

# HOUSE BILL NO. 5300

September 14, 2021, Introduced by Reps. Clements, Lilly and Steenland and referred to the Committee on Regulatory Reform.

A bill to amend 2016 PA 281, entitled "Medical marihuana facilities licensing act," by amending sections 102, 201, 501, 502, 503, and 505 (MCL 333.27102, 333.27201, 333.27501, 333.27502, 333.27503, and 333.27505), section 102 as amended by 2021 PA 57, sections 201, 501, and 503 as amended by 2018 PA 10, and sections 502 and 505 as amended by 2018 PA 648.

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

**1**           Sec. 102. As used in this act:

1 (a) "Advisory panel" or "panel" means the marijuana regulatory  
2 agency.

3 (b) "Affiliate" means any person that controls, is controlled  
4 by, or is under common control with; is in a partnership or joint  
5 venture relationship with; or is a co-shareholder of a corporation,  
6 a co-member of a limited liability company, or a co-partner in a  
7 limited liability partnership with a licensee or applicant.

8 (c) "Applicant" means a person who applies for a state  
9 operating license. Applicant includes, with respect to disclosures  
10 in an application, for purposes of ineligibility for a license  
11 under section 402, or for purposes of prior marijuana regulatory  
12 agency approval of a transfer of interest under section 406, and  
13 only for applications submitted on or after January 1, 2019, a  
14 managerial employee of the applicant, a person holding a direct or  
15 indirect ownership interest of more than 10% in the applicant, and  
16 the following for each type of applicant:

17 (i) For an individual or sole proprietorship: the proprietor  
18 and the proprietor's spouse.

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

29 (iii) For a privately held corporation: all corporate officers

1 or persons with equivalent titles and their spouses, all directors  
2 and their spouses, and all stockholders, not including those  
3 holding a direct or indirect ownership interest of 10% or less, and  
4 their spouses.

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

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

14 (vi) For a nonprofit corporation: all individuals and entities  
15 with membership or shareholder rights in accordance with the  
16 articles of incorporation or the bylaws and the spouses of the  
17 individuals.

18 (d) "Board" means the marijuana regulatory agency.

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

21 (f) "Department" means the department of licensing and  
22 regulatory affairs.

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

27 (h) "Industrial hemp" means that term as defined in section 3  
28 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL  
29 1, MCL 333.27953.

1 (i) "Industrial hemp research and development act" means the  
2 industrial hemp research and development act, 2014 PA 547, MCL  
3 286.841 to 286.859.

4 (j) **"Licensed specialty medical grower" means that term as**  
5 **defined in section 3 of the Michigan Medical Marijuana Act, MCL**  
6 **333.26423.**

7 (k) ~~(j)~~—"Licensee" means a person holding a state operating  
8 license.

9 (l) ~~(k)~~—"Marihuana" means that term as defined in section 3 of  
10 the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1,  
11 MCL 333.27953.

12 (m) ~~(l)~~—"Marihuana facility" means a location at which a  
13 licensee is licensed to operate under this act.

14 (n) ~~(m)~~—"Marihuana plant" means any plant of the species  
15 *Cannabis sativa* L. Marihuana plant does not include industrial  
16 hemp.

17 (o) ~~(n)~~—"Marihuana-infused product" means that term as defined  
18 in section 3 of the Michigan Regulation and Taxation of Marihuana  
19 Act, 2018 IL 1, MCL 333.27953.

20 (p) ~~(o)~~—"Marihuana tracking act" means the marihuana tracking  
21 act, 2016 PA 282, MCL 333.27901 to 333.27904.

22 (q) ~~(p)~~—"Marijuana regulatory agency" means the marijuana  
23 regulatory agency created under Executive Reorganization Order No.  
24 2019-2, MCL 333.27001.

25 (r) ~~(q)~~—"Michigan medical marihuana act" means the Michigan  
26 Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.

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

28 (t) ~~(s)~~—"Paraphernalia" means any equipment, product, or  
29 material of any kind that is designed for or used in growing,

1 cultivating, producing, manufacturing, compounding, converting,  
2 storing, processing, preparing, transporting, injecting, smoking,  
3 ingesting, inhaling, or otherwise introducing into the human body,  
4 marihuana.

5 (u) ~~(t)~~—"Person" means an individual, corporation, limited  
6 liability company, partnership, limited partnership, limited  
7 liability partnership, limited liability limited partnership,  
8 trust, or other legal entity.

