A bill to amend 2018 IL 1, entitled
"Michigan Regulation and Taxation of Marihuana Act,"
by amending the title and sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 9a,
11a, 12, 13, 14, 15, and 17 (MCL 333.27951, 333.27952, 333.27953,
333.27954, 333.27955, 333.27956, 333.27957, 333.27958, 333.27959,
333.27959a, 333.27961a, 333.27962, 333.27963, 333.27964, 333.27965,
and 333.27967), sections 3, 7, 8, and 13 as amended by 2023 PA 166,
section 9a as added by 2020 PA 208, section 11a as added by 2021 PA
55, and section 14 as amended by 2023 PA 165, and by adding
sections 20, 21, 22, 23, 24, 24a, 25, 26, 27, and 28; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An initiation of legislation to allow under state law for the personal possession, cultivation, transfer, and use of marihuana by persons—individuals 21 years of age or older; to provide for allow for the lawful commercial cultivation, processing, testing, transportation, and sale of marihuana and industrial hemp by certain persons; 21 years of age or older; to allow for the commercial processing, distribution, and sale of industrial hemp by certain persons; to require the licensing of certain persons engaged in commercial marihuana activities; to permit the taxation of revenue derived from impose a tax on commercial marihuana facilities—sales; to provide for the powers and duties of certain state and local governmental officers and entities; to permit require the promulga- tion of administrative rules; and to prescribe certain penalties and civil sanctions for violations of this act.

If not enacted by the Michigan State Legislature in accordance with the Michigan Constitution of 1963, the proposed legislation is to be voted on at the General Election, November 6, 2018.

Sec. 1. This act shall be known and may be cited as the Michigan Regulation and Taxation of Marihuana Act "Michigan regulation and taxation of marihuana act".

Sec. 2. (1) The purpose of this act is to make—do both of the following:

(a) Make marihuana legal under state and local law for adult individuals who are 21 years of age or older. to make industrial hemp legal under state and local law, and to control
(b) Control the commercial production and distribution of marihuana under a system that licenses, regulates, and taxes the businesses involved.

(2) The intent of this act is to prevent do all of the following:

(a) Prevent arrest and penalty for personal possession and cultivation of marihuana by adults who are 21 years of age or older.

(b) Remove the commercial production and distribution of marihuana from the illicit market.

(c) Prevent revenue generated from commerce in marihuana from going to criminal enterprises or gangs.

(d) Prevent the unauthorized distribution of marihuana to persons under 21 years of age.

(e) Prevent the diversion of marihuana to illicit markets.

(f) Ensure the safety of marihuana and marihuana-infused products.

(g) Ensure the security of marihuana establishments licensed premises.

(3) This act does not affect the cannabis regulatory agency's ability to enter into an agreement with an Indian tribe concerning the regulation of marihuana.

(4) To the fullest extent possible, this act shall must be interpreted and construed in accordance with the purpose and intent set forth in this section.

Sec. 3. As used in this act:

(a) "Adulterated marihuana" or "adulterated marihuana-infused product" means a product sold as marihuana that contains any
unintended substance or chemical or biological matter other than marihuana and that causes an adverse reaction to an individual who ingests or consumes the product.

(b) "Applicant" means a person that applies for a state license. Applicant includes, with respect to disclosures in an application for a state license or for purposes of ineligibility for a state license, a managerial employee of the applicant, a person holding a direct or indirect ownership interest of more than 10% in the applicant, and the following for each type of applicant:

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

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

(iii) For a privately held corporation: all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, and all stockholders, not including those holding a direct or indirect ownership interest of 10% or less, and their spouses.

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

(v) For a nonprofit corporation: all individuals and entities
with membership or shareholder rights in accordance with the
articles of incorporation or the bylaws, and the spouses of the
individuals.

(c) "Cannabis regulatory agency" means the marijuana
regulatory agency created under Executive Reorganization Order No.
2019-2, MCL 333.27001, renamed the cannabis regulatory agency under
Executive Reorganization Order No. 2022-1, MCL 333.27002.

(d) "Class A marihuana grower" means a person that holds a
state license described in section 20(1)(a)(i) or (1)(b)(i).

(e) "Class B marihuana grower" means a person that holds a
state license described in section 20(1)(a)(ii) or (1)(b)(ii).

(f) "Class C marihuana grower" means a person that holds a
state license described in section 20(1)(a)(iii) or (1)(b)(iii).

(g) "Cultivate" means to propagate, breed, grow, harvest,
dry, cure, or separate parts of a marihuana plant by manual or
mechanical means.

(h) "Department" means the cannabis regulatory agency.

(i) "Financial institution" means any of the following:

(i) A state or national bank.

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

(iii) A state or federally chartered savings bank.

(iv) A state or federally chartered credit union.

(v) An insurance company.

(vi) An entity that offers any of the following to a resident
of this state:
(A) A mutual fund account.
(B) A securities brokerage account.
(C) A money market account.
(D) A retail investment account.
(vii) A legal entity regulated by the Securities and Exchange Commission that collects funds from the public.
(viii) A legal entity that is a member of the National Association of Securities Dealers and that collects funds from the public.
(ix) Any other legal entity that collects funds from the public.

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

(j) "Indian lands" means any of the following:

(i) All lands within the limits of an Indian reservation.

(ii) Any lands title to which is either held in trust by the United States for the benefit of any Indian tribe or individual or held by any Indian tribe or individual subject to restriction by the United States against alienation and over which an Indian tribe exercises governmental power.

(k) "Indian tribe" means any Indian tribe, band, nation, or other organized group or community of Indians which is recognized as eligible by the United States Secretary of the Interior for the special programs and services provided by the United States to Indians because of their status as Indians, and is
recognized as possessing powers of self-government.

(1) (f) “Industrial hemp” means any of the following:

(i) A plant of the genus Cannabis, whether growing or not, with a THC concentration of 0.3% or less on a dry-weight basis.

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

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

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

(A) A plant of the genus Cannabis.

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

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

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

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

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

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

(I) Contains a substance listed in subparagraph (i), (ii), (iii), or (iv).

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

(m) "Licensed premises" means the location at which the cannabis regulatory agency has authorized a licensee to operate.

(n) "Licensee" means a person holding a state license.

(o) "Marihuana" means any of the following:

(i) A plant of the genus Cannabis, whether growing or not.

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

(iii) The seeds of a plant of the genus Cannabis.

(iv) Marihuana concentrate.

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

(A) A plant of the genus Cannabis.

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

(C) The seeds of a plant of the genus Cannabis.

(D) Marihuana concentrate.

(vi) A marihuana-infused product.

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

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

(p) Except for marihuana concentrate extracted from any of the following, "marihuana" does not include any of the following:

(i) The mature stalks of a plant of the genus Cannabis.
(ii) Fiber produced from the mature stalks of a plant of the genus *Cannabis*.

(iii) Oil or cake made from the seeds of a plant of the genus *Cannabis*.

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

(v) Industrial hemp.

(vi) An ingredient combined with marihuana to prepare topical or oral administrations, food, drink, or other products.

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

(q) (j) "Marihuana accessories" means any equipment, product, material, or combination of equipment, products, or materials, that is specifically designed for use in planting, any of the following:

(i) Planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, or containing, ingesting, marihuana.

(ii) Ingesting, inhaling, or otherwise introducing marihuana into the human body of a human or animal.

(r) (k) "Marihuana concentrate" means the resin extracted from any part of a marihuana plant of the genus *Cannabis*.

(l) "Marihuana establishment" means a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter, or any other type of marihuana-related business licensed by the cannabis regulatory agency.

(s) (m) "Marihuana grower" means a person licensed to cultivate marihuana and sell or otherwise transfer marihuana to
marihuana establishments that holds a state license described in section 20.

