

# HOUSE BILL NO. 4601

May 18, 2023, Introduced by Reps. McFall, Tyrone Carter, Liberati, Hood, Tsernoglou, Brixie, Dievendorf, Morgan, Shannon, Outman and Filler 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, 402, 501, 502, and 504 (MCL 333.27102, 333.27402, 333.27501, 333.27502, and 333.27504), section 102 as amended by 2021 PA 57, section 402 as amended by 2021 PA 161, sections 501 and 504 as amended by 2018 PA 10, and section 502 as amended by 2018 PA 648.

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

- 1           Sec. 102. As used in this act:
- 2           (a) "Advisory panel" or "panel" means the ~~marijuana~~ **cannabis**

1 regulatory agency.

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

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

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

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

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

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

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

19 (e) **"Cannabis regulatory agency" means the marijuana**  
 20 **regulatory agency created under Executive Reorganization Order No.**  
 21 **2019-2, MCL 333.27001, renamed the cannabis regulatory agency under**  
 22 **Executive Reorganization Order No. 2022-1, MCL 333.27002.**

23 (f) ~~(e)~~ "Cutting" means a section of a lead stem or root stock  
 24 that is used for vegetative asexual propagation.

25 (g) ~~(f)~~ "Department" means the department of licensing and  
 26 regulatory affairs.

27 (h) ~~(g)~~ "Grower" means a licensee that is a commercial entity  
 28 located in this state that ~~cultivates, dries, trims, or cures and~~  
 29 ~~packages marihuana for sale to a processor, provisioning center, or~~

1 ~~another grower holds a grower license.~~

2 (i) ~~(h)~~—"Industrial hemp" means that term as defined in  
3 section 3 of the Michigan Regulation and Taxation of Marihuana Act,  
4 2018 IL 1, MCL 333.27953.

5 (j) ~~(i)~~—"Industrial hemp research and development act" means  
6 the industrial hemp research and development act, 2014 PA 547, MCL  
7 286.841 to 286.859.

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

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

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

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

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

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

23 (q) ~~(p)~~—"Marijuana regulatory agency" means the ~~marijuana~~  
24 ~~regulatory agency created under Executive Reorganization Order No.~~  
25 ~~2019-2, MCL 333.27001.~~ **cannabis regulatory agency.**

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

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

1           (t) ~~(s)~~ "Paraphernalia" means any equipment, product, or  
 2 material of any kind that is designed for or used in growing,  
 3 cultivating, producing, manufacturing, compounding, converting,  
 4 storing, processing, preparing, transporting, injecting, smoking,  
 5 ingesting, inhaling, or otherwise introducing into the human body,  
 6 marihuana.

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

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

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

19           (x) ~~(w)~~ "Provisioning center" means a licensee that is a  
 20 commercial entity located in this state that ~~purchases marihuana~~  
 21 ~~from a grower or processor and sells, supplies, or provides~~  
 22 ~~marihuana to registered qualifying patients, directly or through~~  
 23 ~~the patients' registered primary caregivers.~~ **holds a provisioning**  
 24 **center license.** Provisioning center includes any commercial  
 25 property where marihuana is sold at retail to registered qualifying  
 26 patients or registered primary caregivers. A noncommercial location  
 27 used by a registered primary caregiver to assist a qualifying  
 28 patient connected to the caregiver through the ~~department's~~  
 29 **cannabis regulatory agency's** marihuana registration process in

1 accordance with the Michigan Medical Marihuana Act is not a  
2 provisioning center for purposes of this act.

3       **(y)** ~~(x)~~—"Registered primary caregiver" means a primary  
4 caregiver who has been issued a current registry identification  
5 card under the Michigan Medical Marihuana Act.

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

11       **(aa)** ~~(z)~~—"Registry identification card" means that term as  
12 defined in section 3 of the Michigan Medical Marihuana Act, MCL  
13 333.26423.

14       **(bb)** ~~(aa)~~—"Rules" means rules promulgated under the  
15 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
16 24.328, by the ~~marijuana~~ **cannabis** regulatory agency to implement  
17 this act.

