

**SUBSTITUTE FOR
HOUSE BILL NO. 5884**

A bill to amend 2018 IL 1, entitled
"Michigan Regulation and Taxation of Marihuana Act,"
by amending the title and sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 9a,
11a, 12, 13, 14, 15, and 17 (MCL 333.27951, 333.27952, 333.27953,
333.27954, 333.27955, 333.27956, 333.27957, 333.27958, 333.27959,
333.27959a, 333.27961a, 333.27962, 333.27963, 333.27964, 333.27965,
and 333.27967), sections 3, 7, 8, and 13 as amended by 2023 PA 166,
section 9a as added by 2020 PA 208, section 11a as added by 2021 PA
55, and section 14 as amended by 2023 PA 165, and by adding
sections 20, 21, 22, 23, 24, 24a, 25, 26, 26a, 27, and 28; and to
repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

TITLE



BJH

H01897'23 (H-2)

s_11483_12102024



1 An initiation of legislation to allow ~~under state law~~ **for** the
 2 personal possession, **cultivation, transfer,** and use of marihuana by
 3 ~~persons~~ **individuals** 21 years of age or older; to ~~provide for~~ **allow**
 4 **for** the lawful ~~commercial~~ **cultivation, processing, testing,**
 5 **transportation,** and sale of marihuana ~~and industrial hemp~~ by
 6 **certain** persons; ~~21 years of age or older;~~ **to allow for the**
 7 **commercial processing, distribution, and sale of industrial hemp by**
 8 **certain persons; to require the licensing of certain persons**
 9 **engaged in commercial marihuana activities;** to ~~permit the taxation~~
 10 ~~of revenue derived from~~ **impose a tax on** ~~commercial marihuana~~
 11 ~~facilities;~~ **retail sales; to provide for the powers and duties of**
 12 **certain state and local governmental officers and entities;** to
 13 ~~permit~~ **require** the promulgation of ~~administrative~~ rules; and to
 14 prescribe certain penalties **and civil sanctions** for violations of
 15 this act. ~~If not enacted by the Michigan State Legislature in~~
 16 ~~accordance with the Michigan Constitution of 1963, the proposed~~
 17 ~~legislation is to be voted on at the General Election, November 6,~~
 18 ~~2018.~~

19 Sec. 1. This act ~~shall be known and may be cited as the~~
 20 ~~Michigan Regulation and Taxation of Marihuana Act.~~ **"Michigan**
 21 **regulation and taxation of marihuana act"**.

22 Sec. 2. (1) The purpose of this act is to ~~make~~ **do both of the**
 23 **following:**

24 (a) **Make** marihuana legal under state and local law for ~~adults~~
 25 **individuals who are** 21 years of age or older. ~~, to make industrial~~
 26 ~~hemp legal under state and local law, and to control~~

27 (b) **Control** the commercial production and distribution of
 28 marihuana under a system that licenses, regulates, and taxes the
 29 businesses involved.



(2) The intent **of this act** is to ~~prevent~~ **do all of the following:**

(a) **Prevent** arrest and penalty for personal possession and cultivation of marihuana by ~~adults~~ **individuals who are** 21 years of age or older. ~~remove~~

(b) **Remove** the commercial production and distribution of marihuana from the illicit market. ~~prevent~~

(c) **Prevent** revenue generated from commerce in marihuana from going to criminal enterprises or gangs. ~~prevent~~

(d) **Prevent** the **unauthorized** distribution of marihuana to ~~persons under~~ **individuals younger than** 21 years of age. ~~prevent~~

(e) **Prevent** the diversion of marihuana to illicit markets. ~~ensure~~

(f) **Ensure** the safety of marihuana and marihuana-infused products. ~~and ensure~~

(g) **Ensure the** security of ~~marihuana establishments~~ **licensed premises.**

(3) This act does not affect the cannabis regulatory agency's ability to enter into an agreement with an Indian tribe concerning the regulation of marihuana.

(4) To the fullest extent possible, this act ~~shall~~ **must** be interpreted **and construed** in accordance with the purpose and intent set forth in this section.

Sec. 3. As used in this act:

(a) "Adulterated marihuana" or "adulterated marihuana-infused product" means a product sold as marihuana that meets 1 or both of the following conditions:

(i) The product contains a substance that is not listed as an ingredient on the label of the product.



(ii) The product contains an ingredient that was added to the product by accident when the product was made.

(b) "Applicant" means a person that applies for a state license.

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

(d) "Class A marihuana grower" means a person that holds a state license described in section 20(1)(a)(i) or (1)(b)(i).

(e) "Class B marihuana grower" means a person that holds a state license described in section 20(1)(a)(ii) or (1)(b)(ii).

(f) "Class C marihuana grower" means a person that holds a state license described in section 20(1)(a)(iii) or (1)(b)(iii).

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

~~(c) "Department" means the cannabis regulatory agency.~~

(h) "Financial institution" means any of the following:

(i) A state or national bank.

(ii) A state or federally chartered savings and loan association.

(iii) A state or federally chartered savings bank.

(iv) A state or federally chartered credit union.

(v) An insurance company.

(vi) An entity that offers any of the following to a resident of this state:

(A) A mutual fund account.

(B) A securities brokerage account.



1 (C) A money market account.

2 (D) A retail investment account.

3 (vii) A legal entity regulated by the Securities and Exchange
4 Commission that collects funds from the public.

5 (viii) A legal entity that is a member of the National
6 Association of Securities Dealers and that collects funds from the
7 public.

8 (ix) Any other legal entity that collects funds from the
9 public.

10 (i) "Financial service" means a deposit; withdrawal; transfer
11 between accounts; exchange of currency; loan; extension of credit;
12 purchase or sale of any stock, bond, certificate of deposit, or
13 other monetary instrument; or any other payment, transfer, or
14 delivery by, through, or to a financial institution, by whatever
15 means effected.

16 (j) ~~(d)~~—"Indian lands" means any of the following:

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

18 (ii) Any lands title to which is either held in trust by the
19 United States for the benefit of any Indian tribe or individual or
20 held by any Indian tribe or individual subject to restriction by
21 the United States against alienation and over which an Indian tribe
22 exercises governmental power.

23 (k) ~~(e)~~—"Indian tribe" means any Indian tribe, band, nation,
24 or other organized group or community of Indians which is
25 recognized as eligible by the United States Secretary of the
26 Interior for the special programs and services provided by the
27 United States to Indians because of their status as Indians, and is
28 recognized as possessing powers of self-government.

29 (l) ~~(f)~~—"Industrial hemp" means any of the following:



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

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

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

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

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

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

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

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

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

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

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

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

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

(m) **"Licensed premises" means the location at which the**



1 **cannabis regulatory agency has authorized a licensee to operate.**

2 (n) ~~(g)~~ "Licensee" means a person holding a state license.

3 (o) ~~(h)~~ "Marihuana" means any of the following:

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

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

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

8 (iii) ~~(iv)~~ Marihuana concentrate.

9 (iv) ~~(v)~~ A compound, manufacture, salt, derivative, mixture,
10 extract, acid, isomer, salt of an isomer, or preparation of any of
11 the following:

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

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

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

15 (C) ~~(D)~~ Marihuana concentrate.

16 (v) ~~(vi)~~ A marihuana-infused product.

17 (vi) ~~(vii)~~ A product with a THC concentration of more than 0.3%
18 on a dry-weight or ~~per volume~~ **per-volume** basis in the form in which
19 it is intended for sale to a consumer.

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

25 (p) ~~(i)~~ Except for marihuana concentrate extracted from any of
26 the following, "marihuana" does not include any of the following:

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

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



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

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

(v) Industrial hemp.

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

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

(q) ~~(j)~~ "Marihuana accessories" means any equipment, product, material, or combination of equipment, products, or materials, that is specifically designed for use in ~~planting~~, **any of the following:**

(i) **Planting**, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, **or** containing ~~, ingesting, marihuana.~~

(ii) **Ingesting**, inhaling, or otherwise introducing marihuana into the ~~human body~~ **of a human or animal.**

(r) ~~(k)~~ "Marihuana concentrate" means the resin extracted from any part of a **marihuana** plant. ~~of the genus Cannabis.~~

~~(l) "Marihuana establishment" means a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter, or any other type of marihuana-related business licensed by the cannabis regulatory agency.~~

(s) ~~(m)~~ "Marihuana grower" means a person ~~licensed to cultivate marihuana and sell or otherwise transfer marihuana to marihuana establishments.~~ **that holds a state license described in section 20.**



(t) ~~(n)~~ "Marihuana-infused product" means a topical formulation, tincture, beverage, edible substance, or similar product containing marihuana and other ingredients **with a THC concentration of more than 0.3% on a dry-weight or per-volume basis** and that is intended for human **or animal** consumption.

