

**SUBSTITUTE FOR
HOUSE BILL NO. 5706**

A bill to amend 2018 IL 1, entitled
"Michigan Regulation and Taxation of Marihuana Act,"
by amending sections 3, 7, 8, 10, and 13 (MCL 333.27953, 333.27957,
333.27958, 333.27960, and 333.27963), sections 3 and 8 as amended
by 2021 PA 56.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

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

5 (b) "Department" means the ~~department of licensing and~~
6 ~~regulatory affairs.~~ **marijuana regulatory agency.**

7 (c) "Indian lands" means any of the following:

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

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

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

13 (e) ~~(e)~~—"Industrial hemp" means any of the following:

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

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

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

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

25 (A) A plant of the genus *Cannabis*.

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

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

28 (A) If the product is intended for human or animal
29 consumption, the product, in the form in which it is intended for

1 sale to a consumer, meets both of the following requirements:

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

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

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

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

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

13 (f) ~~(d)~~—"Licensee" means a person holding a state license.

14 (g) ~~(e)~~—"Marihuana" means any of the following:

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

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

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

19 (iv) Marihuana concentrate.

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

23 (A) A plant of the genus *Cannabis*.

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

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

26 (D) Marihuana concentrate.

27 (vi) A marihuana-infused product.

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

1 for sale to a consumer.

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

7 (h) ~~(f)~~—Except for marihuana concentrate extracted from any of
8 the following, "marihuana" does not include any of the following:

9 (i) The mature stalks of a plant of the genus *Cannabis*.

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

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

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

16 (v) Industrial hemp.

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

19 (vii) A drug for which an application filed in accordance with
20 21 USC 355 is approved by the Food and Drug Administration.

21 (i) ~~(g)~~—"Marihuana accessories" means any equipment, product,
22 material, or combination of equipment, products, or materials, that
23 is specifically designed for use in planting, propagating,
24 cultivating, growing, harvesting, manufacturing, compounding,
25 converting, producing, processing, preparing, testing, analyzing,
26 packaging, repackaging, storing, containing, ingesting, inhaling,
27 or otherwise introducing marihuana into the human body.

28 (j) ~~(h)~~—"Marihuana concentrate" means the resin extracted from
29 any part of a plant of the genus *Cannabis*.

1 (k) ~~(i)~~—"Marihuana establishment" means a marihuana grower,
 2 marihuana safety compliance facility, marihuana processor,
 3 marihuana microbusiness, marihuana retailer, marihuana secure
 4 transporter, or any other type of marihuana-related business
 5 licensed by the marijuana regulatory agency.

6 (l) ~~(j)~~—"Marihuana grower" means a person licensed to cultivate
 7 marihuana and sell or otherwise transfer marihuana to marihuana
 8 establishments.

9 (m) ~~(k)~~—"Marihuana-infused product" means a topical
 10 formulation, tincture, beverage, edible substance, or similar
 11 product containing marihuana and other ingredients and that is
 12 intended for human consumption.

13 (n) ~~(l)~~—"Marihuana microbusiness" means a person licensed to
 14 cultivate not more than 150 marihuana plants; process and package
 15 marihuana; and sell or otherwise transfer marihuana to individuals
 16 who are 21 years of age or older or to a marihuana safety
 17 compliance facility, but not to other marihuana establishments.

18 (o) ~~(m)~~—"Marihuana processor" means a person licensed to
 19 obtain marihuana from marihuana establishments; process and package
 20 marihuana; and sell or otherwise transfer marihuana to marihuana
 21 establishments.

22 (p) ~~(n)~~—"Marihuana retailer" means a person licensed to obtain
 23 marihuana from marihuana establishments and to sell or otherwise
 24 transfer marihuana to marihuana establishments and to individuals
 25 who are 21 years of age or older.