(t) "Marihuana-infused product" means a topical formulation, tincture, beverage, edible substance, or similar product containing marihuana and other ingredients and that is intended for human or animal consumption.

(u) "Marihuana microbusiness" means a person licensed to cultivate not more than 150 marihuana plants; process and package marihuana; and sell or otherwise transfer marihuana to individuals who are 21 years of age or older or to a marihuana safety compliance facility, but not to other marihuana establishments that holds a state license described in section 25.

(v) "Marihuana plant" means any plant of the genus Cannabis sativa L. Marihuana plant does not include industrial hemp.

(w) "Marihuana processor" means a person licensed to obtain marihuana from marihuana establishments; process and package marihuana; and sell or otherwise transfer marihuana to marihuana establishments that holds a state license described in section 21.

(x) "Marihuana provisioning center" means a person that holds a state license described in section 24a.

(y) "Marihuana regulation fund" means the marihuana regulation fund created under section 14.

(z) "Marihuana retailer" means a person licensed to obtain marihuana from marihuana establishments and to sell or otherwise transfer marihuana to marihuana establishments and to individuals who are 21 years of age or older that holds a state license described in section 24.

(aa) "Marihuana safety compliance facility" means a person licensed to test marihuana, including certification for potency and
the presence of contaminants that holds a state license described in section 23.

(bb) "Marihuana secure transporter" means a person licensed to obtain marihuana from marihuana establishments in order to transport marihuana to marihuana establishments that holds a state license described in section 22.

(t) "Marijuana regulatory agency", unless the context dictates otherwise, means the cannabis regulatory agency.

(cc) "Mature marihuana plant" means a marihuana plant, whether flowering or unflowering, that meets all of the following conditions:

(i) The marihuana plant is in 1 of the following:

(A) A growing medium.

(B) A cultivating medium.

(C) A growing container.

(D) A cultivating container.

(ii) The marihuana plant has taken root.

(iii) The marihuana plant meets 1 or both of the following conditions:

(A) Is 8 inches or taller as measured from the growing or cultivating medium.

(B) Has a plant spread of 8 inches or more.

(iv) The marihuana plant was produced from a cutting, clipping, tissue culture, or seedling.

(dd) "Medical facility licensee" means either of the following, as applicable:

(i) Before March 1, 2026, a person that holds a state operating license granted under the medical marihuana facilities licensing act.
On or after March 1, 2026, a licensee that is granted a state license under section 28.

"Medical marihuana facilities licensing act" means the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.

"Michigan Medical Marihuana Act" means the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.

"Municipal license" means a license issued by a municipality pursuant to section 16 that allows a person to operate a marihuana establishment in that municipality.

"Municipality" means a city, village, or township. For purposes of section 6, municipality includes an Indian tribe.

"Person" means an individual, corporation, limited liability company, partnership of any type, trust, or other legal entity.

"Primary caregiver" means that term as defined in section 3 of the Michigan Medical Marihuana Act, MCL 333.26423.

"Process" or "processing" means to separate or otherwise prepare parts of a marihuana plant.

(i) Separate or otherwise prepare parts of a marihuana plant.

(ii) Compound, blend, extract, infuse, or otherwise make or prepare marihuana concentrate or marihuana-infused products.

"Qualifying Indian tribe" means an Indian tribe that meets all of the following conditions:

(i) The Indian tribe has entered into an agreement with the cannabis regulatory agency under section 7(2)(b) that the agreement is in effect.

(ii) The Indian tribe has entered into an agreement with the
department of treasury, that the agreement is in effect, and that
the agreement does all of the following:

(A) States that the revenue collected from the tax or fee
described in subparagraph (iii) is not state money—and requires
that this revenue be retained by and used as determined by only the
Indian tribe, if the marihuana subject to the tax or fee was grown
and processed on only the Indian tribe's Indian lands.

(B) States whether the revenue collected from the tax or fee
described in subparagraph (iii) from marihuana not described in sub-
subparagraph (A) is subject to revenue sharing between the Indian
tribe and this state and, if so, the details of the revenue sharing
arrangement.

(iii) The Indian tribe imposes a tax or fee on each sale or
transfer of marihuana from a tribal marihuana business located in
the Indian tribe's Indian lands to a person other than a tribal
marihuana business or marihuana establishment—licensee. This
subparagraph does not prohibit a qualifying Indian tribe from
imposing the tax or fee on sales or transfers of marihuana that are
not described in this subparagraph. The tax or fee must be based on
the sales price of the marihuana, and the rate of the tax or fee
must be equal to or greater than the rate established under section
13.

(mm) "Qualifying patient" means that term as defined in
section 3 of the Michigan Medical Marihuana Act, MCL 333.26423.

(nn) "Registry identification card" means that term as defined
in section 3 of the Michigan Medical Marihuana Act, MCL 333.26423.

(oo) "Seed" means the fertilized, ungerminated, matured ovule,
containing an embryo or rudimentary plant, of a marihuana plant
that is flowering.
"Seedling" means a marihuana plant that has germinated, has not flowered, and is not harvestable.

"State license" means a license issued an authorization granted by the cannabis regulatory agency under this act that allows a person to operate as a marihuana establishment-licensee.

"THC" means any of the following:

(i) Tetrahydrocannabinolic acid.

(ii) Unless excluded by a rule promulgated by the cannabis regulatory agency under section 8(2)(c), 8, a tetrahydrocannabinol, regardless of whether it is artificially or naturally derived.

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

"Tribal marihuana business" means a business that meets all of the following conditions:

(i) The business engages in the type of activities licensed under this act.

(ii) The business is not a marihuana establishment-licensee.

(iii) The business is wholly owned by a qualifying Indian tribe, the enrolled members of a qualifying Indian tribe, or a combination of a qualifying Indian tribe and the members of that qualifying Indian tribe.

(iv) The business is located in this state and in the Indian lands of the qualifying Indian tribe described in subparagraph (iii).

(v) The business is subject to a tax or fee described in subdivision (y)(iii) (ll) (iii).

"Unreasonably impracticable" means that the measures necessary to comply with the rules or ordinances adopted pursuant
in accordance with this act subject licensees to unreasonable risk or require such a high investment of money, time, or any other resource or asset that a reasonably prudent businessperson would not operate the marihuana establishment as a licensee.

(uu) "Statewide monitoring system" means that term as defined in section 2 of the marihuana tracking act, 2016 PA 282, MCL 333.27902.

(vv) "Visiting qualifying patient" means that term as defined in section 3 of the Michigan Medical Marihuana Act, MCL 333.26423.

Sec. 4. (1) This act does not authorize any of the following:

(a) operating, navigating, or being in physical control of any motor vehicle, aircraft, snowmobile, off-road recreational vehicle, or motorboat while under the influence of marihuana.

(b) transferring marihuana or marihuana accessories to a person under the age of an individual who is younger than 21 years of age.

(c) any person under the age of an individual who is younger than 21 years of age to possess, consume, purchase or otherwise obtain, cultivate, process, transport, or sell marihuana.

(d) separating marihuana plant resin by butane extraction or another method that utilizes a substance with a flashpoint below 100 degrees Fahrenheit in any public place, motor vehicle, or within the curtilage of any residential structure.

(e) consuming marihuana in a public place or smoking marihuana where prohibited by the person that owns, occupies, or manages the property, except for purposes of this
subdivision, a public place does not include an area designated for
marihuana consumption within a municipality that has authorized
marihuana consumption in designated areas that are not accessible
to persons under individuals who are younger than 21 years of age.

(f) cultivating Cultivating marihuana plants if the plants are
visible from a public place without the use of binoculars,
aircraft, or other optical aids or if the plants are outside of an
enclosed area equipped with locks or other functioning security
devices that restrict access to the area.