(u) ~~(e)~~ "Marihuana microbusiness" means a person ~~licensed to cultivate not more than 150 marihuana plants; process and package marihuana; and sell or otherwise transfer marihuana to individuals who are 21 years of age or older or to a marihuana safety compliance facility, but not to other marihuana establishments.~~ **that holds a state license described in section 25.**

(v) "Marihuana plant" means any plant of the genus *Cannabis sativa* L. **Marihuana plant does not include industrial hemp.**

(w) ~~(p)~~ "Marihuana processor" means a person ~~licensed to obtain marihuana from marihuana establishments; process and package marihuana; and sell or otherwise transfer marihuana to marihuana establishments.~~ **that holds a state license described in section 21.**

(x) "Marihuana provisioning center" means a person that holds a state license described in section 24a.

(y) "Marihuana regulation fund" means the marihuana regulation fund created under section 14.

(z) ~~(q)~~ "Marihuana retailer" means a person ~~licensed to obtain marihuana from marihuana establishments and to sell or otherwise transfer marihuana to marihuana establishments and to individuals who are 21 years of age or older.~~ **that holds a state license described in section 24.**

(aa) ~~(r)~~ "Marihuana safety compliance facility" means a person ~~licensed to test marihuana, including certification for potency and the presence of contaminants.~~ **that holds a state license described**



1 in section 23.

2 (bb) ~~(s)~~ "Marihuana secure transporter" means a person
 3 ~~licensed to obtain marihuana from marihuana establishments in order~~
 4 ~~to transport marihuana to marihuana establishments.~~ **that holds a**
 5 **state license described in section 22.**

6 ~~(t) "Marijuana regulatory agency", unless the context dictates~~
 7 ~~otherwise, means the cannabis regulatory agency.~~

8 (cc) "Mature marihuana plant" means a marihuana plant, whether
 9 flowering or unflowering, that meets all of the following
 10 conditions:

11 (i) The marihuana plant is in 1 of the following:

12 (A) A growing medium.

13 (B) A cultivating medium.

14 (C) A growing container.

15 (D) A cultivating container.

16 (ii) The marihuana plant has taken root.

17 (iii) The marihuana plant meets 1 or both of the following
 18 conditions:

19 (A) Is 8 inches or taller as measured from the growing or
 20 cultivating medium.

21 (B) Has a plant spread of 8 inches or more.

22 (iv) The marihuana plant was produced from a cutting, clipping,
 23 or tissue culture, or was propagated from a seed.

24 (dd) "Medical facility licensee" means either of the
 25 following, as applicable:

26 (i) Before March 1, 2026, a person that holds a state operating
 27 license granted under the medical marihuana facilities licensing
 28 act.

29 (ii) On or after March 1, 2026, a licensee that is granted a



1 state license under section 28.

2 (ee) "Medical marihuana facilities licensing act" means the
3 medical marihuana facilities licensing act, 2016 PA 281, MCL
4 333.27101 to 333.27801.

5 (ff) "Michigan Medical Marihuana Act" means the Michigan
6 Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.

7 (gg) ~~(u)~~ "Municipal license" means a license issued by a
8 municipality ~~pursuant to~~ **under** section 16 ~~that allows a person to~~
9 ~~operate a marihuana establishment in that municipality.~~ **6.**

10 (hh) ~~(v)~~ "Municipality" means a city, village, or township.
11 **For purposes of section 6, municipality includes an Indian tribe.**

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

15 (jj) "Primary caregiver" means that term as defined in section
16 3 of the Michigan Medical Marihuana Act, MCL 333.26423.

17 (kk) ~~(x)~~ "Process" or "processing" means to ~~separate~~ **do any of**
18 **the following:**

19 (i) **Separate** or otherwise prepare parts of a marihuana plant.
20 ~~and to compound,~~

21 (ii) **Compound**, blend, extract, infuse, or otherwise make or
22 prepare marihuana concentrate or marihuana-infused products.

23 (ll) ~~(y)~~ "Qualifying Indian tribe" means an Indian tribe that
24 meets all of the following conditions:

25 (i) The Indian tribe has entered into an agreement with the
26 cannabis regulatory agency under section 7(2)(b) ~~that~~ **and the**
27 **agreement** is in effect.

28 (ii) The Indian tribe has entered into an agreement with the
29 department of treasury, ~~that~~ **the agreement** is in effect, and ~~that~~



1 **the agreement** does all of the following:

2 (A) States that the revenue collected from the tax or fee
3 described in subparagraph (iii) is not state money ~~—~~and requires
4 that this revenue be retained by and used as determined by only the
5 Indian tribe, if the marihuana subject to the tax or fee was grown
6 and processed on only the Indian tribe's Indian lands.

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

12 (iii) The Indian tribe imposes a tax or fee on each sale or
13 transfer of marihuana from a tribal marihuana business located in
14 the Indian tribe's Indian lands to a person other than a tribal
15 marihuana business or ~~marihuana establishment. licensee.~~ This
16 subparagraph does not prohibit a qualifying Indian tribe from
17 imposing the tax or fee on sales or transfers of marihuana that are
18 not described in this subparagraph. The tax or fee must be based on
19 the sales price of the marihuana, and the rate of the tax or fee
20 must be equal to or greater than the rate established under section
21 13.

22 (mm) **"Qualifying patient" means that term as defined in**
23 **section 3 of the Michigan Medical Marihuana Act, MCL 333.26423.**

24 (nn) **"Registry identification card" means that term as defined**
25 **in section 3 of the Michigan Medical Marihuana Act, MCL 333.26423.**

26 (oo) ~~(z)~~ **"State license" means a license issued an**
27 **authorization granted** by the cannabis regulatory agency **under this**
28 **act** that allows a person to operate **as** a ~~marihuana~~
29 ~~establishment. licensee.~~



(pp) ~~(aa)~~ "THC" means any of the following:

(i) Tetrahydrocannabinolic acid.

(ii) Unless excluded by **a rule promulgated by** the cannabis regulatory agency under section ~~8(2)(e)~~, **8**, a tetrahydrocannabinol, regardless of whether it is artificially or naturally derived.

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

(qq) ~~(bb)~~ "Tribal marihuana business" means a business that meets all of the following conditions:

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

(ii) The business is not a ~~marihuana establishment~~. **licensee**.

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

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

(v) The business is subject to a tax or fee described in subdivision ~~(y) (iii)~~. **(ll) (iii)**.

(rr) ~~(cc)~~ "Unreasonably impracticable" means that the measures necessary to comply with the rules or ordinances adopted ~~pursuant to~~ **in accordance with** this act subject licensees to unreasonable risk or require such a high investment of money, time, or any other resource or asset that a reasonably prudent businessperson would not operate ~~the marihuana establishment~~. **as a licensee**.

(ss) "Statewide monitoring system" means that term as defined in section 2 of the marihuana tracking act, 2016 PA 282, MCL



1 333.27902.

2 (tt) "Visiting qualifying patient" means that term as defined
3 in section 3 of the Michigan Medical Marihuana Act, MCL 333.26423.

