

SENATE BILL NO. 186

February 25, 2021, Introduced by Senator LAUWERS and referred to the Committee on Agriculture.

A bill to amend 2020 PA 220, entitled "Industrial hemp growers act," by amending sections 103, 211, 301, 303, 305, 307, 309, 311, 401, 403, 405, 407, 503, 509, 511, 601, 603, 605, and 609 (MCL 333.29103, 333.29211, 333.29301, 333.29303, 333.29305, 333.29307, 333.29309, 333.29311, 333.29401, 333.29403, 333.29405, 333.29407, 333.29503, 333.29509, 333.29511, 333.29601, 333.29603, 333.29605, and 333.29609), and by adding chapter VIII; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 103. As used in this act:

2 (a) "Acceptable THC level" means the application of the
3 measurement of uncertainty to the reported total delta-9-THC
4 concentration level on a dry weight basis that produces a
5 distribution or range that includes 0.3% or less total delta-9-THC.

6 (b) "Applicant" means a person that submits an application for
7 a registration.

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

10 (c) "Compliance monitoring testing facility" means a
11 laboratory that meets both of the following requirements:

12 (i) Is registered with the DEA to conduct chemical analysis of
13 controlled substances under 21 CFR 1301.13.

14 (ii) Performs routine compliance monitoring testing of
15 unofficial hemp samples throughout the growing season.

16 (d) "Controlled substance felony" means a felony violation of
17 the laws of any state having to do with controlled substances or a
18 felony violation of federal law having to do with controlled
19 substances.

20 (e) "Conviction" means a plea of guilty or nolo contendere, or
21 a finding of guilt related to a controlled substance felony, unless
22 1 of the following applies:

23 (i) The finding of guilt is subsequently expunged.

24 (ii) The finding of guilt is set aside under 1965 PA 213, MCL
25 780.621 to 780.624, or otherwise expunged.

26 (iii) The individual is pardoned.

27 (f) ~~(e)~~ "Corrective action plan" means a plan created under
28 section 601.

1 (g) ~~(f)~~—"Criminal history record information" means that term
2 as defined in section 1a of 1925 PA 289, MCL 28.241a.

3 (h) ~~(g)~~—"Criminal history report" means a report ~~prepared that~~
4 **meets all of the following requirements:**

5 (i) **Is prepared** by the United States Federal Bureau of
6 Investigation **or another authority approved by the department.**~~that~~
7 includes

8 (ii) **Includes** fingerprint-based criminal history record
9 information.

10 (iii) **Is completed not more than 60 days before an application**
11 **is submitted under section 201.**

12 (i) "Culpable mental state greater than negligence" means to
13 **act intentionally, knowingly, willfully, or recklessly.**

14 (j) ~~(h)~~—"DEA" means the United States Drug Enforcement
15 Administration.

16 (k) ~~(i)~~—"Department" means the department of agriculture and
17 rural development.

18 (l) "Designated sampling agent" means a federal, state, or
19 local law enforcement agent authorized by the department to collect
20 official samples under section 401.

21 (m) "Dispose" means an activity that transitions industrial
22 hemp into a nonretrievable or noningestible form of industrial hemp
23 under section 407.

24 (n) "Dry weight basis" means the ratio of the amount of
25 moisture in cannabis to the amount of solid in cannabis.

26 (o) "Dwelling" means a house, building, tent, trailer,
27 vehicle, or other shelter that is occupied in whole or in part as a
28 home, residence, living place, or sleeping place for 1 or more
29 individuals either permanently or transiently, or any portion

1 **thereof.**

2 **(p)** ~~(j)~~ "Fund" means the industrial hemp fund created in
3 section 107.

4 **(q)** ~~(k)~~ "GPS coordinates" means latitude and longitude
5 coordinates derived from a global positioning system **that are taken**
6 **from a central point within a growing area or structure and that**
7 **includes decimal degrees to six places after the decimal.**

8 **(r)** ~~(l)~~ "Grow" or "growing", unless the context requires
9 otherwise, means to plant, propagate, cultivate, or harvest live
10 plants or viable seed. Grow or growing includes drying and storing
11 harvested industrial hemp, possessing live industrial hemp plants
12 or viable seed on a premises where the live industrial hemp plants
13 or viable seed are grown, **growing industrial hemp for the purposes**
14 **of conducting research,** and selling harvested industrial hemp to a
15 ~~processor~~ **processor-handler licensed under the industrial hemp**
16 **research and development act, 2014 PA 547, MCL 286.841 to 286.859,**
17 or processor licensed under the medical marihuana facilities
18 licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, as
19 authorized under this act. Grow or growing does not include selling
20 an **intermediary, in-process, or finished** industrial hemp product or
21 smokable hemp flower.

22 **(s)** ~~(m)~~ "Grower" means a person that is **required to be**
23 registered under section 201.

24 **(t)** ~~(n)~~ "Industrial hemp" means that term as defined in
25 section 7106 of the public health code, 1978 PA 368, MCL 333.7106.

26 **(u)** ~~(o)~~ "Industrial hemp plan" means the plan created under
27 section 105.

28 **(v)** ~~(p)~~ "Key participant" means **a person that has a direct or**
29 **indirect financial interest in the person or business producing**

1 hemp or a person in a corporate entity at executive levels that is
2 regularly responsible for decision making impacting the growing of
3 industrial hemp. A key participant includes, but is not limited to,
4 any of the following:

5 (i) For a sole proprietorship, a sole proprietor.

6 (ii) For a partnership, a partner.

