

# HOUSE BILL NO. 6288

December 12, 2024, Introduced by Reps. McKinney, Bruck, Wilson and Aragona and referred to the Committee on Agriculture.

A bill to authorize certain activities involving industrial hemp and certain consumable hemp products; to require the licensing of certain people; to provide for the sampling and testing of certain consumable hemp products; to establish labeling requirements for certain consumable hemp products; to provide for the collection of fees; to provide for the powers and duties of certain state governmental officers and entities; to create certain funds; to require the promulgation of rules; to prohibit certain

acts and prescribe civil sanctions and penalties; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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Chapter I

General Provisions

Sec. 101. This act may be cited as the "industrial hemp processing act".

Sec. 103. As used in this act:

(a) "Agency" means the cannabis regulatory agency.

(b) "Applicant" means a person that submits an application for a state license.

(c) "Consumable hemp processor" means a person that is licensed under section 201.

(d) "Consumable hemp product" means an edible substance, beverage, infused liquid, or similar product that contains a nonintoxicating cannabinoid and is intended for human or animal consumption, ingestion, or inhalation. Consumable hemp product is not considered a food under the food law, 2000 PA 92, MCL 289.1101 to 289.8111, and does not include a product that contains industrial hemp seed or an industrial hemp seed-derived ingredient.

(e) "Converted cannabinoid" means a cannabinoid that is converted from a different cannabinoid using a chemical reaction. Converted cannabinoid does not include a cannabinoid that is created through decarboxylation of a naturally occurring acidic form of a cannabinoid into the corresponding neutral cannabinoid through the use of heat or light, or both, if the following requirements are met:

(i) No chemical reagents or catalysts are used to produce the cannabinoid.

1           (ii) No other chemical change occurs.

2           (f) "Dwelling" means a structure that is used for residential  
3 purposes.

4           (g) "Fund" means the consumable hemp product fund created in  
5 section 407.

6           (h) "Industrial hemp" means that term as defined in section 3  
7 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL  
8 1, MCL 333.27953.

9           (i) "Intoxicating cannabinoids" means a cannabinoid listed in  
10 section 305(2).

11           (j) "Key participant" means a person that has a direct or  
12 indirect financial interest in the person or business that produces  
13 a consumable hemp product or a person in a corporate entity at an  
14 executive level that is regularly responsible for decision making  
15 that impacts the production of a consumable hemp product. A key  
16 participant includes, but is not limited to, any of the following:

17           (i) For a sole proprietorship, a sole proprietor.

18           (ii) For a partnership, a partner.

19           (iii) For a corporation, an individual with executive managerial  
20 control, including, but not limited to, a chief executive officer,  
21 a chief operating officer, or a chief financial officer.

22           (k) "Licensee" means a person that holds a state license.

23           (l) "Nonintoxicating cannabinoids" means a cannabinoid listed  
24 in section 305(1).

25           (m) "Person" means an individual, partnership, corporation,  
26 association, or other legal entity.

27           (n) "Potentially intoxicating cannabinoids" means a  
28 cannabinoid listed in section 305(3).

29           (o) "Process" or "processing" means to separate or otherwise

1 prepare parts of an industrial hemp plant and compound, blend,  
2 extract, infuse, or otherwise make or prepare a consumable hemp  
3 product.

4 (p) "State license" means a license granted under chapter II.

5 (q) "THC" means that term as defined in section 3 of the  
6 Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL  
7 333.27953.

## 8 Chapter II

### 9 Applications and Licenses

10 Sec. 201. (1) A person shall not process a consumable hemp  
11 product unless the person is granted a state license under this  
12 act.

13 (2) To apply for a state license, a person shall submit an  
14 application on a form and in a manner as prescribed by the agency.  
15 An applicant shall include with its application the following  
16 information:

17 (a) The applicant's full name, date of birth, mailing address,  
18 telephone number, Social Security number, and email address. If the  
19 applicant is not an individual, the application must include the  
20 EIN number and the full name of each key participant, including  
21 each key participant's date of birth, title, and email address.

22 (b) The address and legal description of each building or  
23 other location where the applicant will process consumable hemp  
24 products.

25 (3) The agency shall grant an applicant a state license if all  
26 of the following conditions are met:

27 (a) The applicant submits a completed application under this  
28 section.

29 (b) The applicant meets the qualifications for a state

1 license.

2 (c) The applicant pays the applicable fee under section 405.

3 Sec. 203. (1) A state license is valid for 1 year beginning on  
4 December 1 and expiring at midnight on the following November 30,  
5 except that an initial state license expires at midnight on  
6 November 30 in the year in which the state license is granted.