4 Sec. 4. (1) ~~1.~~ This act does not authorize any of the
5 following:

6 (a) ~~operating,~~ **Operating**, navigating, or being in physical
7 control of any motor vehicle, aircraft, snowmobile, off-road
8 recreational vehicle, or motorboat while under the influence of
9 marihuana. ÷

10 (b) ~~transfer of~~ **Except as otherwise authorized under this act,**
11 **transferring** marihuana or marihuana accessories to a person under
12 the age of ~~an individual who is younger than 21~~ **÷years of age.**

13 (c) ~~any person under the age of~~ **Except as otherwise authorized**
14 **under this act, an individual who is younger than 21 years of age**
15 to possess, consume, purchase or otherwise obtain, cultivate,
16 process, transport, or sell marihuana. ÷

17 (d) ~~separation of~~ **Separating marihuana** plant resin by butane
18 extraction or another method that utilizes a substance with a
19 flashpoint below 100 degrees Fahrenheit in any public place, motor
20 vehicle, or within the curtilage of any residential structure. ÷

21 (e) ~~consuming~~ **Consuming** marihuana in a public place or smoking
22 marihuana where prohibited by the person ~~who~~ **that** owns, occupies,
23 or manages the property. ~~, except for~~ **For** purposes of this
24 subdivision, a public place does not include an area designated for
25 **marihuana** consumption within a municipality that has authorized
26 **marihuana** consumption in designated areas that are not accessible
27 to ~~persons under~~ **individuals who are younger than 21 years of age.**
28 ÷

29 (f) ~~cultivating~~ **Cultivating** marihuana plants if the plants are



1 visible from a public place without the use of binoculars,
 2 aircraft, or other optical aids or **if the plants are** outside of an
 3 enclosed area equipped with locks or other functioning security
 4 devices that restrict access to the area. ~~+~~

5 (g) ~~consuming~~ **Consuming** marihuana while operating, navigating,
 6 or being in physical control of any motor vehicle, aircraft,
 7 snowmobile, off-road recreational vehicle, or motorboat, or smoking
 8 marihuana within the passenger area of a vehicle upon a public way.

9 ~~+~~

10 (h) ~~possessing~~ **Possessing** marihuana **or marihuana** accessories
 11 or ~~possessing or consuming~~ marihuana on ~~the~~ **or in any of the**
 12 **following:**

13 (i) **The** grounds of a public or private school where ~~children~~
 14 **individuals** attend classes in preschool programs, kindergarten
 15 programs, or grades 1 ~~through to~~ 12. ~~+~~ ~~in a~~

16 (ii) **A** school bus. ~~+~~ ~~or on the~~

17 (iii) **The** grounds of any correctional facility. ~~+~~ ~~or~~

18 (i) Possessing more than 2.5 ounces of marihuana within a
 19 ~~person's place of an individual's~~ residence unless ~~the~~ **any**
 20 **marihuana in** excess ~~marihuana of~~ **2.5 ounces** is stored in a
 21 container or area equipped with locks or other functioning security
 22 devices that restrict access to the contents of the container or
 23 area.

24 (2) ~~2.~~ This act does not limit any privileges, rights,
 25 immunities, or defenses of a person as provided in the Michigan
 26 ~~medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430, the~~
 27 ~~medical marihuana facilities licensing act, 2016 PA 281, MCL~~
 28 ~~333.27101 to 333.27801, **Medical Marihuana Act** or any other law of~~
 29 this state allowing for or regulating marihuana for medical use.



(3) ~~3.~~ This act does not ~~require~~ **do any of the following:**

(a) **Require** an employer to ~~permit~~ **allow** or accommodate conduct otherwise allowed ~~by~~ **under** this act in any workplace or on the employer's property. ~~This act does not prohibit~~

(b) **Prohibit** an employer from disciplining an employee ~~for~~ **violation of who violates** a workplace drug policy or for working while under the influence of marihuana. ~~This act does not prevent~~

(c) **Prohibit** an employer from ~~refusing to hire,~~ discharging, disciplining, **refusing to hire,** or otherwise taking an adverse employment action against ~~a person~~ **an individual** with respect to hire, tenure, terms, conditions, or privileges of employment because ~~of that person's violation of~~ **the individual violated** a workplace drug policy or because ~~that person~~ **the individual** was working while under the influence of marihuana.

(4) ~~4.~~ This act allows a person to ~~A person may~~ prohibit or otherwise regulate the consumption, cultivation, distribution, processing, sale, or display of marihuana ~~and or~~ marihuana accessories on property the person owns, occupies, or manages. ~~7 except that~~ **However,** a lease agreement ~~may~~ **must** not prohibit a tenant from ~~lawfully possessing and consuming~~ marihuana **on the leased premises or from consuming marihuana on the leased premises** by means other than smoking, **if the possession or consumption is authorized under this act.**

(5) ~~5.~~ All other laws inconsistent with this act do not apply to conduct that is ~~permitted by~~ **authorized under** this act. **A contract is not void or voidable as against public policy solely because it pertains to an activity that is authorized under this act.**

Sec. 5. (1) ~~1.~~ Notwithstanding any other law or provision of



1 this act, and except as otherwise provided in section 4, ~~of this~~
 2 ~~act,~~ the following acts by ~~a person~~ **an individual who is** 21 years
 3 of age or older are not unlawful, are not an offense, are not
 4 grounds for seizing or forfeiting property, are not grounds for
 5 arrest, prosecution, or penalty in any manner, are not grounds for
 6 search or inspection, and are not grounds to deny any other right
 7 or privilege:

8 (a) ~~except~~ **Except** as ~~permitted by~~ **provided in** subdivision (b),
 9 possessing, using or consuming, internally possessing, purchasing,
 10 transporting, or processing **not more than** 2.5 ounces ~~or less of~~
 11 marihuana, ~~except that of which~~ not more than 15 grams ~~of marihuana~~
 12 may be in the form of marihuana concentrate, ~~or,~~ **for marihuana-**
 13 **infused products, a combined total of not more than 2,000**
 14 **milligrams of THC.**

15 (b) ~~within~~ **Within** the ~~person's~~ **individual's** residence,
 16 ~~possessing,~~ **any of the following:**

17 (i) **Possessing,** storing, and processing not more than 10 ounces
 18 of marihuana **that was not produced by marihuana plants cultivated**
 19 **on the premises at which the individual's residence is located as**
 20 **provided for in subparagraph (iii).**

21 (ii) **Possessing, storing, and processing** any marihuana produced
 22 by marihuana plants cultivated on the premises **at which the**
 23 **individual's residence is located as provided for in subparagraph**
 24 **(iii).** ~~and cultivating~~

25 (iii) **Possessing, cultivating, and processing** not more than 12
 26 marihuana plants for personal use ~~, provided that no~~ **if not** more
 27 than 12 marihuana plants are possessed, cultivated, or processed on
 28 the premises at ~~once;~~ **1 time.**

29 (c) ~~assisting~~ **Assisting** another ~~person~~ **individual** who is 21



1 years of age or older **or who is a qualifying patient, visiting**
 2 **qualifying patient, or primary caregiver** in any of the acts
 3 described in this section, **as applicable. ~~and~~**

4 (d) ~~giving~~ **Giving** away or otherwise transferring without
 5 remuneration ~~up to~~ **not more than** 2.5 ounces of marihuana, ~~except~~
 6 ~~that of which~~ not more than 15 grams ~~of marihuana~~ may be in the
 7 form of marihuana concentrate, **or, for marihuana-infused products,**
 8 **a combined total of not more than 2,000 milligrams of THC,** to a
 9 ~~person~~ **an individual who is** 21 years of age or older ~~, as long as~~
 10 **or who is a qualifying patient, visiting qualifying patient, or**
 11 **primary caregiver, but only if** the transfer is not advertised or
 12 promoted to the public.

13 (2) ~~2.~~ Notwithstanding any other law or provision of this act,
 14 **and** except as otherwise provided in section 4, ~~of this act,~~ the
 15 use, manufacture, possession, and purchase of marihuana accessories
 16 by ~~a person~~ **an individual who is** 21 years of age or older **or who is**
 17 **a qualifying patient, visiting qualifying patient, or primary**
 18 **caregiver,** and the distribution or sale of marihuana accessories to
 19 ~~a person~~ **an individual who is** 21 years of age or older **or who is a**
 20 **qualifying patient, visiting qualifying patient, or primary**
 21 **caregiver,** is authorized, is not unlawful, is not an offense, is
 22 not grounds for seizing or forfeiting property, is not grounds for
 23 arrest, prosecution, or penalty in any manner, and is not grounds
 24 to deny any other right or privilege.

25 (3) The purchase of marihuana by a qualifying patient or
 26 primary caregiver from a licensee is authorized, is not unlawful,
 27 is not an offense, is not grounds for seizing or forfeiting
 28 property, is not grounds for arrest, prosecution, or penalty in any
 29 manner, and is not grounds to deny any other right or privilege if



1 the quantity purchased is within the limits established under the
 2 Michigan Medical Marihuana Act and the purchase otherwise complies
 3 with this act. The transfer of not more than 2.5 ounces of
 4 marihuana by a primary caregiver to a marihuana safety compliance
 5 facility for testing and the transfer of marihuana seeds or
 6 seedlings by a qualifying patient or primary caregiver to a
 7 marihuana grower are authorized, are not unlawful, are not an
 8 offense, are not grounds for seizing or forfeiting property, are
 9 not grounds for arrest, prosecution, or penalty in any manner, and
 10 are not grounds to deny any other right or privilege.