7 (iii) For a corporation, an individual with executive managerial
8 control including, but not limited to, a chief executive officer, a
9 chief operating officer, or a chief financial officer.

10 (w) **"Key participant" does not include positions such as farm,**
11 **field, or shift managers.**

12 (x) **"Lot" means either of the following:**

13 (i) **A contiguous area in a field, greenhouse, or other indoor**
14 **growing area that contains the same variety or strain of cannabis**
15 **throughout.**

16 (ii) **A farm, tract, field, or subfield as these terms are**
17 **defined in 7 CFR 718.2.**

18 (y) ~~(q)~~ **"Marihuana" means that term as defined in section 7106**
19 **of the public health code, 1978 PA 368, MCL 333.7106.**

20 (z) ~~(r)~~ **"Measurement of uncertainty" means the parameter**
21 **associated with the result of a measurement that characterizes the**
22 **dispersion of the values that could reasonably be attributed to the**
23 **particular quantity subject to the measurement.**

24 (aa) **"Negligence" means the failure to exercise the level of**
25 **care that a reasonably prudent person would exercise in the same or**
26 **similar circumstances.**

27 (bb) **"Noncompliant industrial hemp" means industrial hemp that**
28 **is not in compliance with this act or the rules promulgated under**
29 **this act.**

1 (cc) "Official hemp sample" means a sample of an industrial
2 hemp lot that is collected by a designated sampling agent under
3 section 401 in accordance with department sampling protocols and is
4 tested by a regulatory testing facility.

5 (dd) "Percentage of THC on a dry weight basis" means the
6 percentage, by weight, of THC in cannabis after excluding the
7 moisture from the cannabis.

8 (ee) ~~(s)~~ "Person" means an individual, partnership,
9 corporation, association, **college or university**, or other legal
10 entity.

11 (ff) ~~(t)~~ "Postdecarboxylation test" means a test of cannabis
12 for delta-9-THC after a carboxyl group is eliminated from delta-9-
13 THC acid.

14 (gg) ~~(u)~~ "Program" means the industrial hemp program
15 established by this act.

16 (hh) ~~(v)~~ "Registration" means a grower registration granted
17 under this act.

18 ~~(w) "Sample" means a sample from the floral material of a
19 representative part of a homogenous cannabis variety taken from a
20 grower at the location where the cannabis is growing.~~

21 ~~(x) "Sampling" means the process of taking a sample.~~

22 (ii) ~~(y) "Testing"~~ **Regulatory testing facility** means a
23 laboratory ~~approved by this state and that meets all of the~~
24 **following requirements:**

25 (i) **Is** registered with the DEA. ~~to~~

26 (ii) **Is authorized to** conduct chemical analysis of controlled
27 substances pursuant to 21 CFR 1301.13. ~~and that meets~~

28 (iii) **Meets** the requirements under section 403.

29 (iv) **Conducts testing of official hemp samples.**

1 **(jj) "Remediate" means an activity that transitions**
2 **noncompliant industrial hemp into industrial hemp that is in**
3 **compliance with this act and the rules promulgated under this act**
4 **under section 407.**

5 **(kk) ~~(z)~~"THC" means tetrahydrocannabinol.**

6 **(ll) ~~(aa)~~"Total delta-9-THC" means the total available**
7 **tetrahydrocannabinol measured as the sum of delta-9-**
8 **tetrahydrocannabinol and 87.7% of the delta-9-tetrahydrocannabinol**
9 **acid reported on a dry weight basis.**

10 **(mm) "Unofficial hemp sample" means a sample of industrial**
11 **hemp collected by a grower for routine compliance monitoring**
12 **testing throughout the growing season for testing by a compliance**
13 **monitoring testing facility.**

14 **(nn) ~~(bb)~~"USDA" means the United States Department of**
15 **Agriculture.**

16 **(oo) ~~(cc)~~"Variety" means a subdivision of a species that has**
17 **the following characteristics:**

18 **(i) The subdivision is uniform, in the sense that variations**
19 **between the subdivision and other subdivisions in essential and**
20 **distinctive characteristics are describable.**

21 **(ii) The subdivision is distinct, in the sense that the**
22 **subdivision can be differentiated by 1 or more identifiable**
23 **morphological, physiological, or other characteristics from all**
24 **other known subdivisions.**

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

27 **(pp) ~~(dd)~~"Viable seed" means seed that has a germination rate**
28 **of greater than 0.0%.**

29 **Sec. 211. (1) An initial registration granted by the**

1 department under this act expires at midnight on ~~November 30 in the~~
2 ~~year~~ **the January 31 immediately following the date** in which the
3 registration is granted.

4 (2) Other than a registration granted under subsection (1), a
5 registration is valid for 1 year beginning on ~~December~~ **February 1**
6 and expiring at midnight on the following ~~November 30~~ **January 31**.

7 (3) To renew a registration, an applicant must ~~submit~~ **do all**
8 **of the following:**

9 (a) **Submit** an application ~~in~~ **on** a form and **in a** manner
10 provided by the department. ~~The~~

11 (b) **If the** application ~~must be~~ **is** submitted on or before
12 ~~November 30~~ **January 31, pay the registration fee under section**
13 **511.** ~~An~~

14 (c) **If an** application **is** submitted after ~~November 30~~ **January**
15 **31 is subject to pay the registration fee under section 511 and a**
16 late fee of \$250.00.

