgated pursuant to this section or for any violation of this
 26 act by a licensee, including civil fines and suspension,
 27 revocation, or restriction of a state license.

28 (l) **Informational pamphlet standards for marihuana retailers**
 29 **and marihuana microbusinesses, including, but not limited to, a**



1 requirement to make available to every customer at the time of sale
 2 a pamphlet measuring 3.5 inches by 5 inches that includes safety
 3 information related to marihuana use by minors and the poison
 4 control hotline number.

5 (2) ~~2. In furtherance of the intent of this act, the~~
 6 ~~department~~ **The marijuana regulatory agency** may promulgate rules to
 7 **do any of the following:**

8 (a) ~~provide~~ **Provide** for the issuance of additional types or
 9 classes of state licenses to operate marihuana-related businesses,
 10 including licenses that authorize ~~only limited~~ **any of the**
 11 **following:**

12 (i) **Limited** cultivation, processing, transportation, delivery,
 13 storage, sale, or purchase of marihuana. ~~licenses that authorize~~
 14 ~~the consumption~~

15 (ii) **Consumption** of marihuana within designated areas. ~~licenses that authorize the consumption~~

16 (iii) **Consumption** of marihuana at special events in limited
 17 areas and for a limited time. ~~licenses that authorize cultivation~~

18 (iv) **Cultivation** for purposes of propagation. ~~and licenses~~
 19 ~~intended to facilitate~~

20 (v) **Facilitation of** scientific research or education. ~~or~~

21 (b) ~~regulate~~ **Regulate** the cultivation, processing,
 22 distribution, and sale of industrial hemp.

23 (3) ~~3. The department may~~ **The marijuana regulatory agency**
 24 **shall** not promulgate a rule that **does any of the following:**

25 (a) ~~establishes~~ **Establishes** a limit on the number of any type
 26 of state licenses that may be granted. ~~+~~

27 (b) ~~requires~~ **Requires** a customer to provide a marihuana
 28 retailer with identifying information other than identification to
 29



1 determine the customer's age or requires the marihuana retailer to
2 acquire or record personal information about customers other than
3 information typically required in a retail transaction. †

4 (c) ~~prohibits~~ **Prohibits** a marihuana establishment from
5 operating at a shared location of a marihuana facility operating
6 pursuant to the medical marihuana facilities licensing act, 2016 PA
7 281, MCL 333.27101 to 333.27801, or prohibits a marihuana grower,
8 marihuana processor, or marihuana retailer from operating within a
9 single facility. †~~or~~

10 (d) ~~is~~ **Is** unreasonably impracticable.

11 (4) **A rule promulgated under this act must be promulgated**
12 **pursuant to the administrative procedures act of 1969, 1969 PA 306,**
13 **MCL 24.201 to 24.328.**

14 (5) **As used in this section, "marijuana regulatory agency"**
15 **means the marijuana regulatory agency created under Executive**
16 **Reorganization Order No. 2019-7, MCL 333.27001.**

