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

1

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

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

Sec. 2. The purpose of this act is to make marihuana legal under state and local law for adults 21 years of age or older, to make industrial hemp legal under state and local law, and to control the commercial production and distribution of marihuana under a system that licenses, regulates, and taxes the businesses involved. The intent is to prevent arrest and penalty for personal possession and cultivation of marihuana by adults 21 years of age.
or older; remove the commercial production and distribution of
marihuana from the illicit market; prevent revenue generated from
commerce in marihuana from going to criminal enterprises or gangs;
prevent the distribution of marihuana to persons under 21 years of
age; prevent the diversion of marihuana to illicit markets; ensure
the safety of marihuana and marihuana-infused products; and ensure
security of marihuana establishments. To the fullest extent
possible, this act shall be interpreted in accordance with the
purpose and intent set forth in this section.

Sec. 3. As used in this act:

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

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

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

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

(E) (a) "Cultivate" means to propagate, breed, grow, harvest,
dry, cure, or separate parts of the marihuana plant by manual or
(F) "CUTTING" MEANS A SECTION OF A LEAD STEM OR ROOT STOCK THAT IS USED FOR VEGETATIVE ASEXUAL PROPAGATION.

(G) "Department" means the department of licensing and regulatory affairs.

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

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

(J) "Licensee" means a person holding a state OPERATING license.

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

(i) the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any
other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, except the resin extracted from those stalks, fiber, oil, or cake, or any sterilized seed of the plant that is incapable of germination. +

(ii) (2) industrial INDUSTRIAL hemp. — or 

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

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

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

(h) "Marihuana establishment" means a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter, or any other type of marihuana-related business licensed by the department.

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

(M) "MARIHUANA FACILITY" MEANS A LOCATION AT WHICH A LICENSEE IS LICENSED TO OPERATE UNDER THIS ACT.
(N) (j) "Marihuana-infused product" means a topical formulation, tincture, beverage, edible substance, or similar product containing marihuana and other ingredients and that is intended for human consumption.

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

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

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

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

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

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

(O) "MARIHUANA PLANT" MEANS ANY PLANT OF THE SPECIES Cannabis
(P) "MARIHUANA TRACKING ACT" MEANS THE MARIHUANA TRACKING ACT, 2016 PA 282, MCL 333.27901 TO 333.27904.

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

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

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

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

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

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

(u) "Unreasonably impracticable" means that the measures necessary to comply with the rules or ordinances adopted pursuant to this act subject licensees to unreasonable risk or require such a high investment of money, time, or any other resource or asset that a reasonably prudent businessperson would not operate the marihuana establishment.
(U) "PROCESSOR" MEANS A LICENSEE THAT IS A COMMERCIAL ENTITY LOCATED IN THIS STATE THAT PURCHASES MARIHUANA FROM A GROWER AND THAT EXTRACTS RESIN FROM THE MARIHUANA OR CREATES A MARIHUANA-INFUSED PRODUCT FOR SALE AND TRANSFER IN PACKAGED FORM TO A PROVISIONING CENTER OR ANOTHER PROCESSOR.

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

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

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

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

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

(AA) "SEEDLING" MEANS A MARIHUANA PLANT THAT HAS GERMINATED AND HAS NOT FLOWERED AND IS NOT HARVESTABLE.
(BB) "STATE LICENSE" MEANS A LICENSE ISSUED BY THE DEPARTMENT THAT ALLOWS A PERSON TO OPERATE A MARIHUANA ESTABLISHMENT.

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

(i) A GROWER.

(ii) A PROCESSOR.

(iii) A SECURE TRANSPORTER.

(iv) A PROVISIONING CENTER.

(v) A SAFETY COMPLIANCE FACILITY.

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

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

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

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

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

Sec. 4. (1) This act does not authorize ANY OF THE FOLLOWING:

(a) operating, OPERATING, navigating, or being in physical control of any motor vehicle, aircraft, snowmobile, off-road recreational vehicle, or motorboat while under the influence of marihuana. ⏎

(b) transfer TRANSFER of marihuana or marihuana accessories to a person under the age of 21. ⏎

(c) any A person under the age of 21 to possess, consume, purchase or otherwise obtain, cultivate, process, transport, or sell marihuana. ⏎

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

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

(f) cultivating UNLESS OTHERWISE AUTHORIZED UNDER A STATE OPERATING LICENSE, CULTIVATING marihuana plants. if the plants are
visible from a public place without the use of binoculars, aircraft, or other optical aids or outside of an enclosed area equipped with locks or other functioning security devices that restrict access to the area;

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

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

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

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

(3) This act does not require an employer to permit or accommodate conduct...
otherwise allowed by this act in any workplace or on the employer's property. This act does not prohibit

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

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

(4) This act allows a person to MAY prohibit or otherwise regulate the consumption, cultivation, distribution, processing, sale, or display of marihuana and marihuana accessories on property the person owns, occupies, or manages. However, a lease agreement may not prohibit a tenant from lawfully possessing and consuming marihuana by means other than smoking.

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

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

(a) except EXCEPT as permitted by UNDER subdivision (b),
possessing, using or consuming, internally possessing, purchasing, transporting, or processing 2.5 ounces or less of marihuana, except that not more than 15 grams of marihuana may be in the form of marihuana concentrate.

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

(c) assisting another person who is 21 years of age or older in any of the acts described in this section; and

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

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

(3) A person shall not be denied custody of or visitation
with a minor for conduct that is permitted by this act, unless the
person's behavior is such that it creates an unreasonable danger to
the minor that can be clearly articulated and substantiated.

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

(A) Except for a person who engaged in conduct described in
sections 4(1)(a), 4(1)(b), 4(1)(c), 4(1)(d), 4(1)(g), or
4(1)(h), a person who possesses not more than the amount of
marihuana allowed by section 5, 

cultivates not more than the amount
of marihuana allowed by section 5, 
delivers without receiving any
remuneration to a person who is at least 21 years of age not more
than the amount of marihuana allowed by section 5, or possesses
with intent to deliver not more than the amount of marihuana
allowed by section 5, is responsible for a civil infraction and may
be punished by a fine of not more than $100.00 and forfeiture
of the marihuana.

(B) Except for a person who engaged in conduct described in
section 4, a person who possesses not more than twice the amount of
marihuana allowed by section 5, 
cultivates not more than twice the
amount of marihuana allowed by section 5, 
delivers without
receiving any remuneration to a person who is at least 21 years of
age not more than twice the amount of marihuana allowed by section
5, or possesses with intent to deliver not more than twice the
amount of marihuana allowed by section 5:
(i) (a) for a first violation, is responsible for a civil infraction and may be punished by a fine of not more than $500.00 and forfeiture of the marihuana. 

