

HOUSE BILL NO. 5766

February 17, 2022, Introduced by Rep. Hornberger and referred to the Committee on Regulatory Reform.

A bill to amend 2018 IL 1, entitled
"Michigan Regulation and Taxation of Marihuana Act,"
by amending section 9 (MCL 333.27959).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9. **(1)** ~~1. Each~~ An application for a state license must be
2 submitted to the ~~department. Upon receipt of~~ **marijuana regulatory**
3 **agency. Not later than 90 days after the marijuana regulatory**
4 **agency receives** a complete application and application fee, the
5 ~~department~~ **marijuana regulatory agency** shall ~~forward~~ **do all of the**

1 following:

2 (a) **Forward** a copy of the application to the municipality in
3 which the marihuana establishment ~~is to~~**will** be located. ~~and~~
4 determine

5 (b) **Determine** whether the applicant and the premises qualify
6 for the state license and comply with this act. ~~and issue~~

7 (c) **Issue** the appropriate state license or send the applicant
8 a notice of rejection ~~setting forth that~~ **states the** specific
9 reasons why the department did not approve the ~~state license~~
10 application. ~~within 90 days.~~

11 (2) ~~2.~~ ~~The department~~ **marijuana regulatory agency** shall issue
12 the following state license types: ~~marihuana~~

13 (a) **Marihuana** retailer. ~~and marihuana~~

14 (b) **Marihuana** safety compliance facility. ~~and marihuana~~

15 (c) **Marihuana** secure transporter. ~~and marihuana~~

16 (d) **Marihuana** processor. ~~and marihuana~~

17 (e) **Marihuana** microbusiness. ~~and class~~

18 (f) **Class A** marihuana grower ~~authorizing that~~ **authorizes the**
19 cultivation of not more than 100 marihuana plants. ~~and class~~

20 (g) **Class B** marihuana grower ~~authorizing that~~ **authorizes the**
21 cultivation of not more than 500 marihuana plants. ~~and class~~

22 (h) **Class C** marihuana grower ~~authorizing that~~ **authorizes the**
23 cultivation of not more than 2,000 marihuana plants.

24 (3) ~~3.~~ Except as otherwise provided in this section, the
25 ~~department~~ **marijuana regulatory agency** shall approve ~~a~~ **an**
26 **application for a** state license ~~application~~ and issue a state
27 license **to the applicant** if **all of the following conditions are**
28 **met:**

29 (a) **All of the following apply to the applicant:** ~~has~~

(i) **The applicant** submitted an application in ~~compliance~~
accordance with the rules promulgated by the ~~department,~~ **marijuana**
regulatory agency under this act.

(ii) **The applicant** is in compliance with this act and the rules
promulgated by the **marijuana regulatory agency under this act.** ~~7~~
and has

(iii) **The applicant** paid the ~~required~~ **application** fee. ~~7~~

(b) ~~the~~ **The** municipality in which the **applicant's** proposed
marihuana establishment will be located does not notify the
~~department~~ **marijuana regulatory agency** that the **applicant's**
proposed marihuana establishment is not in compliance with an
ordinance consistent with section 6 ~~of this act and that is~~ in
effect at the time of application. ~~7~~

(c) ~~the~~ **The** property where the **applicant's** proposed marihuana
establishment ~~is to~~ **will** be located is not within ~~an~~ **either of the**
following:

(i) **An** area zoned exclusively for residential use. ~~and is not~~
within

(ii) 1,000 feet of a pre-existing public or private school
~~providing that~~ **provides** education in kindergarten or any of grades
1 ~~through~~ **to** 12, unless ~~a~~ **both of the following conditions are met:**

(A) **The municipality in which the applicant's proposed**
marihuana establishment will be located adopts an ordinance that
reduces this distance requirement. ~~7~~

(B) **The governing body of the school approves of the location**
of the applicant's proposed marihuana establishment.