17 (4) If an applicant provides express written consent to
18 disclose personal information on an application, the applicant's
19 name, ~~electronic mail~~ **email** address, and telephone number may be
20 disclosed to a grower, ~~or another person authorized by the~~
21 ~~department.~~ **a processor-handler licensed under the industrial hemp**
22 **research and development act, 2014 PA 547, MCL 286.841 to 286.859,**
23 **or processor licensed under the medical marihuana facilities**
24 **licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.** If the
25 applicant does not provide express written consent to disclose
26 personal information on the application, any information submitted
27 by the applicant to the department **on the application** is exempt
28 from disclosure under the freedom of information act, 1976 PA 442,
29 MCL 15.231 to 15.246. This subsection does not apply to the

1 disclosure of personal information to a law enforcement agency.

2 (5) A registration is nontransferable.

3 Sec. 301. (1) ~~A~~**After a grower is granted a registration under**
4 **chapter II and not more than 60 days before the grower plants any**
5 **industrial hemp, the** grower shall report the following information
6 to the USDA Farm Service Agency: ~~immediately after the grower is~~
7 ~~granted a registration under chapter II:~~

8 (a) The address and total acreage of and GPS coordinates for
9 each field, greenhouse, building, or other location where
10 industrial hemp will be grown.

11 (b) The grower's registration number.

12 (2) A grower shall do all of the following:

13 (a) Allow the department or a law enforcement agency to enter
14 onto and inspect all premises where industrial hemp is or will be
15 located, with or without cause and with or without advance notice.

16 (b) On request from the department or a law enforcement
17 agency, produce a copy of the grower's registration for inspection.

18 (c) Contact the department to collect ~~a~~**an official hemp**
19 **sample** under section 401.

20 (d) Harvest the industrial hemp ~~crop~~**lot** within ~~15~~**30** days
21 after ~~receiving a certified report~~**an official hemp sample is**
22 **collected** under section ~~405~~**401**.

23 (e) ~~Destroy any~~**Dispose of or remediate under section 407,**
24 **without compensation, any industrial hemp lot determined to be**
25 **noncompliant under section 405.**

26 (f) **Dispose** of the following, without compensation, under
27 section 407:

28 ~~(i) If the results of the total delta-9-THC test under section~~
29 ~~405 indicate a total delta-9-THC concentration of more than the~~

1 ~~acceptable THC level, all cannabis grown within the contiguous area~~
 2 ~~where the sample was taken.~~

3 (i) ~~(ii)~~ Industrial hemp that is at a location that is not
 4 disclosed on the grower's application under section 201.

5 (ii) ~~(iii)~~ Industrial hemp that is grown in violation of this
 6 act.

7 (g) ~~(f)~~ Report all of the following information to the
 8 department by November ~~15~~ **30** of each year:

9 (i) Total acreage of industrial hemp that the grower grew in
 10 the immediately preceding growing season.

11 (ii) Total acreage of industrial hemp that the grower harvested
 12 in the immediately preceding growing season.

13 (iii) Total acreage of industrial hemp that the grower disposed
 14 of in the immediately preceding growing season.

15 (h) **Use only a compliance monitoring testing facility to test**
 16 **unofficial hemp samples for compliance monitoring to determine**
 17 **whether the industrial hemp is in compliance with this act.**

18 (i) If the department is inspecting or investigating a
 19 complaint, do all of the following:

20 (i) Allow the department to have access to all structures
 21 directly related to the production of industrial hemp including,
 22 but not limited to, a barn, machine shed, greenhouse, or storage
 23 area.

24 (ii) Provide business records including books, accounts,
 25 records, files, and any other documents in print or electronic
 26 media that the department determines is relevant or necessary for
 27 the inspection or investigation.

28 (iii) Allow a law enforcement agency to accompany the department
 29 during an inspection or investigation.

1 (iv) Allow the department to collect official hemp samples for
2 the purpose of completing an inspection or investigation.

3 Sec. 303. A grower shall not do any of the following:

4 (a) Grow industrial hemp that is not in compliance with the
5 grower's registration.

6 (b) Grow industrial hemp in a location that is not disclosed
7 on the grower's application under section 201.

8 (c) Grow industrial hemp in a location that is not owned or
9 completely controlled by the grower. As used in this subdivision,
10 "completely controlled" means to be solely responsible for all of
11 the industrial hemp grown at a location.

12 (d) Grow industrial hemp in a dwelling.

13 (e) Grow a variety of industrial hemp that is on the list
14 created under section 505.

15 (f) Sell or transport, or permit the sale or transport of,
16 viable industrial hemp plants or viable seed. ~~to a location that is~~
17 ~~not disclosed on the grower's application under section 201 or to a~~
18 ~~person in this state that is not a grower.~~

19 (g) Harvest industrial hemp before ~~receiving the certified~~
20 ~~report of the total delta-9-THC test results~~ **an official hemp**
21 **sample is collected** under section ~~405.~~**401.**

22 (h) Sell **raw** industrial hemp to a person in this state that is
23 ~~not authorized by the department to receive industrial~~
24 **hemp licensed as a processor-handler under the industrial hemp**
25 **research and development act, 2014 PA 547, MCL 286.841 to 286.859,**
26 **or as a processor under the medical marijuana facilities licensing**
27 **act, 2016 PA 281, MCL 333.27101 to 333.27801, as authorized under**
28 **this act..**

29 (i) ~~Destroy~~ **Dispose of** industrial hemp without submitting a

1 notice **of intent to dispose** to the department under section
 2 ~~407(3)(a).~~ **407(6)(a)**. This subdivision does not apply to a grower
 3 that ~~destroys male industrial hemp plants~~ **disposes of industrial**
 4 **hemp affected by poor health, pests, disease, or weather** or to
 5 prevent cross-pollination **of male or hermaphrodite industrial hemp**
 6 **plants.**