11 (4) ~~3. A person shall~~ **An individual must** not be denied custody
 12 of or visitation with a minor for conduct that is ~~permitted by~~
 13 **allowed under** this act, unless the ~~person's~~ **individual's** behavior
 14 ~~is such that it~~ creates an unreasonable danger to the minor that
 15 can be clearly articulated and substantiated.

16 Sec. 6. (1) ~~1.~~ Except as **otherwise** provided in **this section**
 17 **and** section 4, a municipality may, **by adopting or enforcing an**
 18 **ordinance or taking an action that the municipality is authorized**
 19 **by law to take**, completely prohibit or limit the number of
 20 ~~marihuana establishments~~ **licensees that may operate** within its
 21 boundaries. ~~Individuals~~ **An individual** may petition to initiate an
 22 ordinance to provide for the number of ~~marihuana establishments~~
 23 **licensees that are allowed to operate within the boundaries of a**
 24 municipality or to completely prohibit ~~marihuana establishments~~
 25 **licensees from operating within the boundaries of a municipality.** ~~7~~
 26 ~~and such~~ **If the petition is signed by qualified electors in the**
 27 **municipality in a number greater than 5% of the votes cast for**
 28 **governor by qualified electors in the municipality at the last**
 29 **gubernatorial election, the ordinance** ~~shall~~ **must** be submitted to



1 the electors of the municipality at the next regular election ~~when~~
 2 ~~a petition is signed by qualified electors~~ **held** in the
 3 municipality. ~~in a number greater than 5% of the votes cast for~~
 4 ~~governor by qualified electors in the municipality at the last~~
 5 ~~gubernatorial election.~~ A petition under this subsection is subject
 6 to section 488 of the Michigan election law, 1954 PA 116, MCL
 7 168.488.

8 ~~(2) 2. A municipality may adopt other ordinances that are not~~
 9 ~~unreasonably impracticable and do not conflict with this act or~~
 10 ~~with any rule promulgated pursuant to this act and~~ **or enforce an**
 11 **ordinance that does any of the following:**

12 (a) ~~establish~~ **Establishes** reasonable restrictions on public
 13 signs related to ~~marihuana establishments;~~ **licensees and licensed**
 14 **premises.**

15 (b) ~~regulate~~ **Regulates** the time, place, and manner of
 16 operation of ~~marihuana establishments~~ **licensees** and of the
 17 production, manufacture, sale, or display of marihuana
 18 accessories. ~~+~~

19 (c) ~~authorize~~ **Authorizes** the sale of marihuana for consumption
 20 in designated areas that are not accessible to ~~persons under~~
 21 **individuals who are younger than 21 years of age, or at special**
 22 **events in limited areas and for a limited time. ~~+~~ and**

23 (d) ~~designate~~ **Designates** a violation of the ordinance and
 24 ~~provide~~ **provides** for a ~~penalty~~ **sanction** for that violation by a
 25 ~~marihuana establishment, provided that such violation is licensee.~~
 26 **However, a violation designated under this subdivision must be a**
 27 **civil infraction and** ~~such penalty is the~~ **sanction must be a civil**
 28 **fine of not more than \$500.** ~~\$500.00.~~

29 ~~(e) 3. A municipality may adopt an ordinance requiring~~ **Except**



1 as otherwise provided for in subsection (4)(d), requires a
 2 ~~marihuana establishment licensee~~ with a ~~physical location licensed~~
 3 **premises located** within the **boundaries of the** municipality to
 4 obtain a municipal license. ~~, but may not impose qualifications for~~
 5 ~~licensure that conflict with this act or rules promulgated by the~~
 6 ~~department.~~

7 (f) Prohibits a medical facility licensee that is operating as
 8 a provisioning center from operating as a marihuana retailer. This
 9 subdivision applies if the ordinance is adopted before March 1,
 10 2026.

11 (3) ~~4.~~A municipality may charge an annual fee of not more
 12 than ~~\$5,000~~ **\$5,000.00** to defray application, administrative, and
 13 enforcement costs associated with ~~the operation of the marihuana~~
 14 ~~establishment~~ **a licensee operating** in the municipality.

15 (4) ~~5.~~A municipality ~~may~~ **shall** not adopt **or enforce** an
 16 ordinance that ~~restricts~~ **is unreasonably impracticable or that does**
 17 **any of the following:**

18 (a) **Conflicts with this act or a rule promulgated under this**
 19 **act.**

20 (b) **Restricts** the transportation of marihuana through the
 21 municipality. ~~or prohibits~~

22 (c) **Prohibits** a marihuana grower, ~~a marihuana processor, and a~~
 23 **or marihuana retailer from operating within a single facility or**
 24 ~~from operating at a location shared with a marihuana facility~~
 25 ~~operating pursuant to the medical marihuana facilities licensing~~
 26 ~~act, 2016 PA 281, MCL 333.27101 to 333.27801.~~ **at the same licensed**
 27 **premises or at a licensed premises that is shared with a medical**
 28 **facility licensee that is operating in accordance with the medical**
 29 **marihuana facilities licensing act.**



(d) Requires a medical facility licensee, other than a medical facility licensee that is operating as a provisioning center, to do either of the following in order to continue operating before March 1, 2026 or to qualify for a state license under section 28:

(i) Obtain a municipal license that is in addition to a municipal license the medical facility licensee already holds.

(ii) Renew a municipal license before the expiration of that municipal license.

(e) Discriminate against, or otherwise treat a medical facility licensee differently than, any other licensee solely because the medical facility licensee was granted a state license under section 28.

Sec. 7. (1) The cannabis regulatory agency is responsible for implementing this act and has the powers and duties necessary to control the commercial production and distribution of marihuana. The cannabis regulatory agency shall do all of the following:

(a) Promulgate rules ~~pursuant to~~ **as required under** section 8. ~~that are necessary to implement, administer, and enforce this act.~~

(b) Grant or deny each application for licensure and investigate each applicant to determine eligibility for licensure, including **by** conducting a background investigation on each ~~person~~ **holding an ownership interest in the applicant.**

(c) Ensure that ~~marihuana establishments~~ **licensees** comply with this act and the rules promulgated under this act by doing all of the following:

(i) Performing investigations of compliance and regular inspections of ~~marihuana establishments~~ **licensed premises.**

(ii) Taking appropriate disciplinary action against a licensee **that violates this act or the rules promulgated under this act,**



1 including prescribing civil fines ~~for violations of this act or the~~
 2 ~~rules promulgated under this act and~~ **or** suspending, restricting, or
 3 revoking a state license.

4 (d) Hold at least 4 public meetings each calendar year for the
 5 purpose of hearing complaints and receiving the views of the public
 6 with respect to **the** administration of this act.

7 (e) Collect fees for licensure and fines for violations of
 8 this act or the rules promulgated under this act.

9 (f) Deposit all fees collected for licensure into the
 10 marihuana regulation fund. ~~established under section 14 and remit~~

11 **(g) Remit** all fines collected **to the department of treasury**
 12 for deposit into the general fund.

13 **(h)** ~~(g)~~ Submit an annual report to the governor covering the
 14 immediately preceding **calendar** year that includes all of the
 15 following:

16 **(i) The total number of state licenses granted.**

17 **(ii)** ~~(i)~~ The number of **each type of** state ~~licenses of each class~~
 18 ~~issued.~~ **license granted.**

19 **(iii)** ~~(ii)~~ Demographic information of licensees.

20 **(iv)** ~~(iii)~~ A description of enforcement and disciplinary actions
 21 taken against licensees.

22 **(v)** ~~(iv)~~ A statement of revenues and expenses of the cannabis
 23 regulatory agency ~~related to~~ **regarding** the implementation,
 24 administration, and enforcement of this act.

25 **(i)** ~~(h)~~ Employ personnel as necessary to adequately perform
 26 its duties.

27 (2) The cannabis regulatory agency may do either of the
 28 following:

29 (a) Enter into an agreement with an advisor or consultant as



1 necessary to adequately perform its duties under this act.

2 (b) Enter into an agreement with an Indian tribe regarding
3 marihuana-related regulatory issues that involve the interests of
4 this state and the Indian tribe, including, but not limited to,
5 issues related to the commercial growing, processing, sale,
6 testing, transportation, and possession of marihuana.