(g) consuming Consuming marihuana while operating, navigating,
or being in physical control of any motor vehicle, aircraft,
snowmobile, off-road recreational vehicle, or motorboat, or smoking
marihuana within the passenger area of a vehicle upon a public way.

(h) possessing Possessing marihuana or marihuana accessories
or possessing or consuming marihuana on the or in any of the
following:

(i) The grounds of a public or private school where children
individuals attend classes in preschool programs, kindergarten
programs, or grades 1 through to 12.

(ii) A school bus.

(iii) The grounds of any correctional facility.

(i) Possessing more than 2.5 ounces of marihuana within a
person's place of an individual's residence unless the any
marihuana in excess marihuana of 2.5 ounces is stored in a
container or area equipped with locks or other functioning security
devices that restrict access to the contents of the container or
area.
This act does not limit any privileges, rights, immunities, or defenses of a person as provided in the Michigan medical marihuana act, 2008 PA 1, MCL 333.26411 to 333.26430, the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, Medical Marihuana Act or any other law of this state allowing for or regulating marihuana for medical use.

This act does not require an employer to permit or accommodate conduct otherwise allowed by this act in any workplace or on the employer's property. This act does not prohibit an employer from disciplining an employee for violation of workplace drug policy or for working while under the influence of marihuana. This act does not prevent an employer from refusing to hire, discharging, disciplining, refusing to hire, or otherwise taking an adverse employment action against an individual with respect to hire, tenure, terms, conditions, or privileges of employment because of that person's violation of a workplace drug policy or because that person was working while under the influence of marihuana.

A person may prohibit or otherwise regulate the consumption, cultivation, distribution, processing, sale, or display of marihuana and marihuana accessories on property the person owns, occupies, or manages except that a lease agreement may not prohibit a tenant from lawfully possessing and consuming marihuana on the leased premises or from consuming marihuana on the leased premises by means other than smoking, if the possession or consumption is authorized under this act.
(5) All other laws inconsistent with this act do not apply to conduct that is permitted by authorized under this act. A contract is not void or voidable as against public policy solely because it pertains to an activity that is authorized under this act.

Sec. 5. (1) Notwithstanding any other law or provision of this act, and except as otherwise provided in section 4, of this act, the following acts by an individual who is 21 years of age or older are not unlawful, are not an offense, are not grounds for seizing or forfeiting property, are not grounds for arrest, prosecution, or penalty in any manner, are not grounds for search or inspection, and are not grounds to deny any other right or privilege:

(a) Except as permitted by provided in subdivision (b), possessing, using or consuming, internally possessing, purchasing, transporting, or processing not more than 2.5 ounces or less of marihuana, except that not more than 15 grams of marihuana may be in the form of marihuana concentrate.

(b) Within the person's individual's residence, possessing, any of the following:

(i) Possessing, storing, and processing not more than 10 ounces of marihuana that was not produced by marihuana plants cultivated on the premises at which the individual's residence is located as provided for in subparagraph (iii).

(ii) Possessing, storing, and processing any marihuana produced by marihuana plants cultivated on the premises at which the individual's residence is located as provided for in subparagraph (iii). and cultivating

(iii) Possessing, cultivating, and processing not more than 12
marihuana plants for personal use, provided that no if not more than 12 marihuana plants are possessed, cultivated, or processed on the premises at one time.

(c) assisting Assisting another person—individual who is 21 years of age or older in any of the acts described in this section.

and

(d) giving Giving away or otherwise transferring without remuneration up to not more than 2.5 ounces of marihuana, except that of which not more than 15 grams of marihuana may be in the form of marihuana concentrate, to an individual who is 21 years of age or older, as long as but only if the transfer is not advertised or promoted to the public.

(2) Notwithstanding any other law or provision of this act, and except as otherwise provided in section 4, of this act, the use, manufacture, possession, and purchase of marihuana accessories by a person—individual who is 21 years of age or older or who is a qualifying patient, visiting qualifying patient, or primary caregiver, and the distribution or sale of marihuana accessories to a person—individual who is 21 years of age or older or who is a qualifying patient, visiting qualifying patient, or primary caregiver, is authorized, is not unlawful, is not an offense, is not grounds for seizing or forfeiting property, is not grounds for arrest, prosecution, or penalty in any manner, and is not grounds to deny any other right or privilege.

(3) A person—individual must not be denied custody of or visitation with a minor for conduct that is permitted by allowed under this act, unless the person's—individual's behavior is such that it creates an unreasonable danger to the minor that can be clearly articulated and substantiated.
Sec. 6. (1) Except as otherwise provided in this section and section 4, a municipality may, by adopting or enforcing an ordinance or taking an action that the municipality is authorized by law to take, completely prohibit or limit the number of marihuana establishments licensees that may operate within its boundaries. Individuals may petition to initiate an ordinance to provide for the number of marihuana establishments licensees that are allowed to operate within the boundaries of a municipality or to completely prohibit marihuana establishments licensees from operating within the boundaries of a municipality. If the petition is signed by qualified electors in the municipality in a number greater than 5% of the votes cast for governor by qualified electors in the municipality at the last gubernatorial election, the ordinance shall be submitted to the electors of the municipality at the next regular election when a petition is signed by qualified electors held in the municipality. In a number greater than 5% of the votes cast for governor by qualified electors in the municipality at the last gubernatorial election. A petition under this subsection is subject to section 488 of the Michigan election law, 1954 PA 116, MCL 168.488.

(2) A municipality may adopt other ordinances that are not unreasonably impracticable and do not conflict with this act or any rule promulgated pursuant to this act and enforce an ordinance that does any of the following:

(a) Establish reasonable restrictions on public signs related to marihuana establishments, licensees and licensed premises.

(b) Regulate the time, place, and manner of
operation of marihuana establishments licensees and of the production, manufacture, sale, or display of marihuana accessories.

(c) authorize Authorizes the sale of marihuana for consumption in designated areas that are not accessible to persons under individuals who are younger than 21 years of age, or at special events in limited areas and for a limited time.

(d) designate Designates a violation of the ordinance and provide provides for a penalty sanction for that violation by a marihuana establishment, provided that such violation is licensee. However, a violation designated under this subdivision must be a civil infraction and such penalty is the sanction must be a civil fine of not more than $500, $500.00.

(e) 3. A municipality may adopt an ordinance requiring Except as otherwise provided for in subsection (4)(d), requires a marihuana establishment licensee with a physical location licensed premises located within the boundaries of the municipality to obtain a municipal license, but may not impose qualifications for licensure that conflict with this act or rules promulgated by the department.

(f) Prohibits a medical facility licensee that is operating as a provisioning center from operating as a marihuana retailer. This subdivision applies if the ordinance is adopted before March 1, 2026.

(3) 4. A municipality may charge an annual fee of not more than $5,000 $5,000.00 to defray application, administrative, and enforcement costs associated with the operation of the marihuana establishment a licensee operating in the municipality.

(4) 5. A municipality may shall not adopt or enforce an
ordinance that restricts is unreasonably impracticable or that does any of the following:

(a) Conflicts with this act or a rule promulgated under this act.

(b) Restricts the transportation of marihuana through the municipality. or prohibits

(c) Prohibits a marihuana grower, a marihuana processor, and a marihuana retailer from operating within a single facility or from operating at a location shared with a marihuana facility operating pursuant to the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801. at the same licensed premises or at a licensed premises that is shared with a medical facility licensee that is operating in accordance with the medical marihuana facilities licensing act.

(d) Requires a medical facility licensee, other than a medical facility licensee that is operating as a provisioning center, to do either of the following in order to continue operating before March 1, 2026 or to qualify for a state license under section 28:

(i) Obtain a municipal license that is in addition to a municipal license the medical facility licensee already holds.

(ii) Renew a municipal license before the expiration of that municipal license.