7 (j) **Sell an intermediary, in-process, or finished industrial**
 8 **hemp product or smokable hemp flower, unless the grower is licensed**
 9 **as a processor-handler under the industrial hemp research and**
 10 **development act, 2014 PA 547, MCL 286.841 to 286.859, or as a**
 11 **processor under the medical marihuana facilities licensing act,**
 12 **2016 PA 281, MCL 333.27101 to 333.27801, as authorized under this**
 13 **act.**

14 Sec. 305. (1) A grower shall post signage in a conspicuous
 15 location at each boundary line of each location where industrial
 16 hemp is grown. The signage must include all of the following:

17 (a) The statement, "Industrial Hemp Registered with the
 18 Michigan Department of Agriculture and Rural Development".

19 (b) The grower's name.

20 (c) The grower's registration number.

21 (2) The signage described under subsection (1) must meet all
 22 of the following requirements:

23 (a) Be a minimum of 8 inches ~~wide and by~~ 10 inches. ~~tall.~~

24 (b) Use ~~writing~~ **print** that is clearly legible **and not smaller**
 25 **than 3/8 inch tall.**

26 (c) Be made of weather-resistant material.

27 Sec. 307. A grower shall provide a record of sale ~~to each~~
 28 ~~person that purchases~~ **of raw** industrial hemp ~~from the grower. to a~~
 29 **processor-handler licensed under the industrial hemp research and**

1 development act, 2014 PA 547, MCL 286.841 to 286.859 or a processor
 2 licensed under the medical marihuana facilities licensing act, 2016
 3 PA 281, MCL 333.27101 to 333.27801. The record of sale must contain
 4 all of the following information:

5 (a) The name **and license number** of the ~~person~~**processor-**
 6 **handler or processor** purchasing the industrial hemp.

7 ~~(b) Evidence that the person purchasing the industrial hemp is~~
 8 ~~authorized by the department to purchase industrial hemp.~~

9 ~~(b) (e)~~The total weight of industrial hemp purchased.

10 ~~(c) (d)~~The total sale price of the industrial hemp.

11 ~~(d) (e)~~The date of the sale.

12 ~~(e) (f)~~The certified report of the total delta-9-THC testing
 13 under section 405 for each variety of industrial hemp purchased.

14 Sec. 309. (1) A grower shall maintain records ~~containing that~~
 15 **contain** all of the following information:

16 (a) Each record of sale generated under section 307.

17 (b) The name and mailing address of any person from whom the
 18 grower purchased viable industrial hemp.~~seed.~~

19 (c) The name of each variety of industrial hemp the grower
 20 grows.

21 (d) Evidence that the information required to be reported
 22 under section 301 was submitted and received by the USDA Farm
 23 Service Agency.

24 (e) A ~~destruction report~~**notice of disposal** generated under
 25 section ~~407(3)(b),~~**407(6)(b)**, if applicable.

26 (2) A grower shall maintain the records under subsection (1)
 27 for 5 years and make the records available to the department upon
 28 request.

29 Sec. 311. (1) Before implementing a modification to a ~~site~~

1 **growing** location listed in a registration, the grower must submit a
 2 ~~site-growing~~ location modification request on a form provided by
 3 the department and the required fee under section 511, ~~based on the~~
 4 ~~number of requested modifications,~~ and obtain written approval from
 5 the department.

6 (2) The department shall not approve a site location
 7 modification request under this section unless the grower has paid
 8 the ~~site-growing~~ location modification fee in full.

9 Sec. 401. (1) A grower that intends to harvest ~~or destroy an~~
 10 industrial hemp ~~crop lot~~ shall contact the department ~~at least not~~
 11 **more than 30 days or less than 20 days in advance of before the**
 12 **grower's anticipated** harvest ~~or destruction~~ to collect a
 13 ~~representative an official hemp~~ sample of each ~~variety lot~~ of
 14 industrial hemp **grown**. ~~Sampling must be conducted at least 15 days~~
 15 **A designated sampling agent shall collect an official hemp sample**
 16 before the grower's anticipated harvest, ~~or destruction,~~ and the
 17 grower or the grower's authorized representative must be present.

18 (2) When ~~the department conducts the sampling,~~ **a designated**
 19 **sampling agent collects an official hemp sample,** the grower shall
 20 provide the ~~department~~ **designated sampling agent** with complete and
 21 unrestricted access to both of the following during normal business
 22 hours:

23 (a) All cannabis.

24 (b) All acreage, greenhouses, indoor square footage, fields,
 25 buildings, or other locations, including any location listed in the
 26 application under section 201, where cannabis is growing or stored.

27 (3) The department shall transport or cause to be transported
 28 ~~a an official hemp~~ sample collected under this section to a
 29 **regulatory** testing facility for total delta-9-THC testing under

1 section 403.

2 (4) A grower that requests the collection an official hemp
3 sample under this section must be in good standing. An official
4 hemp sample will not be collected until all outstanding fees and
5 fines under this act are paid.

6 (5) A grower may collect an unofficial hemp sample and submit
7 the unofficial hemp sample to a compliance monitoring testing
8 facility for compliance monitoring at any time to determine whether
9 the industrial hemp is in compliance with this act.

10 (6) The department may use performance-based sampling that
11 allows for reduced or no regulatory sampling of specific certified
12 seed, varieties yielding consistently compliant hemp, lots used for
13 academic research by a college or university, historical
14 performance of the grower, or other factors, which have the
15 potential to ensure at a confidence level of 95% that no more than
16 1% of the plants in each lot would be non-compliant.

