

SUBSTITUTE FOR
HOUSE BILL NO. 4517

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), as
amended by 2020 PA 208.

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~~**a** marihuana plant by manual or
4 mechanical means.

5 (b) "Department" means the department of licensing and
6 regulatory affairs.

7 (c) "Industrial hemp" means ~~a~~**any of the following:**

8 (i) **A** plant of the genus *Cannabis*, ~~and any part of that plant,~~

1 whether growing or not, with a ~~delta-9 tetrahydrocannabinol~~ THC
2 concentration of 0.3% or less on a dry-weight basis. ~~or per volume~~
3 ~~or weight of marihuana-infused product, or for which the combined~~
4 ~~percent of delta-9 tetrahydrocannabinol and tetrahydrocannabinolic~~
5 ~~acid in any part of the plant, regardless of moisture content, is~~
6 ~~0.3% or less.~~

7 (ii) A part of a plant of the genus *Cannabis*, whether growing
8 or not, with a THC concentration of 0.3% or less on a dry-weight
9 basis.

10 (iii) The seeds of a plant of the genus *Cannabis* with a THC
11 concentration of 0.3% or less on a dry-weight basis.

12 (iv) If it has a THC concentration of 0.3% or less on a dry-
13 weight basis, a compound, manufacture, salt, derivative, mixture,
14 preparation, extract, cannabinoid, acid, salt, isomer, or salt of
15 an isomer of any of the following:

16 (A) A plant of the genus *Cannabis*.

17 (B) A part of a plant of the genus *Cannabis*.

18 (v) A product to which 1 of the following applies:

19 (A) If the product is intended for human or animal
20 consumption, the product, in the form in which it is intended for
21 sale to a consumer, meets both of the following requirements:

22 (I) Has a THC concentration of 0.3% or less on a dry-weight or
23 per volume basis.

24 (II) Contains a total amount of THC that is less than or equal
25 to the limit established by the marijuana regulatory agency under
26 section 8(1)(n).

27 (B) If the product is not intended for human or animal
28 consumption, the product meets both of the following requirements:

29 (I) Contains a substance listed in subparagraph (i), (ii), (iii),

1 or (iv) .

2 (II) Has a THC concentration of 0.3% or less on a dry-weight
3 basis.

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

5 (e) "Marihuana" means ~~all parts~~ any of the following:

6 (i) A plant of the genus *Cannabis*, whether growing or not. ~~+~~
7 ~~the~~

8 (ii) A part of a plant of the genus *Cannabis*, whether growing
9 or not.

10 (iii) ~~The seeds of the a plant ; the resin extracted from any~~
11 ~~part of the plant; and every~~ of the genus *Cannabis*.

12 (iv) Marihuana concentrate.

13 (v) A compound, manufacture, salt, derivative, mixture,
14 extract, acid, isomer, salt of an isomer, or preparation of any of
15 the following:

16 (A) ~~A plant or its~~ of the genus *Cannabis*.

17 (B) A part of a plant of the genus *Cannabis*.

18 (C) ~~The seeds of a plant or resin, including marihuana~~ of the
19 genus *Cannabis*.

20 (D) Marihuana concentrate. ~~and marihuana-infused products.~~

21 (vi) A marihuana-infused product.

22 (vii) A product with a THC concentration of more than 0.3% on a
23 dry-weight or per volume basis in the form in which it is intended
24 for sale to a consumer.

25 (viii) A product that is intended for human or animal
26 consumption and that contains, in the form in which it is intended
27 for sale to a consumer, a total amount of THC that is greater than
28 the limit established by the marijuana regulatory agency under
29 section 8(1)(n) .

1 ~~(f) Marihuana~~ **Except for marihuana concentrate extracted from**
 2 **any of the following, "marihuana"** does not include any of the
 3 following:

4 ~~(i) The mature stalks of the a plant, fiber~~ **of the genus**
 5 ***Cannabis*.**

6 ~~(ii) Fiber produced from the mature stalks, oil~~ **of a plant of**
 7 **the genus *Cannabis*.**

8 ~~(iii) Oil or cake made from the seeds of the a plant, or any~~
 9 ~~other~~ **of the genus *Cannabis*.**

10 ~~(iv) A compound, manufacture, salt, derivative, mixture, or~~
 11 ~~preparation of the mature stalks~~ **of a plant of the genus *Cannabis*.**

12 ~~(v) (ii)~~ Industrial hemp.