7 (2) To renew a state license, the licensee must submit an  
8 application on a form and in a manner prescribed by the agency no  
9 later than November 30. If a licensee does not renew its state  
10 license by November 30, the licensee may renew its state license  
11 within 60 days after November 30. A licensee that renews its state  
12 license within this 60-day period must pay a late fee of \$250.00 in  
13 addition to any other applicable fee required under section 405.  
14 The applicant may continue to operate under the state license  
15 during the 60-day time period. If a licensee does not renew its  
16 state license within the 60-day time period, the state license is  
17 void. A late fee collected under this subsection must be deposited  
18 into the fund.

19 (3) Information submitted by an applicant to the agency is  
20 exempt from disclosure under the freedom of information act, 1976  
21 PA 442, MCL 15.231 to 15.246.

22 (4) A state license is nontransferable and nonrefundable.

23 Sec. 205. (1) The agency shall approve or deny an application  
24 for a state license within a reasonable amount of time that does  
25 not otherwise result in a delay in the processing of an  
26 application.

27 (2) The agency shall deny an application for a state license  
28 if any of the following apply:

29 (a) The application is incomplete.

1 (b) If the applicant is an individual, the applicant is under  
2 the age of 18.

3 (c) The applicant's buildings or locations disclosed on an  
4 application submitted under this chapter are dwellings or are not  
5 located in this state.

6 (d) The applicant has not demonstrated, as determined by the  
7 agency, a willingness to comply with this act or the rules  
8 promulgated under this act.

9 (e) The applicant has unpaid fees or civil fines owed to this  
10 state under this act.

11 (f) The applicant has made a false statement or  
12 representation, as determined by the agency, to the agency or a law  
13 enforcement agency.

14 (3) If the agency denies an application because it is  
15 incomplete, the agency shall notify the applicant of the denial not  
16 later than 120 days after determining the application is incomplete  
17 by letter or email. The notice must state the deficiency and  
18 request additional information.

19 Sec. 207. The agency shall issue a document to a licensee that  
20 evidences the granting of a state license. A licensee shall display  
21 a copy of that document prominently in all buildings or locations  
22 disclosed on an application submitted under this chapter.

23 Sec. 209. If the agency denies an application for a state  
24 license, the applicant may appeal the denial by submitting a  
25 written request for a hearing to the agency. The applicant must  
26 submit the request to the agency not more than 21 days after the  
27 date stated on the denial. The agency shall conduct a hearing  
28 requested under this section in accordance with the administrative  
29 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.



1 (3) A consumable hemp processor shall not purchase a converted  
2 cannabinoid for use in processing a consumable hemp product.

3 (4) Except as otherwise provided under the Michigan Regulation  
4 and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to  
5 333.27967; the medical marihuana facilities licensing act, 2016 PA  
6 281, MCL 333.27101 to 333.27801; and the Michigan Medical Marihuana  
7 Act, 2008 IL 1, MCL 333.26421 to 333.26430, a person shall not do  
8 any of the following:

9 (a) Process, sell, or otherwise transfer a product that  
10 contains an intoxicating or potentially intoxicating cannabinoid.

11 (b) Process, sell, or otherwise transfer an intoxicating or  
12 potentially intoxicating cannabinoid.

13 (c) Process, sell, or otherwise transfer a product that  
14 contains a converted cannabinoid.

15 (d) Process, sell, or otherwise transfer a converted  
16 cannabinoid.

17 Sec. 303. (1) A person may sell a consumable hemp product in  
18 this state with or without a state license if the consumable hemp  
19 product is processed by and obtained from a consumable hemp  
20 processor.

21 (2) A consumable hemp product sold in this state must meet the  
22 requirements specified in rules promulgated under this act and have  
23 a label that meets all of the following requirements:

24 (a) Not be designed in a way that is attractive to minors.

25 (b) Contain the following statements in bold capital letters:

26 (i) "THIS PRODUCT HAS NOT BEEN EVALUATED BY THE FOOD AND DRUG  
27 ADMINISTRATION AND IS NOT INTENDED TO DIAGNOSE, TREAT, CURE, OR  
28 PREVENT ANY DISEASE."

29 (ii) "KEEP OUT OF REACH OF CHILDREN."



1 (c) Not contain any medical claims.

2 (d) List the net weight.

3 (e) List all of the ingredients.

4 (f) List the percentage of nonintoxicating cannabinoids by  
5 weight.

6 Sec. 305. (1) Nonintoxicating cannabinoids include all of the  
7 following:

8 (a) Full spectrum industrial hemp extract that contains no  
9 more than 1.75 milligrams of THC per serving and contains a ratio  
10 of cannabidiol to THC of greater than or equal to 15-1.

11 (b) Broad spectrum industrial hemp extract.

12 (c) Cannabidiol.

13 (d) Tetrahydrocannabivarin.