18       **(cc)** ~~(bb)~~—"Safety compliance facility" means a licensee that  
19 is a commercial entity that ~~takes marihuana from a marihuana~~  
20 ~~facility or receives marihuana from a registered primary caregiver,~~  
21 ~~tests the marihuana for contaminants and for tetrahydrocannabinol~~  
22 ~~and other cannabinoids, returns the test results, and may return~~  
23 ~~the marihuana to the marihuana facility.~~ **holds a safety compliance**  
24 **facility license.**

25       **(dd)** ~~(ee)~~—"Secure transporter" means a licensee that is a  
26 commercial entity located in this state that ~~stores marihuana and~~  
27 ~~transports marihuana between marihuana facilities for a fee.~~ **holds a**  
28 **secure transporter license.**

29       **(ee)** ~~(dd)~~—"Seed" means the fertilized, ungerminated, matured

1 ovule, containing an embryo or rudimentary plant, of a marihuana  
2 plant that is flowering.

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

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

9 (i) A grower.

10 (ii) A processor.

11 (iii) A secure transporter.

12 (iv) A provisioning center.

13 (v) A safety compliance facility.

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

21 (i) Verifying registry identification cards.

22 (ii) Tracking marihuana transfer and transportation by  
23 licensees, including transferee, date, quantity, and price.

24 (iii) Verifying in commercially reasonable time that a transfer  
25 will not exceed the limit that the patient or caregiver is  
26 authorized to receive under section 4 of the Michigan Medical  
27 Marihuana Act, MCL 333.26424.

28 **(ii)** ~~(hh)~~—"Tissue culture" means a marihuana plant cell,  
29 cutting, tissue, or organ, that is kept under a sterile condition

1 on a nutrient culture medium of known composition and that does not  
2 have visible root formation. A tissue culture is not a marihuana  
3 plant for purposes of a grower.

4 (jj) ~~(ii)~~ "Usable marihuana" means the dried leaves, flowers,  
5 plant resin, or extract of the marihuana plant, but does not  
6 include the seeds, stalks, and roots of the plant.

7 Sec. 402. (1) The ~~marijuana~~**cannabis** regulatory agency shall  
8 issue a license to an applicant if all of the following conditions  
9 are met:

10 (a) The applicant submits a complete application.

11 (b) The applicant pays both the nonrefundable application fee  
12 required under section 401(5) and the regulatory assessment  
13 established by the ~~marijuana~~**cannabis** regulatory agency for the  
14 first year of operation.

15 (c) The ~~marijuana~~**cannabis** regulatory agency determines that  
16 the applicant is qualified to receive a license under this act.

17 (2) ~~An~~**Subject to subsection (17), an** applicant is ineligible  
18 to receive a license if any of the following circumstances exist:

19 (a) The applicant has been convicted of or released from  
20 incarceration for a felony under the laws of this state, any other  
21 state, or the United States within the past 10 years or has been  
22 convicted of a controlled substance-related felony within the past  
23 10 years. This subdivision does not apply to a felony for the  
24 manufacture, processing, or distribution of marihuana, or  
25 possession with the intent to manufacture, process, or distribute  
26 marihuana, unless the felony involved the distribution of marihuana  
27 to a minor.

28 (b) Within the past 5 years the applicant has been convicted  
29 of a misdemeanor involving a controlled substance, theft,

1 dishonesty, or fraud in any state or been found responsible for  
2 violating a local ordinance in any state involving a controlled  
3 substance, dishonesty, theft, or fraud that substantially  
4 corresponds to a misdemeanor in that state. This subdivision does  
5 not apply to a misdemeanor or ordinance violation for the  
6 possession or use of marihuana.

7 (c) The applicant has knowingly submitted an application for a  
8 license under this act that contains false information.

9 (d) The applicant is an employee of the ~~marijuana~~**cannabis**  
10 regulatory agency.

11 (e) The applicant fails to demonstrate the applicant's ability  
12 to maintain adequate premises liability and casualty insurance for  
13 its proposed marihuana facility.

14 (f) The applicant holds an elective office of a governmental  
15 unit of this state, another state, or the federal government. This  
16 subdivision does not apply to an elected officer of or employee of  
17 a federally recognized Indian tribe or to an elected precinct  
18 delegate.

