

HOUSE BILL NO. 6057

April 28, 2022, Introduced by Reps. Manoogian, VanSingel and Breen and referred to the Committee on Regulatory Reform.

A bill to amend 2018 IL 1, entitled "Michigan Regulation and Taxation of Marihuana Act," by amending sections 3, 8, and 10 (MCL 333.27953, 333.27958, and 333.27960), 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

1 regulatory affairs.

2 (c) "Hazardous waste" means hazardous waste as that term is
3 defined in section 11103 of the natural resources and environmental
4 protection act, 1994 PA 451, MCL 324.11103.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (e) ~~(d)~~—"Licensee" means a person holding a state license.

6 (f) ~~(e)~~—"Marihuana" means any of the following:

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

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

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

11 (iv) Marihuana concentrate.

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

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

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

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

18 (D) Marihuana concentrate.

19 (vi) A marihuana-infused product.

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

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

28 (g) ~~(f)~~—Except for marihuana concentrate extracted from any of
29 the following, "marihuana" does not include any of the following:

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

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

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

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

8 (v) Industrial hemp.

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

11 (vii) A drug for which an application filed in accordance with
12 21 USC 355 is approved by the Food and Drug Administration.

13 (h) ~~(g)~~—"Marihuana accessories" means any equipment, product,
14 material, or combination of equipment, products, or materials, that
15 is specifically designed for use in planting, propagating,
16 cultivating, growing, harvesting, manufacturing, compounding,
17 converting, producing, processing, preparing, testing, analyzing,
18 packaging, repackaging, storing, containing, ingesting, inhaling,
19 or otherwise introducing marihuana into the human body.

20 (i) ~~(h)~~—"Marihuana concentrate" means the resin extracted from
21 any part of a plant of the genus *Cannabis*.

22 (j) "Marihuana disposer" means the owner or operator of any of
23 the following:

24 (i) A site that qualifies as a registered composting facility
25 under section 11521(4) of the natural resources and environmental
26 protection act, 1994 PA 451, MCL 324.11521.

27 (ii) An incinerator for which an operating permit has been
28 issued under part 55 of the natural resources and environmental
29 protection act, 1994 PA 451, MCL 324.5501 to 324.5542.

1 (iii) A landfill for which an operating license has been issued
2 under part 115 of the natural resources and environmental
3 protection act, 1994 PA 451, MCL 324.11501 to 324.11554.

4 (iv) An anaerobic digester for which an operating license has
5 been issued under part 115 of the natural resources and
6 environmental protection act, 1994 PA 451, MCL 324.11501 to
7 324.11554.

8 (k) ~~(i)~~—"Marihuana establishment" means a marihuana grower,
9 marihuana safety compliance facility, marihuana processor,
10 marihuana microbusiness, marihuana retailer, marihuana secure
11 transporter, or any other type of marihuana-related business
12 licensed by the marijuana regulatory agency.

13 (l) ~~(j)~~—"Marihuana grower" means a person licensed to cultivate
14 marihuana and sell or otherwise transfer marihuana to marihuana
15 establishments.

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

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

25 (o) "Marihuana plant waste" means a root, stalk, leaf, stem,
26 or root ball of a marihuana plant, including any associated soil or
27 organic potting media, that is intended for destruction by means of
28 incineration, landfilling, composting, or anaerobic digestion.
29 Marihuana plant waste does not include hazardous waste.

1 **(p)** ~~(m)~~—"Marihuana processor" means a person licensed to
 2 obtain marihuana from marihuana establishments; process and package
 3 marihuana; and sell or otherwise transfer marihuana to marihuana
 4 establishments.

5 **(q)** ~~(n)~~—"Marihuana retailer" means a person licensed to obtain
 6 marihuana from marihuana establishments and to sell or otherwise
 7 transfer marihuana to marihuana establishments and to individuals
 8 who are 21 years of age or older.