(ii) (b) for a second violation, is responsible for a civil infraction and may be punished by a fine of not more than $1,000.00 and forfeiture of the marihuana. 

(iii) (c) for a third or subsequent violation, is guilty of a misdemeanor and may be punished by a fine of not more than $2,000.00 and forfeiture of the marihuana.

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

(i) (a) for a first violation, is responsible for a civil infraction and may be punished as follows:

(A) (1) if the person is less than 18 years of age, by a fine of not more than $100.00 or community service, forfeiture of the marihuana, and completion of 4 hours of drug education or counseling.

(B) (2) if the person is at least 18 years of age, by a fine of not more than $100.00 and forfeiture of the marihuana.

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

(A) (1) if the person is less than 18 years of age, by a fine of not more than $500.00 or community service, forfeiture of the marihuana, and completion of 8 hours of drug education or counseling.
(B) IF the person is at least 18 years of age, by a fine of not more than $500 and forfeiture of the marihuana.

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

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

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

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

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

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

(E) SEIZURE OF MARIHUANA, REAL PROPERTY, PERSONAL PROPERTY, OR ANYTHING OF VALUE BASED ON A MARIHUANA-RELATED OFFENSE.
(F) ANY SANCTION, INCLUDING DISCIPLINARY ACTION OR DENIAL OF A
RIGHT OR PRIVILEGE, BY A BUSINESS OR OCCUPATIONAL OR PROFESSIONAL
LICENSING BOARD OR BUREAU BASED ON A MARIHUANA-RELATED OFFENSE.

(2) THE FOLLOWING ACTIVITIES ARE PROTECTED UNDER SUBSECTION

(1) IF PERFORMED UNDER A STATE OPERATING LICENSE WITHIN THE SCOPE
OF THAT LICENSE AND IN ACCORD WITH THIS ACT, RULES, AND ANY
ORDINANCE ADOPTED UNDER SECTION 205:

(A) GROWING MARIHUANA.

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

(C) POSSESSING MARIHUANA.

(D) POSSESSING OR MANUFACTURING MARIHUANA PARAPHERNALIA.

(E) PROCESSING MARIHUANA.

(F) TRANSPORTING MARIHUANA.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(D) THE MICHIGAN REVISED UNIFORM LIMITED PARTNERSHIP ACT, 1982
PA 213, MCL 449.1101 TO 449.2108.

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

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

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

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

(7) AS USED IN THIS SECTION:

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

(i) A STATE OR NATIONAL BANK.

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

(iii) A STATE OR FEDERALLY CHARTERED SAVINGS BANK.

(iv) A STATE OR FEDERALLY CHARTERED CREDIT UNION.

(v) AN INSURANCE COMPANY.

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

(A) A MUTUAL FUND ACCOUNT.

(B) A SECURITIES BROKERAGE ACCOUNT.

(C) A MONEY MARKET ACCOUNT.

(D) A RETAIL INVESTMENT ACCOUNT.

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

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

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

(B) "FINANCIAL SERVICE" MEANS A DEPOSIT; WITHDRAWAL; TRANSFER
BETWEEN ACCOUNTS; EXCHANGE OF CURRENCY; LOAN; EXTENSION OF CREDIT; PURCHASE OR SALE OF ANY STOCK, BOND, CERTIFICATE OF DEPOSIT, OR OTHER MONETARY INSTRUMENT; OR ANY OTHER PAYMENT, TRANSFER, OR DELIVERY BY, THROUGH, OR TO A FINANCIAL INSTITUTION, BY WHATEVER MEANS EFFECTED.

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

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

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

(C) THE SIGNATURE OF THE CLERK OF THE MUNICIPALITY OR HIS OR HER DESIGNEE.
(D) Any other information required by the department.

(2) A municipal ordinance may establish an annual, nonrefundable fee of not more than $5,000.00 to help defray administrative and enforcement costs associated with the operation of a marihuana facility in the municipality.

(3) The department may require a municipality to provide the following information to the department on a form prescribed and provided by the department regarding a licensee who submits an application for license renewal:

(A) Information that the board declares necessary to determine whether the licensee's license should be renewed.

(B) A description of a violation of an ordinance or a zoning regulation adopted under subsection (1) committed by the licensee, but only if the violation relates to activities licensed under this act and rules.

(C) Whether there has been a change to an ordinance or a zoning regulation adopted under subsection (1) since the license was issued to the licensee and a description of the change.

(4) Information a municipality obtains from an applicant under this section is exempt from disclosure under the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246. Except as otherwise provided in this subsection, information a municipality provides to the department under this section is subject to disclosure under the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246.

Sec. 206. The department, in consultation with the board, shall promulgate rules and emergency rules as necessary to
IMPLEMENT, ADMINISTER, AND ENFORCE THIS ACT. THE RULES MUST ENSURE
THE SAFETY, SECURITY, AND INTEGRITY OF THE OPERATION OF MARIHUANA
FACILITIES, AND MUST INCLUDE RULES TO DO THE FOLLOWING:
(A) SET APPROPRIATE STANDARDS FOR MARIHUANA FACILITIES AND
ASSOCIATED EQUIPMENT.
(B) SUBJECT TO SECTION 408, ESTABLISH MINIMUM LEVELS OF
INSURANCE THAT LICENSEES MUST MAINTAIN.
(C) ESTABLISH OPERATING REGULATIONS FOR EACH CATEGORY OF
LICENSE TO ENSURE THE HEALTH, SAFETY, AND SECURITY OF THE PUBLIC
AND THE INTEGRITY OF MARIHUANA FACILITY OPERATIONS.
(D) ESTABLISH QUALIFICATIONS AND RESTRICTIONS FOR PERSONS
PARTICIPATING IN OR INVOLVED WITH OPERATING MARIHUANA FACILITIES.
(E) ESTABLISH TESTING STANDARDS, PROCEDURES, AND REQUIREMENTS
FOR MARIHUANA SOLD THROUGH PROVISIONING CENTERS.
(F) PROVIDE FOR THE LEVY AND COLLECTION OF FINES FOR A
VIOLATION OF THIS ACT OR RULES.
(G) PRESCRIBE USE OF THE STATEWIDE MONITORING SYSTEM TO TRACK
ALL MARIHUANA TRANSFERS, AS PROVIDED IN THE MARIHUANA TRACKING ACT
AND THIS ACT AND PROVIDE FOR A FUNDING MECHANISM TO SUPPORT THE
SYSTEM.
(H) ESTABLISH QUALITY CONTROL STANDARDS, PROCEDURES, AND
REQUESTMENTS FOR MARIHUANA FACILITIES.
(I) ESTABLISH CHAIN OF CUSTODY STANDARDS, PROCEDURES, AND
REQUESTMENTS FOR MARIHUANA FACILITIES.
(J) ESTABLISH STANDARDS, PROCEDURES, AND REQUIREMENTS FOR
WASTE PRODUCT DISPOSAL AND STORAGE BY MARIHUANA FACILITIES.
(K) ESTABLISH CHEMICAL STORAGE STANDARDS, PROCEDURES, AND
REQUIREMENTS FOR MARIHUANA FACILITIES.