17 Sec. 403. (1) A **compliance monitoring testing facility or**
18 **regulatory** testing facility that performs total delta-9-THC testing
19 must do all of the following:

20 (a) Adopt a laboratory quality assurance program that ensures
21 the validity and reliability of the total delta-9-THC test results.

22 (b) Adopt an analytical method selection, validation, and
23 verification procedure that ensures that the total delta-9-THC
24 testing method is appropriate.

25 (c) Demonstrate that the total delta-9-THC testing ensures
26 consistent and accurate analytical performance.

27 (d) Adopt method performance selection specifications that
28 ensure that the total delta-9-THC testing methods are sufficient to
29 detect the total delta-9-THC as required under this act.

1 (e) Report the measurement of uncertainty on the certified
2 report of the total delta-9-THC test.

3 (f) Adopt a total delta-9-THC testing method that includes a
4 postdecarboxylation test or other similar method.

5 ~~(2) A testing facility shall ensure~~ **Ensure** that a ~~an official~~
6 **hemp sample or unofficial hemp** sample of industrial hemp is not
7 commingled with any other **official hemp sample or unofficial hemp**
8 sample. ~~of industrial hemp.~~

9 ~~(3) A testing facility shall assign~~ **Assign** a sample
10 identification number to each **official hemp sample or unofficial**
11 **hemp** sample. ~~of industrial hemp.~~

12 **(2) (4) A regulatory testing facility or compliance monitoring**
13 testing facility shall report all of the following information to
14 the ~~department and to the USDA~~ **grower** for each test performed:

15 (a) The grower's full name and mailing address.

16 (b) The grower's registration number.

17 (c) Each sample identification number assigned under
18 subsection ~~(3)~~. **(1) (g)**.

19 (d) The testing facility's name and DEA registration number,
20 **if applicable.**

21 (e) The date the total delta-9-THC testing was completed.

22 (f) The ~~certified report under section 405 of the total delta-~~
23 ~~9-THC testing.~~

24 **(3) The requirement for regulatory testing facilities and**
25 **compliance monitoring testing facilities to be registered with the**
26 **DEA is effective on December 31, 2022.**

27 Sec. 405. (1) If the results of the total delta-9-THC test **of**
28 **an official hemp sample** indicate a total delta-9-THC concentration
29 of not more than the acceptable THC level, the **regulatory** testing

1 facility shall provide to the grower ~~, and~~ the department ~~, and the~~
2 ~~USDA~~ a certified report ~~stating that states~~ the results of the
3 total delta-9-THC test.

4 (2) If the results of the total delta-9-THC test **of an**
5 **official hemp sample** indicate a total delta-9-THC concentration
6 that is greater than the acceptable THC level, the **regulatory**
7 testing facility shall provide the grower and the department a
8 certified report ~~stating that states~~ the results of the total
9 delta-9-THC test, and the grower must ~~destroy~~ **dispose of or**
10 **remediate** the **noncompliant** industrial hemp ~~crop lot~~ under section
11 407.

12 (3) ~~The~~ **A** grower shall harvest an industrial hemp ~~crop lot~~
13 within ~~15~~ **30** days after ~~receiving the certified report under~~
14 ~~subsection (1).~~ **an official hemp sample is collected under section**
15 **401.** If the grower ~~fails~~ **is unable** to harvest the industrial hemp
16 ~~crop lot~~ within the ~~15 days,~~ **30-day period because of any of the**
17 **following,** the grower may submit a request ~~for~~ **to the department to**
18 **collect** a second ~~collection of a~~ **official hemp** sample **under section**
19 **401:.** ~~The~~

20 (a) **Weather.**

21 (b) **Agricultural practices.**

22 (c) **Equipment failure.**

23 (d) **Any other reason approved by the department.**

24 (4) **A second official hemp sample collected under subsection**
25 **(3)** must be tested under section 403, and the grower must harvest
26 the remaining industrial hemp ~~crop lot~~ within ~~15~~ **30** days after
27 ~~receiving a second certified report.~~ **the second official sample is**
28 **collected under section 401.** **A grower shall not request the**
29 **department to collect a second official sample for testing under**

1 subsection (3) unless both of the following apply:

2 (a) The grower is in good standing with the department.

3 (b) The request to collect a second official sample is not for
4 the purpose of delaying the harvest to increase cannabinoid
5 concentration.

6 Sec. 407. (1) A grower that receives a certified report under
7 section 405(2) shall, ~~destroy that crop within 15-30 days using 1~~
8 ~~of the following methods:~~ **after receiving the certified report,**
9 **dispose of the noncompliant hemp lot under subsection (2) or**
10 **remediate the noncompliant industrial hemp lot under subsection**
11 **(3).**

12 (2) **Except as provided in subsection (8), a grower shall**
13 **dispose of a noncompliant industrial hemp lot using 1 of the**
14 **following methods:**

15 (a) Plowing under using a curved plow blade to rotate the
16 subsoil to the surface and bury the industrial hemp below the
17 subsoil.

18 (b) Mulching, disking, or composting the industrial hemp and
19 blending the industrial hemp with existing soil, manure, or other
20 biomass material.

21 (c) Mowing, ~~shredding,~~ deep burial, or burning.

22 (3) **Except as provided in subsection (8), a grower shall**
23 **remediate a noncompliant industrial hemp lot using 1 of the**
24 **following methods:**

25 (a) Removing all of the floral material and disposing of it
26 under subsection (2).

