

HOUSE BILL NO. 5061

June 17, 2021, Introduced by Reps. Posthumus, Outman, Mueller, O'Malley and Clements and referred to the Committee on Regulatory Reform.

A bill to amend 2014 PA 547, entitled "Industrial hemp research and development act," by amending the title and sections 2 and 7 (MCL 286.842 and 286.847), the title and section 2 as amended by 2018 PA 641 and section 7 as added by 2018 PA 641, and by adding section 11a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE
2 An act to authorize the growing and cultivating of industrial
3 hemp for research and development purposes; to require and provide

1 for the registration and licensing of certain persons engaged in
2 the growing, processing, and ~~handling~~**brokering** of industrial hemp;
3 **to regulate certain industrial hemp commodities and products;** to
4 provide for the collection of fees; to authorize the receipt and
5 expenditure of funding for research and development related to
6 industrial hemp; to prescribe the powers and duties of certain
7 state agencies and officials and colleges and universities in this
8 state; and to provide for certain fines and sanctions.

9 Sec. 2. As used in this act:

10 (a) "Broker" means to engage or participate in the marketing
11 of industrial hemp by acting as an intermediary or negotiator
12 between prospective buyers and sellers.

13 (b) "Cannabis" means the plant *Cannabis sativa* L. and any part
14 of that plant, whether growing or not.

15 (c) "Department" means the department of agriculture and rural
16 development.

17 (d) "Director" means the director of the department, or his or
18 her designee.

19 (e) "GPS coordinates" means latitude and longitude coordinates
20 derived from a global positioning system.

21 (f) "Grow" means to plant, propagate, grow, cultivate, or
22 harvest live plants or viable seeds.

23 (g) "Grower" means a person registered by the department under
24 this act to grow industrial hemp.

25 (h) "Handle" means to possess, store, or transport industrial
26 hemp on premises owned, operated, or controlled by a registered
27 grower or licensed processor-handler.

28 (i) "Industrial hemp" means the plant *Cannabis sativa* L. and
29 any part of that plant, including the viable seeds of that plant

1 and all derivatives, extracts, cannabinoids, isomers, acids, salts,
2 and salts of isomers, whether growing or not, with a delta-9-
3 tetrahydrocannabinol concentration of not more than 0.3% on a dry
4 weight basis. Industrial hemp includes industrial hemp commodities
5 and products. ~~and topical or ingestible animal and consumer~~
6 ~~products derived from the plant *Cannabis sativa* L. with a delta-9-~~
7 ~~tetrahydrocannabinol concentration of not more than 0.3% on a dry~~
8 ~~weight basis.~~

9 (j) "Industrial hemp commodity or product" means industrial
10 hemp that is processed for wholesale or commercial sale. Industrial
11 hemp commodity or product includes, but is not limited to, any of
12 the following:

13 (i) An animal or human product intended for topical
14 application, such as cosmetics or personal care or grooming
15 products.

16 (ii) An animal or human product intended for consumption,
17 including a food, as that term is defined in section 1107 of the
18 food law, 2000 PA 92, MCL 289.1107, or a dietary supplement.

19 (iii) Rope.

20 (iv) Cloth.

21 (v) Fiber.

22 (vi) Fuel.

23 (vii) Sealants or coatings.

24 (viii) Building materials.

25 (ix) Plastics.

26 (x) Any other product that contains industrial hemp.

27 (k) ~~(j)~~—"Licensing and registration fund" means the industrial
28 hemp licensing and registration fund created in section 5.

29 (l) ~~(k)~~—"Location ID" means the unique identifier established

1 by the applicant for each unique set of GPS coordinates where
2 industrial hemp will be grown, handled, stored, processed, or
3 brokered.

4 ~~(l) "Market" means to promote or sell industrial hemp or an~~
5 ~~industrial hemp commodity or product. Market includes, but is not~~
6 ~~limited to, efforts to advertise and gather information about the~~
7 ~~needs or preferences of potential consumers or suppliers.~~

8 (m) "Nonviable seed" means seed that has been crushed,
9 dehulled, heat treated, or otherwise rendered to have a 0.0%
10 germination rate.

11 (n) "Person" means an individual, partnership, corporation,
12 association, or other legal entity.