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

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

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

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

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

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

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

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

SEC. 207. A LICENSEE SHALL ADOPT AND USE A THIRD-PARTY INVENTORY CONTROL AND TRACKING SYSTEM THAT IS CapABLE OF INTERFACING WITH THE STATEWIDE MONITORING SYSTEM TO ALLOW THE LICENSEE TO ENTER OR ACCESS INFORMATION IN THE STATEWIDE MONITORING
SYSTEM AS REQUIRED UNDER THIS ACT AND RULES. THE THIRD-PARTY INVENTORY CONTROL AND TRACKING SYSTEM MUST HAVE ALL OF THE FOLLOWING CAPABILITIES NECESSARY FOR THE LICENSEE TO COMPLY WITH THE REQUIREMENTS APPLICABLE TO THE LICENSEE'S LICENSE TYPE:

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

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

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

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

(E) TRACKING TRANSPORTATION OF PRODUCT.

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

(i) SOLD PRODUCT.

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

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

(iv) PRODUCT BEING PROCESSED INTO ANOTHER FORM.

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

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

(H) REPORTING AND TRACKING ALL INVENTORY DISCREPANCIES.

(I) REPORTING AND TRACKING ADVERSE RESPONSES.
(J) REPORTING AND TRACKING ALL SALES AND REFUNDS.
(K) ELECTRONICALLY RECEIVING AND TRANSMITTING INFORMATION AS REQUIRED UNDER THIS ACT AND THE MARIHUANA TRACKING ACT.
(L) RECEIVING TESTING RESULTS ELECTRONICALLY FROM A SAFETY COMPLIANCE FACILITY VIA A SECURED APPLICATION PROGRAM INTERFACE INTO THE SYSTEM AND DIRECTLY LINKING THE TESTING RESULTS TO EACH APPLICABLE SOURCE BATCH AND SAMPLE.
(M) IDENTIFYING TEST RESULTS THAT MAY HAVE BEEN ALTERED.
(N) PROVIDING THE LICENSEE WITH ACCESS TO INFORMATION IN THE TRACKING SYSTEM THAT IS NECESSARY TO VERIFY THAT THE LICENSEE IS CARRYING OUT THE MARIHUANA TRANSACTIONS AUTHORIZED UNDER THE LICENSEE'S LICENSE IN ACCORDANCE WITH THIS ACT.
(O) PROVIDING INFORMATION TO CROSS-CHECK THAT PRODUCT RECEIVED THE REQUIRED TESTING.
(P) PROVIDING THE DEPARTMENT AND STATE AGENCIES WITH ACCESS TO INFORMATION IN THE DATABASE THAT THEY ARE AUTHORIZED TO ACCESS.
(Q) PROVIDING LICENSEES WITH ACCESS ONLY TO THE INFORMATION IN THE SYSTEM THAT THEY ARE REQUIRED TO RECEIVE BEFORE A SALE, TRANSFER, TRANSPORT, OR OTHER ACTIVITY AUTHORIZED UNDER A LICENSE ISSUED UNDER THIS ACT.
(R) SECURING THE CONFIDENTIALITY OF INFORMATION IN THE DATABASE BY PREVENTING ACCESS BY A PERSON WHO IS NOT AUTHORIZED TO ACCESS THE STATEWIDE MONITORING SYSTEM OR IS NOT AUTHORIZED TO ACCESS THE PARTICULAR INFORMATION.
(S) PROVIDING ANALYTICS TO THE DEPARTMENT REGARDING KEY PERFORMANCE INDICATORS SUCH AS THE FOLLOWING:
(i) TOTAL DAILY SALES.
(ii) TOTAL MARIHUANA PLANTS IN PRODUCTION.

(iii) TOTAL MARIHUANA PLANTS DESTROYED.

(iv) TOTAL INVENTORY ADJUSTMENTS.

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

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

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

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

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

(5) A BOARD MEMBER SHALL NOT HOLD ANY OTHER PUBLIC OFFICE FOR WHICH HE OR SHE RECEIVES COMPENSATION OTHER THAN NECESSARY TRAVEL OR OTHER INCIDENTAL EXPENSES.
(6) A person who is not of good moral character or who has been indicted for, charged with, or convicted of, pled guilty or no contest to, or forfeited bail concerning any felony or a misdemeanor involving a controlled substance violation, theft, dishonesty, or fraud under the laws of this state, any other state, or the United States or a local ordinance in any state involving a controlled substance violation, dishonesty, theft, or fraud that substantially corresponds to a misdemeanor in that state is not eligible to serve on the board.

(7) The governor may remove any member of the board for neglect of duty, misfeasance, malfeasance, nonfeasance, or any other just cause.

(8) The department in conjunction with the board shall employ an executive director and other personnel as necessary to assist the board in carrying out its duties. The executive director shall devote his or her full time to the duties of the office and shall not hold any other office or employment.

(9) The board shall not appoint or employ an individual if any of the following circumstances exist:

(A) During the 3 years immediately preceding appointment or employment, the individual held any direct or indirect interest in, or was employed by, a person who is licensed to operate under this act or under a corresponding license in another jurisdiction or a person with an application for an operating license pending before the board or in any other jurisdiction. The board shall not employ an individual who has a direct or indirect interest in a licensee or a marihuana facility.
(B) THE INDIVIDUAL OR HIS OR HER SPOUSE, PARENT, CHILD, CHILD'S SPOUSE, SIBLING, OR SPOUSE OF A SIBLING HAS AN APPLICATION FOR A LICENSE PENDING BEFORE THE BOARD OR IS A MEMBER OF THE BOARD OF DIRECTORS OF, OR AN INDIVIDUAL FINANCIALLY INTERESTED IN, ANY LICENSEE OR MARIHUANA FACILITY.