14 (e) Cannabichromene.

15 (f) Cannabicitran.

16 (g) Cannabicyclol.

17 (h) Cannabielsoin.

18 (i) Cannabigerol.

19 (j) Cannabidivarin.

20 (k) Cannabinol.

21 (l) Any other cannabinoid that the agency determines in rules  
22 promulgated under this act is nonintoxicating.

23 (2) Intoxicating cannabinoids include all of the following:

24 (a) Delta-9, delta-8, delta-7, delta-10, delta-6a, and delta-  
25 10a THC and their isomers.

26 (b) Exo-tetrahydrocannabinol.

27 (c) Metabolites of THC, including 11-hydroxy-THC, 3-hydroxy-  
28 THC, or 7-hydroxy-THC.

29 (d) Hydrogenated forms of THC, including hexahydrocannabinol,

1 hexahydrocannabiphorol, and hexahydrocannabihexol.

2 (e) Synthetic forms of THC, including dronabinol.

3 (f) Ester forms of THC, including delta-8 THC-O-acetate,  
4 delta-9 THC-O-acetate, and hexahydrocannabinol-O-acetate.

5 (g) Tetrahydrocannabivarin, including delta-8  
6 tetrahydrocannabivarin but excluding delta-9  
7 tetrahydrocannabivarin.

8 (h) Analogues of tetrahydrocannabinols with an alkyl chain of  
9 4 or more carbon atoms, including tetrathydrocannabiphorols,  
10 tetrahydrocannabiocetyls, tetrahydrocannabihexols, and  
11 tetrahydrocannabutols.

12 (i) Any combination of the compounds, including  
13 hexahydrocannabiphorol-O-ester, listed above.

14 (j) Any other cannabinoid that the agency determines in rules  
15 promulgated under this act is intoxicating.

16 (3) Potentially intoxicating cannabinoids include all of the  
17 following:

18 (a) Any cannabinoid that has not been assessed by this state  
19 or a federal agency for a safety profile and intoxication profile.

20 (b) A cannabinoid that is not a phytocannabinoid.

21 (c) Any other cannabinoid that the agency determines in rules  
22 promulgated under this act is potentially intoxicating.

23 Chapter IV

24 Administration

25 Sec. 401. (1) The agency shall promulgate rules to implement  
26 this act in accordance with the administrative procedures act of  
27 1969, 1969 PA 306, MCL 24.201 to 24.328. The rules must include,  
28 but are not limited to, the following:

29 (a) Requirements and procedures for testing consumable hemp

1 products. All consumable hemp products must be tested before being  
2 sold or offered for sale in this state. Testing under this  
3 subdivision must be conducted by 1 of the following:

4 (i) A marihuana safety compliance facility that is licensed  
5 under and meets the requirements of either of the following:

6 (A) The Michigan Regulation and Taxation of Marihuana Act,  
7 2018 IL 1, MCL 333.27951 to 333.27967.

8 (B) The medical marihuana facilities licensing act, 2016 PA  
9 281, MCL 333.27101 to 333.27801.

10 (ii) A regulatory testing facility that complies with the  
11 industrial hemp growers act, 2020 PA 220, MCL 333.29101 to  
12 333.29801.

13 (iii) A laboratory in another state that substantially meets the  
14 requirements of an entity described under subparagraph (i) or (ii).

15 (b) Requirements and procedures for the agency to request  
16 additional sampling and testing of consumable hemp products.

17 (c) Processes for determining whether a cannabinoid is  
18 nonintoxicating, intoxicating, or potentially intoxicating, and a  
19 list of nonintoxicating, intoxicating, and potentially intoxicating  
20 cannabinoids.

21 (d) Requirements for consumable hemp products sold in this  
22 state.

23 (2) The agency may promulgate an emergency rule in accordance  
24 with section 48 of the administrative procedures act of 1969, 1969  
25 PA 306, MCL 24.248, if the agency determines that a cannabinoid is  
26 an intoxicating cannabinoid or potentially intoxicating cannabinoid  
27 and that consumption of the cannabinoid poses a risk to public  
28 health and safety.

29 Sec. 403. (1) The agency shall create an application for use

1 under chapter II.

2 (2) The agency shall maintain an application submitted under  
3 chapter II for not less than 5 years.

4 Sec. 405. (1) A licensee shall pay the following fees, as  
5 applicable:

6 (a) A state license fee of \$1,350.00.

7 (b) A site location modification fee of \$50.00 for each  
8 location modification request form submitted under section 211.

9 (2) A licensee shall pay the fees required under subsection  
10 (1) at the time an application is submitted under chapter II. Fees  
11 must be paid with a check or money order payable to the agency.

12 (3) Fees collected under subsection (2) must be deposited into  
13 the fund.