13 (o) "Plot" means a contiguous area in a field, greenhouse, or
14 indoor growing structure containing the same variety of industrial
15 hemp throughout the area.

16 (p) "Process" means to convert raw industrial hemp into a
17 ~~marketable form.~~ **an industrial hemp commodity or product.**

18 (q) "Processor-handler" means a person licensed by the
19 department under this act to process ~~, handle, or~~ broker ~~, or~~
20 ~~market~~ industrial hemp.

21 (r) "Program" means the industrial hemp licensing and
22 registration program established by this act.

23 (s) "Propagule" means a plant or plant part that is utilized
24 to grow a new plant.

25 (t) "Research fund" means the industrial hemp research and
26 development fund created in section 4.

27 (u) "Testing facility" means a safety compliance facility
28 licensed under the medical marijuana facilities licensing act, 2016
29 PA 281, MCL 333.27101 to 333.27801, or a testing facility approved

1 by the department.

2 (v) "THC" means tetrahydrocannabinol.

3 (w) "Variety" means a subdivision of a species that has the
4 following characteristics:

5 (i) The subdivision is uniform, in the sense that variations
6 between the subdivision and other subdivisions in essential and
7 distinctive characteristics are describable.

8 (ii) The subdivision is distinct, in the sense that the
9 subdivision can be differentiated by 1 or more identifiable
10 morphological, physiological, or other characteristics from all
11 other known subdivisions.

12 (iii) The subdivision is stable, in the sense that the
13 subdivision will remain uniform and distinct if reproduced.

14 (x) "Viable seed" means seed that has a germination rate of
15 greater than 0.0%.

16 (y) "Volunteer cannabis plant" means a cannabis plant that is
17 not intentionally planted and grows of its own accord from seeds or
18 roots in the years following an intentionally planted cannabis
19 crop.

20 Sec. 7. (1) Except as otherwise provided under this act for a
21 college or university in this state, and except for a processor
22 licensed under the medical marihuana facilities licensing act, 2016
23 PA 281, MCL 333.27101 to 333.27801, or a testing facility, a person
24 shall not process ~~, handle, or~~ broker ~~, or market~~ industrial hemp
25 in this state unless the person is licensed as a processor-handler
26 under this act. A person other than a college or university in this
27 state that wishes to process ~~, handle, or~~ broker ~~, or market~~
28 industrial hemp in this state shall submit the license application
29 fee provided under section 16 and apply to the department for a

1 processor-handler license on a form as prescribed by the department
2 that includes, but is not limited to, the following:

3 (a) The applicant's full name, date of birth, mailing address,
4 telephone number, and ~~valid and monitored electronic mail~~ **email**
5 address. If the applicant is a person that is not an individual,
6 the full name of each officer and director, and partner, member, or
7 owner owning in excess of 10% of equity or stock, including his or
8 her birth date, title, and ~~valid and monitored electronic mail~~
9 **email** address.

10 (b) The street address, location ID, and GPS coordinates for
11 each building or site where industrial hemp will be processed,
12 handled, stored, or brokered.

13 (c) Maps depicting each building, or other site where
14 industrial hemp will be processed, handled, stored, or brokered
15 with appropriate indications for entrances and specific locations
16 corresponding to the GPS coordinates provided under subdivision
17 (b).

18 (2) An initial processor-handler license application may be
19 submitted at any time. An initial processor-handler license issued
20 by the department expires at midnight on November 30 in the year in
21 which it is issued.

22 (3) Other than an initial processor-handler license, a
23 processor-handler license is valid for 1 year beginning on December
24 1 and expiring at midnight on the following November 30 each year.

25 (4) An application to renew an existing processor-handler
26 license ~~shall~~ **must** be postmarked on or before November 30. An
27 application submitted after November 30 is subject to a late fee of
28 \$250.00.

29 (5) An application and supporting documents submitted to the

1 department under this section are exempt from disclosure under the
2 freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

3 **Sec. 11a. Notwithstanding any other provision of law, an**
4 **industrial hemp commodity or product is not considered adulterated**
5 **solely because the commodity or product contains or has added to it**
6 **any amount of industrial hemp.**