

SENATE BILL NO. 203

March 13, 2019, Introduced by Senators MACDONALD and LUCIDO and referred to the Committee on Judiciary and Public Safety.

A bill to amend 2016 PA 281, entitled "Medical marihuana facilities licensing act," by amending section 102 (MCL 333.27102), as amended by 2018 PA 648.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 102. As used in this act:

2 (a) "Advisory panel" or "panel" means the marihuana advisory
3 panel created in section 801.

4 (b) "Affiliate" means any person that controls, is controlled
5 by, or is under common control with; is in a partnership or joint
6 venture relationship with; or is a co-shareholder of a corporation,

1 a co-member of a limited liability company, or a co-partner in a
 2 limited liability partnership with a licensee or applicant.

3 (c) "Applicant" means a person who applies for a state
 4 operating license. ~~With~~ **Applicant includes, with** respect to
 5 disclosures in an application, ~~or~~ for purposes of ineligibility for
 6 a license under section 402, ~~the term applicant includes an~~
 7 ~~officer, director, and managerial employee of the applicant and a~~
 8 ~~person who holds any direct or indirect ownership interest in the~~
 9 ~~applicant.~~ **or for purposes of prior board approval of a transfer of**
 10 **interest under section 406, and only for applications submitted on**
 11 **or after January 1, 2019, a managerial employee of the applicant, a**
 12 **person holding a direct or indirect ownership interest of more than**
 13 **10% in the applicant, and the following for each type of applicant:**

14 (i) For an individual or sole proprietorship: the proprietor
 15 and spouse.

16 (ii) For a partnership and limited liability partnership: all
 17 partners and their spouses. For a limited partnership and limited
 18 liability limited partnership: all general and limited partners,
 19 not including a limited partner holding a direct or indirect
 20 ownership interest of 10% or less and who does not exercise control
 21 over or participate in the management of the partnership, and their
 22 spouses. For a limited liability company: all members and managers,
 23 not including a member holding a direct or indirect ownership
 24 interest of 10% or less and who does not exercise control over or
 25 participate in the management of the company, and their spouses.

26 (iii) For a privately held corporation: all corporate officers
 27 or persons with equivalent titles and their spouses, all directors
 28 and their spouses, and all stockholders, not including those
 29 holding a direct or indirect ownership interest of 10% or less, and

1 their spouses.

2 (iv) For a publicly held corporation: all corporate officers or
3 persons with equivalent titles and their spouses, all directors and
4 their spouses, and all stockholders, not including those holding a
5 direct or indirect ownership interest of 10% or less, and their
6 spouses.

7 (v) For a multilevel ownership enterprise: any entity or
8 person that receives or has the right to receive more than 10% of
9 the gross or net profit from the enterprise during any full or
10 partial calendar or fiscal year.

11 (vi) For a nonprofit corporation: all individuals and entities
12 with membership or shareholder rights in accordance with the
13 articles of incorporation or the bylaws and their spouses.

14 (d) "Board" means the medical marihuana licensing board
15 created in section 301.

16 (e) "Cutting" means a section of a lead stem or root stock
17 that is used for vegetative asexual propagation.

18 (f) "Department" means the department of licensing and
19 regulatory affairs.

20 (g) "Grower" means a licensee that is a commercial entity
21 located in this state that cultivates, dries, trims, or cures and
22 packages marihuana for sale to a processor, provisioning center, or
23 another grower.

24 (h) "Industrial hemp" means that term as defined in section
25 7106 of the public health code, 1978 PA 368, MCL 333.7106.

26 (i) "Industrial hemp research and development act" means the
27 industrial hemp research and development act, 2014 PA 547.

28 (j) "Licensee" means a person holding a state operating
29 license.

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

3 (l) "Marihuana facility" means a location at which a licensee
4 is licensed to operate under this act.

5 (m) "Marihuana plant" means any plant of the species *Cannabis*
6 *sativa* L. Marihuana plant does not include industrial hemp.

7 (n) "Marihuana-infused product" means a topical formulation,
8 tincture, beverage, edible substance, or similar product containing
9 any usable marihuana that is intended for human consumption in a
10 manner other than smoke inhalation. Marihuana-infused product is
11 not considered a food for purposes of the food law, 2000 PA 92, MCL
12 289.1101 to 289.8111.

13 (o) "Marihuana tracking act" means the marihuana tracking act,
14 2016 PA 282, MCL 333.27901 to 333.27904.