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

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

(13) FOR 2 YEARS AFTER THE DATE HIS OR HER EMPLOYMENT WITH THE
BOARD IS TERMINATED, AN EMPLOYEE OF THE BOARD SHALL NOT ACQUIRE ANY
DIRECT OR INDIRECT INTEREST IN, BE EMPLOYED BY, OR ENTER INTO A
 CONTRACT FOR SERVICES WITH ANY APPLICANT, LICENSEE, OR MARIHUANA
FACILITY.

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

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

SEC. 302. THE BOARD HAS GENERAL RESPONSIBILITY FOR
IMPLEMENTING THIS ACT. THE BOARD HAS THE POWERS AND DUTIES
SPECIFIED IN THIS ACT AND ALL OTHER POWERS NECESSARY AND PROPER TO
FULLY AND EFFECTIVELY IMPLEMENT AND ADMINISTER THIS ACT FOR THE
PURPOSE OF LICENSING, REGULATING, AND ENFORCING THE LICENSING AND
REGULATION SYSTEM ESTABLISHED UNDER THIS ACT FOR MARIHUANA GROWTH,
PROCESSING, TESTING, AND TRANSPORTING. THE BOARD IS SUBJECT TO THE
ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO
24.328. THE BOARD'S DUTIES INCLUDE ALL OF THE FOLLOWING:
(A) GRANTING OR DENYING EACH APPLICATION FOR A STATE OPERATING
LICENSE WITHIN A REASONABLE TIME.
(B) DECIDING ALL LICENSE APPLICATIONS IN REASONABLE ORDER.

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

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

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

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

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

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

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

(J) HOLDING AT LEAST 2 PUBLIC MEETINGS EACH YEAR. UPON 72 HOURS' WRITTEN NOTICE TO EACH MEMBER, THE CHAIRPERSON OR ANY 2 BOARD MEMBERS MAY CALL A SPECIAL MEETING. THREE MEMBERS OF THE BOARD CONSTITUTE A QUORUM, INCLUDING WHEN MAKING DETERMINATIONS ON AN APPLICATION FOR A LICENSE. THREE VOTES ARE REQUIRED IN SUPPORT OF FINAL DETERMINATIONS OF THE BOARD ON APPLICATIONS FOR LICENSES AND ALL OTHER LICENSING DETERMINATIONS, EXCEPT THAT 4 VOTES ARE REQUIRED IN SUPPORT OF A DETERMINATION TO SUSPEND OR REVOKE A LICENSE. THE BOARD SHALL KEEP A COMPLETE AND ACCURATE RECORD OF ALL OF ITS MEETINGS AND HEARINGS. UPON ORDER OF THE BOARD, 1 OF THE BOARD MEMBERS OR A HEARING OFFICER DESIGNATED BY THE BOARD MAY CONDUCT ANY HEARING PROVIDED FOR UNDER THIS ACT OR BY RULES AND MAY RECOMMEND FINDINGS AND DECISIONS TO THE BOARD. THE BOARD MEMBER OR HEARING OFFICER CONDUCTING THE HEARING HAS ALL POWERS AND RIGHTS REGARDING THE CONDUCT OF HEARINGS GRANTED TO THE BOARD UNDER THIS ACT. THE RECORD MADE AT THE TIME OF THE HEARING SHALL BE REVIEWED BY THE BOARD OR A MAJORITY OF THE BOARD, AND THE FINDINGS AND DECISION OF THE MAJORITY OF THE BOARD ARE THE ORDER OF THE BOARD IN THE CASE.
(K) MAINTAINING RECORDS THAT ARE SEPARATE AND DISTINCT FROM THE RECORDS OF ANY OTHER STATE BOARD. THE RECORDS SHALL BE MADE AVAILABLE FOR PUBLIC INSPECTION SUBJECT TO THE LIMITATIONS OF THIS ACT AND SHALL ACCURATELY REFLECT ALL BOARD PROCEEDINGS.

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

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

(i) UNLESS PRESENTED DURING A PUBLIC HEARING OR REQUESTED BY THE LICENSEE OR APPLICANT WHO IS THE SOLE SUBJECT OF THE DATA, ALL OF THE INFORMATION, RECORDS, INTERVIEWS, REPORTS, STATEMENTS, MEMORANDA, OR OTHER DATA SUPPLIED TO, CREATED BY, OR USED BY THE BOARD RELATED TO BACKGROUND INVESTIGATION OF APPLICANTS OR LICENSEES AND TO TRADE SECRETS, INTERNAL CONTROLS, AND SECURITY MEASURES OF THE LICENSEES OR APPLICANTS.
(ii) ALL INFORMATION, RECORDS, INTERVIEWS, REPORTS, STATEMENTS, MEMORANDA, OR OTHER DATA SUPPLIED TO OR USED BY THE BOARD THAT HAVE BEEN RECEIVED FROM ANOTHER JURISDICTION OR LOCAL, STATE, OR FEDERAL AGENCY UNDER A PROMISE OF CONFIDENTIALITY OR IF THE RELEASE OF THE INFORMATION IS OTHERWISE BARRED BY THE STATUTES, RULES, OR REGULATIONS OF THAT JURISDICTION OR AGENCY OR BY AN INTERGOVERNMENTAL AGREEMENT.

(iii) ALL INFORMATION IN THE STATEWIDE MONITORING SYSTEM.

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

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

(B) INVESTIGATE ALL INDIVIDUALS EMPLOYED BY MARIHUANA FACILITIES.

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

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

(ii) TO INSPECT, EXAMINE, AND AUDIT RELEVANT RECORDS OF THE
LICENSEE AND, IF THE LICENSEE FAILS TO COOPERATE WITH AN
INVESTIGATION, IMPOUND, SEIZE, ASSUME PHYSICAL CONTROL OF, OR
SUMMARILY REMOVE FROM THE PREMISES ALL BOOKS, LEDGERS, DOCUMENTS,
WRITINGS, PHOTOCOPIES, CORRESPONDENCE, RECORDS, AND VIDEOTAPES,
INCLUDING ELECTRONICALLY STORED RECORDS, MONEY RECEIPTACLES, OR
EQUIPMENT IN WHICH THE RECORDS ARE STORED.