19 (g) The applicant is a member of or employed by a regulatory  
20 body of a governmental unit in this state, another state, or the  
21 federal government, or is employed by a governmental unit of this  
22 state. This subdivision does not apply to ~~any~~**either** of the  
23 following:

24 (i) An elected officer of or employee of a federally recognized  
25 Indian tribe.

26 (ii) An elected precinct delegate.

27 ~~(iii) The spouse of a person who applies for a state operating~~  
28 ~~license unless the spouse's position creates a conflict of interest~~  
29 ~~or is within any of the following:~~

1       ~~(A) The marijuana regulatory agency.~~

2       ~~(B) A regulatory body of a governmental unit in this state,~~  
3 ~~another state, or the federal government that makes decisions~~  
4 ~~regarding medical marihuana.~~

5       (h) The ~~marijuana~~**cannabis** regulatory agency determines that  
6 the applicant is not in compliance with section 205(1).

7       (i) The ~~marijuana~~**cannabis** regulatory agency determines that  
8 the applicant is not in compliance with section 408.

9       (j) The applicant fails to meet other criteria established by  
10 rule.

11       (3) ~~In~~**Subject to subsection (17), in** determining whether to  
12 grant a license to an applicant, the ~~marijuana~~**cannabis** regulatory  
13 agency may also consider all of the following:

14       (a) The business probity; financial ability and experience;  
15 and responsibility or means to operate or maintain a marihuana  
16 facility of the applicant and of any other person that meets either  
17 of the following:

18       (i) Controls, directly or indirectly, the applicant.

19       (ii) Is controlled, directly or indirectly, by the applicant or  
20 by a person who controls, directly or indirectly, the applicant.

21       (b) The financial ability of the applicant to purchase and  
22 maintain adequate liability and casualty insurance.

23       (c) The sources and total amount of the applicant's  
24 capitalization to operate and maintain the proposed marihuana  
25 facility.

26       (d) Whether the applicant has been indicted for, charged with,  
27 arrested for, or convicted of, pled guilty or nolo contendere to,  
28 forfeited bail concerning, or had expunged any relevant criminal  
29 offense under the laws of any jurisdiction, either felony or

1 misdemeanor, not including traffic violations, regardless of  
2 whether the offense has been expunged, pardoned, or reversed on  
3 appeal or otherwise. This subdivision does not apply to a criminal  
4 offense for the possession, use, manufacture, processing, or  
5 distribution of marihuana, or possession with the intent to  
6 manufacture, process, or distribute marihuana, unless the felony  
7 involved the distribution of marihuana to a minor.

8 (e) Whether the applicant has filed, or had filed against it,  
9 a proceeding for bankruptcy within the past 7 years.

10 (f) Whether the applicant has been served with a complaint or  
11 other notice filed with any public body regarding payment of any  
12 tax required under federal, state, or local law that has been  
13 delinquent for 1 or more years.

14 (g) Whether the applicant has a history of noncompliance with  
15 any regulatory requirements in this state or any other  
16 jurisdiction.

17 (h) Whether at the time of application the applicant is a  
18 defendant in litigation involving its business practices.

19 (i) Whether the applicant meets other standards in rules  
20 applicable to the license category.

21 (4) Each applicant shall ensure that 1 set of fingerprints is  
22 submitted to the department of state police. The applicant shall  
23 submit with its application the applicant's written consent to the  
24 criminal history check described in this section and the submission  
25 of the applicant's fingerprints to, and the inclusion of the  
26 applicant's fingerprints in, the state and federal database systems  
27 described in subsection (7).

28 (5) The fingerprints required under subsection (4) may be  
29 taken by a law enforcement agency or any other person determined by

1 the department of state police to be qualified to take  
2 fingerprints. The applicant shall submit a fingerprint processing  
3 fee to the department in an amount required under section 3 of 1935  
4 PA 120, MCL 28.273, and any costs imposed by the Federal Bureau of  
5 Investigation.

6 (6) The department of state police shall do all of the  
7 following:

8 (a) Conduct a criminal history check on each applicant and  
9 request the Federal Bureau of Investigation to make a determination  
10 of the existence of any national criminal history pertaining to  
11 each applicant.

12 (b) Provide the ~~marijuana~~**cannabis** regulatory agency with a  
13 written report containing the criminal history record information  
14 of each applicant.