9 (v) ~~(u)~~—"Plant" means any living organism that produces its  
10 own food through photosynthesis and has observable root formation  
11 or is in growth material.

12 (w) ~~(v)~~—"Processor" means a licensee that is a commercial  
13 entity located in this state that purchases marihuana from a grower  
14 and that extracts resin from the marihuana or creates a marihuana-  
15 infused product for sale and transfer in packaged form to a  
16 provisioning center or another processor.

17 (x) ~~(w)~~—"Provisioning center" means a licensee that is a  
18 commercial entity located in this state that purchases marihuana  
19 from a grower or processor and sells, supplies, or provides  
20 marihuana to registered qualifying patients, directly or through  
21 the patients' registered primary caregivers. Provisioning center  
22 includes any commercial property where marihuana is sold at retail  
23 to registered qualifying patients or registered primary caregivers.  
24 A noncommercial location used by a registered primary caregiver to  
25 assist a qualifying patient connected to the caregiver through the  
26 department's marihuana registration process in accordance with the  
27 Michigan Medical Marihuana Act is not a provisioning center for  
28 purposes of this act.

29 (y) ~~(x)~~—"Registered primary caregiver" means a primary

1 caregiver who has been issued a current registry identification  
2 card under the Michigan Medical Marihuana Act.

3 (z) ~~(y)~~—"Registered qualifying patient" means a qualifying  
4 patient who has been issued a current registry identification card  
5 under the Michigan Medical Marihuana Act or a visiting qualifying  
6 patient as that term is defined in section 3 of the Michigan  
7 Medical Marihuana Act, MCL 333.26423.

8 (aa) ~~(z)~~—"Registry identification card" means that term as  
9 defined in section 3 of the Michigan Medical Marihuana Act, MCL  
10 333.26423.

11 (bb) ~~(aa)~~—"Rules" means rules promulgated under the  
12 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
13 24.328, by the marijuana regulatory agency to implement this act.

14 (cc) ~~(bb)~~—"Safety compliance facility" means a licensee that  
15 is a commercial entity that takes marihuana from a marihuana  
16 facility or receives marihuana from a registered primary caregiver  
17 **or licensed specialty medical grower**, tests the marihuana for  
18 contaminants and for tetrahydrocannabinol and other cannabinoids,  
19 returns the test results, and may return the marihuana to the  
20 marihuana facility **or licensed specialty medical grower**.

21 (dd) ~~(cc)~~—"Secure transporter" means a licensee that is a  
22 commercial entity located in this state that stores marihuana and  
23 transports marihuana between marihuana facilities **or licensed**  
24 **specialty medical growers** for a fee.

25 (ee) ~~(dd)~~—"Seed" means the fertilized, ungerminated, matured  
26 ovule, containing an embryo or rudimentary plant, of a marihuana  
27 plant that is flowering.

28 (ff) ~~(ee)~~—"Seedling" means a marihuana plant that has  
29 germinated and has not flowered and is not harvestable.

1           **(gg)** ~~(ff)~~—"State operating license" or, unless the context  
2 requires a different meaning, "license" means a license that is  
3 issued under this act that allows the licensee to operate as 1 of  
4 the following, specified in the license:

- 5           (i) A grower.
- 6           (ii) A processor.
- 7           (iii) A secure transporter.
- 8           (iv) A provisioning center.
- 9           (v) A safety compliance facility.

10           **(hh)** ~~(gg)~~—"Statewide monitoring system" or, unless the context  
11 requires a different meaning, "system" means an internet-based,  
12 statewide database established, implemented, and maintained by the  
13 department under the marihuana tracking act, that is available to  
14 licensees, law enforcement agencies, and authorized state  
15 departments and agencies on a 24-hour basis for all of the  
16 following:

- 17           (i) Verifying registry identification cards.
- 18           (ii) Tracking marihuana transfer and transportation by  
19 licensees, including transferee, date, quantity, and price.
- 20           (iii) Verifying in commercially reasonable time that a transfer  
21 will not exceed the limit that the patient or caregiver is  
22 authorized to receive under section 4 of the Michigan Medical  
23 Marihuana Act, MCL 333.26424.

24           **(ii)** ~~(hh)~~—"Tissue culture" means a marihuana plant cell,  
25 cutting, tissue, or organ, that is kept under a sterile condition  
26 on a nutrient culture medium of known composition and that does not  
27 have visible root formation. A tissue culture is not a marihuana  
28 plant for purposes of a grower.