7 (3) ~~A person who has a pecuniary interest, directly or~~
8 ~~indirectly, in a marihuana establishment or tribal marihuana~~
9 ~~business may not be an employee, advisor, or consultant involved in~~
10 ~~the implementation, administration, or enforcement of this act. An~~
11 employee, advisor, or consultant of the cannabis regulatory agency
12 is not personally liable for any action at law for damages
13 sustained by a person because of an action performed or done in the
14 performance of the employee's, advisor's, or consultant's duties in
15 the implementation, administration, or enforcement of this act.

16 (4) The department of state police shall cooperate and assist
17 the cannabis regulatory agency in performing the cannabis
18 regulatory agency's duties under this act, including, but not
19 limited to, conducting background investigations of applicants.

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

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

26 (b) A schedule of fees **that relate to the size of each**
27 **licensee or the volume of business conducted by the licensee** in
28 amounts not more than necessary to pay for **all of the following:**

29 (i) **The** implementation, administration, and enforcement costs



1 of this act. ~~and that relate to the size of each licensee or the~~
 2 ~~volume of business conducted by the licensee.~~

3 (ii) **An amount sufficient to provide for the administrative**
 4 **costs of the Michigan commission on law enforcement standards.**

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

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

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

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

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

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

25 (iv) A requirement that all marihuana sold through marihuana
 26 retailers, ~~and marihuana microbusinesses,~~ **and marihuana**
 27 **provisioning centers** include on the exterior of the marihuana
 28 packaging the following warning printed in clearly legible type and
 29 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~~. **licensed**
 8 **premises**. The requirements described in this subdivision must not
 9 prohibit cultivation of marihuana outdoors or in greenhouses.

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

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

16 (i) Reasonable restrictions on advertising, marketing, and
 17 display of marihuana, **licensees**, and ~~marihuana~~
 18 ~~establishments~~ **licensed premises**.

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

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

27 (l) Informational pamphlet standards for marihuana retailers,
 28 ~~and marihuana microbusinesses~~, **and marihuana provisioning centers**,
 29 including, but not limited to, a requirement to make available to



every customer at the time of sale a pamphlet measuring 3.5 inches by 5 inches that includes safety information related to marihuana use by ~~minors~~ **individuals younger than 21 years of age, other than qualifying patients or visiting qualifying patients**, and the poison control hotline number.

(m) Procedures and standards for approving an appointee to operate **as** a ~~marihuana establishment licensee~~ under section 9a.

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

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

(a) Provide for the ~~issuance~~ **granting** of additional types or classes of state licenses to ~~operate~~ **engage in** marihuana-related ~~businesses, activities~~, including licenses that authorize any of the following:

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

(ii) Consumption of marihuana within designated areas.

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

(iv) Cultivation for purposes of propagation.

(v) Facilitation of scientific research or education.

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

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



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

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

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

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

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

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

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

(3) The cannabis regulatory agency shall not promulgate a rule that is unreasonably impracticable or that does any of the following:

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

(b) Requires a customer to provide a marihuana retailer, **marihuana microbusiness, or marihuana provisioning center** with identifying information other than identification to determine the customer's age ~~or, requires the~~ **if the customer is a qualifying patient, visiting qualifying patient, or primary caregiver, the customer's registry identification card.**

(c) **Requires a marihuana retailer, marihuana microbusiness, or marihuana provisioning center** to acquire or record personal information about customers other than information typically required in a retail transaction.

~~(c) Prohibits a marihuana establishment from operating at a~~



~~shared location of a marihuana facility operating pursuant to the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, or prohibits~~

(d) Prohibits a marihuana grower, marihuana processor, or marihuana retailer from operating ~~within a single facility at the same licensed premises.~~

(4) A rule promulgated under this act must be promulgated ~~pursuant to~~ **in accordance with** the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

Sec. 9. **(1)** ~~1. Each application for a state license must be submitted~~ **Subject to section 28, to apply for a state license, a person must submit all of the following** to the department. ~~Upon receipt of~~ **cannabis regulatory agency:**

(a) An application on a form prescribed by the cannabis regulatory agency.

(b) Written consent to a criminal history check.

(c) The application fee.

(2) Not later than 90 days after receiving a complete application and **the** application fee, the ~~department~~ **cannabis regulatory agency** shall ~~forward a copy of the application to~~ **do all of the following:**

(a) **Notify** the municipality in which the ~~marihuana establishment~~ **proposed licensed premises** is ~~to be located~~ **that the cannabis regulatory agency received the application.** ~~, determine~~

(b) **Determine** whether the applicant and the **applicant's proposed licensed** premises qualify for the state license and comply with this act. ~~, and issue~~

(c) **Grant** the ~~appropriate~~ **applicant the** state license or send the applicant a notice of rejection ~~setting forth~~ **that states the**



specific reasons why the ~~department~~ **cannabis regulatory agency** did not approve the state license application. ~~within 90 days.~~

(3) ~~2.~~ The ~~department~~ **cannabis regulatory agency** shall ~~issue~~ **grant** the following state license types: ~~marihuana~~

(a) **Marihuana** retailer. ~~÷ marihuana~~

(b) **Marihuana** safety compliance facility. ~~÷ marihuana~~

(c) **Marihuana** secure transporter. ~~÷ marihuana~~

(d) **Marihuana** processor. ~~÷ marihuana~~

(e) **Marihuana** microbusiness. ~~÷ class~~

(f) **Class A** marihuana grower. ~~authorizing cultivation of not more than 100 marihuana plants; class~~

(g) **Class B** marihuana grower. ~~authorizing cultivation of not more than 500 marihuana plants; and class~~

(h) **Class C** marihuana grower. ~~authorizing cultivation of not more than 2,000 marihuana plants.~~

(i) **Beginning March 1, 2026, marihuana provisioning center.**

(4) ~~3.~~ Except as otherwise provided in this section, the ~~department~~ **cannabis regulatory agency** shall approve a state license application and ~~issue~~ **grant the applicant** a state license if **all of the following conditions are met:**

(a) ~~the~~ **The** applicant has submitted ~~an~~ **the** application in ~~compliance~~ **accordance** with **this act and** the rules promulgated by ~~the department,~~ **under this act,** is in compliance with this act and the rules **promulgated under this act,** and has paid the ~~required~~ **application** fee. ~~÷~~

(b) ~~the~~ **Subject to section 28(2)(g),** the municipality in which the proposed ~~marihuana establishment~~ **licensed premises** ~~will be~~ **is** located does not notify the ~~department~~ **cannabis regulatory agency** that the proposed ~~marihuana establishment~~ **is licensed premises**



~~would not in compliance~~ **comply** with an ordinance ~~consistent with~~
adopted under section 6 ~~of this act and that is~~ in effect ~~at the~~
~~time of application;~~ **on the date the application is submitted.**

~~(c) the property where the~~ **The** proposed marihuana
~~establishment is to be located is licensed premises is~~ not within
~~an either of the following:~~

(i) An area zoned exclusively for residential use. ~~and is not~~
~~within~~

(ii) 1,000 feet, or a shorter distance prescribed by an
applicable ordinance adopted under section 6, of a pre-existing
public or private school providing education in kindergarten or any
of grades 1 ~~through to~~ 12. ~~, unless a municipality adopts an~~
~~ordinance that reduces this distance requirement;~~

~~(d) no~~ **Approval of the application will not result in a person**
~~who that~~ holds an ownership interest in the ~~marihuana establishment~~
applicant **holding any of the following:**

(i) (1) ~~will hold an~~ **An** ownership interest in ~~both a marihuana~~
safety compliance facility ~~or in a marihuana secure transporter and~~
in ~~a~~ **any of the following:**

(A) A marihuana grower. ~~, a~~

(B) A marihuana processor. ~~, a~~

(C) A marihuana retailer. ~~, or a~~

(D) A marihuana microbusiness. ~~,~~

(E) A marihuana secure transporter.

(F) A marihuana provisioning center.

(ii) An ownership interest in a marihuana secure transporter
and in any of the following:

(A) A marihuana grower.

(B) A marihuana processor.



1 (C) A marihuana retailer.

2 (D) A marihuana microbusiness.

3 (E) A marihuana safety compliance facility.

4 (F) A marihuana provisioning center.