15 (7) All of the following apply concerning fingerprints  
16 submitted to the department of state police under this section:

17 (a) The department of state police shall store and retain all  
18 fingerprints submitted under this section in an automated  
19 fingerprint identification system database that searches against  
20 latent fingerprints, and provides for an automatic notification  
21 when a subsequent fingerprint is submitted into the system that  
22 matches a fingerprint previously submitted under this section or  
23 when the criminal history of an individual whose fingerprints are  
24 retained in the system is updated. Upon receiving a notification,  
25 the department of state police shall immediately notify the  
26 ~~marijuana~~**cannabis** regulatory agency. Information in the database  
27 maintained under this subsection is confidential, is not subject to  
28 disclosure under the freedom of information act, 1976 PA 442, MCL  
29 15.231 to 15.246, and shall not be disclosed to any person except

1 for purposes of this act or for law enforcement purposes.

2 (b) The department of state police shall forward all  
3 fingerprints submitted to it under this section to the Federal  
4 Bureau of Investigation for submission of those fingerprints into  
5 the FBI automatic notification system. This subdivision does not  
6 apply until the department of state police is a participant in the  
7 FBI automatic notification system. As used in this subdivision:

8 (i) "Automatic notification system" means a system that stores  
9 and retains fingerprints, and that provides for an automatic  
10 notification to a participant if and when a fingerprint is  
11 submitted into the system that matches an individual whose  
12 fingerprints are retained in the system or if and when the criminal  
13 history of an individual whose fingerprints are retained in the  
14 system is updated.

15 (ii) "FBI automatic notification system" means the automatic  
16 notification system that is maintained by the Federal Bureau of  
17 Investigation.

18 (8) The ~~marijuana-cannabis~~ regulatory agency shall review all  
19 applications for licenses and shall inform each applicant of the  
20 ~~marijuana-cannabis~~ regulatory agency's decision.

21 (9) A license shall be issued for a 1-year period and is  
22 renewable annually. Except as otherwise provided in this act, the  
23 ~~marijuana-cannabis~~ regulatory agency shall renew a license if all  
24 of the following requirements are met:

25 (a) The licensee applies to the ~~marijuana-cannabis~~ regulatory  
26 agency on a renewal form provided by the ~~marijuana-cannabis~~  
27 regulatory agency that requires information prescribed in rules.

28 (b) The application is received by the ~~marijuana-cannabis~~  
29 regulatory agency on or before the expiration date of the current

1 license.

2 (c) The licensee pays the regulatory assessment under section  
3 603.

4 (d) The licensee meets the requirements of this act and any  
5 other renewal requirements set forth in rules.

6 (10) The ~~department~~ **cannabis regulatory agency** shall notify  
7 the licensee by mail or electronic mail at the last known address  
8 on file with the ~~marijuana~~ **cannabis** regulatory agency advising of  
9 the time and procedure for paying and the amount of the regulatory  
10 assessment under section 603. The failure of the licensee to  
11 receive notice under this subsection does not relieve the licensee  
12 of the responsibility for renewing the license.

13 (11) If a license renewal application is not submitted by the  
14 license expiration date, the license may be renewed within 60 days  
15 after its expiration date upon application, payment of the  
16 regulatory assessment under section 603, and satisfaction of any  
17 renewal requirement and late fee set forth in rules. The licensee  
18 may continue to operate during the 60 days after the license  
19 expiration date if the license is renewed by the end of the 60-day  
20 period.

21 (12) License expiration does not terminate the ~~marijuana~~  
22 **cannabis** regulatory agency's authority to impose sanctions on a  
23 licensee whose license has expired.

24 (13) In its decision on an application for renewal, the  
25 ~~marijuana~~ **cannabis** regulatory agency shall consider any specific  
26 written input it receives from an individual or entity within the  
27 local unit of government in which the applicant for renewal is  
28 located.

29 (14) A licensee must consent in writing to inspections,

1 examinations, searches, and seizures that are permitted under this  
2 act and must provide a handwriting exemplar, fingerprints,  
3 photographs, and information as authorized in this act or by rules.

4 (15) An applicant or licensee has a continuing duty to provide  
5 information requested by the ~~marijuana~~-**cannabis** regulatory agency  
6 and to cooperate in any investigation, inquiry, or hearing  
7 conducted by the ~~marijuana~~-**cannabis** regulatory agency.

