

HOUSE BILL No. 6380

September 25, 2018, Introduced by Rep. Lauwers and referred to the Committee on
Agriculture.

A bill to amend 2016 PA 281, entitled
"Medical marihuana facilities licensing act,"
by amending sections 102 and 206 (MCL 333.27102 and 333.27206),
sections 102 and 206 as amended by 2018 PA 10.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 102. As used in this act:

2 (a) "Advisory panel" or "panel" means the marihuana advisory
3 panel created in section 801.

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

9 (c) "Applicant" means a person who applies for a state

1 operating license. With respect to disclosures in an application,
2 or for purposes of ineligibility for a license under section 402,
3 the term applicant includes an officer, director, and managerial
4 employee of the applicant and a person who holds any direct or
5 indirect ownership interest in the applicant.

6 (d) "Board" means the medical marihuana licensing board
7 created in section 301.

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

10 (f) "Department" means the department of licensing and
11 regulatory affairs.

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

16 (h) "Licensee" means a person holding a state operating
17 license.

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

20 (j) "Marihuana facility" means a location at which a licensee
21 is licensed to operate under this act.

22 (k) "Marihuana plant" means any plant of the species *Cannabis*
23 *sativa* L. **MARIHUANA PLANT DOES NOT INCLUDE INDUSTRIAL HEMP AS THAT**
24 **TERM IS DEFINED IN SECTION 7106 OF THE PUBLIC HEALTH CODE, 1978 PA**
25 **368, MCL 333.7106.**

26 (l) "Marihuana-infused product" means a topical formulation,
27 tincture, beverage, edible substance, or similar product containing

1 any usable marihuana that is intended for human consumption in a
2 manner other than smoke inhalation. Marihuana-infused product is
3 not considered a food for purposes of the food law, 2000 PA 92, MCL
4 289.1101 to 289.8111.

5 (m) "Marihuana tracking act" means the marihuana tracking act,
6 2016 PA 282, MCL 333.27901 to 333.27904.

7 (n) "Michigan medical marihuana act" means the Michigan
8 medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.

9 (o) "Municipality" means a city, township, or village.

10 (p) "Paraphernalia" means any equipment, product, or material
11 of any kind that is designed for or used in growing, cultivating,
12 producing, manufacturing, compounding, converting, storing,
13 processing, preparing, transporting, injecting, smoking, ingesting,
14 inhaling, or otherwise introducing into the human body, marihuana.

15 (q) "Person" means an individual, corporation, limited
16 liability company, partnership, limited partnership, limited
17 liability partnership, limited liability limited partnership,
18 trust, or other legal entity.

19 (r) "Plant" means any living organism that produces its own
20 food through photosynthesis and has observable root formation or is
21 in growth material.

22 (s) "Processor" means a licensee that is a commercial entity
23 located in this state that purchases marihuana from a grower and
24 that extracts resin from the marihuana or creates a marihuana-
25 infused product for sale and transfer in packaged form to a
26 provisioning center or another processor.

27 (t) "Provisioning center" means a licensee that is a

1 commercial entity located in this state that purchases marihuana
2 from a grower or processor and sells, supplies, or provides
3 marihuana to registered qualifying patients, directly or through
4 the patients' registered primary caregivers. Provisioning center
5 includes any commercial property where marihuana is sold at retail
6 to registered qualifying patients or registered primary caregivers.
7 A noncommercial location used by a primary caregiver to assist a
8 qualifying patient connected to the caregiver through the
9 department's marihuana registration process in accordance with the
10 Michigan medical marihuana act is not a provisioning center for
11 purposes of this act.

12 (u) "Registered primary caregiver" means a primary caregiver
13 who has been issued a current registry identification card under
14 the Michigan medical marihuana act.

15 (v) "Registered qualifying patient" means a qualifying patient
16 who has been issued a current registry identification card under
17 the Michigan medical marihuana act or a visiting qualifying patient
18 as that term is defined in section 3 of the Michigan medical
19 marihuana act, MCL 333.26423.

20 (w) "Registry identification card" means that term as defined
21 in section 3 of the Michigan medical marihuana act, MCL 333.26423.

22 (x) "Rules" means rules promulgated under the administrative
23 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, by the
24 department in consultation with the board to implement this act.

25 (y) "Safety compliance facility" means a licensee that is a
26 commercial entity that takes marihuana from a marihuana facility or
27 receives marihuana from a registered primary caregiver, tests the

1 marihuana for contaminants and for tetrahydrocannabinol and other
2 cannabinoids, returns the test results, and may return the
3 marihuana to the marihuana facility.

4 (z) "Secure transporter" means a licensee that is a commercial
5 entity located in this state that stores marihuana and transports
6 marihuana between marihuana facilities for a fee.

7 (aa) "Seed" means the fertilized, ungerminated, matured ovule,
8 containing an embryo or rudimentary plant, of a marihuana plant
9 that is flowering.

10 (bb) "Seedling" means a marihuana plant that has germinated
11 and has not flowered and is not harvestable.

12 (cc) "State operating license" or, unless the context requires
13 a different meaning, "license" means a license that is issued under
14 this act that allows the licensee to operate as 1 of the following,
15 specified in the license:

16 (i) A grower.

17 (ii) A processor.

18 (iii) A secure transporter.

19 (iv) A provisioning center.

20 (v) A safety compliance facility.

21 (dd) "Statewide monitoring system" or, unless the context
22 requires a different meaning, "system" means an internet-based,
23 statewide database established, implemented, and maintained by the
24 department under the marihuana tracking act, that is available to
25 licensees, law enforcement agencies, and authorized state
26 departments and agencies on a 24-hour basis for all of the
27 following:

1 (i) Verifying registry identification cards.

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

4 (iii) Verifying in commercially reasonable time that a
5 transfer will not exceed the limit that the patient or caregiver is
6 authorized to receive under section 4 of the Michigan medical
7 marihuana act, MCL 333.26424.

8 (ee) "Tissue culture" means a marihuana plant cell, cutting,
9 tissue, or organ, that is kept under a sterile condition on a
10 nutrient culture medium of known composition and that does not have
11 visible root formation. A tissue culture is not a marihuana plant
12 for purposes of a grower.

13 (ff) "Usable marihuana" means the dried leaves, flowers, plant
14 resin, or extract of the marihuana plant, but does not include the
15 seeds, stalks, and roots of the plant.

16 Sec. 206. The department, in consultation with the board,
17 shall promulgate rules and emergency rules as necessary to
18 implement, administer, and enforce this act. The rules must ensure
19 the safety, security, and integrity of the operation of marihuana
20 facilities, and must include rules to do the following:

21 (a) Set appropriate standards for marihuana facilities and
22 associated equipment.

23 (b) Subject to section 408, establish minimum levels of
24 insurance that licensees must maintain.

25 (c) Establish operating regulations for each category of
26 license to ensure the health, safety, and security of the public
27 and the integrity of marihuana facility operations.

1 (d) Establish qualifications and restrictions for persons
2 participating in or involved with operating marihuana facilities.

3 (e) Establish testing standards, procedures, and requirements
4 for marihuana sold through provisioning centers.

5 (f) Provide for the levy and collection of fines for a
6 violation of this act or rules.

7 (g) Prescribe use of the statewide monitoring system to track
8 all marihuana transfers, as provided in the marihuana tracking act
9 and this act, and provide for a funding mechanism to support the
10 system.

11 (h) Establish quality control standards, procedures, and
12 requirements for marihuana facilities.

13 (i) Establish chain of custody standards, procedures, and
14 requirements for marihuana facilities.

15 (j) Establish standards, procedures, and requirements for
16 waste product disposal and storage by marihuana facilities.

17 (k) Establish chemical storage standards, procedures, and
18 requirements for marihuana facilities.

19 (l) Establish standards, procedures, and requirements for
20 securely and safely transporting marihuana between marihuana
21 facilities.

22 (m) Establish standards, procedures, and requirements for the
23 storage of marihuana by marihuana facilities.

24 (n) Establish labeling and packaging standards, procedures,
25 and requirements for marihuana sold or transferred through
26 provisioning centers, including a prohibition on labeling or
27 packaging that is intended to appeal to or has the effect of

1 appealing to minors.

2 (o) Establish daily and monthly purchasing limits at
3 provisioning centers for registered qualifying patients and
4 registered primary caregivers to ensure compliance with the
5 Michigan medical marihuana act.

6 (p) Establish marketing and advertising restrictions for
7 marihuana products and marihuana facilities.

8 (q) Establish maximum tetrahydrocannabinol levels for
9 marihuana-infused products sold or transferred through provisioning
10 centers.

11 (r) Establish health standards to ensure the safe preparation
12 of products containing marihuana that are intended for human
13 consumption in a manner other than smoke inhalation.

14 (s) Establish restrictions on edible marihuana-infused
15 products to prohibit shapes that would appeal to minors.

16 **(T) ESTABLISH STANDARDS, PROCEDURES, AND REQUIREMENTS FOR THE**
17 **SALE OF INDUSTRIAL HEMP FROM A PROVISIONING CENTER TO A REGISTERED**
18 **QUALIFIED PATIENT. THE RULES PROMULGATED UNDER THIS SUBDIVISION**
19 **MUST BE PROMULGATED BEFORE MARCH 1, 2019.**

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

22 Enacting section 2. This amendatory act does not take effect
23 unless House Bill No. 6330 of the 99th Legislature is enacted into
24 law.