

HOUSE BILL NO. 4516

March 16, 2021, Introduced by Reps. Lilly, Hauck and Rabhi and referred to the Committee on Regulatory Reform.

A bill to amend 2018 IL 1, entitled
"Michigan Regulation and Taxation of Marihuana Act,"
(MCL 333.27951 to 333.27967) by adding section 11a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

8 (3) An action under this section must be instituted within 2
9 years after the injury or death. A person shall give written notice
10 to all defendants within 120 days after entering an attorney-client
11 relationship for the purposes of pursuing a claim for damages under
12 this section. Failure to give written notice to the licensee within
13 that time period is grounds for dismissal of the claim unless the
14 licensee could not be identified within that time period with
15 reasonable diligence. If the licensee is identified after that time
16 period, failure to give written notice within 120 days thereafter
17 is grounds for dismissal. In the event of the death of either
18 party, the right of action under this section survives to or
19 against his or her personal representative.

20 (4) An action under this section shall not be commenced unless
21 the minor or alleged visibly intoxicated individual is a named
22 defendant and is retained in the action until the litigation is
23 concluded by final action or the licensee is dismissed with
24 prejudice.

25 (5) A licensee described in subsection (2) has the right to
26 full indemnification from the minor or alleged visibly intoxicated
27 individual for all damages awarded against the licensee.

28 (6) All defenses of the minor or alleged visibly intoxicated
29 individual are available to the licensee. In an action alleging a

1 violation of subsection (1) involving a minor, proof that the
2 licensee demanded and was shown a government-issued photographic
3 identification appearing to be genuine and showing the minor to be
4 21 years of age or older, is a complete defense to the action.

5 (7) It is presumed that a licensee, other than the licensee
6 that last sold or transferred marihuana to a minor or visibly
7 intoxicated person, is not a proximate cause of an injury that gave
8 rise to a cause of action under subsection (2). This presumption
9 may be overcome by clear and convincing evidence.

10 (8) A minor or alleged visibly intoxicated individual does not
11 have a cause of action under this section. A person does not have a
12 cause of action against a licensee for any loss or damage sustained
13 resulting from the injury or death of the minor or visibly
14 intoxicated person.

15 (9) An individual who suffers damage or who is personally
16 injured by a minor or visibly intoxicated person as a result of a
17 violation of subsection (1) has the right to recover actual damages
18 in a sum of not less than \$50.00 in each case in which the court or
19 jury determines that intoxication was a proximate cause of the
20 damage, injury, or death.

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

26 (11) This section provides the exclusive remedy for money
27 damages against a licensee and the licensee's clerks, agents, and
28 employees arising out of a violation of subsection (1). This
29 subsection does not apply to a remedy available under law to lawful

1 users of marihuana for liability resulting from the manufacture,
2 distribution, transportation, or sale of adulterated marihuana.

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

6 (13) As used in this section:

7 (a) "Adulterated marihuana" means a product sold as marihuana
8 that contains any unintended substance or chemical or biological
9 matter other than marihuana that causes adverse reaction after
10 ingestion or consumption.

11 (b) "Minor" means an individual who is younger than 21 years
12 of age.

13 (c) "Visibly intoxicated" means displaying obvious, objective,
14 and visible evidence of intoxication that would be apparent to an
15 ordinary observer.

16 (d) "Written notice" means a communication in writing that
17 does all of the following:

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

20 (ii) States all of the following:

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

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

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

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

27 Enacting section 1. This amendatory act does not take effect
28 unless Senate Bill No. ____ or House Bill No. 4517 (request no.
29 00817'21 *) of the 101st Legislature is enacted into law.