29           **(jj)** ~~(ii)~~—"Usable marihuana" means the dried leaves, flowers,

1 plant resin, or extract of the marihuana plant, but does not  
2 include the seeds, stalks, and roots of the plant.

3       Sec. 201. (1) Except as otherwise provided in this act, if a  
4 person has been granted a state operating license and is operating  
5 within the scope of the license, the licensee and its agents are  
6 not subject to any of the following for engaging in activities  
7 described in subsection (2):

8       (a) Criminal penalties under state law or local ordinances  
9 regulating marihuana.

10       (b) State or local criminal prosecution for a marihuana-  
11 related offense.

12       (c) State or local civil prosecution for a marihuana-related  
13 offense.

14       (d) Search or inspection, except for an inspection authorized  
15 under this act by law enforcement officers, the municipality, or  
16 the department.

17       (e) Seizure of marihuana, real property, personal property, or  
18 anything of value based on a marihuana-related offense.

19       (f) Any sanction, including disciplinary action or denial of a  
20 right or privilege, by a business or occupational or professional  
21 licensing board or bureau based on a marihuana-related offense.

22       (2) The following activities are protected under subsection  
23 (1) if performed under a state operating license within the scope  
24 of that license and in accord with this act, rules, and any  
25 ordinance adopted under section 205:

26       (a) Growing marihuana.

27       (b) Purchasing, receiving, selling, transporting, or  
28 transferring marihuana from or to a licensee, a licensee's agent, a  
29 registered qualifying patient, ~~or~~ a registered primary caregiver,



1 **or a licensed specialty medical grower.**

2 (c) Possessing marihuana.

3 (d) Possessing or manufacturing marihuana paraphernalia for  
4 medical use.

5 (e) Processing marihuana.

6 (f) Transporting marihuana.

7 (g) Testing, transferring, infusing, extracting, altering, or  
8 studying marihuana.

9 (h) Receiving or providing compensation for products or  
10 services.

11 (3) Except as otherwise provided in this act, a person who  
12 owns or leases real property upon which a marihuana facility is  
13 located and who has no knowledge that the licensee violated this  
14 act is not subject to any of the following for owning, leasing, or  
15 permitting the operation of a marihuana facility on the real  
16 property:

17 (a) Criminal penalties under state law or local ordinances  
18 regulating marihuana.

19 (b) State or local civil prosecution based on a marihuana-  
20 related offense.

21 (c) State or local criminal prosecution based on a marihuana-  
22 related offense.

23 (d) Search or inspection, except for an inspection authorized  
24 under this act by law enforcement officers, the municipality, or  
25 the department.

26 (e) Seizure of any real or personal property or anything of  
27 value based on a marihuana-related offense.

28 (f) Any sanction, including disciplinary action or denial of a  
29 right or privilege, by a business or occupational or professional

1 licensing board or bureau.

2 (4) Except as otherwise provided in this act, a certified  
3 public accountant who is licensed under article 7 of the  
4 occupational code, 1980 PA 299, MCL 339.720 to 339.736, is not  
5 subject to any of the following for engaging in the practice of  
6 public accounting as that term is defined in section 720 of the  
7 occupational code, 1980 PA 299, MCL 339.720, for an applicant or  
8 licensee who is in compliance with this act, rules, and the  
9 Michigan medical marihuana act:

10 (a) Criminal penalties under state law or local ordinances  
11 regulating marihuana.

12 (b) State or local civil prosecution based on a marihuana-  
13 related offense.

14 (c) State or local criminal prosecution based on a marihuana-  
15 related offense.

16 (d) Seizure of any real or personal property or anything of  
17 value based on a marihuana-related offense.

18 (e) Any sanction, including disciplinary action or denial of a  
19 right or privilege, by a business or occupational or professional  
20 licensing board or bureau based on a marihuana-related offense.

21 (5) Except as otherwise provided in this act, a financial  
22 institution is not subject to any of the following for providing a  
23 financial service to a licensee under this act:

24 (a) Criminal penalties under state law or local ordinances  
25 regulating marihuana.

26 (b) State or local civil prosecution based on a marihuana-  
27 related offense.

28 (c) State or local criminal prosecution based on a marihuana-  
29 related offense.

1 (d) Seizure of any real or personal property or anything of  
2 value based on a marihuana-related offense.