27 (b) Shredding the industrial hemp plant into a biomass-like
28 material.

29 (4) If a grower remediates a noncompliant industrial hemp lot

1 under subsection (3), the grower shall contact the department to
 2 collect an official hemp sample of the industrial hemp lot under
 3 section 401. The official hemp sample must be tested by a
 4 regulatory testing facility under section 403. If the results of
 5 the total delta-9-THC test indicate a total delta-9-THC
 6 concentration of not more than the acceptable THC level, the grower
 7 must harvest the industrial hemp lot within 30 days after the
 8 official hemp sample is collected under this section. If the
 9 results of the total delta-9-THC test indicate a total delta-9-THC
 10 concentration that is greater than the acceptable THC level, the
 11 grower must dispose of the industrial hemp lot under subsection
 12 (2). The regulatory testing facility shall provide the grower and
 13 the department a certified report that states the results of any
 14 total delta-9-THC test completed under this subsection.

15 (5) ~~(2)~~The industrial hemp ~~destroyed~~**disposed of** under
 16 subsection ~~(1)~~**(2)** must be rendered ~~irretrievable~~**nonretrievable** or
 17 ~~not ingestible~~**noningestible**.

18 (6) ~~(3)~~A grower that ~~destroys~~**disposes of** industrial hemp
 19 **under subsection (2)** shall do both of the following:

20 (a) Submit a notice **of intent to dispose** to the department at
 21 least 48 hours before ~~destroying~~**disposing of** the industrial hemp.
 22 The grower shall submit the notice ~~in~~**of intent to dispose on** a
 23 form and **in a** manner provided by the department. ~~The grower shall~~
 24 ~~include in the notice the reason for the destruction of the~~
 25 ~~industrial hemp.~~

26 (b) Submit **a notice of disposal** to ~~the USDA and~~ the department
 27 ~~a destruction report~~ **within 48 hours after the industrial hemp is**
 28 **disposed of under subsection (2)** that contains all of the following
 29 information:

1 (i) The date of the disposal.
2 (ii) The method of disposal.
3 (iii) The total acreage **or square footage** disposed of.
4 (iv) ~~A copy of the certified report under section 405(2).~~**The**
5 **reason for disposal.**

6 (v) **Photographic or video evidence of the disposal.**

7 (7) **The grower shall allow an agent of the department to be**
8 **present during any disposal or remediation activities conducted**
9 **under this section.**

10 (8) **Industrial hemp that is disposed of for any of the**
11 **following reasons is not subject to the disposal requirements under**
12 **this section:**

13 (a) **Poor health.**

14 (b) **Pests.**

15 (c) **Disease.**

16 (d) **Weather.**

17 (e) **To prevent cross-pollination of male or hermaphrodite**
18 **industrial hemp plants.**

19 Sec. 503. (1) By the first of each month, the department shall
20 report all of the following to the USDA:

21 (a) For each grower, the information provided on an
22 application submitted under section 201.

23 (b) Each grower's registration number.

24 (c) The status of each grower registration.

25 (d) Any changes or updates to a grower's information provided
26 under subdivision (a).

27 (e) An indication that there were no changes or updates to the
28 reports previously submitted under this subsection, if applicable.

29 (f) The date for which the information contained in

1 subdivisions (a), (b), (c), and (d) is current.

2 (g) The period covered by the report.

3 (2) If a grower is required to ~~destroy~~**dispose of** an
4 industrial hemp ~~crop~~**lot** under section 407, by the first of each
5 month, the department shall report all of the following to the
6 USDA:

7 (a) The information provided on the grower's application
8 submitted under section 201.

9 (b) The grower's registration number.

10 (c) The total acreage **or square footage** of industrial hemp
11 that was ~~destroyed~~**disposed of**.

12 (d) The date on which the industrial hemp was destroyed.

13 (3) Not later than December 15 of each year, the department
14 shall report all of the following information to the USDA:

15 (a) The total acreage of industrial hemp that was grown in the
16 immediately preceding growing season.

17 (b) The total acreage of industrial hemp that was harvested in
18 the immediately preceding growing season.

19 (c) The total acreage of industrial hemp that was disposed of
20 in the immediately preceding growing season.

21 Sec. 509. (1) The department's ~~testing~~ laboratory is the
22 official regulatory ~~laboratory~~**testing facility** for testing
23 **official hemp samples** under chapter IV.

24 (2) The department may contract with a third-party laboratory
25 to conduct the testing **of official hemp samples** under chapter IV. A
26 third-party laboratory must meet **all of the following requirements:**

27 (a) **Be registered with the DEA.**

28 (b) **Meet** the standards under chapter IV.

29 (c) **Provide copies of any a certified report that states the**

1 **results of a total delta-9-THC test completed under section 403.**

2 Sec. 511. (1) A grower is subject to the following fees, as
3 applicable:

4 (a) A registration fee of \$1,250.00.

5 (b) A ~~site~~**growing** location modification fee of \$50.00 for
6 each **growing** location modification request form submitted under
7 section 311.

8 (2) A grower shall pay a fee required under this act at the
9 time an application is submitted under section 201 or at the time
10 the **growing** location modification request form is submitted under
11 section 311. The fee must be paid ~~with a check or money order~~
12 ~~payable to this state.~~**using a method prescribed by the department.**

13 (3) A fee required under this act is nonrefundable and
14 nontransferable.