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

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

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

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

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

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

(H) EJECT, OR EXCLUDE OR AUTHORIZE THE EJECTION OR EXCLUSION
OF, AN INDIVIDUAL FROM A MARIHUANA FACILITY IF THE INDIVIDUAL VIOLATES THIS ACT, RULES, OR FINAL ORDERS OF THE BOARD. HOWEVER, THE PROPRIETY OF THE EJECTION OR EXCLUSION IS SUBJECT TO A SUBSEQUENT HEARING BY THE BOARD.

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

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

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

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

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

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

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

SEC. 305. (1) BY JANUARY 31 OF EACH YEAR, EACH MEMBER OF THE BOARD SHALL PREPARE AND FILE WITH THE GOVERNOR'S OFFICE AND THE
BOARD A DISCLOSURE FORM IN WHICH THE MEMBER DOES ALL OF THE FOLLOWING:

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

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

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

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

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

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

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

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

(D) DISCLOSES SUCH OTHER MATTERS AS MAY BE REQUIRED TO ENSURE
THAT THE INTEGRITY OF THE BOARD AND ITS WORK IS MAINTAINED.

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

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

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

(6) A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD SHALL NOT ENTER INTO ANY NEGOTIATIONS FOR EMPLOYMENT WITH ANY PERSON OR AFFILIATE
OF ANY PERSON WHO IS A LICENSEE OR AN APPLICANT AND SHALL
IMMEDIATELY PROVIDE WRITTEN NOTICE OF THE DETAILS OF ANY SUCH
NEGOTIATIONS OR DISCUSSIONS IN PROGRESS TO THE CHAIRPERSON. THE
MEMBER, EMPLOYEE, OR AGENT OF THE BOARD SHALL NOT TAKE ACTION ON
BEHALF OF THE BOARD WITH RESPECT TO THAT PERSON.

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

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

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

(10) A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD OR A PARENT,
SPOUSE, SIBLING, SPOUSE OF A SIBLING, CHILD, OR SPOUSE OF A CHILD
OF A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD SHALL NOT ACCEPT ANY
GIFT, GRATUITY, COMPENSATION, TRAVEL, LODGING, OR ANYTHING OF
VALUE, DIRECTLY OR INDIRECTLY, FROM ANY LICENSEE OR ANY APPLICANT
OR AFFILIATE OR REPRESENTATIVE OF A LICENSEE OR APPLICANT, UNLESS
THE ACCEPTANCE CONFORMS TO A WRITTEN POLICY OR DIRECTIVE THAT IS
ISSUED BY THE CHAIRPERSON OR THE BOARD. ANY MEMBER, EMPLOYEE, OR
AGENT OF THE BOARD WHO IS OFFERED OR RECEIVES ANY GIFT, GRATUITY,
COMPENSATION, TRAVEL, LODGING, OR ANYTHING OF VALUE, DIRECTLY OR
INDIRECTLY, FROM ANY LICENSEE OR ANY APPLICANT OR AFFILIATE OR
REPRESENTATIVE OF AN APPLICANT OR LICENSEE SHALL IMMEDIATELY
PROVIDE WRITTEN NOTIFICATION OF THE DETAILS TO THE CHAIRPERSON.

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

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

(13) A MEMBER, EMPLOYEE, OR AGENT OF THE BOARD WHO IS
APPROACHED AND OFFERED A BRIBE AS DESCRIBED IN SECTION 118 OF THE
MICHIGAN PENAL CODE, 1931 PA 328, MCL 750.118, OR THIS ACT SHALL
IMMEDIATELY PROVIDE WRITTEN ACCOUNT OF THE DETAILS OF THE INCIDENT
TO THE CHAIRPERSON AND TO A LAW ENFORCEMENT OFFICER OF A LAW
ENFORCEMENT AGENCY HAVING JURISDICTION.

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

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

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

(17) ANY BOARD MEMBER, LICENSEE, OR APPLICANT OR AFFILIATE OR
REPRESENTATIVE OF A BOARD MEMBER, LICENSEE, OR APPLICANT WHO
RECEIVES ANY EX PARTE COMMUNICATION IN VIOLATION OF SUBSECTION
(16), OR WHO IS AWARE OF AN ATTEMPTED COMMUNICATION IN VIOLATION OF
SUBSECTION (16), SHALL IMMEDIATELY REPORT DETAILS OF THE
COMMUNICATION OR ATTEMPTED COMMUNICATION IN WRITING TO THE
CHAIRPERSON.
(18) Any member of the board who receives an ex parte communication in an attempt to influence that member's official action shall disclose the source and content of the communication to the chairperson. The chairperson may investigate or initiate an investigation of the matter with the assistance of the attorney general and state police to determine if the communication violates subsection (16) or subsection (17) or other state law. The disclosure under this section and the investigation are confidential. Following an investigation, the chairperson shall advise the governor or the board, or both, of the results of the investigation and may recommend action as the chairperson considers appropriate. If the chairperson receives such an ex parte communication, he or she shall report the communication to the governor's office for appropriate action.

(19) A new or current employee or agent of the board shall obtain written permission from the executive director before continuing outside employment held at the time the employee begins to work for the board. Permission shall be denied, or permission previously granted shall be revoked, if the executive director considers the nature of the work to create a possible conflict of interest or if it would otherwise interfere with the duties of the employee or agent for the board.

(20) An employee or agent of the board granted permission for outside employment shall not conduct any business or perform any activities, including solicitation, related to outside employment on premises used by the board or during the employee's working hours for the board.
(21) The Chairperson shall report any action he or she has taken or proposes to take under this section with respect to an employee or agent or former employee or former agent to the Board at the next meeting of the Board. The Board may direct the Executive Director to take additional or different action.

(22) A member, employee, or agent of the Board shall not enter into any personal transaction involving marihuana with a licensee or applicant, other than transactions for personal consumption.

(23) If a licensee or applicant, or an affiliate or representative of a licensee or applicant, violates this section, the Board may deny a license application, revoke or suspend a license, or take other disciplinary action as provided in Section 407.

(24) Violation of this section by a member of the Board may result in disqualification or constitute cause for removal under Section 301(7) or other disciplinary action as recommended by the Board to the Governor.

(25) A violation of this section by an employee or agent of the Board need not result in termination of employment if the Board determines that the conduct involved does not violate the purpose of this Act. However, all of the following apply:

(A) If, after being offered employment or beginning employment with the Board, the employee or agent intentionally acquires a financial interest in a licensee or an applicant, or an affiliate or representative of a licensee or applicant, the offer or employment with the Board shall be terminated.