9 **(r)** **"Marihuana safety compliance facility" means a person**
 10 **licensed to test marihuana, including certification for potency and**
 11 **the presence of contaminants.**

12 **(s)** ~~(o)~~—"Marihuana secure transporter" means a person licensed
 13 to obtain marihuana from marihuana establishments in order to
 14 transport marihuana to marihuana establishments.

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

18 **(t)** ~~(q)~~—"Marijuana regulatory agency" means the marijuana
 19 regulatory agency created under Executive Reorganization Order No.
 20 2019-2, MCL 333.27001.

21 **(u)** ~~(r)~~—"Municipal license" means a license issued by a
 22 municipality pursuant to section 16 that allows a person to operate
 23 a marihuana establishment in that municipality.

24 **(v)** ~~(s)~~—"Municipality" means a city, village, or township.

25 **(w)** ~~(t)~~—"Person" means an individual, corporation, limited
 26 liability company, partnership of any type, trust, or other legal
 27 entity.

28 **(x)** ~~(u)~~—"Process" or "processing" means to separate or
 29 otherwise prepare parts of a marihuana plant and to compound,

1 blend, extract, infuse, or otherwise make or prepare marihuana
2 concentrate or marihuana-infused products.

3 **(y)** ~~(v)~~—"State license" means a license issued by the
4 marijuana regulatory agency that allows a person to operate a
5 marihuana establishment.

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

7 (i) Tetrahydrocannabinolic acid.

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

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

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

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

23 (a) Procedures for issuing a state license pursuant to section
24 9 and for renewing, suspending, and revoking a state license.

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

29 (c) Qualifications for licensure that are directly and

1 demonstrably related to the operation of a marihuana establishment.
2 However, a prior conviction solely for a marihuana-related offense
3 must not disqualify an individual or otherwise affect eligibility
4 for licensure, unless the offense involved distribution of a
5 controlled substance to a minor.

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

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

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

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

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

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

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

28 (f) Security requirements, including lighting, physical
29 security, and alarm requirements, and requirements for securely

1 transporting marihuana between marihuana establishments. The
2 requirements described in this subdivision must not prohibit
3 cultivation of marihuana outdoors or in greenhouses.

4 (g) Record keeping requirements for marihuana establishments
5 and monitoring requirements to track the transfer of marihuana by
6 licensees.

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

10 (i) Reasonable restrictions on advertising, marketing, and
11 display of marihuana and marihuana establishments.

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

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

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

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

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

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

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

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

8 (ii) Consumption of marihuana within designated areas.

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

11 (iv) Cultivation for purposes of propagation.

12 (v) Facilitation of scientific research or education.

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

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

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

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

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

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

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

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

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

4 (3) The marijuana regulatory agency shall not promulgate a
5 rule **that is unreasonably impracticable or** that does any of the
6 following:

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

9 (b) Requires a customer to provide a marijuana retailer with
10 identifying information other than identification to determine the
11 customer's age or requires the marijuana retailer to acquire or
12 record personal information about customers other than information
13 typically required in a retail transaction.

14 (c) Prohibits a marijuana establishment from operating at a
15 shared location of a marijuana facility operating pursuant to the
16 medical marijuana facilities licensing act, 2016 PA 281, MCL
17 333.27101 to 333.27801, or prohibits a marijuana grower, marijuana
18 processor, or marijuana retailer from operating within a single
19 facility.

20 (d) ~~Is unreasonably impracticable.~~ **Requires a licensee to do**
21 **either of the following:**

22 (i) **Combine marijuana plant waste with any other product.**

23 (ii) **Render marijuana plant waste unusable or unrecognizable.**

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

27 Sec. 10. **(1) 1.** ~~Notwithstanding any other law or provision of~~
28 ~~this act, and except as otherwise provided in section 4 of this act~~
29 ~~or the rules promulgated thereunder,~~ **under this act,** the following

1 acts are not unlawful, are not an offense, are not grounds for
2 seizing or forfeiting property, are not grounds for arrest,
3 prosecution, or penalty in any manner, are not grounds for search
4 or inspection except as authorized by this act, and are not grounds
5 to deny any other right or privilege:

6 (a) **For** a marihuana grower or an agent acting on behalf of a
7 marihuana grower who is 21 years of age or older, cultivating not
8 more than the number of marihuana plants authorized by the state
9 license class; possessing, packaging, storing, or testing
10 marihuana; acquiring marihuana seeds or seedlings from a person who
11 is 21 years of age or older; selling or otherwise transferring,
12 purchasing or otherwise obtaining, or transporting marihuana to or
13 from a marihuana establishment; **transferring marihuana plant waste**
14 **to a marihuana disposer;** or receiving compensation for goods or
15 services. †

16 (b) **For** a marihuana processor or agent acting on behalf of a
17 marihuana processor who is 21 years of age or older, possessing,
18 processing, packaging, storing, or testing marihuana; selling or
19 otherwise transferring, purchasing or otherwise obtaining, or
20 transporting marihuana to or from a marihuana establishment;
21 **transferring marihuana plant waste to a marihuana disposer;** or
22 receiving compensation for goods or services. †

23 (c) **For** a marihuana secure transporter or an agent acting on
24 behalf of a marihuana secure transporter who is 21 years of age or
25 older, possessing or storing marihuana; transporting marihuana to
26 or from a marihuana establishment; **transferring marihuana plant**
27 **waste to a marihuana disposer; transporting marihuana plant waste**
28 **from a marihuana establishment to a marihuana disposer's site or**
29 **facility;** or receiving compensation for services. †

1 (d) **For** a marihuana safety compliance facility or an agent
2 acting on behalf of a marihuana safety compliance facility who is
3 21 years of age or older, testing, possessing, repackaging, or
4 storing marihuana; transferring, obtaining, or transporting
5 marihuana to or from a marihuana establishment; **transferring**
6 **marihuana plant waste to a marihuana disposer;** or receiving
7 compensation for services. †

8 (e) **For** a marihuana retailer or an agent acting on behalf of a
9 marihuana retailer who is 21 years of age or older, possessing,
10 storing, or testing marihuana; selling or otherwise transferring,
11 purchasing or otherwise obtaining, or transporting marihuana to or
12 from a marihuana establishment; selling or otherwise transferring
13 marihuana to a person 21 years of age or older; **transferring**
14 **marihuana plant waste to a marihuana disposer;** or receiving
15 compensation for goods or services. †~~or~~

16 (f) **For** a marihuana microbusiness or an agent acting on behalf
17 of a marihuana microbusiness who is 21 years of age or older,
18 cultivating not more than 150 marihuana plants; possessing,
19 processing, packaging, storing, or testing marihuana from marihuana
20 plants cultivated on the premises; selling or otherwise
21 transferring marihuana cultivated or processed on the premises to a
22 person 21 years of age or older; **transferring marihuana plant waste**
23 **to a marihuana disposer;** or receiving compensation for goods or
24 services.

25 (g) **For** a marihuana disposer or an agent acting on behalf of a
26 marihuana disposer who is 21 years of age or older, disposing of
27 marihuana plant waste at the marihuana disposer's site or facility;
28 transporting marihuana plant waste from a licensee to the marihuana
29 disposer's site or facility; or receiving compensation for

1 **services.**

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

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

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

9 (k) ~~(j) providing~~ **Providing** professional services to
 10 prospective or licensed marihuana establishments related to
 11 activity under this act.

12 (2) ~~2.~~—A person acting as an agent of a marihuana retailer who
 13 sells or otherwise transfers marihuana or marihuana accessories to
 14 a person under 21 years of age is not subject to arrest,
 15 prosecution, forfeiture of property, disciplinary action by a
 16 professional licensing board, denial of any right or privilege, or
 17 penalty in any manner, if the person reasonably verified that the
 18 recipient appeared to be 21 years of age or older by means of
 19 government-issued photographic identification containing a date of
 20 birth, and the person complied with any rules promulgated pursuant
 21 to this act.

22 (3) ~~3.~~—It is the public policy of this state that contracts
 23 related to the operation of marihuana establishments be
 24 enforceable.