13 ~~(vi) (iii) Any other~~ **An** ingredient combined with marihuana to
 14 prepare topical or oral administrations, food, drink, or other
 15 products.

16 ~~(vii) A drug for which an application filed in accordance with~~
 17 **21 USC 355 is approved by the Food and Drug Administration.**

18 ~~(g) (f)~~ "Marihuana accessories" means any equipment, product,
 19 material, or combination of equipment, products, or materials, that
 20 is specifically designed for use in planting, propagating,
 21 cultivating, growing, harvesting, manufacturing, compounding,
 22 converting, producing, processing, preparing, testing, analyzing,
 23 packaging, repackaging, storing, containing, ingesting, inhaling,
 24 or otherwise introducing marihuana into the human body.

25 ~~(h) (g)~~ "Marihuana concentrate" means the resin extracted from
 26 any part of ~~the a~~ plant of the genus *Cannabis*.

27 ~~(i) (h)~~ "Marihuana establishment" means a marihuana grower,
 28 marihuana safety compliance facility, marihuana processor,
 29 marihuana microbusiness, marihuana retailer, marihuana secure

1 transporter, or any other type of marihuana-related business
2 licensed by the marijuana regulatory agency.

3 (j) ~~(i)~~—"Marihuana grower" means a person licensed to
4 cultivate marihuana and sell or otherwise transfer marihuana to
5 marihuana establishments.

6 (k) ~~(j)~~—"Marihuana-infused product" means a topical
7 formulation, tincture, beverage, edible substance, or similar
8 product containing marihuana and other ingredients and that is
9 intended for human consumption.

10 (l) ~~(k)~~—"Marihuana microbusiness" means a person licensed to
11 cultivate not more than 150 marihuana plants; process and package
12 marihuana; and sell or otherwise transfer marihuana to individuals
13 who are 21 years of age or older or to a marihuana safety
14 compliance facility, but not to other marihuana establishments.

15 (m) ~~(l)~~—"Marihuana processor" means a person licensed to obtain
16 marihuana from marihuana establishments; process and package
17 marihuana; and sell or otherwise transfer marihuana to marihuana
18 establishments.

19 (n) ~~(m)~~—"Marihuana retailer" means a person licensed to obtain
20 marihuana from marihuana establishments and to sell or otherwise
21 transfer marihuana to marihuana establishments and to individuals
22 who are 21 years of age or older.

23 (o) ~~(n)~~—"Marihuana secure transporter" means a person licensed
24 to obtain marihuana from marihuana establishments in order to
25 transport marihuana to marihuana establishments.

26 (p) ~~(o)~~—"Marihuana safety compliance facility" means a person
27 licensed to test marihuana, including certification for potency and
28 the presence of contaminants.

29 (q) ~~(p)~~—"Marijuana regulatory agency" means the marijuana

1 regulatory agency created under Executive Reorganization Order No.
2 2019-2, MCL 333.27001.

3 **(r)** ~~(q)~~—"Municipal license" means a license issued by a
4 municipality pursuant to section 16 that allows a person to operate
5 a marihuana establishment in that municipality.

6 **(s)** ~~(r)~~—"Municipality" means a city, village, or township.

7 **(t)** ~~(s)~~—"Person" means an individual, corporation, limited
8 liability company, partnership of any type, trust, or other legal
9 entity.

10 **(u)** ~~(t)~~—"Process" or "processing" means to separate or
11 otherwise prepare parts of ~~the~~**a** marihuana plant and to compound,
12 blend, extract, infuse, or otherwise make or prepare marihuana
13 concentrate or marihuana-infused products.

14 **(v)** ~~(u)~~—"State license" means a license issued by the
15 marijuana regulatory agency that allows a person to operate a
16 marihuana establishment.

17 **(w)** "THC" means any of the following:

18 **(i)** Tetrahydrocannabinolic acid.

