

# HOUSE BILL NO. 5894

June 23, 2020, Introduced by Rep. Wendzel and referred to the Committee on Judiciary.

A bill to amend 2018 IL 1, entitled  
"Michigan Regulation and Taxation of Marihuana Act,"  
by amending sections 3 and 8 (MCL 333.27953 and 333.27958), section  
8 as amended by 2020 PA 31.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1           Sec. 3. As used in this act:
- 2           (a) "Cultivate" means to propagate, breed, grow, harvest, dry,
- 3           cure, or separate parts of the marihuana plant by manual or
- 4           mechanical means.



1 (b) "Department" means the department of licensing and  
2 regulatory affairs.

3 (c) "Industrial hemp" means a plant of the genus ~~cannabis~~  
4 **Cannabis** and any part of that plant, whether growing or not, with a  
5 delta-9 tetrahydrocannabinol concentration ~~that does not exceed of~~  
6 0.3% **or less** on a dry-weight basis ~~—~~ or per volume or weight of  
7 marihuana-infused product, or **for which** the combined percent of  
8 delta-9-tetrahydrocannabinol and tetrahydrocannabinolic acid in any  
9 part of the plant, ~~of the genus cannabis~~ regardless of moisture  
10 content, **is 0.3% or less.**

11 (d) "Licensee" means a person holding a state license.

12 (e) "Marihuana" means all parts of the plant of the genus  
13 ~~cannabis~~, **Cannabis**, growing or not; the seeds of the plant; the  
14 resin extracted from any part of the plant; and every compound,  
15 manufacture, salt, derivative, mixture, or preparation of the plant  
16 or its seeds or resin, including marihuana concentrate and  
17 marihuana-infused products. ~~For purposes of this act, marihuana~~  
18 **Marihuana** does not include **any of the following:**

19 (i) ~~(1) the~~ **The** mature stalks of the plant, fiber produced from  
20 the **mature** stalks, oil or cake made from the seeds of the plant, **or**  
21 any other compound, manufacture, salt, derivative, mixture, or  
22 preparation of the mature stalks. ~~—~~ ~~except the resin extracted from~~  
23 ~~those stalks, fiber, oil, or cake, or any sterilized seed of the~~  
24 ~~plant that is incapable of germination;~~

25 (ii) ~~(2) industrial~~ **Industrial** hemp. ~~—~~ ~~or~~

26 (iii) ~~(3) any~~ **Any** other ingredient combined with marihuana to  
27 prepare topical or oral administrations, food, drink, or other  
28 products.

29 (f) "Marihuana accessories" means any equipment, product,



1 material, or combination of equipment, products, or materials,  
2 ~~which~~**that** is specifically designed for use in planting,  
3 propagating, cultivating, growing, harvesting, manufacturing,  
4 compounding, converting, producing, processing, preparing, testing,  
5 analyzing, packaging, repackaging, storing, containing, ingesting,  
6 inhaling, or otherwise introducing marihuana into the human body.

7 (g) "Marihuana concentrate" means the resin extracted from any  
8 part of the plant of the genus ~~cannabis~~**Cannabis**.

9 (h) "Marihuana establishment" means a marihuana grower,  
10 marihuana safety compliance facility, marihuana processor,  
11 marihuana microbusiness, marihuana retailer, marihuana secure  
12 transporter, or any other type of marihuana-related business  
13 licensed by the ~~department~~**marijuana regulatory agency**.

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

17 (j) "Marihuana-infused product" means a topical formulation,  
18 tincture, beverage, edible substance, or similar product containing  
19 marihuana and other ingredients and that is intended for human  
20 consumption.

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

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



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

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

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

11 (p) **"Marijuana regulatory agency" means the marijuana**  
12 **regulatory agency created under Executive Reorganization Order No.**  
13 **2019-2, MCL 333.27001.**

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

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

18 (s) ~~(r)~~ "Person" means an individual, corporation, limited  
19 liability company, partnership of any type, trust, or other legal  
20 entity.

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

25 (u) ~~(t)~~ "State license" means a license issued by the  
26 ~~department~~ **marijuana regulatory agency** that allows a person to  
27 operate a marihuana establishment.

28 (v) ~~(u)~~ "Unreasonably impracticable" means that the measures  
29 necessary to comply with the rules or ordinances adopted pursuant



1 to this act subject licensees to unreasonable risk or require such  
2 a high investment of money, time, or any other resource or asset  
3 that a reasonably prudent businessperson would not operate the  
4 marihuana establishment.

5 Sec. 8. (1) The marijuana regulatory agency shall promulgate  
6 rules to implement and administer this act that include all of the  
7 following:

8 (a) Procedures for issuing a state license pursuant to section  
9 9 and for renewing, suspending, and revoking a state license.

10 (b) A schedule of fees in amounts not more than necessary to  
11 pay for implementation, administration, and enforcement costs of  
12 this act and that relate to the size of each licensee or the volume  
13 of business conducted by the licensee.