(e) Discriminate against, or otherwise treat a medical facility licensee differently than, any other licensee solely because the medical facility licensee was granted a state license under section 28.

Sec. 7. (1) The cannabis regulatory agency is responsible for implementing this act and has the powers and duties necessary to control the commercial production and distribution of marihuana.
The cannabis regulatory agency shall do all of the following:

(a) Promulgate rules pursuant to as required under section 8.

(b) Grant or deny each application for licensure and investigate each applicant to determine eligibility for licensure, including by conducting a background investigation on each person holding an ownership interest in the applicant.

(c) Ensure that marijuana establishments—licensees comply with this act and the rules promulgated under this act by doing all of the following:

(i) Performing investigations of compliance and, regular—if the cannabis regulatory agency has reason to believe that a violation of this act or the rules promulgated under this act has occurred, inspections of marijuana establishments—licensed premises.

(ii) Taking appropriate disciplinary action against a licensee that violates this act or the rules promulgated under this act, including, but not limited to, prescribing civil fines for violations of this act or the rules promulgated under this act and or suspending, restricting, or revoking a state license.

(d) Hold at least 4 public meetings each calendar year for the purpose of hearing complaints and receiving the views of the public with respect to the administration of this act.

(e) Collect fees for licensure and fines for violations of this act or the rules promulgated under this act.

(f) Deposit all fees collected for licensure into the marijuana regulation fund established under section 14 and remit

(g) Remit all fines collected to the department of treasury for deposit into the general fund.

(h) (g)Submit an annual report to the governor covering the
immediately preceding calendar year that includes all of the following:

(i) The total number of state licenses granted.

(ii) (i) The number of each type of state licenses of each class issued, license granted.

(iii) (ii) Demographic information of licensees.

(iv) (iii) A description of enforcement and disciplinary actions taken against licensees.

(v) (iv) A statement of revenues and expenses of the cannabis regulatory agency related to regarding the implementation, administration, and enforcement of this act.

(i) (h) Employ personnel as necessary to adequately perform its duties.

(2) The cannabis regulatory agency may do either of the following:

(a) Enter into an agreement with an advisor or consultant as necessary to adequately perform its duties under this act.

(b) Enter into an agreement with an Indian tribe regarding marihuana-related regulatory issues that involve the interests of this state and the Indian tribe, including, but not limited to, issues related to the commercial growing, processing, sale, testing, transportation, and possession of marihuana.

(3) A person who that has a direct or indirect pecuniary interest, directly or indirectly, in a marihuana establishment licensee or tribal marihuana business may not be an employee, advisor, or consultant involved in the implementation, administration, or enforcement of this act. An employee, advisor, or consultant of the cannabis regulatory agency is not personally liable for any action at law for damages sustained by a person
because of an action performed or done in the performance of the employee's, advisor's, or consultant's duties in the implementation, administration, or enforcement of this act.

(4) The department of state police shall cooperate and assist the cannabis regulatory agency in performing the cannabis regulatory agency's duties under this act, including, but not limited to, conducting background investigations of applicants.

Sec. 8. (1) The cannabis regulatory agency shall promulgate rules to implement, and administer, and enforce this act that include all of the following:

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

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

(c) Qualifications for licensure that are directly and demonstrably related to the operation of operating as a marihuana establishment licensee. However, a prior conviction solely for a marihuana-related offense must not disqualify an individual or otherwise affect eligibility for licensure, unless the offense involved distribution of a controlled substance to a minor.

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

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

(i) A maximum THC level for marihuana-infused products.

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

(iii) A requirement that the amount of marihuana or marihuana concentrate contained within a marihuana-infused product be specified on the product label.

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

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

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

(g) Record keeping—Record-keeping requirements for marihuana establishments—licensees and monitoring requirements to track the transfer of marihuana by licensees.

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

(i) Reasonable restrictions on advertising, marketing, and
display of marihuana, licensees, and marihuana establishments licensed premises.

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

(k) Penalties—Sanctions for failure to comply with a rule promulgated pursuant to under this section or for a violation of this act by a licensee, including civil fines and suspension, revocation, or restriction of a state license.

(l) Informational pamphlet standards for marihuana retailers, and marihuana microbusinesses, and marihuana provisioning centers, including, but not limited to, a requirement to make available to every customer at the time of sale a pamphlet measuring 3.5 inches by 5 inches that includes safety information related to marihuana use by minors—individuals younger than 21 years of age and the poison control hotline number.

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

(n) A limit on the total amount of THC that a product described in section 3(f)(v)(A) 3(l)(v)(A) may contain.

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

(a) Provide for the issuance—granting of additional types or classes of state licenses to operate—engage in marihuana-related businesses, activities, including licenses that authorize any of the following:

(i) Limited cultivation, processing, transportation, delivery, storage, sale, or purchase of marihuana.
(ii) Consumption of marihuana within designated areas.

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

(iv) Cultivation for purposes of propagation.

(v) Facilitation of scientific research or education.

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

(c) Exclude from the definition of THC in section 3 a tetrahydrocannabinol if, after the cannabis regulatory agency makes findings with respect to each of the following factors, the cannabis regulatory agency determines that the tetrahydrocannabinol does not have a potential for abuse:

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

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

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

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

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

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

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

(3) The cannabis regulatory agency shall not promulgate a rule that is unreasonably impracticable or that does any of the following:

(a) Establishes a limit on the number of any type of state
license that may be granted.

(b) Requires a customer to provide a marihuana retailer, marihuana microbusiness, or marihuana provisioning center with identifying information other than identification to determine the customer's age or, if the customer is a qualifying patient, visiting qualifying patient, or primary caregiver, the customer's registry identification card.

(c) Requires a marihuana retailer, marihuana microbusiness, or marihuana provisioning center to acquire or record personal information about customers other than information typically required in a retail transaction.

(c) Prohibits a marihuana establishment from operating at a shared location of a marihuana facility operating pursuant to the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, or prohibits

(d) Prohibits a marihuana grower, marihuana processor, or marihuana retailer from operating within a single facility at the same licensed premises.

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

Sec. 9. (1) 1. Each application for a state license must be submitted Subject to section 28, to apply for a state license, a person must submit all of the following to the department. Upon receipt of cannabis regulatory agency:

(a) An application on a form prescribed by the cannabis regulatory agency.

(b) Written consent to a criminal history check.

(c) The application fee.
(2) Not later than 90 days after receiving a complete application and the application fee, the department—cannabis regulatory agency shall forward a copy of the application to do all of the following:

(a) Notify the municipality in which the marihuana establishment—proposed licensed premises is to be located that the cannabis regulatory agency received the application.

(b) Determine whether the applicant and the applicant's proposed licensed premises qualify for the state license and comply with this act, and issue

(c) Grant the appropriate applicant the state license or send the applicant a notice of rejection setting forth that states the specific reasons why the department—cannabis regulatory agency did not approve the state license application within 90 days.

(3) 2. The department—cannabis regulatory agency shall issue grant the following state license types: marihuana

(a) Marihuana retailer.

(b) Marihuana safety compliance facility.

(c) Marihuana secure transporter.

(d) Marihuana processor.

(e) Marihuana microbusiness.

(f) Class A marihuana grower. authorizing cultivation of not more than 100 marihuana plants; class

(g) Class B marihuana grower. authorizing cultivation of not more than 500 marihuana plants; and class

(h) Class C marihuana grower. authorizing cultivation of not more than 2,000 marihuana plants.

(i) Beginning March 1, 2026, marihuana provisioning center.

(4) 3.—Except as otherwise provided in this section, the
The department—cannabis regulatory agency—shall approve a state license application and issue a state license if all of the following conditions are met:

(a) the applicant has submitted an application in compliance with this act and the rules promulgated by the department, under this act, is in compliance with this act and the rules promulgated under this act, and has paid the required application fee.