5 (iii) ~~(2) will hold an~~ An ownership interest in both a marihuana
6 microbusiness and in ~~a~~ any of the following:

7 (A) A marihuana grower. ~~7~~ a

8 (B) A marihuana processor. ~~7~~ a

9 (C) A marihuana retailer. ~~7~~ a

10 (D) A marihuana safety compliance facility. ~~7~~ or a

11 (E) A marihuana secure transporter. ~~7~~ and

12 (F) A marihuana provisioning center.

13 ~~(3) will hold an ownership interest in more than 5 marihuana~~
14 ~~growers or in more than 1 marihuana microbusiness, except that the~~
15 ~~department may approve a license application from a person who~~
16 ~~holds an ownership interest in more than 5 marihuana growers or~~
17 ~~more than 1 marihuana microbusiness if, after January 1, 2023, the~~
18 ~~department promulgates a rule authorizing an individual to hold an~~
19 ~~ownership interest in more than 5 marihuana growers or in more than~~
20 ~~1 marihuana microbusiness.~~

21 (5) ~~4. If a municipality an ordinance adopted under section 6~~
22 ~~limits the number of marihuana establishments~~ licensees that may be
23 ~~licensed~~ operate in the ~~a~~ municipality pursuant to section 6 of
24 ~~this act and if that limit prevents the department~~ cannabis
25 regulatory agency from issuing a state license to all applicants
26 ~~who meet~~ every applicant that meets the requirements of subsection
27 ~~3 of this section,~~ (4) and whose proposed licensed premises is
28 located in the municipality, the municipality shall decide among
29 competing applications by a competitive process intended to select



1 applicants ~~who~~**that** are best suited to operate in compliance with
 2 this act within the municipality.

3 **(6) 5. All A state licenses are license is** effective for 1
 4 year, unless the department issues **cannabis regulatory agency**
 5 **grants** the state license for a longer term. ~~A The cannabis~~
 6 **regulatory agency shall renew a licensee's** state license ~~is renewed~~
 7 upon receipt of a **receiving the licensee's** complete renewal
 8 application and a renewal fee, from any marihuana establishment ~~if~~
 9 **the licensee is** in good standing.

10 **(7) 6. The department Except as otherwise provided in this**
 11 **subsection, the cannabis regulatory agency** shall begin accepting
 12 applications for marihuana establishments within 12 months after
 13 the effective date of this act. ~~Except as otherwise provided in~~
 14 ~~this section, for 24 months after the department begins to receive~~
 15 ~~applications for marihuana establishments, the department may only~~
 16 ~~accept applications for licensure: for a class A marihuana grower~~
 17 ~~or for a marihuana microbusiness, from persons who are residents of~~
 18 ~~Michigan; for a marihuana retailer, marihuana processor, class B~~
 19 ~~marihuana grower, class C marihuana grower, or a marihuana secure~~
 20 ~~transporter, from persons holding a state operating license~~
 21 ~~pursuant to the medical marihuana facilities licensing act, 2016 PA~~
 22 ~~281, MCL 333.27101 to 333.27801; and for a marihuana safety~~
 23 ~~compliance facility, from any applicant. One year after the~~
 24 ~~department begins to accept applications pursuant to this section,~~
 25 ~~the department shall begin accepting applications from any~~
 26 ~~applicant if the department determines that additional state~~
 27 ~~licenses are necessary to minimize the illegal market for marihuana~~
 28 ~~in this state, to efficiently meet the demand for marihuana, or to~~
 29 ~~provide for reasonable access to marihuana in rural areas.~~**state**



1 licenses by December 6, 2019. The cannabis regulatory agency shall
 2 begin accepting applications for marihuana provisioning center
 3 licenses on March 1, 2026.

4 (8) ~~7.~~ Information obtained from an applicant related to
 5 licensure under this act is ~~exempt from~~ **confidential, is not**
 6 **subject to** disclosure under the freedom of information act, 1976 PA
 7 442, MCL 15.231 to 15.246.

8 Sec. 9a. (1) The ~~marijuana~~ **cannabis** regulatory agency may
 9 ~~approve the operation of a marihuana establishment by~~ any of the
 10 following **to operate as a licensee:**

11 (a) A court-appointed personal representative, guardian, or
 12 conservator of an individual who holds a state license or has an
 13 interest in a person that holds a state license.

14 (b) A court-appointed receiver or trustee.

15 (2) If an individual approved to operate **as a marihuana**
 16 ~~establishment licensee~~ under subsection (1) receives notice from
 17 the ~~marijuana~~ **cannabis** regulatory agency that the ~~marihuana~~
 18 ~~establishment licensee~~ the individual is operating is in violation
 19 of this act or the rules promulgated under this act, the individual
 20 shall notify the court that appointed the individual of the notice
 21 of violation ~~within~~ **not later than** 2 days after receiving the
 22 notice of violation.

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

28 (2) Except as otherwise provided in this section, an
 29 individual who suffers damage or is personally injured by a minor



1 or visibly intoxicated person as a result of a violation of
2 subsection (1), if the violation is a proximate cause of the damage
3 or personal injury or death, shall have a right of action in ~~his or~~
4 ~~her~~ **the individual's** name against the licensee that sold or
5 transferred the marihuana.

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

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

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

26 (6) All defenses of the minor or alleged visibly intoxicated
27 individual are available to the licensee. In an action alleging a
28 violation of subsection (1) involving a minor, proof that the
29 licensee demanded and was shown a government-issued photographic



1 identification appearing to be genuine and showing the minor to be
2 21 years of age or older, is a complete defense to the action.

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

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

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

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

24 (11) This section provides the exclusive remedy for money
25 damages against a licensee and the licensee's clerks, agents, and
26 employees arising out of a violation of subsection (1). This
27 subsection does not apply to a remedy available under law to lawful
28 users of marihuana for liability resulting from the manufacture,
29 distribution, transportation, or sale of adulterated marihuana.



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

(13) As used in this section:

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

(a) ~~(b)~~ "Minor" means an individual who is younger than 21 years of age **and who is not a qualifying patient or visiting qualifying patient.**

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

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

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

(ii) States all of the following:

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

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

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

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

Sec. 12. In computing ~~net-taxable~~ income ~~for marihuana establishments, deductions from state taxes are allowed for under~~ **the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.847, a licensee may deduct** all the ordinary and necessary expenses paid or



1 incurred during the taxable year in carrying out a trade or
2 business.

3 Sec. 13. (1) Except as otherwise provided in subsection (4),
4 in addition to all other taxes, an excise tax is imposed on each
5 ~~marihuana establishment licensee~~ and on each person ~~who~~**that** sells
6 marihuana at the rate of 10% of the sales price for marihuana sold
7 or otherwise transferred. ~~to a person other than a marihuana~~
8 ~~establishment or tribal marihuana business.~~

9 (2) Except as otherwise provided by a rule promulgated by the
10 department of treasury, a product subject to the tax imposed under
11 this section ~~may~~**must** not be bundled in a single transaction with a
12 product or service that is not subject to the tax imposed by this
13 section.

14 (3) The department of treasury shall administer the taxes
15 imposed under this act ~~pursuant to~~**in accordance with** 1941 PA 122,
16 MCL 205.1 to 205.31. The department of treasury may promulgate
17 rules ~~pursuant to~~**under** the administrative procedures act of 1969,
18 1969 PA 306, MCL 24.201 to MCL 24.328, that prescribe a method and
19 manner for payment and collection of the taxes imposed under this
20 act.

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

23 (a) Marihuana sold or otherwise transferred from a tribal
24 marihuana business.

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

27 (c) Marihuana sold or otherwise transferred ~~under the medical~~
28 ~~marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to~~
29 ~~333.27801.~~**to a qualifying patient, primary caregiver, or visiting**



1 **qualifying patient.**

2 **(d) Marihuana sold or otherwise transferred from a licensee to**
 3 **another licensee or a tribal marihuana business.**

4 Sec. 14. (1) The marihuana regulation fund is created in the
 5 state treasury. The department of treasury shall deposit into the
 6 fund all money collected under section 13 and all money collected
 7 by the department of treasury in accordance with an agreement
 8 described in section ~~3(y)(ii)~~, **3(II)(ii)**, and the cannabis regulatory
 9 agency shall deposit into the fund all fees collected under this
 10 act. The state treasurer shall direct the investment of the fund
 11 and shall credit to the fund interest and earnings from fund
 12 investments. The cannabis regulatory agency shall administer the
 13 fund for auditing purposes. Money in the fund at the close of the
 14 fiscal year must remain in the fund and must not lapse to the
 15 general fund.

