

## AMEND DEFINITION OF 'APPLICANT' FOR MEDICAL MARIHUANA LICENSE

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**Senate Bill 203 as passed by the Senate**  
**Sponsor: Sen. Michael MacDonald**  
**House Committee: Judiciary**  
**Senate Committee: Judiciary and Public Safety**  
**Complete to 4-8-19**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

Senate Bill 203 would amend the Medical Marihuana Facilities Licensing Act (MMFLA) to revise the definition of *applicant* for an operating license under the act.

Currently, the MMFLA defines *applicant* as a person who applies for a license to operate as a grower, processor, secure transporter, provisioning center, or safety compliance facility. With respect to disclosure in an application, or for purposes of ineligibility for a license, *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.

Under the bill, *applicant* would include, with respect to disclosure in an application, for purposes of ineligibility for a license, or for purposes of prior board approval of a transfer of interest, and only for applications submitted on or after January 1, 2019, a managerial employee of the applicant, a person holding a direct or indirect ownership interest of more than 10% in the applicant, and the following for each type of applicant:

- For an individual or sole proprietorship: the proprietor and spouse.
- For a partnership or limited liability partnership: all partners and their spouses.
- For a limited partnership or limited liability partnership: all general and limited partners, not including a limited partner who holds a direct or indirect ownership interest of 10% or less and who does not exercise control over or participate in the management of the partnership, and their spouses.
- For a limited liability company: all members and managers, not including a member who holds a direct or indirect ownership interest of 10% or less and who does not exercise control over or participate in the management of the company, and their spouses.
- For a privately or publicly held corporation: all corporate officers or persons with equivalent titles and their spouses; all directors and their spouses; and all stockholders, not including those holding a direct or indirect ownership interest of 10% or less, and their spouses.
- For a multilevel ownership enterprise: any entity or person that receives or has the right to receive more than 10% of the gross or net profit from the enterprise during any full or partial calendar or fiscal year.
- For a nonprofit corporation: all individuals and entities with membership or shareholder rights in accordance with the articles of incorporation or bylaws and their spouses.

MCL 333.27102

**FISCAL IMPACT:**

Senate Bill 203 would not have a fiscal impact on the Department of Licensing and Regulatory Affairs (LARA) or on any other unit of state or local government.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.