15 (4) A **grower shall pay a fee** charged for total delta-9-THC
16 testing under chapter IV **within 15 days after receiving the**
17 **invoice. A fee under this subsection** is limited to the reasonable
18 costs of conducting the testing.

19 (5) ~~The department~~**A grower shall charge a pay a fee charged**
20 **for the collection of an official hemp sample within 15 days after**
21 **receiving the invoice. A fee under this subsection is limited to**
22 **the reasonable** ~~sampling fee not to exceed the costs of collecting~~
23 ~~the sampling.~~**official hemp sample.**

24 (6) **The department may refer a fee charged under subsection**
25 **(4) or (5) that remains unpaid for more than 180 days to the**
26 **department of treasury for collection.**

27 Sec. 601. (1) A grower negligently violates ~~the program~~**this**
28 **act** if the grower does any of the following:

29 (a) Fails to provide a legal description for each field,

1 greenhouse, building, or other location where industrial hemp will
2 be grown under section 201.

3 (b) Fails to obtain a registration.

4 (c) Grows industrial hemp that exceeds the acceptable THC
5 level **but does not have more than 1.0% total delta-9-THC on a dry**
6 **weight basis.**

7 (2) If a grower violates subsection (1), the department shall
8 issue the grower a notice of violation and the terms of a
9 corrective action plan. The grower must comply with the terms of
10 the corrective action plan.

11 (3) The department shall develop a corrective action plan
12 under subsection (2) that includes the following terms:

13 (a) A reasonable date by which the grower will correct the
14 negligent violation.

15 (b) A requirement that for not less than 2 years after a
16 violation under subsection (1), the grower shall make periodic
17 reports to the department about the grower's progress and
18 compliance with the requirements of the corrective action plan.

19 (4) A grower that negligently violates ~~the industrial hemp~~
20 ~~plan~~ **this act** 3 times in a 5-year period is ineligible to ~~grow hemp~~
21 **register as a grower** for 5 years from the date of the third
22 violation.

23 (5) A negligent violation under this section is not subject to
24 criminal enforcement. **A grower is not subject to more than 1**
25 **negligent violation per growing season.**

26 (6) **Violations other than those listed in subsection (1) may**
27 **be determined to be negligent. If the department has a reasonable**
28 **suspicion that a grower is violating this act, the department may**
29 **issue a cease and desist order, either orally or in writing. The**

1 department must inform the grower of the reasons for the cease and
 2 desist order. A cease and desist order issued under this subsection
 3 is effective immediately, and failure to comply may subject the
 4 grower to an administrative fine under section 609.

5 Sec. 603. (1) If any of the following allegations are made
 6 concerning a grower, the department shall investigate and may
 7 suspend the grower's registration for not more than 60 days:

8 (a) The grower intentionally grew or was in possession of
 9 cannabis with a total delta-9-THC content greater than the
 10 acceptable THC level.

11 (b) The grower violated a provision of this act.

12 (c) The grower made a false **or misleading** statement, as
 13 determined by the department, to the department or a law
 14 enforcement agency.

15 (d) The grower failed to comply with an order from the
 16 department or a law enforcement agency.

17 (2) If the department suspends a registration under this
 18 section, the department shall notify the grower in writing that the
 19 registration is suspended.

20 (3) If a registration is suspended under this section, the
 21 grower shall not harvest or remove industrial hemp from the
 22 location where the industrial hemp was located at the time the
 23 department issued the notice of suspension, except as authorized in
 24 writing by the department.

25 Sec. 605. (1) The department shall not permanently revoke a
 26 registration suspended under section 603 unless the department
 27 notifies the grower of the allegation against the grower and gives
 28 the grower an opportunity for a hearing to appeal the revocation.

29 (2) The department shall schedule a hearing on a revocation

1 under subsection (1) for a date as soon as practicable that is not
2 more than 60 days after the date of notification of a registration
3 suspension.

4 (3) The department shall conduct the hearing required under
5 this section pursuant to the administrative procedures act of 1969,
6 1969 PA 306, MCL 24.201 to 24.328.

7 (4) If the department finds by a preponderance of the evidence
8 that an allegation under section 603(1) is true, the department
9 shall revoke the registration. The revocation is effective
10 immediately, and the department or a law enforcement agency must ~~do~~
11 ~~either of the following:~~

12 ~~(a) Order~~ **order** the grower to ~~destroy~~ **dispose of** all cannabis
13 that is in the grower's possession under section 407.

14 ~~(b) Confiscate all cannabis that is in the grower's~~
15 ~~possession.~~

16 (5) The department or a law enforcement agency shall not
17 compensate or indemnify the value of the cannabis that is destroyed
18 or confiscated under this section.

19 (6) If the department revokes a registration, the grower is
20 barred from participating in the program in any capacity for a
21 minimum of 5 years from the date on which the registration was
22 revoked.

23 (7) If the department does not find by a preponderance of the
24 evidence that an allegation under section 603(1) is true, the
25 department shall remove the suspension imposed under section 603
26 within 24 hours of the department's determination.

27 (8) If a grower violates ~~the program~~ **this act** 3 times within a
28 5-year period, the grower is barred from participating in the
29 program in any capacity for a minimum of 5 years from the date of

1 the grower's third violation.

2 (9) A suspension, revocation, or denial of a license of a
 3 person who is an individual may result in the suspension,
 4 revocation, or denial of any other license held or applied for by
 5 that individual under this act. The license of a corporation,
 6 partnership, or other association may be suspended when a license
 7 or license application of a partner, trustee, director or officer,
 8 member or a person exercising control of the corporation,
 9 partnership, or other association is suspended, revoked or denied.