26 (q) **"Marihuana safety compliance facility" means a person**
 27 **licensed to test marihuana, including certification for potency and**
 28 **the presence of contaminants.**

29 (r) ~~(o)~~—"Marihuana secure transporter" means a person licensed

1 to obtain marihuana from marihuana establishments in order to
2 transport marihuana to marihuana establishments.

3 ~~(p) "Marihuana safety compliance facility" means a person~~
4 ~~licensed to test marihuana, including certification for potency and~~
5 ~~the presence of contaminants.~~

6 (s) ~~(q)~~ "Marijuana regulatory agency" means the marijuana
7 regulatory agency created under Executive Reorganization Order No.
8 2019-2, MCL 333.27001.

9 (t) ~~(r)~~ "Municipal license" means a license issued by a
10 municipality pursuant to section 16 that allows a person to operate
11 a marihuana establishment in that municipality.

12 (u) ~~(s)~~ "Municipality" means a city, village, or township.

13 (v) ~~(t)~~ "Person" means an individual, corporation, limited
14 liability company, partnership of any type, trust, or other legal
15 entity.

16 (w) ~~(u)~~ "Process" or "processing" means to separate or
17 otherwise prepare parts of a marihuana plant and to compound,
18 blend, extract, infuse, or otherwise make or prepare marihuana
19 concentrate or marihuana-infused products.

20 (x) "Qualifying Indian tribe" means an Indian tribe that meets
21 all of the following conditions:

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

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

28 (A) States that the revenue collected from the tax or fee
29 described in subparagraph (iii) is not state money, and requires that

1 this revenue be retained by and used as determined by only the
2 Indian tribe, if the marihuana subject to the tax or fee was grown
3 and processed on only the Indian tribe's Indian lands.

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

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

18 (y) ~~(v)~~—"State license" means a license issued by the
19 marijuana regulatory agency that allows a person to operate a
20 marihuana establishment.

21 (z) ~~(w)~~—"THC" means any of the following:

22 (i) Tetrahydrocannabinolic acid.

23 (ii) Unless excluded by the marijuana regulatory agency under
24 section 8(2)(c), a tetrahydrocannabinol, regardless of whether it
25 is artificially or naturally derived.

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

29 (aa) "Tribal marihuana business" means a business that meets

1 all of the following conditions:

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

4 (ii) The business is not a marihuana establishment.

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

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

11 (v) The business is subject to a tax or fee described in
12 subdivision (x) (iii).

13 (bb) ~~(x)~~—"Unreasonably impracticable" means that the measures
14 necessary to comply with the rules or ordinances adopted pursuant
15 to this act subject licensees to unreasonable risk or require such
16 a high investment of money, time, or any other resource or asset
17 that a reasonably prudent businessperson would not operate the
18 marihuana establishment.

19 Sec. 7. (1) ~~1.~~ The ~~department~~ **marijuana regulatory agency** is
20 responsible for implementing this act and has the powers and duties
21 necessary to control the commercial production and distribution of
22 marihuana. The ~~department~~ **marijuana regulatory agency** shall employ
23 ~~personnel and may contract with advisors and consultants as~~
24 ~~necessary to adequately perform its duties. No person who is~~
25 ~~pecuniarily interested, directly or indirectly, in any marihuana~~
26 ~~establishment may be an employee, advisor, or consultant involved~~
27 ~~in the implementation, administration, or enforcement of this act.~~
28 ~~An employee, advisor, or consultant of the department may not be~~
29 ~~personally liable for any action at law for damages sustained by a~~

1 ~~person because of an action performed or done in the performance of~~
 2 ~~their duties in the implementation, administration, or enforcement~~
 3 ~~of this act. The department of state police shall cooperate and~~
 4 ~~assist the department in conducting background investigations of~~
 5 ~~applicants. Responsibilities of the department include:~~ **do all of**
 6 **the following:**

7 (a) ~~promulgating~~ **Promulgate** rules pursuant to section 8 ~~of~~
 8 ~~this act that are necessary to implement, administer, and enforce~~
 9 ~~this act.~~ †