8 (16) If an applicant has a spouse, the applicant may submit to  
9 the cannabis regulatory agency an attestation, on a form and in a  
10 manner as prescribed by the cannabis regulatory agency, that states  
11 that all of the following are true:

12 (a) The applicant's spouse does not control or direct the  
13 affairs of a marihuana facility.

14 (b) The applicant's spouse does not have the ability to make  
15 policy decisions regarding a marihuana facility.

16 (c) The applicant's spouse is not an applicant for a state  
17 operating license.

18 (d) If the applicant is granted a state operating license, the  
19 applicant's spouse will not control or direct the affairs of the  
20 applicant's marihuana facility or have the ability to make policy  
21 decisions regarding the applicant's marihuana facility.

22 (e) If the applicant's spouse has a position described in  
23 subsection (17)(c), none of the conditions listed in subsection  
24 (17)(c)(i) to (iii) apply.

25 (17) If an applicant has a spouse and does not submit an  
26 attestation under subsection (16), the applicant's spouse is  
27 considered an applicant for purposes of subsections (2) to (7). If  
28 an applicant submits an attestation under subsection (16), the  
29 cannabis regulatory agency shall not, in exercising its duties

1 under this section, do any of the following:

2 (a) Conduct a background investigation of the applicant's  
3 spouse.

4 (b) Require the applicant's spouse to submit an application  
5 for licensure.

6 (c) Deny the applicant's application for licensure solely  
7 because the applicant's spouse is a member of or employed by a  
8 regulatory body of a governmental unit in this state, another  
9 state, or the federal government, or is employed by a governmental  
10 unit of this state, unless 1 of the following conditions applies:

11 (i) The spouse's position creates a conflict of interest.

12 (ii) The spouse's position is within the cannabis regulatory  
13 agency.

14 (iii) The spouse's position is within a regulatory body of a  
15 governmental unit in this state, another state, or the federal  
16 government that makes decisions regarding marihuana.

17 Sec. 501. (1) A grower license authorizes the grower to ~~grow~~  
18 **cultivate** not more than the following number of marihuana plants  
19 under the indicated license class for each license the grower holds  
20 in that class:

21 (a) Class A - 500 marihuana plants.

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

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

24 (2) Except as otherwise provided in this subsection, a grower  
25 license authorizes sale of marihuana plants to a grower only by  
26 means of a secure transporter. A grower license authorizes the sale  
27 or transfer of seeds, seedlings, or tissue cultures to a grower  
28 from a registered primary caregiver or another grower without using  
29 a secure transporter.

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

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

7 (b) The grower enters each transfer into the statewide  
8 monitoring system.

9 **(4) A grower license authorizes the cultivation, drying,  
10 trimming, or curing and packaging of marihuana for sale.**

11 (5) ~~(4)~~—A grower license authorizes sale of marihuana, other  
12 than seeds, seedlings, tissue cultures, and cuttings, to a  
13 processor or provisioning center.

14 (6) ~~(5)~~—Except as otherwise provided in subsections (2) and  
15 (3) and section 505, a grower license authorizes the grower to  
16 transfer marihuana only by means of a secure transporter.

17 (7) ~~(6)~~—To be eligible for a grower license, the applicant and  
18 each investor in the grower must not have an interest in a secure  
19 transporter or safety compliance facility.

20 (8) ~~(7)~~—Until December 31, 2018, for a period of 30 days after  
21 the issuance of a grower license and in accord with rules, a grower  
22 may transfer any of the following that are lawfully possessed by an  
23 individual formerly registered as a primary caregiver who is an  
24 active employee of the grower:

25 (a) Marihuana plants.

26 (b) Seeds.

27 (c) Seedlings.

28 (9) ~~(8)~~—A grower shall comply with all of the following:

29 (a) Until December 31, 2021, have, or have as an active

1 employee an individual who has, a minimum of 2 years' experience as  
2 a registered primary caregiver.

3 (b) While holding a license as a grower, not be a registered  
4 primary caregiver and not employ an individual who is  
5 simultaneously a registered primary caregiver.