(B) If a financial interest in a licensee or an applicant, or
AN AFFILIATE OR REPRESENTATIVE OF A LICENSEE OR APPLICANT, IS ACQUIRED BY AN EMPLOYEE OR AGENT THAT HAS BEEN OFFERED EMPLOYMENT WITH THE BOARD, AN EMPLOYEE OF THE BOARD, OR THE EMPLOYEE'S OR AGENT'S SPOUSE, PARENT, OR CHILD, THROUGH NO INTENTIONAL ACTION OF THE EMPLOYEE OR AGENT, THE INDIVIDUAL SHALL HAVE UP TO 30 DAYS TO DIVEST OR TERMINATE THE FINANCIAL INTEREST. EMPLOYMENT MAY BE TERMINATED IF THE INTEREST HAS NOT BEEN DIVESTED AFTER 30 DAYS.

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

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

(27) AS USED IN THIS SECTION:

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

(i) OPERATION OF A PROPRIETORSHIP.

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

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

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

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

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

(ii) KNOWINGLY SOLICITING, ACCEPTING, OR RECEIVING A POLITICAL CONTRIBUTION FROM ANY PERSON.
(iii) RUNNING FOR THE NOMINATION OR AS A CANDIDATE FOR
ELECTION TO A PARTISAN POLITICAL OFFICE.

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

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

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

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

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

(B) THE IDENTITY OF EVERY PERSON HAVING ANY OWNERSHIP INTEREST
IN THE APPLICANT WITH RESPECT TO WHICH THE LICENSE IS SOUGHT. IF
THE DISCLOSED ENTITY IS A TRUST, THE APPLICATION SHALL DISCLOSE THE
NAMES AND ADDRESSES OF THE BENEFICIARIES; IF A CORPORATION, THE
NAMES AND ADDRESSES OF ALL SHAREHOLDERS, OFFICERS, AND DIRECTORS;
IF A PARTNERSHIP OR LIMITED LIABILITY PARTNERSHIP, THE NAMES AND
ADDRESSES OF ALL PARTNERS; IF A LIMITED PARTNERSHIP OR LIMITED LIABILITY LIMITED PARTNERSHIP, THE NAMES OF ALL PARTNERS, BOTH GENERAL AND LIMITED; OR IF A LIMITED LIABILITY COMPANY, THE NAMES AND ADDRESSES OF ALL MEMBERS AND MANAGERS.

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

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

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

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

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

(H) A DESCRIPTION OF THE TYPE OF MARIHUANA FACILITY;
ANTICIPATED OR ACTUAL NUMBER OF EMPLOYEES; AND PROJECTED OR ACTUAL
GROSS RECEIPTS.

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

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

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

(1) ANY OTHER INFORMATION THE DEPARTMENT REQUIRES BY RULE.

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

(3) AN APPLICANT MUST PROVIDE WRITTEN CONSENT TO THE
INSPECTIONS, EXAMINATIONS, SEARCHES, AND SEIZURES PROVIDED FOR IN
SECTION 303(1)(C)(i) TO (iv) AND TO DISCLOSURE TO THE BOARD AND ITS AGENTS OF OTHERWISE CONFIDENTIAL RECORDS, INCLUDING TAX RECORDS HELD BY ANY FEDERAL, STATE, OR LOCAL AGENCY, OR CREDIT BUREAU OR FINANCIAL INSTITUTION, WHILE APPLYING FOR OR HOLDING A LICENSE. INFORMATION THE BOARD RECEIVES UNDER THIS SUBSECTION IS EXEMPT FROM DISCLOSURE UNDER THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246.

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

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

(6) BY 10 DAYS AFTER THE DATE THE APPLICANT SUBMITS AN
APPLICATION TO THE BOARD, THE APPLICANT SHALL NOTIFY THE
MUNICIPALITY BY REGISTERED MAIL THAT IT HAS APPLIED FOR A LICENSE
UNDER THIS ACT.

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

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

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

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

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

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

(E) THE APPLICANT FAILS TO DEMONSTRATE THE APPLICANT'S ABILITY TO MAINTAIN ADEQUATE PREMISES LIABILITY AND CASUALTY INSURANCE FOR
ITS PROPOSED MARIHUANA FACILITY.

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

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

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

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

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

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

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

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

(B) THE FINANCIAL ABILITY OF THE APPLICANT TO PURCHASE AND
MAINTAIN ADEQUATE LIABILITY AND CASUALTY INSURANCE.

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

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

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

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

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

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

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

(4) EACH APPLICANT SHALL SUBMIT WITH ITS APPLICATION, ON FORMS PROVIDED BY THE BOARD, A PASSPORT QUALITY PHOTOGRAPH AND SHALL ENSURE THAT 1 SET OF FINGERPRINTS IS SUBMITTED TO THE DEPARTMENT OF
STATE POLICE FOR EACH PERSON HAVING ANY OWNERSHIP INTEREST IN THE
MARIHUANA FACILITY AND EACH PERSON WHO IS AN OFFICER, DIRECTOR, OR
MANAGERIAL EMPLOYEE OF THE APPLICANT, IN ORDER FOR THE DEPARTMENT
OF STATE POLICE TO CONDUCT A CRIMINAL HISTORY CHECK ON EACH PERSON
AND TO FORWARD EACH PERSON'S FINGERPRINTS TO THE FEDERAL BUREAU OF
INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY CHECK. THE APPLICANT
SHALL SUBMIT WITH ITS APPLICATION EACH PERSON'S WRITTEN CONSENT TO
THE CRIMINAL HISTORY CHECK DESCRIBED IN THIS SECTION AND THE
SUBMISSION OF EACH PERSON'S FINGERPRINTS TO, AND THE INCLUSION OF
EACH PERSON'S FINGERPRINTS IN, THE STATE AND FEDERAL DATABASE
SYSTEMS DESCRIBED IN SUBSECTION (7).

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

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

(7) ALL OF THE FOLLOWING APPLY CONCERNING FINGERPRINTS
SUBMITTED TO THE DEPARTMENT OF STATE POLICE UNDER THIS SECTION:

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

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

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

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

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

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

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

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

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

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

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

(11) IF A LICENSE RENEWAL APPLICATION IS NOT SUBMITTED BY THE LICENSE EXPIRATION DATE, THE LICENSE MAY BE RENEWED WITHIN 60 DAYS
AFTER ITS EXPIRATION DATE UPON APPLICATION, PAYMENT OF THE REGULATORY ASSESSMENT UNDER SECTION 603, AND SATISFACTION OF ANY RENEWAL REQUIREMENT AND LATE FEE SET FORTH IN RULES. THE LICENSEE MAY CONTINUE TO OPERATE DURING THE 60 DAYS AFTER THE LICENSE EXPIRATION DATE IF THE LICENSE IS RENEWED BY THE END OF THE 60-DAY PERIOD.