19 **(ii)** Unless excluded by the marijuana regulatory agency under
20 section 8(2)(c), a tetrahydrocannabinol, regardless of whether it
21 is artificially or naturally derived.

22 **(iii)** A tetrahydrocannabinol that is a structural, optical, or
23 geometric isomer of a tetrahydrocannabinol described in
24 subparagraph **(ii)**.

25 **(x)** ~~(v)~~—"Unreasonably impracticable" means that the measures
26 necessary to comply with the rules or ordinances adopted pursuant
27 to this act subject licensees to unreasonable risk or require such
28 a high investment of money, time, or any other resource or asset
29 that a reasonably prudent businessperson would not operate the

1 marihuana establishment.

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

5 (a) Procedures for issuing a state license pursuant to section
6 9 and for renewing, suspending, and revoking a state license.

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

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

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

22 (e) Testing, packaging, and labeling standards, procedures,
23 and requirements for marihuana, including, but not limited to, all
24 of the following:

25 (i) A maximum ~~tetrahydrocannabinol~~**THC** level for marihuana-
26 infused products.

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

29 (iii) A requirement that the amount of marihuana or marihuana

1 concentrate contained within a marihuana-infused product be
2 specified on the product label.

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

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

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

16 (g) Record keeping requirements for marihuana establishments
17 and monitoring requirements to track the transfer of marihuana by
18 licensees.

19 (h) Requirements for the operation of marihuana secure
20 transporters to ensure that all marihuana establishments are
21 properly serviced.

22 (i) Reasonable restrictions on advertising, marketing, and
23 display of marihuana and marihuana establishments.

24 (j) A plan to promote and encourage participation in the
25 marihuana industry by people from communities that have been
26 disproportionately impacted by marihuana prohibition and
27 enforcement and to positively impact those communities.

28 (k) Penalties for failure to comply with ~~any~~**a** rule
29 promulgated pursuant to this section or for ~~any~~**a** violation of this

1 act by a licensee, including civil fines and suspension,
2 revocation, or restriction of a state license.

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

9 (m) Procedures and standards for approving an appointee to
10 operate a marihuana establishment under section 9a.

11 (n) **A limit on the total amount of THC that a product**
12 **described in section 3(c) (v) (A) may contain.**

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

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

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

20 (ii) Consumption of marihuana within designated areas.

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

23 (iv) Cultivation for purposes of propagation.

24 (v) Facilitation of scientific research or education.

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

27 (c) **Exclude from the definition of THC in section 3 a**
28 **tetrahydrocannabinol if, after the marijuana regulatory agency**
29 **makes findings with respect to each of the following factors, the**

1 marijuana regulatory agency determines that the
2 tetrahydrocannabinol does not have a potential for abuse:

3 (i) The actual or relative potential for abuse of the
4 tetrahydrocannabinol.

5 (ii) The scientific evidence of the tetrahydrocannabinol's
6 pharmacological effect, if known.

7 (iii) The state of current scientific knowledge regarding the
8 tetrahydrocannabinol.

9 (iv) The history and current pattern of abuse of the
10 tetrahydrocannabinol.

11 (v) The scope, duration, and significance of abuse of the
12 tetrahydrocannabinol.

13 (vi) The tetrahydrocannabinol's risk to the public health.

14 (vii) The potential of the tetrahydrocannabinol to produce
15 **psychic or physiological dependence liability.**

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

18 (a) Establishes a limit on the number of any type of state
19 ~~licenses~~**license** that may be granted.

20 (b) Requires a customer to provide a marihuana retailer with
21 identifying information other than identification to determine the
22 customer's age or requires the marihuana retailer to acquire or
23 record personal information about customers other than information
24 typically required in a retail transaction.

25 (c) Prohibits a marihuana establishment from operating at a
26 shared location of a marihuana facility operating pursuant to the
27 medical marihuana facilities licensing act, 2016 PA 281, MCL
28 333.27101 to 333.27801, or prohibits a marihuana grower, marihuana
29 processor, or marihuana retailer from operating within a single

1 facility.

2 (d) Is unreasonably impracticable.

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