10 (b) ~~granting~~ **Grant** or ~~denying~~ **deny** each application for
 11 licensure and ~~investigating~~ **investigate** each applicant to determine
 12 eligibility for licensure, including conducting a background
 13 investigation on each person holding an ownership interest in the
 14 applicant. †

15 (c) ~~ensuring compliance~~ **Ensure that marihuana establishments**
 16 **comply** with this act and the rules promulgated ~~thereunder by~~
 17 ~~marihuana establishments under this act~~ by ~~performing~~ **doing all of**
 18 **the following:**

19 (i) **Performing** investigations of compliance and regular
 20 inspections of marihuana establishments. ~~and by taking~~

21 (ii) **Taking** appropriate disciplinary action against a licensee,
 22 including prescribing civil fines for violations of this act or **the**
 23 **rules promulgated under this act** and suspending, restricting, or
 24 revoking a state license. †

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

28 (e) ~~collecting~~ **Collect** fees for licensure and fines for
 29 violations of this act or **the** rules promulgated ~~thereunder,~~

1 ~~depositing under this act.~~

2 **(f) Deposit** all fees collected ~~in for licensure into~~ the
3 marihuana regulation fund established ~~by under~~ section 14 ~~of this~~
4 ~~act, and remitting remit~~ all fines collected ~~to be deposited in for~~
5 **deposit into** the general fund. ~~and~~

6 **(g) ~~(f) submitting~~ Submit** an annual report to the governor
7 covering the ~~previous~~ **immediately preceding** year ~~which report~~
8 ~~shall include that includes all of~~ the **following**:

9 **(i) The** number of state licenses of each class issued. ~~and~~
10 demographic

11 **(ii) Demographic** information ~~on~~ **of** licensees. ~~and~~

12 **(iii) A** description of enforcement and disciplinary actions
13 taken against licensees. ~~and a~~

14 **(iv) A** statement of revenues and expenses of the ~~department~~
15 **marijuana regulatory agency** related to the implementation,
16 administration, and enforcement of this act.

17 **(h) Employ personnel as necessary to adequately perform its**
18 **duties.**

19 **(2) The** marijuana regulatory agency may do either of the
20 **following**:

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

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

28 **(3) A person who has a pecuniary interest, directly or**
29 **indirectly, in a marihuana establishment or tribal marihuana**

1 business may not be an employee, advisor, or consultant involved in
2 the implementation, administration, or enforcement of this act. An
3 employee, advisor, or consultant of the marijuana regulatory agency
4 is not personally liable for any action at law for damages
5 sustained by a person because of an action performed or done in the
6 performance of employee's, advisor's, or consultant's duties in the
7 implementation, administration, or enforcement of this act.

8 (4) The department of state police shall cooperate and assist
9 the marijuana regulatory agency in performing the marijuana
10 regulatory agency's duties under this act, including, but not
11 limited to, conducting background investigations of applicants. The
12 department of state police may recover its costs of cooperation and
13 assistance under this subsection from the marijuana regulatory
14 agency.

15 Sec. 8. (1) The marijuana regulatory agency shall promulgate
16 rules to implement and administer this act that include all of the
17 following:

18 (a) Procedures for issuing a state license pursuant to section
19 9 and for renewing, suspending, and revoking a state license.

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

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

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

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

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

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

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

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

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

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

28 (g) Record keeping requirements for marihuana establishments
29 and monitoring requirements to track the transfer of marihuana by

1 licensees.

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

5 (i) Reasonable restrictions on advertising, marketing, and
6 display of marihuana and marihuana establishments.

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

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

15 (l) Informational pamphlet standards for marihuana retailers
16 and marihuana microbusinesses, including, but not limited to, a
17 requirement to make available to every customer at the time of sale
18 a pamphlet measuring 3.5 inches by 5 inches that includes safety
19 information related to marihuana use by minors and the poison
20 control hotline number.