3 (e) Any sanction, including disciplinary action or denial of a  
4 right or privilege, by a business or occupational or professional  
5 licensing board or bureau based on a marihuana-related offense.

6 (6) For the purposes of regulating the commercial entities  
7 established under this act, any provisions of the following acts  
8 that are inconsistent with this act do not apply to a grower,  
9 processor, secure transporter, provisioning center, or safety  
10 compliance facility operating in compliance with this act:

11 (a) The business corporation act, 1972 PA 284, MCL 450.1101 to  
12 450.2098.

13 (b) The nonprofit corporation act, 1982 PA 162, MCL 450.2101  
14 to 450.3192.

15 (c) 1931 PA 327, MCL 450.98 to 450.192.

16 (d) The Michigan revised uniform limited partnership act, 1982  
17 PA 213, MCL 449.1101 to 449.2108.

18 (e) The Michigan limited liability company act, 1993 PA 23,  
19 MCL 450.4101 to 450.5200.

20 (f) 1907 PA 101, MCL 445.1 to 445.5.

21 (g) 1913 PA 164, MCL 449.101 to 449.106.

22 (h) The uniform partnership act, 1917 PA 72, MCL 449.1 to  
23 449.48.

24 (7) As used in this section:

25 (a) "Financial institution" means any of the following:

26 (i) A state or national bank.

27 (ii) A state or federally chartered savings and loan  
28 association.

29 (iii) A state or federally chartered savings bank.

1 (iv) A state or federally chartered credit union.

2 (v) An insurance company.

3 (vi) An entity that offers any of the following to a resident  
4 of this state:

5 (A) A mutual fund account.

6 (B) A securities brokerage account.

7 (C) A money market account.

8 (D) A retail investment account.

9 (vii) An entity regulated by the Securities and Exchange  
10 Commission that collects funds from the public.

11 (viii) An entity that is a member of the National Association of  
12 Securities Dealers and that collects funds from the public.

13 (ix) Another entity that collects funds from the public.

14 (b) "Financial service" means a deposit; withdrawal; transfer  
15 between accounts; exchange of currency; loan; extension of credit;  
16 purchase or sale of any stock, bond, certificate of deposit, or  
17 other monetary instrument; or any other payment, transfer, or  
18 delivery by, through, or to a financial institution, by whatever  
19 means effected.

20 Sec. 501. (1) A grower license authorizes the grower to grow  
21 not more than the following number of marihuana plants under the  
22 indicated license class for each license the grower holds in that  
23 class:

24 (a) Class A - 500 marihuana plants.

25 (b) Class B - 1,000 marihuana plants.

26 (c) Class C - 1,500 marihuana plants.

27 (2) Except as otherwise provided in this subsection, a grower  
28 license authorizes sale of marihuana plants to a grower only by  
29 means of a secure transporter. A grower license authorizes the sale

1 or transfer of seeds, seedlings, or tissue cultures to a grower  
2 from a registered primary caregiver, **licensed specialty medical**  
3 **grower**, or another grower without using a secure transporter.

4 (3) A grower license authorizes a grower to transfer marihuana  
5 without using a secure transporter to a processor or provisioning  
6 center if both of the following are met:

7 (a) The processor or provisioning center occupies the same  
8 location as the grower and the marihuana is transferred using only  
9 private real property without accessing public roadways.

10 (b) The grower enters each transfer into the statewide  
11 monitoring system.

12 (4) A grower license authorizes sale of marihuana, other than  
13 seeds, seedlings, tissue cultures, and cuttings, to a processor or  
14 provisioning center.

15 (5) **A grower license authorizes the transfer of marihuana from**  
16 **a licensed specialty medical grower to a grower only by means of a**  
17 **secure transporter. The marijuana regulatory agency may establish a**  
18 **limit on the amount of marihuana that a licensed specialty medical**  
19 **grower may transfer to a grower. Marihuana transferred from a**  
20 **licensed specialty medical grower to a grower shall not be**  
21 **transferred to a person licensed under the Michigan Regulation and**  
22 **Taxation of Marihuana Act, 333.27951 to 333.27967.**

23 (6) ~~(5)~~—Except as otherwise provided in subsections (2) and  
24 (3) and section 505, a grower license authorizes the grower to  
25 transfer marihuana only by means of a secure transporter.