14 (4) Fees required under this section are nonrefundable and  
15 nontransferable.

16 Sec. 407. (1) The consumable hemp product fund is created  
17 within the state treasury. The state treasurer may receive fees  
18 collected under section 405 or a late fee collected under section  
19 203(2) for deposit into the fund. The state treasurer may also  
20 receive money or other assets from any other source for deposit  
21 into the fund and shall credit to the fund interest and earnings  
22 from fund investments.

23 (2) Money in the fund at the close of the fiscal year remains  
24 in the fund and does not lapse to the general fund. The agency is  
25 the administrator of the fund for auditing purposes.

26 (3) The agency shall expend money from the fund to administer  
27 and enforce this act and the rules promulgated under this act.

28 Sec. 409. A political subdivision of this state shall not  
29 adopt a rule, regulation, code, or ordinance that is contrary to

1 this act.

2 Chapter X

3 Violations and Penalties

4 Sec. 501. (1) If a licensee violates a provision of this act  
5 or a rule promulgated under this act, the agency may suspend,  
6 revoke, or restrict the licensee's state license.

7 (2) If the agency suspends, revokes, or restricts a state  
8 license under this section, the agency shall notify the licensee in  
9 writing that the state license is suspended, revoked, or  
10 restricted.

11 (3) If a state license is suspended, revoked, or restricted  
12 under this section, the licensee shall not obtain, process,  
13 package, transport, or distribute a consumable hemp product, except  
14 as authorized in writing by the agency.

15 (4) The agency may impose a civil fine of not more than  
16 \$5,000.00 against an individual and not more than \$10,000.00  
17 against a licensee, for a violation of this act or a rule  
18 promulgated under this act. Assessment of a civil fine under this  
19 subsection is not a bar to the investigation, arrest, charging, or  
20 prosecution of an individual or licensee for any other violation of  
21 this act or a rule promulgated under this act and is not grounds to  
22 suppress evidence in any criminal prosecution that arises under  
23 this act or any other law of this state.

24 Sec. 503. (1) The agency shall schedule a hearing on a  
25 suspension, revocation, or restriction of a state license under  
26 section 501(1) or the imposition of a civil fine under section  
27 501(4) for a date as soon as practicable that is not more than 60  
28 days after the date of notification of a state license suspension,  
29 revocation, or restriction or the imposition of the civil fine.

1 (2) The agency shall conduct the hearing required under this  
2 section in accordance with the administrative procedures act of  
3 1969, 1969 PA 306, MCL 24.201 to 24.328.

4 (3) The agency may suspend a state license without notice or  
5 hearing on a determination that the public health, safety, or  
6 welfare is jeopardized by allowing the licensee to continue to  
7 obtain, process, package, transport, or distribute a consumable  
8 hemp product. If the agency suspends a state license under this  
9 subsection without notice or hearing, a prompt postsuspension  
10 hearing must be held to determine if the suspension should remain  
11 in effect. The suspension may remain in effect until the agency  
12 determines that the cause for suspension has abated. The agency may  
13 revoke the state license on a determination that the licensee has  
14 not made satisfactory progress toward abating the hazard.

15 (4) The agency may conduct investigative and contested case  
16 hearings; issue subpoenas for the attendance of witnesses; issue  
17 subpoenas duces tecum for the production of books, ledgers,  
18 records, memoranda, electronically retrievable data, and other  
19 pertinent documents; and administer oaths and affirmations to  
20 witnesses as appropriate to exercise and discharge the powers and  
21 duties of the agency under this act. The agency's authorized  
22 representative may issue subpoenas and administer oaths and  
23 affirmations to witnesses.

24 Sec. 505. (1) A person that violates section 301(4) is guilty  
25 as follows:

26 (a) For a first violation, a misdemeanor punishable by a fine  
27 of not less than \$10,000.00 or more than \$25,000.00 or imprisonment  
28 for not more than 93 days, or both.

29 (b) For a second or subsequent violation, a misdemeanor

1 punishable by a fine of not less than \$10,000.00 or more than  
2 \$25,000.00 or imprisonment for not more than 1 year, or both.

3 Enacting section 1. The industrial hemp research and  
4 development act, 2014 PA 547, MCL 286.841 to 286.859, is repealed.

5 Enacting section 2. This act does not take effect unless all  
6 of the following bills of the 102nd Legislature are enacted into  
7 law:

8 (a) Senate Bill No. \_\_\_\_\_ or House Bill No. 6289 (request no.  
9 06609'24 a).

10 (b) Senate Bill No. \_\_\_\_\_ or House Bill No. 6290 (request no.  
11 06609'24 b).

12 (c) Senate Bill No. \_\_\_\_\_ or House Bill No. 6291 (request no.  
13 06609'24 c).