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

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

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

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

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

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

(2) FOR THE FOLLOWING TRUE PARTIES OF INTEREST, INFORMATION CONCERNING THE INDICATED INDIVIDUALS MUST BE INCLUDED IN THE
DISCLOSURES REQUIRED OF AN APPLICANT OR LICENSEE:

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

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

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

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

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

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

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

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

(B) A PERSON WHO RECEIVES A BONUS AS AN EMPLOYEE IF THE
EMPLOYEE IS ON A FIXED WAGE OR SALARY AND THE BONUS IS NOT MORE THAN 25% OF THE EMPLOYEE'S PREBONUS ANNUAL COMPENSATION OR IF THE BONUS IS BASED ON A WRITTEN INCENTIVE/BONUS PROGRAM THAT IS NOT OUT OF THE ORDINARY FOR THE SERVICES RENDERED.


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

SEC. 407. (1) IF AN APPLICANT OR LICENSEE FAILS TO COMPLY WITH THIS ACT OR RULES, IF A LICENSEE FAILS TO COMPLY WITH THE MARIHUANA TRACKING ACT, IF A LICENSEE NO LONGER MEETS THE ELIGIBILITY REQUIREMENTS FOR A LICENSE UNDER THIS ACT, OR IF AN APPLICANT OR LICENSEE FAILS TO PROVIDE INFORMATION THE BOARD REQUESTS TO ASSIST IN ANY INVESTIGATION, INQUIRY, OR BOARD HEARING, THE BOARD MAY DENY, SUSPEND, REVOKE, OR RESTRICT A LICENSE. THE BOARD MAY SUSPEND, REVOKE, OR RESTRICT A LICENSE AND REQUIRE THE REMOVAL OF A LICENSEE OR AN EMPLOYEE OF A LICENSEE FOR A VIOLATION OF THIS ACT,
RULES, THE MARIHUANA TRACKING ACT, OR ANY ORDINANCE ADOPTED UNDER
SECTION 205. THE BOARD MAY IMPOSE CIVIL FINES OF UP TO $5,000.00
AGAINST AN INDIVIDUAL AND UP TO $10,000.00 OR AN AMOUNT EQUAL TO
THE DAILY GROSS RECEIPTS, WHICHEVER IS GREATER, AGAINST A LICENSEE
FOR EACH VIOLATION OF THIS ACT, RULES, OR AN ORDER OF THE BOARD.
ASSESSMENT OF A CIVIL FINE UNDER THIS SUBSECTION IS NOT A BAR TO
THE INVESTIGATION, ARREST, CHARGING, OR PROSECUTION OF AN
INDIVIDUAL FOR ANY OTHER VIOLATION OF THIS ACT AND IS NOT GROUNDS
TO SUPPRESS EVIDENCE IN ANY CRIMINAL PROSECUTION THAT ARISES UNDER
THIS ACT OR ANY OTHER LAW OF THIS STATE.

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

(3) AFTER DENYING AN APPLICATION FOR A LICENSE, THE BOARD
SHALL, UPON REQUEST, PROVIDE A PUBLIC INVESTIGATIVE HEARING AT
WHICH THE APPLICANT IS GIVEN THE OPPORTUNITY TO PRESENT TESTIMONY
AND EVIDENCE TO ESTABLISH ITS SUITABILITY FOR A LICENSE. OTHER TESTIMONY AND EVIDENCE MAY BE PRESENTED AT THE HEARING, BUT THE BOARD’S DECISION MUST BE BASED ON THE WHOLE RECORD BEFORE THE BOARD AND IS NOT LIMITED TO TESTIMONY AND EVIDENCE SUBMITTED AT THE PUBLIC INVESTIGATIVE HEARING.

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

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

SEC. 408. (1) BEFORE THE BOARD GRANTS OR RENEWS ANY LICENSE UNDER THIS ACT, THE LICENSEE OR APPLICANT SHALL FILE WITH THE
DEPARTMENT PROOF OF FINANCIAL RESPONSIBILITY FOR LIABILITY FOR
BODILY INJURY TO LAWFUL USERS RESULTING FROM THE MANUFACTURE,
DISTRIBUTION, TRANSPORTATION, OR SALE OF ADULTERATED MARIHUANA OR
ADULTERATED MARIHUANA-INFUSED PRODUCT IN AN AMOUNT NOT LESS THAN
$100,000.00. THE PROOF OF FINANCIAL RESPONSIBILITY MAY BE IN THE
FORM OF CASH, UNENCUMBERED SECURITIES, A LIABILITY INSURANCE
POLICY, OR A CONSTANT VALUE BOND EXECUTED BY A SURETY COMPANY
AUTHORIZED TO DO BUSINESS IN THIS STATE. AS USED IN THIS SECTION:

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

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

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

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

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

SEC. 409. A STATE OPERATING LICENSE IS A REVOCABLE PRIVILEGE
GRANTED BY THIS STATE AND IS NOT A PROPERTY RIGHT. GRANTING A
LICENSE DOES NOT CREATE OR VEST ANY RIGHT, TITLE, FRANCHISE, OR
OTHER PROPERTY INTEREST. EACH LICENSE IS EXCLUSIVE TO THE LICENSEE,
AND A LICENSEE OR ANY OTHER PERSON MUST APPLY FOR AND RECEIVE THE
BOARD'S AND MUNICIPALITY'S APPROVAL BEFORE A LICENSE IS
TRANSFERRED, SOLD, OR PURCHASED. A LICENSEE OR ANY OTHER PERSON
SHALL NOT LEASE, PLEDGE, OR BORROW OR LOAN MONEY AGAINST A LICENSE.
THE ATTEMPTED TRANSFER, SALE, OR OTHER CONVEYANCE OF AN INTEREST IN
A LICENSE WITHOUT PRIOR BOARD APPROVAL IS GROUNDS FOR SUSPENSION OR
REVOCATION OF THE LICENSE OR FOR OTHER SANCTION CONSIDERED
APPROPRIATE BY THE BOARD.

