



Senate Fiscal Agency
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House Bill 5490 (Substitute H-1 as passed by the House)
House Bill 5491 (Substitute H-1 as passed by the House)
Sponsor: Representative Brandt Iden
House Committee: Judiciary
Senate Committee: Judiciary and Public Safety

Date Completed: 6-24-20

CONTENT

House Bill 5490 (H-1) and House Bill 5491 (H-1) would amend the Michigan Marihuana Facilities Licensing Act (MMFLA) and the Marijuana Regulation and Taxation of Marijuana Act (MRTMA), respectively, to do the following:

- **Require the Marijuana Regulatory Agency (MRA) to promulgate a rule to establish procedures and standards for approving an appointee to operate a marihuana establishment.**
- **Allow the MRA to approve the operation of a marihuana establishment by certain court-appointed individuals.**

The bills also would modify various definition in the respective Acts.

House Bill 5490 (H-1)

The MMFLA requires the MRA to promulgate rules and emergency rules as necessary to implement and administer the Act. Under the bill, the MRA would have to promulgate a rule to establish procedures and standards for approving an appointee to operate a marihuana establishment.

The MMFLA defines "rules" as rules promulgated under the Administrative Procedures Act by the Department of Licensing and Regulatory Affairs (LARA) in consultation with the Medical Marihuana Licensing Board to implement the Act. Instead, under the bill, the term would mean rules promulgated under the Administrative Procedures Act by the MRA.

The bill would allow the MRA to approve the operation of a marihuana establishment by any of the following:

- A court-appointed personal representative, guardian, or conservator of an individual who held a State license or had an interest in a person who held a State license.
- A court-appointed receiver or trustee.

If an individual approved to operate a marihuana establishment described above received notice from the MRA that the establishment the individual was operating was in violation of the Act or the rules promulgated under the Act, he or she would have to notify the court that appointed the individual of the notice of violation within two days after receiving it.

The bill also would modify various definitions to refer to the Marijuana Regulatory Agency, instead of the Medical Marihuana Licensing Board.

House Bill 5491 (H-1)

The MRTMA requires the MRA to promulgate rules to implement and administer the Act. Under the bill, the MRA would have to promulgate a rule to establish procedures and standards for approving an appointee to operate a marihuana establishment.

The bill would allow the MRA to approve the operation of a marihuana establishment by any of the following:

- A court-appointed personal representative, guardian, or conservator of an individual who held a State license or had an interest in a person who held a State license.
- A court-appointed receiver or trustee.

If an individual approved to operate a marihuana establishment described above received notice from the MRA that the establishment the individual was operating was in violation of the Act or the rules promulgated under the Act, he or she would have to notify the court that the appointed the individual of the notice of violation within two days after receiving it.

The bill also would modify various definitions to refer to the Marijuana Regulatory Agency, instead of the Department of Licensing and Regulatory Affairs.

The Act defines "industrial hemp" as a plant of the genus *Cannabis* and any part of the plant, whether growing or not, with a delta-9-tetrahydrocannabinol (-THC) 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-THC and tetrahydrocannabinolic acid in any part of the plant, regardless of moisture content. Under the bill, the term would mean a plant of the genus *Cannabis* and any part of the plant, whether growing or not, with a delta-9-THC concentration of 0.3% or less on a dry weight basis, or per volume or weight of marihuana-infused product, or for which the combined percent of delta-9-THC and tetrahydrocannabinolic acid in any part of the plant, regardless of moisture content, is 0.3% or less.

Under the Act, "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. The term does not include 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. The bill would delete reference to the resin extracted from those stalks, fiber, oil, or cake, or any sterilized seed of the plant that is incapable of germination.

MCL 333.27102 et al. (H.B. 5490)
333.27953 et al. (H.B. 5491)

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bills would have no fiscal impact on State or local government.

Fiscal Analyst: Elizabeth Raczkowski

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.