10 Sec. 609. (1) ~~A—Except as provided in subsection (6), a person~~
 11 that individually, or by the action of an agent or employee, or as
 12 the agent or employee of another, ~~negligently or with a culpable~~
 13 ~~mental state greater than negligence,~~ violates this act or a rule
 14 promulgated under this act is subject to an administrative fine. On
 15 the request of a person to whom an administrative fine is issued,
 16 the department shall conduct a hearing pursuant to the
 17 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
 18 24.328. The department shall impose an administrative fine
 19 authorized under this section as follows:

20 (a) For a first violation, an administrative fine of not less
 21 than \$100.00 or more than \$500.00, plus the actual costs of the
 22 investigation and double the amount of any economic benefit
 23 associated with the violation.

24 (b) For a second violation that occurs within 5 years after a
 25 violation under subdivision (a), an administrative fine of not less
 26 than \$500.00 or more than \$1,000.00, plus the actual costs of the
 27 investigation and double the amount of any economic benefit
 28 associated with the violation.

29 (c) For a third or subsequent violation that occurs within 5

1 years after a violation under subdivision (a), an administrative
2 fine of not less than \$1,000.00 or more than \$2,000.00, plus the
3 actual costs of the investigation and double the amount of any
4 economic benefit associated with the violation.

5 ~~(2) Any violation made with a culpable mental state greater~~
6 ~~than negligence must be reported~~ **The department shall report** to the
7 ~~attorney general, United States Attorney General,~~ the USDA, and the
8 chief law enforcement officer of this state **any violation made with**
9 **a culpable mental state greater than negligence.**

10 (3) A decision of the department under this section is subject
11 to judicial review as provided by law.

12 (4) The department shall advise the attorney general of the
13 failure of any person to pay an administrative fine imposed under
14 this section. The attorney general shall bring an action to recover
15 the fine.

16 (5) Any administrative fine, investigation costs, or recovery
17 of an economic benefit associated with a violation that is
18 collected under this section must be paid to the state treasury and
19 deposited into the fund.

20 **(6) Except for a negligent violation under section 601(1), and**
21 **in addition to an administrative fine imposed under subsection (1),**
22 **a person that violates or attempts to violate this act is guilty of**
23 **a misdemeanor punishable by imprisonment for not more than 90 days**
24 **or a fine of not more than \$5,000.00, or both.**

25 (7) The department may file, or cause to be filed through the
26 attorney general, a civil action in which the court may impose on a
27 person that violates or attempts to violate this part a civil fine
28 of not more than \$5,000.00 for each violation or attempted
29 violation. The department or attorney general may also bring an

1 action to recover the reasonable costs of an investigation from a
2 person that violated or attempted to violate this act. Money
3 recovered under this subsection must be forwarded to the state
4 treasurer for deposit into the fund.

5 (8) A person that violates this act is liable for all damages
6 sustained by a purchaser of a product sold in violation of this
7 act. In an enforcement action, a court, in addition to other
8 sanctions provided by law, may order restitution to a party injured
9 by the purchase of a product sold in violation of this act.

10 (9) In addition to the other remedies provided under this
11 section, the department may apply to the circuit court for, and the
12 court shall have jurisdiction upon hearing and for cause shown, a
13 temporary or permanent injunction restraining a person from
14 violating this act or rules promulgated under this act irrespective
15 of whether or not there exists an adequate remedy at law.

16 (10) As an affirmative defense of an action filed under this
17 section, in addition to any other lawful defense, a person may
18 present evidence that, at the time of the alleged violation or
19 attempted violation, the person was in compliance with this act and
20 the rules promulgated under this act

21 (11) If the department finds that a person individually, or by
22 the action of an agent or employee, or as the agent or employee of
23 another, violated this act, but the violation did not result in
24 significant harm to public health or the environment, the
25 department may issue a warning instead of imposing an
26 administrative fine.

27 (12) The department may bring an action to enjoin a violation
28 of this act or a rule promulgated under this act in the county in
29 which the violation occurred or is about to occur.

1 (13) The applicable provisions of the revised judicature act
2 of 1961, 1961 PA 236, MCL 600.101 to 600.9948, apply to civil
3 actions filed under this section.

4 CHAPTER VIII

5 Colleges and Universities

6 Sec. 801. (1) A college or university that grows industrial
7 hemp for the purpose of conducting research shall do all of the
8 following:

9 (a) Register as a grower under chapter II.

10 (b) Collect samples of each lot of industrial hemp and
11 complete a total delta-9-THC test as required under chapter IV. If
12 the college or university adopts alternative methods for collecting
13 a sample and completing a total delta-9-THC test, the college or
14 university does not have to comply with the requirements of chapter
15 IV. A total delta-9-THC test conducted under this subdivision must
16 achieve a confidence level of 95% with respect to the acceptable
17 THC level.

18 (c) Dispose of noncompliant industrial hemp under section 407.

19 (2) As used in this section, "college or university" means a
20 college or university described in section 4, 5, or 6 of article
21 VIII of the state constitution of 1963 or a junior college or
22 community college established described in section 7 of article
23 VIII of the state constitution of 1963.

24 Enacting section 1 Section 701 of the industrial hemp growers
25 act, 2020 PA 220, MCL 333.29701, is repealed.

26 Enacting section 2. Section 801 of the industrial hemp growers
27 act, 2020 PA 220, MCL 333.29801, does not take effect unless the
28 industrial hemp research and development act, 2014 PA 547, MCL
29 286.841 to 286.859, is repealed.