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

(A) CLASS A – 500 MARIHUANA PLANTS.
(B) CLASS B – 1,000 MARIHUANA PLANTS.
(C) CLASS C – 1,500 MARIHUANA PLANTS.

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

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

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

(B) THE GROWER ENTERS EACH TRANSFER INTO THE STATEWIDE
MONITORING SYSTEM.

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) A SECURE TRANSPORTER SHALL ENTER ALL TRANSACTIONS, CURRENT
INVENTORY, AND OTHER INFORMATION INTO THE STATEWIDE MONITORING
SYSTEM AS REQUIRED IN THIS ACT, RULES, AND THE MARIHUANA TRACKING
ACT.
(4) A secure transporter shall comply with all of the following:

(A) Each driver transporting marihuana must have a chauffeur's license issued by this state.

(B) Each employee who has custody of marihuana or money that is related to a marihuana transaction shall not have been convicted of or released from incarceration for a felony under the laws of this state, any other state, or the United States within the past 5 years or have been convicted of a misdemeanor involving a controlled substance within the past 5 years.

(C) Each vehicle must be operated with a 2-person crew with at least 1 individual remaining with the vehicle at all times during the transportation of marihuana.

(D) A route plan and manifest must be entered into the statewide monitoring system, and a copy must be carried in the transporting vehicle and presented to a law enforcement officer upon request.

(E) The marihuana must be transported in 1 or more sealed containers and not be accessible while in transit.

(F) A secure transporting vehicle must not bear markings or other indication that it is carrying marihuana or a marihuana-infused product.

(5) A secure transporter is subject to administrative inspection by a law enforcement officer at any point during the transportation of marihuana to determine compliance with this act.

Sec. 504. (1) A provisioning center license authorizes the purchase or transfer of marihuana only from a grower or processor
AND SALE OR TRANSFER TO ONLY AN INDIVIDUAL 21 YEARS OF AGE OR
OLDER. EXCEPT AS OTHERWISE PROVIDED IN SECTION 505 AND THIS
SUBSECTION, ALL TRANSFERS OF MARIHUANA TO A PROVISIONING CENTER
FROM A SEPARATE MARIHUANA FACILITY MUST BE BY MEANS OF A SECURE
TRANSPORTER. A TRANSFER OF MARIHUANA TO A PROVISIONING CENTER FROM
A MARIHUANA FACILITY THAT OCCUPIES THE SAME LOCATION AS THE
PROVISIONING CENTER DOES NOT REQUIRE A SECURE TRANSPORTER IF THE
MARIHUANA IS TRANSFERRED TO THE PROVISIONING CENTER USING ONLY
PRIVATE REAL PROPERTY WITHOUT ACCESSING PUBLIC ROADWAYS.

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

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

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

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

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

(C) BEFORE SELLING OR TRANSFERRING MARIHUANA, INQUIRE OF THE
STATEWIDE MONITORING SYSTEM TO DETERMINE WHETHER THE SALE OR
TRANSFER WILL EXCEED THE PURCHASING LIMIT ESTABLISHED BY THE BOARD
UNDER THIS ACT.

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

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

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

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

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

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

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

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

(B) USE VALIDATED TEST METHODS TO DETERMINE
TETRAHYDROCANNABINOL, TETRAHYDROCANNABINOL ACID, CANNABIDIOL, AND
CANNABIDIOL ACID LEVELS.

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

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

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

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

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

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

(2) THE TAXES IMPOSED UNDER THIS SECTION SHALL BE ADMINISTERED
BY THE DEPARTMENT OF TREASURY IN ACCORDANCE WITH 1941 PA 122, MCL
205.1 TO 205.31, AND THIS ACT. IN CASE OF CONFLICT BETWEEN THE
PROVISIONS OF 1941 PA 122, MCL 205.1 TO 205.31, AND THIS ACT, THE
PROVISIONS OF THIS ACT PREVAIL.
SEC. 602. (1) THE MARIHUANA EXCISE FUND IS CREATED IN THE STATE TREASURY.

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

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

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

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

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

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

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

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

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


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

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

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

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

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

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

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

(E) $500,000.00 TO BE ALLOCATED TO THE DEPARTMENT FOR EXPENDITURES OF THE DEPARTMENT FOR LICENSING SUBSTANCE USE DISORDER.
(F) An amount equal to 5% of the sum of the amounts provided for under subdivisions (A) to (D) to be allocated to the Department of Health and Human Services for substance-abuse-related expenditures including, but not limited to, substance use disorder prevention, education, and treatment programs.

(G) Expenses related to the standardized field sobriety tests administered in enforcing the Michigan Vehicle Code, 1949 PA 300, MCL 257.1 to 257.923.

(H) An amount sufficient to provide for the administrative costs of the Michigan Commission on Law Enforcement Standards.

(2) The regulatory assessment is in addition to the application fee described in section 401, the tax described in section 601, and any local licensing fees.

(3) The regulatory assessment shall be collected annually from licensed growers, processors, provisioning centers, and secure transporters. The regulatory assessment for a class A grower license shall not exceed $10,000.00.

(4) Beginning in the first year marijuana facilities are authorized to operate in this state, and annually thereafter, the Department, in consultation with the Board, shall establish the total regulatory assessment at an amount that is estimated to be sufficient to cover the actual costs and support the expenditures listed in subsection (1).

(5) On or before the date the licensee begins operating and annually thereafter, each grower, processor, provisioning center, and secure transporter shall pay to the State Treasurer an amount
DETERMINED BY THE DEPARTMENT TO REASONABLY REFLECT THE LICENSEE'S SHARE OF THE TOTAL REGULATORY ASSESSMENT ESTABLISHED UNDER SUBSECTION (4).

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

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

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

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

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

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

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

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

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

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

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

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

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

(E) ONE REPRESENTATIVE OF TOWNSHIPS.
(F) ONE REPRESENTATIVE OF CITIES AND VILLAGES.
(G) ONE REPRESENTATIVE OF COUNTIES.
(H) ONE REPRESENTATIVE OF SHERIFFS.
(I) ONE REPRESENTATIVE OF LOCAL POLICE.
(J) ONE REPRESENTATIVE OF THE INDUSTRY FROM THE SECURE TRANSPORTER CATEGORY.

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

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


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

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

(8) A WRITING PREPARED, OWNED, USED, IN THE POSSESSION OF, OR
RETAINED BY THE PANEL IN THE PERFORMANCE OF AN OFFICIAL FUNCTION IS SUBJECT TO THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246.

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

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

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

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