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

23 (n) A limit on the total amount of THC that a product
24 described in section ~~3(e)(v)(A)~~ **3(e)(v)(A)** may contain.

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

27 (a) Provide for the issuance of additional types or classes of
28 state licenses to operate marihuana-related businesses, including
29 licenses that authorize any of the following:

1 (i) Limited cultivation, processing, transportation, delivery,
2 storage, sale, or purchase of marihuana.

3 (ii) Consumption of marihuana within designated areas.

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

6 (iv) Cultivation for purposes of propagation.

7 (v) Facilitation of scientific research or education.

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

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

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

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

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

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

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

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

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

28 (3) The marijuana regulatory agency shall not promulgate a

1 rule that **is unreasonably impracticable or that** does any of the
 2 following:

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

5 (b) Requires a customer to provide a marihuana retailer with
 6 identifying information other than identification to determine the
 7 customer's age or requires the marihuana retailer to acquire or
 8 record personal information about customers other than information
 9 typically required in a retail transaction.

10 (c) Prohibits a marihuana establishment from operating at a
 11 shared location of a marihuana facility operating pursuant to the
 12 medical marihuana facilities licensing act, 2016 PA 281, MCL
 13 333.27101 to 333.27801, or prohibits a marihuana grower, marihuana
 14 processor, or marihuana retailer from operating within a single
 15 facility.

16 ~~(d) Is unreasonably impracticable.~~

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

20 Sec. 10. **(1)** ~~1.~~ Notwithstanding any other law or provision of
 21 this act, and except as otherwise provided in section 4 ~~of this act~~
 22 or the rules promulgated ~~thereunder,~~ **under this act**, the following
 23 acts are not unlawful, are not an offense, are not grounds for
 24 seizing or forfeiting property, are not grounds for arrest,
 25 prosecution, or penalty in any manner, are not grounds for search
 26 or inspection except as authorized by this act, and are not grounds
 27 to deny any other right or privilege:

28 (a) **For** a marihuana grower or an agent acting on behalf of a
 29 marihuana grower who is 21 years of age or older, cultivating not

1 more than the number of marihuana plants authorized by the state
2 license class; possessing, packaging, storing, or testing
3 marihuana; acquiring marihuana seeds or seedlings from a person who
4 is 21 years of age or older; selling or otherwise transferring,
5 purchasing or otherwise obtaining, or transporting marihuana to or
6 from a marihuana establishment **or a tribal marihuana business**; or
7 receiving compensation for goods or services. †

8 (b) **For** a marihuana processor or **an** agent acting on behalf of
9 a marihuana processor who is 21 years of age or older, possessing,
10 processing, packaging, storing, or testing marihuana; selling or
11 otherwise transferring, purchasing or otherwise obtaining, or
12 transporting marihuana to or from a marihuana establishment **or a**
13 **tribal marihuana business**; or receiving compensation for goods or
14 services. †

15 (c) **For** a marihuana secure transporter or an agent acting on
16 behalf of a marihuana secure transporter who is 21 years of age or
17 older, possessing or storing marihuana; transporting marihuana to
18 or from a marihuana establishment **or a tribal marihuana business**;
19 or receiving compensation for services. †

20 (d) **For** a marihuana safety compliance facility or an agent
21 acting on behalf of a marihuana safety compliance facility who is
22 21 years of age or older, testing, possessing, repackaging, or
23 storing marihuana; transferring, obtaining, or transporting
24 marihuana to or from a marihuana establishment **or a tribal**
25 **marihuana business**; or receiving compensation for services. †

26 (e) **For** a marihuana retailer or an agent acting on behalf of a
27 marihuana retailer who is 21 years of age or older, possessing,
28 storing, or testing marihuana; selling or otherwise transferring,
29 purchasing or otherwise obtaining, or transporting marihuana to or

1 from a marihuana establishment **or a tribal marihuana business**;
2 selling or otherwise transferring marihuana to a person **who is** 21
3 years of age or older; or receiving compensation for goods or
4 services. ~~†~~

5 (f) **For** a marihuana microbusiness or an agent acting on behalf
6 of a marihuana microbusiness who is 21 years of age or older,
7 cultivating not more than 150 marihuana plants; possessing,
8 processing, packaging, storing, or testing marihuana from marihuana
9 plants cultivated on the premises; selling or otherwise
10 transferring marihuana cultivated or processed on the premises to a
11 person **who is** 21 years of age or older; or receiving compensation
12 for goods or services.

13 (g) **For a tribal marihuana business or an agent acting on**
14 **behalf of a tribal marihuana business who is 21 years of age or**
15 **older, engaging in an activity the tribal marihuana business is**
16 **authorized to engage in under an applicable agreement entered into**
17 **under section 7(2) (b) that is in effect.**

18 (h) ~~(g) leasing~~ **Leasing** or otherwise allowing the use of
19 property owned, occupied, or managed for activities allowed under
20 this act. ~~†~~

21 (i) ~~(h) enrolling~~ **Enrolling** or employing a person who engages
22 in marihuana-related activities allowed under this act. ~~†~~

23 (j) ~~(i) possessing~~ **Possessing**, cultivating, processing,
24 obtaining, transferring, or transporting industrial hemp. ~~†~~

25 (k) ~~(j) providing~~ **Providing** professional services to
26 prospective or licensed marihuana establishments related to
27 activity under this act.

28 (2) ~~2.~~ A person acting as an agent of a marihuana retailer who
29 sells or otherwise transfers marihuana or marihuana accessories to

1 a person ~~under~~ **who is younger than** 21 years of age is not subject
 2 to arrest, prosecution, forfeiture of property, disciplinary action
 3 by a professional licensing board, denial of any right or
 4 privilege, or penalty in any manner, if the person reasonably
 5 verified that the recipient appeared to be 21 years of age or older
 6 by means of government-issued photographic identification
 7 containing a date of birth, and the person complied with any rules
 8 promulgated pursuant to this act.

9 (3) ~~3.~~—It is the public policy of this state that contracts
 10 related to the operation of marihuana establishments **or tribal**
 11 **marihuana businesses** be enforceable.

12 Sec. 13. (1) ~~1. In~~ **Except as otherwise provided in subsection**
 13 **(4), in** addition to all other taxes, an excise tax is imposed on
 14 each marihuana ~~retailer and on each marihuana microbusiness~~
 15 **establishment and on each person who sells marihuana** at the rate of
 16 10% of the sales price for marihuana sold or otherwise transferred
 17 to ~~anyone~~ **a person** other than a marihuana establishment **or tribal**
 18 **marihuana business.**

19 (2) ~~2.~~—Except as otherwise provided by a rule promulgated by
 20 the department of treasury, a product subject to the tax imposed ~~by~~
 21 **under** this section may not be bundled in a single transaction with
 22 a product or service that is not subject to the tax imposed by this
 23 section.

24 (3) ~~3.~~—The department of treasury shall administer the taxes
 25 imposed under this act ~~and pursuant to 1941 PA 122, MCL 205.1 to~~
 26 **205.31. The department of treasury** may promulgate rules pursuant to
 27 the administrative procedures act of 1969, 1969 PA 306, MCL 24.201
 28 to MCL 24.328, that prescribe a method and manner for payment **and**
 29 **collection** of the ~~tax to ensure proper tax collection~~ **taxes imposed**

1 under this act.

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

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

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

8 (c) Marihuana sold or otherwise transferred under the medical
9 marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to
10 333.27801.

11 Enacting section 1. This amendatory act does not take effect
12 unless House Bill No. 6060 of the 101st Legislature is enacted into
13 law.