16 (2) Funds for the initial activities of the cannabis
 17 regulatory agency to implement this act ~~shall~~**must** be appropriated
 18 from the general fund. The cannabis regulatory agency shall repay
 19 any amount appropriated under this subsection from proceeds in the
 20 fund.

21 (3) The cannabis regulatory agency shall expend money in the
 22 fund as follows:

23 (a) For the implementation, administration, and enforcement of
 24 this act.

25 (b) Until 2022 or for at least 2 years, whichever is later,
 26 for 1 or more development and research projects, including clinical
 27 trials, that are approved by the ~~United States~~ Food and Drug
 28 Administration and sponsored by a nonprofit organization or
 29 researcher within an academic institution researching the efficacy



1 of marihuana in treating the medical conditions and preventing the
 2 suicide of United States Armed Services veterans. The cannabis
 3 regulatory agency shall expend \$20,000,000.00 per year under this
 4 subdivision.

5 (4) Upon appropriation, the unexpended balances in the fund
 6 must be allocated as follows:

7 (a) Subject to subsection (5), 15% to municipalities in which
 8 **the licensed premises of** a marihuana retailer or marihuana
 9 microbusiness is located, allocated in proportion to the number of
 10 marihuana retailers and marihuana microbusinesses ~~within~~**with**
 11 **licensed premises located in** each municipality.

12 (b) Subject to subsection (5), 15% to counties in which **the**
 13 **licensed premises of** a marihuana retailer or marihuana
 14 microbusiness is located, allocated in proportion to the number of
 15 marihuana retailers and marihuana microbusinesses ~~within~~**with**
 16 **licensed premises located in** each county.

17 (c) 35% to the school aid fund to be used for K-12 education,
 18 **as provided for under section 11 of article IX of the state**
 19 **constitution of 1963.**

20 (d) 35% to the Michigan transportation fund to be used for the
 21 repair and maintenance of roads and bridges.

22 (5) If **the licensed premises of** a marihuana retailer or
 23 marihuana microbusiness is located in Indian lands, the portions of
 24 the unexpended balances attributable to the marihuana retailer or
 25 marihuana microbusiness that would have otherwise been allocated to
 26 a municipality under subsection (4)(a) and a county under
 27 subsection (4)(b) must instead be allocated to the Indian tribe in
 28 whose Indian lands the **licensed premises of the** marihuana retailer
 29 or marihuana microbusiness is located.



1 Sec. 15. ~~A person~~ **Subject to the exceptions in this section,**
 2 **an individual** who commits any of the following acts, and is not
 3 otherwise authorized by this act to ~~conduct such activities,~~ **commit**
 4 **the acts,** may be punished only as provided in this section and is
 5 not subject to any other form of punishment or disqualification,
 6 unless the person consents to another disposition authorized by
 7 law:

8 (a) ~~1. Except for a person~~ **an individual** who engaged in
 9 conduct described in ~~sections 4(1)(a), 4(1)(b), 4(1)(c), 4(1)(d),~~
 10 ~~4(1)(g), or 4(1)(h), a person~~ **section 4(1)(a), (b), (c), (d), (g),**
 11 **or (h), an individual** who possesses not more than the amount of
 12 marihuana allowed ~~by~~ **under** section 5, cultivates not more than the
 13 amount of marihuana allowed ~~by~~ **under** section 5, delivers without
 14 receiving any remuneration to ~~a person~~ **an individual** who is ~~at~~
 15 ~~least~~ 21 years of age **or older** not more than the amount of
 16 marihuana allowed ~~by~~ **under** section 5, or possesses with intent to
 17 deliver not more than the amount of marihuana allowed ~~by~~ **under**
 18 section 5, is responsible for a civil infraction and may be
 19 punished by a fine of not more than ~~\$100~~ **\$100.00** and forfeiture of
 20 the marihuana.

21 (b) ~~2. Except for a person~~ **an individual** who engaged in
 22 conduct described in section 4, ~~a person~~ **an individual** who
 23 possesses not more than twice the amount of marihuana allowed ~~by~~
 24 **under** section 5, cultivates not more than twice the amount of
 25 marihuana allowed ~~by~~ **under** section 5, delivers without receiving
 26 any remuneration to ~~a person~~ **an individual** who is ~~at least~~ 21 years
 27 of age **or older** not more than twice the amount of marihuana allowed
 28 ~~by~~ **under** section 5, or possesses with intent to deliver not more
 29 than twice the amount of marihuana allowed ~~by~~ **under** section 5, **may**



1 **be punished as follows:**

2 (i) ~~(a) for~~ **For** a first violation, **the individual** is
 3 responsible for a civil infraction and may be punished by a fine of
 4 not more than ~~\$500~~ **\$500.00** and forfeiture of the marihuana. ~~÷~~

5 (ii) ~~(b) for~~ **For** a second violation, **the individual** is
 6 responsible for a civil infraction and may be punished by a fine of
 7 not more than ~~\$1,000~~ **\$1,000.00** and forfeiture of the marihuana. ~~÷~~

8 (iii) ~~(c) for a third or~~ **For each** subsequent violation, **the**
 9 **individual** is guilty of a misdemeanor and may be punished by a fine
 10 of not more than ~~\$2,000~~ **\$2,000.00** and forfeiture of the marihuana.

11 (c) ~~3. Except for a person~~ **an individual** who engaged in
 12 conduct described by ~~in~~ section 4(1)(a), ~~4(1)(d), or 4(1)(g), a~~
 13 ~~person under (d), or (g),~~ **an individual who is younger than 21**
 14 **years of age and** who possesses not more than 2.5 ounces of
 15 marihuana or who cultivates not more than ~~12~~ **the number of**
 16 **marihuana plants allowed under section 5 may be punished as**
 17 **follows:**

18 (i) ~~(a) for~~ **For** a first violation, **the individual** is
 19 responsible for a civil infraction and may be punished as follows:

20 (A) ~~(1) if~~ **If** the ~~person~~ **individual** is ~~less~~ **younger** than 18
 21 years of age, by a fine of not more than ~~\$100~~ **\$100.00** or community
 22 service, forfeiture of the marihuana, and completion of 4 hours of
 23 drug education or counseling. ~~÷ or~~

24 (B) ~~(2) if~~ **If** the ~~person~~ **individual** is ~~at least~~ **18 years of**
 25 **age or older**, by a fine of not more than ~~\$100~~ **\$100.00** and
 26 forfeiture of the marihuana.

27 (ii) ~~(b) for~~ **For** a second violation, **the individual** is
 28 responsible for a civil infraction and may be punished as follows:

29 (A) ~~(1) if~~ **If** the ~~person~~ **individual** is ~~less~~ **younger** than 18



1 years of age, by a fine of not more than ~~\$500~~ **\$500.00** or community
 2 service, forfeiture of the marihuana, and completion of 8 hours of
 3 drug education or counseling. ~~or~~

4 **(B) (2) if If** the ~~person~~ **individual** is at least 18 years of
 5 age **or older**, by a fine of not more than ~~\$500~~ **\$500.00** and
 6 forfeiture of the marihuana.

7 **(d) 4.** Except for a ~~person~~ **an individual** who engaged in
 8 conduct described in section 4, a ~~person~~ **an individual** who
 9 possesses more than twice the amount of marihuana allowed ~~by~~ **under**
 10 section 5, cultivates more than twice the amount of marihuana
 11 allowed ~~by~~ **under** section 5, or delivers without receiving any
 12 remuneration to a ~~person~~ **an individual** who is at least 21 years of
 13 age **or older** more than twice the amount of marihuana allowed ~~by~~
 14 **under** section 5, ~~shall be~~ **is** responsible for a misdemeanor, but
 15 ~~shall is~~ not ~~be~~ subject to imprisonment unless the violation was
 16 habitual, willful, and for a commercial purpose or the violation
 17 involved violence.

18 Sec. 17. This act ~~shall~~ **must** be broadly construed to
 19 accomplish ~~its~~ **the purpose and** intent as stated in section 2. ~~of~~
 20 ~~this act.~~ Nothing in this act purports to supersede any applicable
 21 federal law, except where allowed by federal law. All provisions of
 22 this act are self-executing. Any section of this act that is found
 23 invalid as to any person or circumstances ~~shall~~ **must** not affect the
 24 application of any other section of this act that can be given full
 25 effect without the invalid section or application.