26 (7) ~~(6)~~—To be eligible for a grower license, the applicant and  
27 each investor in the grower must not have an interest in a secure  
28 transporter or safety compliance facility.

29 (8) ~~(7)~~—Until December 31, 2018, for a period of 30 days after

1 the issuance of a grower license and in accord with rules, a grower  
2 may transfer any of the following that are lawfully possessed by an  
3 individual formerly registered as a primary caregiver who is an  
4 active employee of the grower:

5 (a) Marihuana plants.

6 (b) Seeds.

7 (c) Seedlings.

8 **(9)** ~~(8)~~—A grower shall comply with all of the following:

9 (a) Until December 31, 2021, have, or have as an active  
10 employee an individual who has, a minimum of 2 years' experience as  
11 a registered primary caregiver.

12 (b) While holding a license as a grower, not be a registered  
13 primary caregiver **or licensed specialty medical grower** and not  
14 employ an individual who is simultaneously a registered primary  
15 caregiver **or licensed specialty medical grower**.

16 (c) Enter all transactions, current inventory, and other  
17 information into the statewide monitoring system as required in  
18 this act, rules, and the marihuana tracking act.

19 **(10)** ~~(9)~~—A grower license does not authorize the grower to  
20 operate in an area unless the area is zoned for industrial or  
21 agricultural uses or is unzoned and otherwise meets the  
22 requirements established in section 205(1).

23 Sec. 502. (1) A processor license authorizes purchase of  
24 marihuana only from a grower and sale of marihuana-infused products  
25 or marihuana only to a provisioning center or another processor.

26 (2) Except as otherwise provided in section 505 and this  
27 subsection, a processor license authorizes the processor to  
28 transfer marihuana only by means of a secure transporter. A  
29 processor license authorizes a processor to transfer marihuana

1 without using a secure transporter to a grower or provisioning  
2 center if both of the following are met:

3 (a) The grower or provisioning center occupies the same  
4 location as the processor and the marihuana is transferred using  
5 only private real property without accessing public roadways.

6 (b) The processor enters each transfer into the statewide  
7 monitoring system.

8 (3) To be eligible for a processor license, the applicant and  
9 each investor in the processor must not have an interest in a  
10 secure transporter or safety compliance facility.

11 (4) Until December 31, 2018, for a period of 30 days after the  
12 issuance of a processor license and in accord with rules, a  
13 processor may transfer any of the following that are lawfully  
14 possessed by an individual formerly registered as a primary  
15 caregiver who is an active employee of the processor:

16 (a) Marihuana plants.

17 (b) Usable marihuana.

18 (5) A processor shall comply with all of the following:

19 (a) Until December 31, 2021, have, or have as an active  
20 employee an individual who has, a minimum of 2 years' experience as  
21 a registered primary caregiver.

22 (b) While holding a license as a processor, not be a  
23 registered primary caregiver **or licensed specialty medical grower**  
24 and not employ an individual who is simultaneously a registered  
25 primary caregiver **or licensed specialty medical grower**.

26 (c) Enter all transactions, current inventory, and other  
27 information into the statewide monitoring system as required in  
28 this act, rules, and the marihuana tracking act.

29 (6) This act does not prohibit a processor from handling,

1 processing, marketing, or brokering, as those terms are defined in  
2 section 2 of the industrial hemp research and development act, MCL  
3 286.842, industrial hemp.

4       Sec. 503. (1) A secure transporter license authorizes the  
5 licensee to store and transport marihuana and money associated with  
6 the purchase or sale of marihuana between marihuana facilities, **or**  
7 **between a licensed specialty medical grower and a grower**, for a fee  
8 upon request of a person with legal custody of that marihuana or  
9 money. It does not authorize transport to a registered qualifying  
10 patient, ~~or~~ registered primary caregiver, **or licensed specialty**  
11 **medical grower**. If a secure transporter has its primary place of  
12 business in a municipality that has adopted an ordinance under  
13 section 205 authorizing that marihuana facility, the secure  
14 transporter may travel through any municipality.

15       (2) To be eligible for a secure transporter license, the  
16 applicant and each investor with an interest in the secure  
17 transporter must not have an interest in a grower, processor,  
18 provisioning center, or safety compliance facility and must not be  
19 a registered qualifying patient, ~~or~~ a registered primary caregiver,  
20 **or licensed specialty medical grower**.

21       (3) A secure transporter shall enter all transactions, current  
22 inventory, and other information into the statewide monitoring  
23 system as required in this act, rules, and the marihuana tracking  
24 act.

25       (4) A secure transporter shall comply with all of the  
26 following:

27       (a) Each driver transporting marihuana must have a chauffeur's  
28 license issued by this state.

29       (b) Each employee who has custody of marihuana or money that



1 is related to a marihuana transaction shall not have been convicted  
2 of or released from incarceration for a felony under the laws of  
3 this state, any other state, or the United States within the past 5  
4 years or have been convicted of a misdemeanor involving a  
5 controlled substance within the past 5 years.

6 (c) Each vehicle must be operated with a 2-person crew with at  
7 least 1 individual remaining with the vehicle at all times during  
8 the transportation of marihuana.

9 (d) A route plan and manifest must be entered into the  
10 statewide monitoring system, and a copy must be carried in the  
11 transporting vehicle and presented to a law enforcement officer  
12 upon request.

13 (e) The marihuana must be transported in 1 or more sealed  
14 containers and not be accessible while in transit.

15 (f) A secure transporting vehicle must not bear markings or  
16 other indication that it is carrying marihuana or a marihuana-  
17 infused product.

18 (5) A secure transporter is subject to administrative  
19 inspection by a law enforcement officer at any point during the  
20 transportation of marihuana to determine compliance with this act.

21 Sec. 505. (1) In addition to transfer and testing authorized  
22 in section 203, a safety compliance facility license authorizes the  
23 safety compliance facility to do all of the following without using  
24 a secure transporter:

25 (a) Take marihuana from, test marihuana for, and return  
26 marihuana to ~~only~~ a marihuana facility **or licensed specialty**  
27 **medical grower.**

28 (b) Collect a random sample of marihuana at the marihuana  
29 facility of a grower, processor, or provisioning center, **or the**

1 **location at which a licensed specialty medical grower is authorized**  
2 **to cultivate or manufacture marihuana under the Michigan Medical**  
3 **Marihuana Act, for testing.**

4 (2) A safety compliance facility must be accredited by an  
5 entity approved by the board by 1 year after the date the license  
6 is issued or have previously provided drug testing services to this  
7 state or this state's court system and be a vendor in good standing  
8 in regard to those services. The board may grant a variance from  
9 this requirement upon a finding that the variance is necessary to  
10 protect and preserve the public health, safety, or welfare.

11 (3) To be eligible for a safety compliance facility license,  
12 the applicant and each investor with any interest in the safety  
13 compliance facility must not have an interest in a grower, secure  
14 transporter, processor, or provisioning center **and must not be a**  
15 **licensed specialty medical grower.**

16 (4) A safety compliance facility shall comply with all of the  
17 following:

18 (a) Perform tests to certify that marihuana is reasonably free  
19 of chemical residues such as fungicides and insecticides.

20 (b) Use validated test methods to determine  
21 tetrahydrocannabinol, tetrahydrocannabinol acid, cannabidiol, and  
22 cannabidiol acid levels.

23 (c) Perform tests that determine whether marihuana complies  
24 with the standards the board establishes for microbial and  
25 mycotoxin contents.

26 (d) Perform other tests necessary to determine compliance with  
27 any other good manufacturing practices as prescribed in rules.

28 (e) Enter all transactions, current inventory, and other  
29 information into the statewide monitoring system as required in

1 this act, rules, and the marihuana tracking act.

2 (f) Have a secured laboratory space that cannot be accessed by  
3 the general public.

4 (g) Retain and employ at least 1 staff member with a relevant  
5 advanced degree in a medical or laboratory science.

6 (5) This act does not prohibit a safety compliance facility  
7 from taking or receiving industrial hemp for testing purposes and  
8 testing the industrial hemp pursuant to the industrial hemp  
9 research and development act.

10 Enacting section 1. This amendatory act does not take effect  
11 unless all of the following bills of the 101st Legislature are  
12 enacted into law:

13 (a) Senate Bill No. \_\_\_\_ or House Bill No. 5301. (request no.  
14 04173'21).

15 (b) Senate Bill No. \_\_\_\_ or House Bill No. 5321 (request no.  
16 04326'21).

17 (c) Senate Bill No. \_\_\_\_ or House Bill No. 5319 (request no.  
18 04327'21).

19 (d) Senate Bill No. \_\_\_\_ or House Bill No. 5302. (request no.  
20 04330'21).