(b) the municipality in which the proposed marihuana establishment—licensed premises—will be located does not notify the department—cannabis regulatory agency—that the proposed marihuana establishment is—licensed premises—would not in compliance—comply—with an ordinance consistent with adopted under section 6 of this act and that is in effect at the time of application, on the date the application is submitted.

(c) the property where the proposed marihuana establishment is to be located is—licensed premises—is not within either of the following:

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

(ii) 1,000 feet, or a shorter distance prescribed by an applicable ordinance adopted under section 6, of a pre-existing public or private school providing education in kindergarten or any of grades 1 through 12, unless a municipality adopts an ordinance that reduces this distance requirement.

(d) 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 ownership interest in both a marihuana
safety compliance facility or in a marihuana secure transporter and in any of the following:

(A) A marihuana grower.

(B) A marihuana processor.

(C) A marihuana retailer.

(D) A marihuana microbusiness.

(E) A marihuana secure transporter.

(F) A marihuana provisioning center.

(ii) An ownership interest in a marihuana secure transporter and in any of the following:

(A) A marihuana grower.

(B) A marihuana processor.

(C) A marihuana retailer.

(D) A marihuana microbusiness.

(E) A marihuana safety compliance facility.

(F) A marihuana provisioning center.

(iii) (2) will hold an ownership interest in both a marihuana microbusiness and in any of the following:

(A) A marihuana grower.

(B) A marihuana processor.

(C) A marihuana retailer.

(D) A marihuana safety compliance facility.

(F) A marihuana provisioning center.

(iv) (3) will hold 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, after January 1, 2023, the
department unless the cannabis regulatory agency 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.

(5) 4. If a municipality an ordinance adopted under section 6 limits the number of marihuana establishments licensees that may be licensed operate in the municipality pursuant to section 6 of this act and if that limit prevents the department cannabis regulatory agency from issuing a state license to all applicants who meet every applicant that meets the requirements of subsection 3 of this section, (4) and whose proposed licensed premises is located in the municipality, the municipality shall decide among competing applications by a competitive process intended to select applicants who are best suited to operate in compliance with this act within the municipality.

(6) 5. All A state license is effective for 1 year, unless the department issues cannabis regulatory agency grants the state license for a longer term. A-The cannabis regulatory agency shall renew a licensee's state license is renewed upon receipt of a receiving the licensee's complete renewal application and a renewal fee, from any marihuana establishment if the licensee is in good standing.

(7) 6. The department Except as otherwise provided in this subsection, the cannabis regulatory agency shall begin accepting applications for marihuana establishments within 12 months after the effective date of this act. Except as otherwise provided in this section, for 24 months after the department begins to receive applications for marihuana establishments, the department may only accept applications for licensure: for a class A marihuana grower
or for a marihuana microbusiness, from persons who are residents of Michigan; for a marihuana retailer, marihuana processor, class B marihuana grower, class C marihuana grower, or a marihuana secure transporter, from persons holding a state operating license pursuant to the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801; and for a marihuana safety compliance facility, from any applicant. One year after the department begins to accept applications pursuant to this section, the department shall begin accepting applications from any applicant if the department determines that additional state licenses are necessary to minimize the illegal market for marihuana in this state, to efficiently meet the demand for marihuana, or to provide for reasonable access to marihuana in rural areas. State licenses by December 6, 2019. The cannabis regulatory agency shall begin accepting applications for marihuana provisioning center licenses on March 1, 2026.

(8) Information obtained from an applicant related to licensure under this act is exempt from confidential, is not subject to disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, and must not be disclosed to any person except for purposes of this act or for law enforcement purposes.

Sec. 9a. (1) The marijuana regulatory agency may approve the operation of a marihuana establishment by any of the following to operate as a licensee:

(a) A court-appointed personal representative, guardian, or conservator of an individual who holds a state license or has an interest in a person that holds a state license.

(b) A court-appointed receiver or trustee.

(2) If an individual approved to operate as a marihuana
establish
licensee under subsection (1) receives notice from the marijuana regulatory agency that the marijuana establishment licensee the individual is operating is in violation of this act or the rules promulgated under this act, the individual shall notify the court that appointed the individual of the notice of violation within not later than 2 days after receiving the notice of violation.

Sec. 11a. (1) A licensee authorized to sell or otherwise transfer marihuana under this act or a rule promulgated under this act shall not directly, or by a clerk, agent, or servant, sell or otherwise transfer marihuana to a minor or to an individual who, at the time of the sale or transfer, is visibly intoxicated.

(2) Except as otherwise provided in this section, an individual who suffers damage or is personally injured by a minor or visibly intoxicated person as a result of a violation of subsection (1), if the violation is a proximate cause of the damage or personal injury or death, shall have a right of action in the individual's name against the licensee that sold or transferred the marihuana.

(3) An action under this section must be instituted within 2 years after the injury or death. A person shall give written notice to all defendants within 120 days after entering an attorney-client relationship for the purposes of pursuing a claim for damages under this section. Failure to give written notice to the licensee within that time period is grounds for dismissal of the claim unless the licensee could not be identified within that time period with reasonable diligence. If the licensee is identified after that time period, failure to give written notice within 120 days thereafter is grounds for dismissal. In the event of the death of either
party, the right of action under this section survives to or
against his or her personal representative.
(4) An action under this section shall not be commenced unless
the minor or alleged visibly intoxicated individual is a named
defendant and is retained in the action until the litigation is
concluded by final action or the licensee is dismissed with
prejudice.
(5) A licensee described in subsection (2) has the right to
full indemnification from the minor or alleged visibly intoxicated
individual for all damages awarded against the licensee.
(6) All defenses of the minor or alleged visibly intoxicated
individual are available to the licensee. In an action alleging a
violation of subsection (1) involving a minor, proof that the
licensee demanded and was shown a government-issued photographic
identification appearing to be genuine and showing the minor to be
21 years of age or older, is a complete defense to the action.
(7) It is presumed that a licensee, other than the licensee
that last sold or transferred marihuana to a minor or visibly
intoxicated person, is not a proximate cause of an injury that gave
rise to a cause of action under subsection (2). This presumption
may be overcome by clear and convincing evidence.
(8) A minor or alleged visibly intoxicated individual does not
have a cause of action under this section. A person does not have a
cause of action against a licensee for any loss or damage sustained
resulting from the injury or death of the minor or visibly
intoxicated person.
(9) An individual who suffers damage or who is personally
injured by a minor or visibly intoxicated person as a result of a
violation of subsection (1) has the right to recover actual damages
in a sum of not less than $50.00 in each case in which the court or
jury determines that intoxication was a proximate cause of the
damage, injury, or death.

(10) A licensee authorized to sell or otherwise transfer
marihuana under this act or a rule promulgated under this act must
maintain insurance coverage provided by a licensed and admitted
insurance company in Michigan in a minimum amount of
$50,000.00 for actions brought under subsection (2).

(11) This section provides the exclusive remedy for money
damages against a licensee and the licensee's clerks, agents, and
employees arising out of a violation of subsection (1). This
subsection does not apply to a remedy available under law to lawful
users of marihuana for liability resulting from the manufacture,
distribution, transportation, or sale of adulterated marihuana.

(12) Except as otherwise provided in this section, a civil
action against a licensee is subject to the revised judicature act
of 1961, 1961 PA 236, MCL 600.101 to 600.9947.

(13) As used in this section:
(a) "Adulterated marihuana" means a product sold as marihuana
that contains any unintended substance or chemical or biological
matter other than marihuana that causes adverse reaction after
ingestion or consumption.
(b) "Minor" means an individual who is younger than 21
years of age and who is not a qualifying patient or visiting
qualifying patient.
(c) "Visibly intoxicated" means displaying obvious, objective, and visible evidence of intoxication that would be
apparent to an ordinary observer.
(d) "Written notice" means a communication in writing that
does all of the following:

(i) Identifies the minor or alleged visibly intoxicated person by name and address.

(ii) States all of the following:

(A) The date of the alleged violation of subsection (1).

(B) The name and address of the injured or killed individual.

(C) The location and circumstances of the accident or event that caused injury or death.

(D) The date of retention of the person or law firm giving the notice.

Sec. 12. In computing net taxable income for marihuana establishments, deductions from state taxes are allowed for under the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.847, a licensee may deduct all the ordinary and necessary expenses paid or incurred during the taxable year in carrying out a trade or business.

Sec. 13. (1) Except as otherwise provided in subsection (4), in addition to all other taxes, an excise tax is imposed on each marihuana establishment licensee and on each person who sells marihuana at the rate of 10% of the sales price for marihuana sold or otherwise transferred to a person other than a marihuana establishment or tribal marihuana business.

(2) Except as otherwise provided by a rule promulgated by the department of treasury, a product subject to the tax imposed under this section may must not be bundled in a single transaction with a product or service that is not subject to the tax imposed by this section.

(3) The department of treasury shall administer the taxes imposed under this act pursuant to in accordance with 1941 PA 122,
MCL 205.1 to 205.31. The department of treasury may promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to MCL 24.328, that prescribe a method and manner for payment and collection of the taxes imposed under this act.

(4) The tax imposed under subsection (1) does not apply to any of the following:

(a) Marihuana sold or otherwise transferred from a tribal marihuana business.

(b) Marihuana sold or otherwise transferred under the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.

(c) Marihuana sold or otherwise transferred under the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801 to a qualifying patient, primary caregiver, or visiting qualifying patient.

(d) Marihuana sold or otherwise transferred from a licensee to another licensee or a tribal marihuana business.

Sec. 14. (1) The marihuana regulation fund is created in the state treasury. The department of treasury shall deposit into the fund all money collected under section 13 and all money collected by the department of treasury in accordance with an agreement described in section 3(y)(ii), 3(ll)(ii), and the cannabis regulatory agency shall deposit into the fund all fees collected under this act. The state treasurer shall direct the investment of the fund and shall credit to the fund interest and earnings from fund investments. The cannabis regulatory agency shall administer the fund for auditing purposes. Money in the fund at the close of the fiscal year must remain in the fund and must not lapse to the general fund.
(2) Funds for the initial activities of the cannabis regulatory agency to implement this act must be appropriated from the general fund. The cannabis regulatory agency shall repay any amount appropriated under this subsection from proceeds in the fund.

(3) The cannabis regulatory agency shall expend money in the fund as follows:

(a) For the implementation, administration, and enforcement of this act.

(b) Until 2022 or for at least 2 years, whichever is later, for 1 or more development and research projects, including clinical trials, that are approved by the United States Food and Drug Administration and sponsored by a nonprofit organization or researcher within an academic institution researching the efficacy of marihuana in treating the medical conditions and preventing the suicide of United States Armed Services veterans. The cannabis regulatory agency shall expend $20,000,000.00 per year under this subdivision.

(4) Upon appropriation, the unexpended balances in the fund must be allocated as follows:

(a) Subject to subsection (5), 15% to municipalities in which the licensed premises of a marihuana retailer or marihuana microbusiness is located, allocated in proportion to the number of marihuana retailers and marihuana microbusinesses with licensed premises located in each municipality.

(b) Subject to subsection (5), 15% to counties in which the licensed premises of a marihuana retailer or marihuana microbusiness is located, allocated in proportion to the number of marihuana retailers and marihuana microbusinesses with licensed premises...
licensed premises located in each county.

(c) 35% to the school aid fund to be used for K-12 education, as provided for under section 11 of article IX of the state constitution of 1963.

(d) 35% to the Michigan transportation fund to be used for the repair and maintenance of roads and bridges.

(5) If the licensed premises of a marihuana retailer or marihuana microbusiness is located in Indian lands, the portions of the unexpended balances attributable to the marihuana retailer or marihuana microbusiness that would have otherwise been allocated to a municipality under subsection (4)(a) and a county under subsection (4)(b) must instead be allocated to the Indian tribe in whose Indian lands the licensed premises of the marihuana retailer or marihuana microbusiness is located.

Sec. 15. A person Subject to the exceptions in this section, an individual who commits any of the following acts, and is not otherwise authorized by this act to conduct such activities, commit the acts, may be punished only as provided in this section and is not subject to any other form of punishment or disqualification, unless the person consents to another disposition authorized by law:

(a) 1. Except for a person—an individual who engaged in conduct described in sections 4(1)(a), 4(1)(b), 4(1)(c), 4(1)(d), 4(1)(g), or 4(1)(h), a person section 4(1)(a), (b), (c), (d), (g), or (h), an individual who possesses not more than the amount of marihuana allowed by section 5, cultivates not more than the amount of marihuana allowed by section 5, delivers without receiving any remuneration to a person—an individual who is at least 21 years of age or older not more than the amount of
marijuana allowed by under section 5, or possesses with intent to deliver not more than the amount of marijuana allowed by under section 5, is responsible for a civil infraction and may be punished by a fine of not more than $100–$100.00 and forfeiture of the marijuana.

(b) Except for a person who engaged in conduct described in section 4, a person who possesses not more than twice the amount of marijuana allowed by under section 5, cultivates not more than twice the amount of marijuana allowed by under section 5, delivers without receiving any remuneration to a person who is at least 21 years of age or older not more than twice the amount of marijuana allowed by under section 5, or possesses with intent to deliver not more than twice the amount of marijuana allowed by under section 5, may be punished as follows:

(i) for a first violation, the individual is responsible for a civil infraction and may be punished by a fine of not more than $500–$500.00 and forfeiture of the marijuana.

(ii) for a second violation, the individual is responsible for a civil infraction and may be punished by a fine of not more than $1,000–$1,000.00 and forfeiture of the marijuana.

(iii) for a third or subsequent violation, the individual is guilty of a misdemeanor and may be punished by a fine of not more than $2,000–$2,000.00 and forfeiture of the marijuana.

(c) Except for a person who engaged in conduct described by in section 4(1)(a), 4(1)(d), or 4(1)(g), a person under (d), or (g), an individual who is younger than 21 years of age and who possesses not more than 2.5 ounces of marijuana or who cultivates not more than the number of
marihuana plants allowed under section 5 may be punished as follows:

(i) (a) For a first violation, the individual is responsible for a civil infraction and may be punished as follows:

(A) (1) If the person is less than 18 years of age, by a fine of not more than $100 or community service, forfeiture of the marihuana, and completion of 4 hours of drug education or counseling. or

(B) (2) If the person is at least 18 years of age or older, by a fine of not more than $100 and forfeiture of the marihuana.

(ii) (b) For a second violation, the individual is responsible for a civil infraction and may be punished as follows:

(A) (1) If the person is less than 18 years of age, by a fine of not more than $500 or community service, forfeiture of the marihuana, and completion of 8 hours of drug education or counseling. or

(B) (2) If the person is at least 18 years of age or older, by a fine of not more than $500 and forfeiture of the marihuana.

(d) Except for a person who engaged in conduct described in section 4, a person who possesses more than twice the amount of marihuana allowed under section 5, cultivates more than twice the amount of marihuana allowed under section 5, or delivers without receiving any remuneration to a person who is at least 21 years of age more than twice the amount of marihuana allowed under section 5, shall be responsible for a misdemeanor, but shall not be subject to imprisonment unless the violation was
habitual, willful, and for a commercial purpose or the violation
involved violence.