26 **Sec. 20. A marihuana grower that is granted and holds a**
 27 **marihuana grower license, or an agent acting on behalf of the**
 28 **marihuana grower who is 21 years of age or older, may do any of the**
 29 **following:**



1 (a) Before March 1, 2026, cultivate not more than the
2 following number of marihuana plants:

- 3 (i) For a class A grower license, 100.
4 (ii) For a class B grower license, 500.
5 (iii) For a class C grower license, 2,000.

6 (b) On or after March 1, 2026, cultivate not more than the
7 following number of mature marihuana plants:

- 8 (i) For a class A grower license, 500.
9 (ii) For a class B grower license, 1,000.
10 (iii) For a class C grower license, 2,000.

11 (c) Possess, package, store, or test marihuana.

12 (d) Obtain marihuana seeds or seedlings from any of the
13 following:

14 (i) An individual who is 21 years of age or older.

15 (ii) On or after March 1, 2026, a qualifying patient or primary
16 caregiver.

17 (e) Sell or otherwise transfer marihuana to a licensee or
18 tribal marihuana business.

19 (f) Purchase or otherwise obtain marihuana from a licensee or
20 tribal marihuana business.

21 (g) Except as provided in subdivision (g), transport at 1 time
22 not more than 15 ounces of marihuana, of which not more than 60
23 grams may be in the form of marihuana concentrate, or, for
24 marihuana-infused products, a combined total of not more than 8,000
25 milligrams of THC, to or from licensed premises.

26 (h) Transport marihuana to or from a marihuana processor's or
27 marihuana retailer's licensed premises if all of the following
28 conditions are met:

29 (i) The marihuana grower and marihuana processor or marihuana



1 retailer, as applicable, are authorized to operate at the same
2 licensed premises.

3 (ii) The marihuana grower does not use any public real property
4 to transport the marihuana.

5 Sec. 21. (1) A marihuana processor that is granted and holds a
6 marihuana processor license, or an agent acting on behalf of the
7 marihuana processor who is 21 years of age or older, may do any of
8 the following:

9 (a) Possess, process, package, store, or test marihuana.

10 (b) Sell or otherwise transfer marihuana to a licensee or
11 tribal marihuana business.

12 (c) Purchase or otherwise obtain marihuana from a licensee or
13 tribal marihuana business.

14 (d) Except as provided in subdivision (e), transport at 1 time
15 not more than 15 ounces of marihuana, of which not more than 60
16 grams may be in the form of marihuana concentrate, or, for
17 marihuana-infused products, a combined total of not more than 8,000
18 milligrams of THC, to or from licensed premises.

19 (e) Transport marihuana to or from a marihuana grower's or
20 marihuana retailer's licensed premises if all of the following
21 conditions are met:

22 (i) The marihuana processor and marihuana grower or marihuana
23 retailer, as applicable, are authorized to operate at the same
24 licensed premises.

25 (ii) The marihuana processor does not use any public real
26 property to transport the marihuana.

27 (f) On or after March 1, 2026, handle, process, market, or
28 broker in compliance with the industrial hemp research and
29 development act, 2014 PA 547, MCL 286.841 to 286.859. As used in



1 this subdivision, "handle", "process", "market", and "broker" mean
2 those terms as defined in section 2 of the industrial hemp research
3 and development act, 2014 PA 547, MCL 286.842.

4 (2) A marihuana processor shall not process an edible
5 marihuana-infused product in a shape or package that is attractive
6 to individuals younger than 18 years of age or that is easily
7 confused with commercially sold candy that does not contain
8 marihuana.

9 Sec. 22. (1) A marihuana secure transporter, or an agent
10 acting on behalf of the marihuana secure transporter who is 21
11 years of age or older, may do any of the following:

12 (a) Possess or store marihuana.

13 (b) Transport marihuana to or from licensed premises or a
14 tribal marihuana business.

15 (2) A marihuana secure transporter shall not hold title to
16 marihuana.

17 Sec. 23. A marihuana safety compliance facility, or an agent
18 acting on behalf of the marihuana safety compliance facility who is
19 21 years of age or older, may do all of the following:

20 (a) Test, possess, repackage, or store marihuana.

21 (b) Transfer marihuana to a licensee or tribal marihuana
22 business.

23 (c) Obtain marihuana from a licensee or tribal marihuana
24 business.

25 (d) Transport marihuana to or from licensed premises or a
26 tribal marihuana business.

27 (e) On or after March 1, 2026, obtaining, transporting,
28 transferring, or testing industrial hemp in compliance with the
29 industrial hemp research and development act, 2014 PA 547, MCL



1 286.841 to 286.859.

2 Sec. 24. (1) A marihuana retailer that is granted and holds a
3 marihuana retailer license, or an agent acting on behalf of the
4 marihuana retailer who is 21 years of age or older, may do any of
5 the following:

6 (a) Possess, store, or test marihuana.

7 (b) Sell or otherwise transfer marihuana to any of the
8 following:

9 (i) A licensee.

10 (ii) An individual who is 21 years of age or older.

11 (iii) A tribal marihuana business.

12 (iv) On or after March 1, 2026, any of the following:

13 (A) A qualifying patient.

14 (B) A visiting qualifying patient.

15 (C) A primary caregiver.

16 (c) Purchase or otherwise obtain marihuana from a licensee or
17 tribal marihuana business.

18 (d) Transport at 1 time not more than 15 ounces of marihuana,
19 of which not more than 60 grams may be in the form of marihuana
20 concentrate, or, for marihuana-infused products, a combined total
21 of not more than 8,000 milligrams of THC, to or from licensed
22 premises.

23 (2) A marihuana retailer shall not do any of the following:

24 (a) Sell an edible marihuana-infused product in a shape or
25 package that is attractive to individuals younger than 18 years of
26 age or that is easily confused with commercially sold candy that
27 does not contain marihuana.

28 (b) Sell or otherwise transfer a marihuana-infused product
29 unless the marihuana-infused product is contained in an opaque,



1 resealable, child-resistant package as provided for under 16 CFR
 2 1700.20. This subdivision does not apply to a marihuana-infused
 3 product that is sold or transferred for consumption on the premises
 4 where it is sold or transferred.

5 (c) Except as otherwise provided in subdivision (b), sell or
 6 otherwise transfer marihuana unless the marihuana is contained in
 7 an opaque package.

8 Sec. 24a. (1) A marihuana provisioning center, or an agent
 9 acting on behalf of the provisioning center who is 21 years of age
 10 or older, may do any of the following:

11 (a) Possess, store, or test marihuana.

12 (b) Sell or otherwise transfer marihuana to any of the
 13 following:

14 (i) A licensee.

15 (ii) A qualifying patient.

16 (iii) A visiting qualifying patient.

17 (iv) A primary caregiver.

18 (c) Purchase or otherwise obtain marihuana from a licensee.

19 (d) Transport at 1 time not more than 15 ounces of marihuana,
 20 of which not more than 60 grams may be in the form of marihuana
 21 concentrate, or, for marihuana-infused products, a combined total
 22 of not more than 8,000 milligrams of THC, to or from licensed
 23 premises.

24 (2) A marihuana provisioning center shall not do any of the
 25 following:

26 (a) Sell an edible marihuana-infused product in a shape or
 27 package that is attractive to individuals younger than 18 years of
 28 age or that is easily confused with commercially sold candy that
 29 does not contain marihuana.



(b) Sell or otherwise transfer a marihuana-infused product unless the marihuana-infused product is contained in an opaque, resealable, child-resistant package as provided for under 16 CFR 1700.20. This subdivision does not apply to a marihuana-infused product that is sold or transferred for consumption on the premises where it is sold or transferred.

(c) Except as otherwise provided in subdivision (b), sell or otherwise transfer marihuana unless the marihuana is contained in an opaque package.

Sec. 25. (1) A marihuana microbusiness that is granted and holds a marihuana microbusiness license, or an agent acting on behalf of the marihuana microbusiness who is 21 years of age or older, may do all of the following:

(a) Cultivate not more than 150 marihuana plants.

(b) Possess, process, package, store, or test the marihuana produced from the marihuana plants cultivated under subdivision (a).

(c) Sell or otherwise transfer marihuana cultivated or processed by the marihuana microbusiness to any of the following:

(i) An individual who is 21 years of age or older.

(ii) On or after March 1, 2026, any of the following:

(A) A qualifying patient.

(B) A visiting qualifying patient.

(C) A primary caregiver.

(2) A marihuana microbusiness shall not do any of the following:

(a) