

HOUSE BILL NO. 4430

April 19, 2023, Introduced by Reps. Paiz, Rheingans, Byrnes, Tyrone Carter, McKinney, Young, Farhat, Dievendorf and Aiyash 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 and 8 (MCL 333.27953 and 333.27958), as
amended by 2021 PA 56.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

2 **(a) "Cannabis regulatory agency" means the marijuana**
3 **regulatory agency created under Executive Reorganization Order No.**
4 **2019-2, MCL 333.27001, renamed the cannabis regulatory agency under**
5 **Executive Reorganization Order No. 2022-1, MCL 333.27002.**

6 **(b) ~~(a)~~"Cultivate" means to propagate, breed, grow, harvest,**

1 dry, cure, or separate parts of a marihuana plant by manual or
2 mechanical means.

3 (c) ~~(b)~~—"Department" means the ~~department of licensing and~~
4 ~~regulatory affairs.~~ **cannabis regulatory agency.**

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~~ **cannabis** regulatory
27 agency under 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~~**cannabis** regulatory agency
27 under 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) ~~(i)~~—"Marihuana establishment" means a marihuana grower,
23 marihuana safety compliance facility, marihuana processor,
24 marihuana microbusiness, marihuana retailer, marihuana secure
25 transporter, or any other type of marihuana-related business
26 licensed by the ~~marijuana~~ **cannabis** regulatory agency.

27 (k) ~~(j)~~—"Marihuana grower" means a person licensed to
28 cultivate marihuana and sell or otherwise transfer marihuana to
29 marihuana establishments.

1 **(l)** ~~(k)~~—"Marihuana-infused product" means a topical
 2 formulation, tincture, beverage, edible substance, or similar
 3 product containing marihuana and other ingredients and that is
 4 intended for human consumption.

5 **(m)** ~~(l)~~—"Marihuana microbusiness" means a person licensed to
 6 cultivate not more than 150 marihuana plants; process and package
 7 marihuana; and sell or otherwise transfer marihuana to individuals
 8 who are 21 years of age or older or to a marihuana safety
 9 compliance facility, but not to other marihuana establishments.

10 **(n)** ~~(m)~~—"Marihuana processor" means a person licensed to
 11 obtain marihuana from marihuana establishments; process and package
 12 marihuana; and sell or otherwise transfer marihuana to marihuana
 13 establishments.

14 **(o)** ~~(n)~~—"Marihuana retailer" means a person licensed to obtain
 15 marihuana from marihuana establishments and to sell or otherwise
 16 transfer marihuana to marihuana establishments and to individuals
 17 who are 21 years of age or older.

18 **(p)** ~~(o)~~—"Marihuana secure transporter" means a person licensed
 19 to obtain marihuana from marihuana establishments in order to
 20 transport marihuana to marihuana establishments.

21 **(q)** ~~(p)~~—"Marihuana safety compliance facility" means a person
 22 licensed to test marihuana, including certification for potency and
 23 the presence of contaminants.

24 **(r)** ~~(q)~~—"Marijuana regulatory agency" means the marijuana
 25 regulatory agency created under Executive Reorganization Order No.
 26 2019-2, MCL 333.27001.

27 **(s)** ~~(r)~~—"Municipal license" means a license issued by a
 28 municipality pursuant to section 16 that allows a person to operate
 29 a marihuana establishment in that municipality.

1 (t) ~~(s)~~—"Municipality" means a city, village, or township.

2 (u) ~~(t)~~—"Person" means an individual, corporation, limited
3 liability company, partnership of any type, trust, or other legal
4 entity.

5 (v) ~~(u)~~—"Process" or "processing" means to separate or
6 otherwise prepare parts of a marihuana plant and to compound,
7 blend, extract, infuse, or otherwise make or prepare marihuana
8 concentrate or marihuana-infused products.

9 (w) ~~(v)~~—"State license" means a license issued by the
10 ~~marijuana-cannabis~~ regulatory agency that allows a person to
11 operate a marihuana establishment.

12 (x) ~~(w)~~—"THC" means any of the following:

13 (i) Tetrahydrocannabinolic acid.

14 (ii) Unless excluded by the ~~marijuana-cannabis~~ regulatory
15 agency under section 8(2)(c), a tetrahydrocannabinol, regardless of
16 whether it is artificially or naturally derived.

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

20 (y) ~~(x)~~—"Unreasonably impracticable" means that the measures
21 necessary to comply with the rules or ordinances adopted pursuant
22 to this act subject licensees to unreasonable risk or require such
23 a high investment of money, time, or any other resource or asset
24 that a reasonably prudent businessperson would not operate the
25 marihuana establishment.

26 Sec. 8. (1) The ~~marijuana-cannabis~~ regulatory agency shall
27 promulgate rules to implement and administer this act that include
28 all of the following:

29 (a) Procedures for issuing a state license pursuant to section

1 9 and for renewing, suspending, and revoking a state license.

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

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

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

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

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

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

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

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

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

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

10 (g) Record keeping requirements for marihuana establishments
11 and monitoring requirements to track the transfer of marihuana by
12 licensees.

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

16 (i) Reasonable restrictions on advertising, marketing, and
17 display of marihuana and marihuana establishments.

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

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

26 (l) Informational pamphlet standards for marihuana retailers
27 and marihuana microbusinesses, including, but not limited to, a
28 requirement to make available to every customer at the time of sale
29 a pamphlet measuring 3.5 inches by 5 inches that includes ~~safety~~

1 all of the following:

2 (i) **Safety** information related to marihuana use, ~~by minors and~~
3 including, but not limited to, both of the following:

4 (A) Storing marihuana in a locked container out of the reach
5 of children.

6 (B) Disposing of marihuana.

7 (ii) The poison control hotline number.

8 (iii) The following statements or statements that are
9 substantively similar to the following statements:

10 (A) To avoid dangerous drug interactions, it is recommended
11 that you consult with your prescriber or pharmacist before
12 consuming this product.

13 (B) Exercise care if you consume this product with alcohol.

14 (C) Consuming this product with a controlled substance could
15 increase the risk of side effects or overdose.

16 (D) Do not operate heavy machinery or perform other dangerous
17 tasks under the influence of this product unless you know how this
18 product affects you.

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

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

23 (2) The ~~marijuana~~ **cannabis** regulatory agency may promulgate
24 rules to do any of the following:

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

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

1 (ii) Consumption of marihuana within designated areas.

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

4 (iv) Cultivation for purposes of propagation.

5 (v) Facilitation of scientific research or education.

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

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

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

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

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

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

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

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

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

26 (3) The ~~marijuana~~**cannabis** regulatory agency shall not
27 promulgate a rule that **is unreasonably impracticable or** does any of
28 the following:

29 (a) Establishes a limit on the number of any type of state

1 license that may be granted.

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

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

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

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