(d) ~~no~~ **Approval of the application will not result in a person**
who holds an ownership interest in the ~~marihuana establishment~~
applicant holding any of the following:

(i) ~~(1) will hold an~~ **An** ownership interest in ~~both a marihuana safety compliance facility or in a marihuana secure transporter and in a marihuana grower, a marihuana processor, a marihuana retailer, or a marihuana microbusiness. †~~

(ii) **An ownership interest in a marihuana secure transporter and in a marihuana grower, marihuana processor, marihuana retailer, or marihuana microbusiness.**

(iii) ~~(2) will hold an~~ **An** ownership interest in ~~both a marihuana microbusiness and in a marihuana grower, a marihuana processor, a marihuana retailer, a marihuana safety compliance facility, or a marihuana secure transporter. † and~~

(iv) ~~(3) will hold an~~ **An** ownership interest in more than 5 marihuana growers or in more than 1 marihuana microbusiness, ~~except that the department may approve a license application from a person who holds an ownership interest in more than 5 marihuana growers or more than 1 marihuana microbusiness if, unless the marijuana regulatory agency, after January 1, 2023, the department promulgates a rule authorizing an individual that authorizes a person to hold an ownership interest in more than 5 marihuana growers or in more than 1 marihuana microbusiness.~~

(4) ~~4. If a municipality an ordinance adopted under section 6 limits the number of marihuana establishments that may be licensed in the a municipality pursuant to section 6 of this act and if that limit prevents the department marijuana regulatory agency from issuing a state license to all applicants every applicant who meet meets the requirements of subsection 3 of this section, (3) and whose proposed marihuana establishment would be located in that municipality, the municipality shall decide, among competing applications by a competitive process intended to select applicants~~

who are best suited to operate **a marihuana establishment** in compliance with this act, **which of those applicants may operate a marihuana establishment** within the municipality.

(5) ~~5. All~~ **A state license is** effective for 1 year, ~~unless the department~~ **marijuana regulatory agency** issues the state license for a longer term. ~~A~~ **The marijuana regulatory agency shall renew a** state license ~~is renewed~~ upon receipt of a complete renewal application and ~~a renewal fee from any marihuana establishment~~ **a licensee** in good standing.

(6) ~~6. The department~~ **marijuana regulatory agency** shall begin accepting applications for marihuana establishments ~~within 12 months after the effective date of this act.~~ **by December 6, 2019.** Except as otherwise provided in this section, for 24 months after the ~~department~~ **marijuana regulatory agency** begins ~~to receive~~ **accepting** applications for marihuana establishments, the ~~department~~ **marijuana regulatory agency shall** accept applications ~~for licensure; for~~ **from only the following:**

(a) **For** a class A marihuana grower or ~~for~~ a marihuana microbusiness, ~~from persons~~ **an applicant** who ~~are residents~~ **is a resident** of Michigan. ~~for~~

(b) **For** a marihuana retailer, marihuana processor, class B marihuana grower, class C marihuana grower, or a marihuana secure transporter, ~~from persons holding~~ **an applicant that holds** a state operating license ~~pursuant to~~ **issued under** the medical marihuana facilities licensing act. ~~, 2016 PA 281, MCL 333.27101 to 333.27801; and for~~

(c) **For** a marihuana safety compliance facility, ~~from any~~ applicant. ~~One~~

(7) **Beginning 1** year after the ~~department~~ **marijuana regulatory**

1 **agency** begins ~~to accept~~**accepting** applications pursuant to ~~under~~
2 this section, the ~~department~~**marijuana regulatory agency** shall
3 begin accepting applications from any applicant if the ~~department~~
4 **marijuana regulatory agency** determines that additional state
5 licenses are necessary to ~~minimize~~**do any of the following:**

6 (a) **Minimize** the illegal market for marihuana in this state. ~~7~~
7 ~~to efficiently~~

8 (b) **Efficiently** meet the demand for marihuana. ~~7, or to provide~~

9 (c) **Provide** for reasonable access to marihuana in rural areas.

10 (8) ~~7.~~ Information obtained from an applicant related to
11 licensure under this act is exempt from disclosure under the
12 freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.