

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4827**

A bill to establish a statewide monitoring 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 marihuana trade to submit certain information for entry into the system; to provide the powers and duties of certain state departments and agencies; to provide for remedies; and to provide for the promulgation of rules.

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

1 regulatory affairs.

2 (b) "Licensee" means that term as defined in section 102 of
3 the medical marihuana facilities licensing act.

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

6 (d) "Registered primary caregiver" means that term as defined
7 in section 102 of the medical marihuana facilities licensing act.

8 (e) "Registered qualifying patient" means that term as defined
9 in section 102 of the medical marihuana facilities licensing act.

10 (f) "Registry identification card" means that term as defined
11 in section 3 of the Michigan medical marihuana act, 2008 IL 1, MCL
12 333.26423.

13 (g) "Statewide monitoring system" or "system" means an
14 Internet-based, statewide database established, implemented, and
15 maintained directly or indirectly by the department that is
16 available to licensees, law enforcement agencies, and authorized
17 state departments and agencies on a 24-hour basis for all of the
18 following:

19 (i) Verifying registry identification cards.

20 (ii) Tracking marihuana transfer and transportation by
21 licensees, including transferee, date, quantity, and price.

22 (iii) Verifying in a commercially reasonable time that a
23 transfer will not exceed the limit that the registered qualifying
24 patient or registered primary caregiver is authorized to receive
25 under section 4 of the Michigan medical marihuana act, 2008 IL 1,
26 MCL 333.26424.

27 Sec. 3. (1) The department shall establish a statewide

1 monitoring system for use as an integrated marihuana tracking,
2 inventory, and verification system. The system must allow for
3 interface with third-party inventory and tracking systems as
4 described in section 207 of the medical marihuana facilities
5 licensing act to provide for access by this state, licensees, and
6 law enforcement personnel, to the extent that they need and are
7 authorized to receive or submit the information, to comply with,
8 enforce, or administer this act; the Michigan medical marihuana
9 act, 2008 IL 1, MCL 333.26421 to 333.26430; or the medical
10 marihuana facilities licensing act.

11 (2) At a minimum, the system must be capable of storing and
12 providing access to information that, in conjunction with 1 or more
13 third-party inventory control and tracking systems under section
14 207 of the medical marihuana facilities licensing act, allows all
15 of the following:

16 (a) Verification that a registry identification card is
17 current and valid and has not been suspended, revoked, or denied.

18 (b) Retention of a record of the date, time, quantity, and
19 price of each sale or transfer of marihuana to a registered
20 qualifying patient or registered primary caregiver.

21 (c) Determination of whether a particular sale or transfer
22 transaction will exceed the permissible limit established under the
23 Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to
24 333.26430.

25 (d) Effective monitoring of marihuana seed-to-sale transfers.

26 (e) Receipt and integration of information from third-party
27 inventory control and tracking systems under section 207 of the

1 medical marihuana facilities licensing act.

2 (3) The department shall promulgate rules to govern the
3 process for incorporating information concerning registry
4 identification card renewal, revocation, suspension, and changes
5 and other information applicable to licensees, registered primary
6 caregivers, and registered qualifying patients that must be
7 included and maintained in the statewide monitoring system.

8 (4) The department shall seek bids to establish, operate, and
9 maintain the statewide monitoring system under this section. The
10 department shall do all of the following:

11 (a) Evaluate bidders based on the cost of the service and the
12 ability to meet all of the requirements of this act; the Michigan
13 medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430; and
14 the medical marihuana facilities licensing act.

15 (b) Give strong consideration to the bidder's ability to
16 prevent fraud, abuse, and other unlawful or prohibited activities
17 associated with the commercial trade in marihuana in this state,
18 and the ability to provide additional tools for the administration
19 and enforcement of this act; the Michigan medical marihuana act,
20 2008 IL 1, MCL 333.26421 to 333.26430; and the medical marihuana
21 facilities licensing act.

22 (c) Institute procedures to ensure that the contract awardee
23 does not disclose or use the information in the system for any use
24 or purpose except for the enforcement, oversight, and
25 implementation of the Michigan medical marihuana act, 2008 IL 1,
26 MCL 333.26421 to 333.26430, or the medical marihuana facilities
27 licensing act.

1 (d) Require the contract awardee to deliver the functioning
2 system by 180 days after award of the contract.

3 (5) The department may terminate a contract with a contract
4 awardee under this act for a violation of this act. A contract
5 awardee may be debarred from award of other state contracts under
6 this act for a violation of this act.

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

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

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