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

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

13 Sec. 502. (1) A processor license authorizes purchase **or**  
14 **transfer** of marihuana only from a grower, **provisioning center, or**  
15 **another processor** and sale **or transfer** of marihuana-infused  
16 products or marihuana only to a **grower, provisioning center, or**  
17 another processor.

18 (2) Except as otherwise provided in section 505 and this  
19 subsection, a processor license authorizes the processor to  
20 transfer marihuana only by means of a secure transporter. A  
21 processor license authorizes a processor to transfer marihuana  
22 without using a secure transporter to a grower or provisioning  
23 center if both of the following are met:

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

27 (b) The processor enters each transfer into the statewide  
28 monitoring system.

29 **(3) A processor license authorizes the extraction of resin**

1 **from marihuana or creation of a marihuana-infused product for sale**  
 2 **and transfer in packaged form.**

3 (4) ~~(3)~~—To be eligible for a processor license, the applicant  
 4 and each investor in the processor must not have an interest in a  
 5 secure transporter or safety compliance facility.

6 (5) ~~(4)~~—Until December 31, 2018, for a period of 30 days after  
 7 the issuance of a processor license and in accord with rules, a  
 8 processor may transfer any of the following that are lawfully  
 9 possessed by an individual formerly registered as a primary  
 10 caregiver who is an active employee of the processor:

11 (a) Marihuana plants.

12 (b) Usable marihuana.

13 (6) ~~(5)~~—A processor shall comply with all of the following:

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

17 (b) While holding a license as a processor, not be a  
 18 registered primary caregiver and not employ an individual who is  
 19 simultaneously a registered primary caregiver.

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

23 (7) ~~(6)~~—This act does not prohibit a processor from handling,  
 24 processing, marketing, or brokering, as those terms are defined in  
 25 section 2 of the industrial hemp research and development act, MCL  
 26 286.842, industrial hemp.

27 Sec. 504. (1) A provisioning center license authorizes the  
 28 purchase or transfer of marihuana only from a grower, ~~or~~ processor,  
 29 **or another provisioning center** and sale or transfer to only a

1 registered qualifying patient, ~~or~~ registered primary caregiver,  
 2 **grower, processor, or another provisioning center.** Except as  
 3 otherwise provided in section 505 and this subsection, all  
 4 transfers of marihuana to a provisioning center from a separate  
 5 marihuana facility, **or from a provisioning center to a separate**  
 6 **marihuana facility,** must be by means of a secure transporter. A  
 7 transfer of marihuana to a provisioning center from a marihuana  
 8 facility that occupies the same location as the provisioning  
 9 center, **or from a provisioning center to a marihuana facility that**  
 10 **occupies the same location as the provisioning center,** does not  
 11 require a secure transporter if the marihuana is transferred ~~to the~~  
 12 ~~provisioning center~~ using only private real property without  
 13 accessing public roadways.

14 (2) A provisioning center license authorizes the provisioning  
 15 center to transfer marihuana to or from a safety compliance  
 16 facility for testing by means of a secure transporter or as  
 17 provided in section 505.

18 (3) To be eligible for a provisioning center license, the  
 19 applicant and each investor in the provisioning center must not  
 20 have an interest in a secure transporter or safety compliance  
 21 facility.

22 (4) A provisioning center shall comply with all of the  
 23 following:

24 (a) Sell or transfer marihuana to a registered qualifying  
 25 patient or registered primary caregiver only after it has been  
 26 tested and bears the label required for retail sale.

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

1           (c) Before selling or transferring marihuana to a registered  
2 qualifying patient or to a registered primary caregiver on behalf  
3 of a registered qualifying patient, inquire of the statewide  
4 monitoring system to determine whether the patient and, if  
5 applicable, the caregiver hold a valid, current, unexpired, and  
6 unrevoked registry identification card and that the sale or  
7 transfer will not exceed the daily and monthly purchasing limit  
8 established by the medical marihuana licensing board under this  
9 act.

10           (d) Not allow the sale, consumption, or use of alcohol or  
11 tobacco products on the premises.

12           (e) Not allow a physician to conduct a medical examination or  
13 issue a medical certification document on the premises for the  
14 purpose of obtaining a registry identification card.

15           Enacting section 1. This amendatory act takes effect 90 days  
16 after the date it is enacted into law.