Sec. 17. This act shall be broadly construed to
accomplish its purpose and intent as stated in section 2 of
this act. Nothing in this act purports to supersede any applicable
federal law, except where allowed by federal law. All provisions of
this act are self-executing. Any section of this act that is found
invalid as to any person or circumstances shall not affect the
application of any other section of this act that can be given full
effect without the invalid section or application.

Sec. 20. A marihuana grower that is granted and holds a
marihuana grower license, or an agent acting on behalf of the
marihuana grower who is 18 years of age or older, may do any of the
following:

(a) Before March 1, 2026, cultivate not more than the
following number of marihuana plants:

(i) For a class A grower license, 100.
(ii) For a class B grower license, 500.
(iii) For a class C grower license, 2,000.

(b) On or after March 1, 2026, cultivate not more than the
following number of mature marihuana plants:

(i) For a class A grower license, 500.
(ii) For a class B grower license, 1,000.
(iii) For a class C grower license, 2,000.
(c) Possess, package, store, or test marihuana.
(d) Obtain seeds or seedlings from any of the following:

(i) An individual who is 21 years of age or older.
(ii) On or after March 1, 2026, a qualifying patient or primary
caregiver.
(e) Sell or otherwise transfer marihuana to a licensee or tribal marihuana business.

(f) Purchase or otherwise obtain marihuana from a licensee or tribal marihuana business.

(g) Except as provided in subdivision (g), transport at 1 time not more than 15 ounces of marihuana, of which not more than 60 grams may be in the form of marihuana concentrate, to or from licensed premises.

(h) Transport marihuana to or from a marihuana processor's or marihuana retailer's licensed premises if all of the following conditions are met:

   (i) The marihuana grower and marihuana processor or marihuana retailer, as applicable, are authorized to operate at the same licensed premises.

   (ii) The marihuana grower does not use any public real property to transport the marihuana.

Sec. 21. (1) A marihuana processor that is granted and holds a marihuana processor license, or an agent acting on behalf of the marihuana processor who is 18 years of age or older, may do any of the following:

   (a) Possess, process, package, store, or test marihuana.

   (b) Sell or otherwise transfer marihuana to a licensee or tribal marihuana business.

   (c) Purchase or otherwise obtain marihuana from a licensee or tribal marihuana business.

   (d) Except as provided in subdivision (e), transport at 1 time not more than 15 ounces of marihuana, of which not more than 60 grams may be in the form of marihuana concentrate, to or from licensed premises.
(e) Transport marihuana to or from a marihuana grower's or marihuana retailer's licensed premises if all of the following conditions are met:

(i) The marihuana processor and marihuana grower or marihuana retailer, as applicable, are authorized to operate at the same licensed premises.

(ii) The marihuana processor does not use any public real property to transport the marihuana.

(f) On or after March 1, 2026, handle, process, market, or broker in compliance with the industrial hemp research and development act, 2014 PA 547, MCL 286.841 to 286.859. As used in this subdivision, "handle", "process", "market", and "broker" mean those terms as defined in section 2 of the industrial hemp research and development act, 2014 PA 547, MCL 286.842.

(2) A marihuana processor shall not process an edible marihuana-infused product in a shape or package that is attractive to individuals younger than 18 years of age or that is easily confused with commercially sold candy that does not contain marihuana.

Sec. 22. (1) A marihuana secure transporter, or an agent acting on behalf of the marihuana secure transporter who is 18 years of age or older, may do any of the following:

(a) Possess or store marihuana.

(b) Transport marihuana to or from licensed premises or a tribal marihuana business.

(2) A marihuana secure transporter shall not hold title to marihuana.

Sec. 23. A marihuana safety compliance facility, or an agent acting on behalf of the marihuana safety compliance facility who is
18 years of age or older, may do all of the following:

(a) Test, possess, repackage, or store marihuana.
(b) Transfer marihuana to a licensee or tribal marihuana business.
(c) Obtain marihuana from a licensee or tribal marihuana business.
(d) Transport marihuana to or from licensed premises or a tribal marihuana business.
(e) On or after March 1, 2026, obtaining, transporting, transferring, or testing industrial hemp in compliance with the industrial hemp research and development act, 2014 PA 547, MCL 286.841 to 286.859.

Sec. 24. (1) A marihuana retailer that is granted and holds a marihuana retailer license, or an agent acting on behalf of the marihuana retailer who is 18 years of age or older, may do any of the following:

(a) Possess, store, or test marihuana.
(b) Sell or otherwise transfer marihuana to any of the following:
   (i) A licensee.
   (ii) An individual who is 21 years of age or older.
   (iii) A tribal marihuana business.
   (iv) On or after March 1, 2026, any of the following:
      (A) A qualifying patient.
      (B) A visiting qualifying patient.
      (C) A primary caregiver.
      (c) Purchase or otherwise obtain marihuana from a licensee or tribal marihuana business.
      (d) Transport at 1 time not more than 15 ounces of marihuana,
of which not more than 60 grams may be in the form of marihuana concentrate, to or from licensed premises.

(2) A marihuana retailer shall not do either of the following:
   (a) Sell an edible marihuana-infused product in a shape or package that is attractive to individuals younger than 18 years of age or that is easily confused with commercially sold candy that does not contain marihuana.
   (b) Sell or otherwise transfer marihuana unless the marihuana is contained in an opaque, resealable, child-resistant package as provided for under 16 CFR 1700.20. This subdivision does not apply to marihuana that is sold or transferred for consumption on the premises where it is sold or transferred.

Sec. 24a. (1) A marihuana provisioning center, or an agent acting on behalf of the provisioning center who is 18 years of age or older, may do any of the following:
   (a) Possess, store, or test marihuana.
   (b) Sell or otherwise transfer marihuana to any of the following:
      (i) A licensee.
      (ii) A qualifying patient.
      (iii) A visiting qualifying patient.
      (iv) A primary caregiver.
   (c) Purchase or otherwise obtain marihuana from a licensee.
   (d) Transport at 1 time not more than 15 ounces of marihuana, of which not more than 60 grams may be in the form of marihuana concentrate, to or from licensed premises.

(2) A marihuana provisioning center shall not do either of the following:
   (a) Sell an edible marihuana-infused product in a shape or
package that is attractive to individuals younger than 18 years of age or that is easily confused with commercially sold candy that does not contain marihuana.

(b) Sell or otherwise transfer marihuana unless the marihuana is contained in an opaque, resealable, child-resistant package as provided for under 16 CFR 1700.20. This subdivision does not apply to marihuana that is sold or transferred for consumption on the premises where it is sold or transferred.

Sec. 25. (1) A marihuana microbusiness that is granted and holds a marihuana microbusiness license, or an agent acting on behalf of the marihuana microbusiness who is 18 years of age or older, may do all of the following:

(a) Cultivate not more than 150 marihuana plants.

(b) Possess, process, package, store, or test the marihuana produced from the marihuana plants cultivated under subdivision (a).

(c) Sell or otherwise transfer marihuana cultivated or processed by the marihuana microbusiness to any of the following:

(i) An individual who is 21 years of age or older.

(ii) On or after March 1, 2026, any of the following:

(A) A qualifying patient.

(B) A visiting qualifying patient.

(C) A primary caregiver.

(2) A marihuana microbusiness shall not do either of the following:

(a) Sell an edible marihuana-infused product in a shape or package that is attractive to individuals younger than 18 years of age or that is easily confused with commercially sold candy that does not contain marihuana.
(b) Sell or otherwise transfer marihuana unless the marihuana
is contained in an opaque, resealable, child-resistant package as
provided for under 16 CFR 1700.20. This subdivision does not apply
to marihuana that is sold or transferred for consumption on the
premises where it is sold or transferred.

Sec. 26. (1) A licensee shall do all of the following, as
applicable:

(a) Cultivate, process, test, and store marihuana within an
enclosed area that is secured in a manner that prevents access by
individuals not authorized by the licensee to access the area.

(b) Secure each entrance to the licensee's licensed premises
and restrict access to areas containing marihuana to only the
following:

(i) Employees and other individuals authorized by the licensee
to access the area.

(ii) Employees and agents of the cannabis regulatory agency.

(iii) State and local law enforcement officers and emergency
personnel.

(c) Secure its inventory and equipment during and after
operating hours to deter and prevent theft of marihuana and
marihuana accessories.

(d) Allow employees and agents of the cannabis regulatory
agency, during the licensee's hours of operation, to do either of
the following:

(i) Inspect the licensee's licensed premises.

(ii) Audit the books and records of the licensee.

(e) Use the statewide monitoring system in accordance with the
rules promulgated under this act.

(2) A licensee shall not do any of the following:
(a) Cultivate, process, sell, or display marihuana or sell or display marihuana accessories if the cultivating, processing, selling, or displaying is visible from a public place outside of the licensee's licensed premises without the use of binoculars, aircraft, or other optical aids.

(b) Cultivate process, test, or store marihuana at any location other than the licensee's licensed premises.

(c) Employ an individual who is younger than 18 years of age.

(d) Allow an individual who is younger than 18 years of age to volunteer for the licensee.

(e) Sell or otherwise transfer tobacco.

(f) Employ an individual if the individual was an employee of the cannabis regulatory agency at any time in the 2 years immediately preceding the date of the licensee's offer of employment.

(3) A person may do any of the following:

(a) Lease, or otherwise allow the use of, property that the person owns, occupies, or manages for activities allowed under this act or the rules promulgated under this act.

(b) Employ an individual who engages in activities allowed under this act or the rules promulgated under this act.

(c) If the person is a certified public accountant who is licensed under article 7 of the occupational code, 1980 PA 299, MCL 339.720 to 339.736, engage in the practice of public accounting as that term is defined in section 720 of the occupational code, 1980 PA 299, MCL 339.720, for a licensee, a prospective licensee, or an applicant.

(d) If the person is a financial institution, provide a financial service to a licensee, a prospective licensee, or an
applicant.

(4) A person shall not do any of the following:

(a) Lease, pledge, or borrow or loan money against a license.

(b) Transfer a license to another person, unless the cannabis regulatory agency approves the transfer and the transfer is conducted in accordance with the rules promulgated under this act.

(c) Hold itself out as a type of licensee if the person does not hold that type of state license or if any of the following apply:

(i) The person's state license is suspended, revoked, lapsed, or void.

(ii) The person fraudulently obtained the state license.

(iii) The state license was transferred to the person in a manner other than in accordance with subdivision (b).

Sec. 27. (1) A licensee or applicant shall file with the cannabis regulatory agency proof of financial responsibility for liability for bodily injury to lawful users resulting from the manufacture, distribution, transportation, or sale of adulterated marihuana or adulterated marihuana-infused product in an amount not less than $100,000.00 for each license. The proof of financial responsibility must be a liability insurance policy that meets all of the following requirements:

(a) Is issued by a licensed insurance company or licensed captive insurance company in this state.

(b) Does not include a condition, provision, stipulation, or limitation contained in the policy, or any other endorsement, that relieves the insurer from liability for the payment of any claim for which the insured may be held liable under this act.

(c) Covers bodily injuries to a qualifying patient or any
other lawful user of marihuana, including injuries that are caused
by the intentional conduct of the licensee or its employee or
agent. However, the proof of financial responsibility is not
required to cover bodily injuries to qualifying patients or any
other lawful users of marihuana caused by the licensee or its
employee or agent if the licensee or its employee or agent acted
with the intent to harm.

(2) A licensee or applicant must include with its filing under
subsection (1) an attestation of compliance with this section on a
form approved by the cannabis regulatory agency. An officer of the
licensed insurance company or licensed captive insurance company
that issues the policy described in subsection (1) must sign the
attestation of compliance that the licensee or applicant is
required to file under this subsection.

(3) A licensee or applicant may furnish proof of financial
responsibility that exceeds the requirements of this section.

(4) If at any time a licensee does not maintain proof of
financial responsibility as required under this section, the
cannabis regulatory agency shall immediately suspend the licensee's
license until the licensee provides to the cannabis regulatory
agency proof of financial responsibility as required under this
section.

(5) An insured licensee shall not cancel liability insurance
required under this section unless the licensee does both of the
following:

(a) Gives 30 days' prior written notice to the cannabis
regulatory agency.

(b) Procures new proof of financial responsibility required
under this section and delivers that proof to the cannabis
regulatory agency within 30 days after giving the cannabis
regulatory agency the notice under subdivision (a).

(6) As used in this section, "bodily injury" does not include
expected or intended effect or long-term adverse effect of smoking,
ingestion, or consumption of marihuana or marihuana-infused
product.

Sec. 28. (1) This section applies beginning on March 1, 2026.
(2) An unexpired license issued under the medical marihuana
facilities licensing act is considered to be a state license as
follows:

(a) A class A grower license is a class A marihuana grower
license.
(b) A class B grower license is a class B marihuana grower
license.
(c) A class C grower license is a class C marihuana grower
license.
(d) A processor license is a marihuana processor license.
(e) A secure transporter license is a marihuana secure
transporter license.
(f) A safety compliance facility is a marihuana safety
compliance facility.
(g) A provisioning center is 1 of the following, as
applicable:

(i) A marihuana provisioning center if the municipality in
which the provisioning center is operating does both of the
following before March 1, 2026:
(A) Adopts an ordinance that explicitly prohibits a
provisioning center operating under the medical marihuana
facilities licensing act from operating as a marihuana retailer
under this act.

(B) Notifies, by certified mail, the cannabis regulatory agency that the municipality has adopted an ordinance described in sub-subparagraph (A).

(ii) A marihuana retailer if 1 of the following applies:

(A) The conditions in subparagraph (i) are not met.

(B) The ordinance described in subparagraph (i)(A) is repealed or no longer includes the prohibition described in subparagraph (i)(A).

(3) A state license described in subsection (2) expires on the expiration date of the corresponding license granted under the medical marihuana facilities licensing act.

(4) A person that holds a state license as a result of subsection (2) and that does not, on March 1, 2026, hold any other state licenses, is considered a licensee.

(5) The cannabis regulatory agency shall not do any of the following:

(a) Treat a state license described in subsection (2), or any subsequent renewal of a state license described in subsection (2), differently than any other state license.

(b) Treat a licensee described in subsection (4) differently than any other licensee.

(c) Treat the marihuana of a licensee described in subsection (4) that is entered into the statewide monitoring system before March 1, 2026 differently than any other marihuana in the statewide monitoring system.

(d) Require a licensee described in subsection (4) to do any of the following:

(i) Renew the licensee's state license before the applicable
expiration date described in subsection (3).

(ii) Quarantine, retest, or retag a marihuana plant that was
planted in compliance with the medical marihuana facilities
licensing act before March 1, 2026.

(iii) Quarantine, retest, or retag a marihuana-infused product
that was processed, or the production of which was initiated, in
compliance with the medical marihuana facilities licensing act
before March 1, 2026.

(e) Take any type of disciplinary or adverse action against a
licensee described in subsection (4) solely because the licensee
obtained a license under this section.

(6) An activity that a medical facility licensee engages in
that would otherwise be a violation of this act is considered to
not be a violation of this act if both of the following conditions
are met:

(a) The activity meets 1 of the following conditions:

(i) It is initiated before March 1, 2026.

(ii) It is initiated after March 1, 2026 but is directly
related to an activity that is initiated before March 1, 2026.

(b) The activity is or would have been in compliance with the
medical marihuana facilities licensing act.

Enacting section 1. Sections 10, 11, and 16 of the Michigan
Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27960,
333.27961, and 333.27966, are repealed.