15 (p) "Michigan medical marihuana act" means the Michigan
16 medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.

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

18 (r) "Paraphernalia" means any equipment, product, or material
19 of any kind that is designed for or used in growing, cultivating,
20 producing, manufacturing, compounding, converting, storing,
21 processing, preparing, transporting, injecting, smoking, ingesting,
22 inhaling, or otherwise introducing into the human body, marihuana.

23 (s) "Person" means an individual, corporation, limited
24 liability company, partnership, limited partnership, limited
25 liability partnership, limited liability limited partnership,
26 trust, or other legal entity.

27 (t) "Plant" means any living organism that produces its own
28 food through photosynthesis and has observable root formation or is
29 in growth material.

1 (u) "Processor" means a licensee that is a commercial entity
2 located in this state that purchases marihuana from a grower and
3 that extracts resin from the marihuana or creates a marihuana-
4 infused product for sale and transfer in packaged form to a
5 provisioning center or another processor.

6 (v) "Provisioning center" means a licensee that is a
7 commercial entity located in this state that purchases marihuana
8 from a grower or processor and sells, supplies, or provides
9 marihuana to registered qualifying patients, directly or through
10 the patients' registered primary caregivers. Provisioning center
11 includes any commercial property where marihuana is sold at retail
12 to registered qualifying patients or registered primary caregivers.
13 A noncommercial location used by a **registered** primary caregiver to
14 assist a qualifying patient connected to the caregiver through the
15 department's marihuana registration process in accordance with the
16 Michigan medical marihuana act is not a provisioning center for
17 purposes of this act.

18 (w) "Registered primary caregiver" means a primary caregiver
19 who has been issued a current registry identification card under
20 the Michigan medical marihuana act.

21 (x) "Registered qualifying patient" means a qualifying patient
22 who has been issued a current registry identification card under
23 the Michigan medical marihuana act or a visiting qualifying patient
24 as that term is defined in section 3 of the Michigan medical
25 marihuana act, MCL 333.26423.

26 (y) "Registry identification card" means that term as defined
27 in section 3 of the Michigan medical marihuana act, MCL 333.26423.

28 (z) "Rules" means rules promulgated under the administrative
29 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, by the

1 department in consultation with the board to implement this act.

2 (aa) "Safety compliance facility" means a licensee that is a
3 commercial entity that takes marihuana from a marihuana facility or
4 receives marihuana from a registered primary caregiver, tests the
5 marihuana for contaminants and for tetrahydrocannabinol and other
6 cannabinoids, returns the test results, and may return the
7 marihuana to the marihuana facility.

8 (bb) "Secure transporter" means a licensee that is a
9 commercial entity located in this state that stores marihuana and
10 transports marihuana between marihuana facilities for a fee.

11 (cc) "Seed" means the fertilized, ungerminated, matured ovule,
12 containing an embryo or rudimentary plant, of a marihuana plant
13 that is flowering.

14 (dd) "Seedling" means a marihuana plant that has germinated
15 and has not flowered and is not harvestable.

16 (ee) "State operating license" or, unless the context requires
17 a different meaning, "license" means a license that is issued under
18 this act that allows the licensee to operate as 1 of the following,
19 specified in the license:

20 (i) A grower.

21 (ii) A processor.

22 (iii) A secure transporter.

23 (iv) A provisioning center.

24 (v) A safety compliance facility.

25 (ff) "Statewide monitoring system" or, unless the context
26 requires a different meaning, "system" means an internet-based,
27 statewide database established, implemented, and maintained by the
28 department under the marihuana tracking act, that is available to
29 licensees, law enforcement agencies, and authorized state

1 departments and agencies on a 24-hour basis for all of the
2 following:

3 (i) Verifying registry identification cards.

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

6 (iii) Verifying in commercially reasonable time that a transfer
7 will not exceed the limit that the patient or caregiver is
8 authorized to receive under section 4 of the Michigan medical
9 marihuana act, MCL 333.26424.

10 (gg) "Tissue culture" means a marihuana plant cell, cutting,
11 tissue, or organ, that is kept under a sterile condition on a
12 nutrient culture medium of known composition and that does not have
13 visible root formation. A tissue culture is not a marihuana plant
14 for purposes of a grower.

15 (hh) "Usable marihuana" means the dried leaves, flowers, plant
16 resin, or extract of the marihuana plant, but does not include the
17 seeds, stalks, and roots of the plant.