

**SUBSTITUTE FOR
HOUSE BILL NO. 4827**

A bill to establish a system to track marihuana and marihuana products in commercial trade; to monitor compliance with laws authorizing commercial traffic in medical marihuana; to identify threats to health from particular batches of marihuana or medical marihuana; to require persons engaged in commercial trade to submit certain information for entry into the system; to provide the powers and duties of certain state departments and agencies; and to provide for sanctions.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "marihuana tracking act".

3 Sec. 2. As used in this act:

4 (a) "Department" means the department of licensing and
5 regulatory affairs.

1 (b) "Marihuana" means that term as defined in section 7106 of
2 the public health code, 1978 PA 368, MCL 333.7106.

3 (c) "System" means the system for tracking marihuana
4 established under section 3.

5 Sec. 3. (1) The department shall establish, maintain, and
6 utilize, directly or by contract, a system to track marihuana that
7 is grown, processed, transferred, stored, or disposed of under the
8 medical marihuana facilities licensing act.

9 (2) The system shall have the functions and capabilities
10 described in section 4 and shall be operated in compliance with the
11 health insurance portability and accountability act of 1996, Public
12 Law 104-191.

13 Sec. 4. (1) The system shall be hosted on a platform that
14 allows all of the following:

15 (a) Dynamic allocation of resources.

16 (b) Data redundancy.

17 (c) Recovery from natural disaster within hours.

18 (2) The system shall have all of the following capabilities:

19 (a) Tracking all plants, products, packages, patient and
20 primary caregiver purchase totals, waste, transfers, conversions,
21 sales, and returns that, if practicable, are linked to unique
22 identification numbers.

23 (b) Tracking lot and batch information throughout the entire
24 chain of custody.

25 (c) Tracking all products, conversions, and derivatives
26 throughout the entire chain of custody.

27 (d) Tracking plant, batch, and product destruction.

1 (e) Tracking transportation of product.

2 (f) Performing complete batch recall tracking that clearly
3 identifies all of the following details relating to the specific
4 batch subject to the recall:

5 (i) Sold product.

6 (ii) Product inventory that is finished and available for
7 sale.

8 (iii) Product that is in the process of transfer.

9 (iv) Product being processed into another form.

10 (v) Postharvest raw product, such as product that is in the
11 drying, trimming, or curing process.

12 (g) Reporting and tracking loss, theft, or diversion of
13 product containing marihuana.

14 (h) Reporting and tracking all inventory discrepancies.

15 (i) Reporting and tracking adverse patient responses or dose-
16 related efficacy issues.

17 (j) Reporting and tracking all sales and refunds.

18 (k) Tracking patient purchase limits and flagging purchases in
19 excess of authorized limits.

20 (l) Receiving electronically submitted information required to
21 be reported under this act.

22 (m) Receiving testing results electronically from a safety
23 compliance facility via a secured application program interface
24 into the system and directly linking the testing results to each
25 applicable source batch and sample.

26 (n) Flagging test results that have characteristics indicating
27 that they may have been altered.

1 (o) Providing information to cross-check that product sales
2 are made to a qualified patient or designated primary caregiver and
3 that the product received the required testing.

4 (p) Providing the department, local law enforcement agencies,
5 and state agencies with real-time access to information in the
6 database.

7 (q) Providing real-time analytics to the department regarding
8 key performance indicators such as the following:

9 (i) Total daily sales.

10 (ii) Total plants in production.

11 (iii) Total plants destroyed.

12 (iv) Total inventory adjustments.

13 Sec. 5. (1) A person who is a licensee under the medical
14 marihuana facilities licensing act shall supply the relevant
15 tracking or testing information in the form the department requires
16 regarding each plant, product, package, batch, test, transfer,
17 conversion, sale, recall, or disposition of marihuana in or from
18 the person's possession or control. A provisioning center shall
19 include information identifying the patient to or for whom the sale
20 is made and, if applicable, the primary caregiver to whom the sale
21 was made. The department may require that the information be
22 submitted electronically.

23 (2) A person who willfully violates subsection (1) is
24 responsible for a state civil infraction and may be ordered to pay
25 a civil fine of not more than \$1,000.00.

26 (3) A person who commits a second or subsequent willful
27 violation of subsection (1) is guilty of a misdemeanor punishable

1 by imprisonment for not more than 93 days or a fine of not more
2 than \$2,500.00, or both.

3 Sec. 6. The information in the system is confidential and is
4 exempt from disclosure under the freedom of information act, 1976
5 PA 442, MCL 15.231 to 15.246. Information in the system may be
6 disclosed for purposes of enforcing the Michigan medical marihuana
7 act, 2008 IL 1, MCL 333.26421 to 333.26430, and the medical
8 marihuana facilities licensing act.

9 Enacting section 1. This act takes effect 90 days after the
10 date it is enacted into law.

11 Enacting section 2. This act does not take effect unless House
12 Bill No. 4209 of the 98th Legislature is enacted into law.