

**SUBSTITUTE FOR
HOUSE BILL NO. 5061**

A bill to amend 2014 PA 547, entitled
"Industrial hemp research and development act,"
by amending the title and sections 2 and 7 (MCL 286.842 and
286.847), the title as amended and section 7 as added by 2018 PA
641 and section 2 as amended by 2021 PA 61.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE
2 An act to authorize the growing and cultivating of industrial
3 hemp for research and development purposes; to require and provide
4 for the registration and licensing of certain persons engaged in
5 the growing, processing, ~~and~~ handling, **and brokering** of industrial
6 hemp; to provide for the collection of fees; to authorize the
7 receipt and expenditure of funding for research and development



1 related to industrial hemp; to prescribe the powers and duties of
2 certain state agencies and officials and colleges and universities
3 in this state; and to provide for certain fines and sanctions.

4 Sec. 2. As used in this act:

5 (a) "Broker" means to engage or participate in the ~~marketing~~
6 **promotion** of industrial hemp by acting as an intermediary or
7 negotiator between prospective buyers and sellers.

8 (b) "Cannabis" means the plant *Cannabis sativa* L. and any part
9 of that plant, whether growing or not.

10 (c) "Department" means the department of agriculture and rural
11 development.

12 (d) "Director" means the director of the department, or his or
13 her designee.

14 (e) "GPS coordinates" means latitude and longitude coordinates
15 derived from a global positioning system.

16 (f) "Grow" means to plant, propagate, grow, cultivate, or
17 harvest live plants or viable seeds.

18 (g) "Grower" means a person registered by the department under
19 this act to grow industrial hemp.

20 (h) "Handle" means to possess, store, or transport industrial
21 hemp on premises owned, operated, or controlled by a registered
22 grower or licensed processor-handler. **Handle does not include the**
23 **selling of industrial hemp.**

24 (i) "Industrial hemp" means that term as defined in section 3
25 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL
26 1, MCL 333.27953.

27 (j) "Licensing and registration fund" means the industrial
28 hemp licensing and registration fund created in section 5.

29 (k) "Location ID" means the unique identifier established by



1 the applicant for each unique set of GPS coordinates where
 2 industrial hemp will be grown, handled, stored, processed, or
 3 brokered.

4 ~~(l) "Market" means to promote or sell industrial hemp or an~~
 5 ~~industrial hemp commodity or product. Market includes, but is not~~
 6 ~~limited to, efforts to advertise and gather information about the~~
 7 ~~needs or preferences of potential consumers or suppliers.~~

8 (l) ~~(m)~~ "Nonviable seed" means seed that has been crushed,
 9 dehulled, heat treated, or otherwise rendered to have a 0.0%
 10 germination rate.

11 (m) ~~(n)~~ "Person" means an individual, partnership,
 12 corporation, association, or other legal entity.

13 (n) ~~(o)~~ "Plot" means a contiguous area in a field, greenhouse,
 14 or indoor growing structure containing the same variety of
 15 industrial hemp throughout the area.

16 (o) ~~(p)~~ "Process" means to convert raw industrial hemp into a
 17 ~~marketable form.~~ **an intermediary, in-process, or finished commodity**
 18 **or product.**

19 (p) ~~(q)~~ "Processor-handler" means a person licensed by the
 20 department under this act to process, handle, **or** broker ~~, or market~~
 21 industrial hemp.

22 (q) ~~(r)~~ "Program" means the industrial hemp licensing and
 23 registration program established by this act.

24 (r) ~~(s)~~ "Propagule" means a plant or plant part that is
 25 utilized to grow a new plant.

26 (s) ~~(t)~~ "Research fund" means the industrial hemp research and
 27 development fund created in section 4.

28 (t) ~~(u)~~ "Testing facility" means a safety compliance facility
 29 licensed under the medical marihuana facilities licensing act, 2016



1 PA 281, MCL 333.27101 to 333.27801, or a testing facility approved
2 by the department.

3 (u) ~~(v)~~—"THC" means that term as defined in section 3 of the
4 Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL
5 333.27953.

6 (v) ~~(w)~~—"Variety" means a subdivision of a species that has
7 the following characteristics:

8 (i) The subdivision is uniform, in the sense that variations
9 between the subdivision and other subdivisions in essential and
10 distinctive characteristics are describable.

11 (ii) The subdivision is distinct, in the sense that the
12 subdivision can be differentiated by 1 or more identifiable
13 morphological, physiological, or other characteristics from all
14 other known subdivisions.

15 (iii) The subdivision is stable, in the sense that the
16 subdivision will remain uniform and distinct if reproduced.

17 (w) ~~(x)~~—"Viable seed" means seed that has a germination rate
18 of greater than 0.0%.

19 (x) ~~(y)~~—"Volunteer cannabis plant" means a cannabis plant that
20 is not intentionally planted and grows of its own accord from seeds
21 or roots in the years following an intentionally planted cannabis
22 crop.

23 Sec. 7. (1) Except as otherwise provided under this act for a
24 college or university in this state, and except for a processor
25 licensed under the medical marihuana facilities licensing act, 2016
26 PA 281, MCL 333.27101 to 333.27801, or a testing facility, a person
27 shall not process, handle, **or** broker ~~, or market~~ industrial hemp in
28 this state unless the person is licensed as a processor-handler
29 under this act. A person other than a college or university in this



1 state that wishes to process, handle, **or** broker ~~, or market~~
 2 industrial hemp in this state shall submit the license application
 3 fee provided under section 16 and apply to the department for a
 4 processor-handler license on a form as prescribed by the department
 5 that includes, but is not limited to, the following:

6 (a) The applicant's full name, date of birth, mailing address,
 7 telephone number, and ~~valid and monitored electronic mail~~ **email**
 8 address. If the applicant is a person that is not an individual,
 9 the full name of each officer and director, and partner, member, or
 10 owner owning in excess of 10% of equity or stock, including his or
 11 her birth date, title, and ~~valid and monitored electronic mail~~
 12 **email** address.

13 (b) The street address, location ID, and GPS coordinates for
 14 each building or site where industrial hemp will be processed,
 15 handled, stored, or brokered.

16 (c) Maps depicting each building, or other site where
 17 industrial hemp will be processed, handled, stored, or brokered
 18 with appropriate indications for entrances and specific locations
 19 corresponding to the GPS coordinates provided under subdivision
 20 (b).

21 (2) An initial processor-handler license application may be
 22 submitted at any time. An initial processor-handler license issued
 23 by the department expires at midnight on November 30 in the year in
 24 which it is issued.

25 (3) Other than an initial processor-handler license, a
 26 processor-handler license is valid for 1 year beginning on December
 27 1 and expiring at midnight on the following November 30 each year.

28 (4) An application to renew an existing processor-handler
 29 license ~~shall~~ **must** be postmarked on or before November 30. An



1 application submitted after November 30 is subject to a late fee of
2 \$250.00.

3 (5) An application and supporting documents submitted to the
4 department under this section are exempt from disclosure under the
5 freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