14 (c) Qualifications for licensure that are directly and  
15 demonstrably related to the operation of a marihuana establishment.  
16 However, a prior conviction solely for a marihuana-related offense  
17 does not disqualify an individual or otherwise affect eligibility  
18 for licensure, unless the offense involved distribution of a  
19 controlled substance to a minor.

20 (d) Requirements and standards for safe cultivation,  
21 processing, and distribution of marihuana by marihuana  
22 establishments, including health standards to ensure the safe  
23 preparation of marihuana-infused products and prohibitions on  
24 pesticides that are not safe for use on marihuana.

25 (e) Testing, packaging, and labeling standards, procedures,  
26 and requirements for marihuana, including, but not limited to, all  
27 of the following:

28 (i) A maximum tetrahydrocannabinol level for marihuana-infused  
29 products.



1 (ii) A requirement that a representative sample of marihuana be  
2 tested by a marihuana safety compliance facility.

3 (iii) A requirement that the amount of marihuana or marihuana  
4 concentrate contained within a marihuana-infused product be  
5 specified on the product label.

6 (iv) A requirement that all marihuana sold through marihuana  
7 retailers and marihuana microbusinesses include on the exterior of  
8 the marihuana packaging the following warning printed in clearly  
9 legible type and surrounded by a continuous heavy line:

10 WARNING: USE BY PREGNANT OR BREASTFEEDING WOMEN, OR BY  
11 WOMEN PLANNING TO BECOME PREGNANT, MAY RESULT IN FETAL  
12 INJURY, PRETERM BIRTH, LOW BIRTH WEIGHT, OR DEVELOPMENTAL  
13 PROBLEMS FOR THE CHILD.

14 (f) Security requirements, including lighting, physical  
15 security, and alarm requirements, and requirements for securely  
16 transporting marihuana between marihuana establishments. The  
17 requirements described in this subdivision must not prohibit  
18 cultivation of marihuana outdoors or in greenhouses.

19 (g) Record keeping requirements for marihuana establishments  
20 and monitoring requirements to track the transfer of marihuana by  
21 licensees.

22 (h) Requirements for the operation of marihuana secure  
23 transporters to ensure that all marihuana establishments are  
24 properly serviced.

25 (i) Reasonable restrictions on advertising, marketing, and  
26 display of marihuana and marihuana establishments.

27 (j) A plan to promote and encourage participation in the  
28 marihuana industry by people from communities that have been  
29 disproportionately impacted by marihuana prohibition and



1 enforcement and to positively impact those communities.

2 (k) Penalties for failure to comply with any rule promulgated  
3 pursuant to this section or for any violation of this act by a  
4 licensee, including civil fines and suspension, revocation, or  
5 restriction of a state license.

6 (l) Informational pamphlet standards for marihuana retailers  
7 and marihuana microbusinesses, including, but not limited to, a  
8 requirement to make available to every customer at the time of sale  
9 a pamphlet measuring 3.5 inches by 5 inches that includes safety  
10 information related to marihuana use by minors and the poison  
11 control hotline number.

12 (2) The marijuana regulatory agency may promulgate rules to do  
13 any of the following:

14 (a) Provide for the issuance of additional types or classes of  
15 state licenses to operate marihuana-related businesses, including  
16 licenses that authorize any of the following:

17 (i) Limited cultivation, processing, transportation, delivery,  
18 storage, sale, or purchase of marihuana.

19 (ii) Consumption of marihuana within designated areas.

20 (iii) Consumption of marihuana at special events in limited  
21 areas and for a limited time.

22 (iv) Cultivation for purposes of propagation.

23 (v) Facilitation of scientific research or education.

24 (b) Regulate the cultivation, processing, distribution, and  
25 sale of industrial hemp.

26 (3) The marijuana regulatory agency shall not promulgate a  
27 rule that does any of the following:

28 (a) Establishes a limit on the number of any type of state  
29 licenses—**license** that may be granted.



1 (b) Requires a customer to provide a marihuana retailer with  
2 identifying information other than identification to determine the  
3 customer's age or requires the marihuana retailer to acquire or  
4 record personal information about customers other than information  
5 typically required in a retail transaction.

6 (c) Prohibits a marihuana establishment from operating at a  
7 shared location of a marihuana facility operating pursuant to the  
8 medical marihuana facilities licensing act, 2016 PA 281, MCL  
9 333.27101 to 333.27801, or prohibits a marihuana grower, marihuana  
10 processor, or marihuana retailer from operating within a single  
11 facility.

12 (d) Is unreasonably impracticable.

13 **(e) Prohibits a licensee from donating money to a nonprofit**  
14 **organization.**

15 **(f) Prohibits a licensee from sponsoring, supporting, or**  
16 **donating money to a substance use disorder education program for**  
17 **youth.**

18 (4) A rule promulgated under this act must be promulgated  
19 pursuant to the administrative procedures act of 1969, 1969 PA 306,  
20 MCL 24.201 to 24.328.

21 ~~(5) As used in this section, "marijuana regulatory agency"~~  
22 ~~means the marijuana regulatory agency created under Executive~~  
23 ~~Reorganization Order No. 2019-2, MCL 333.27001.~~

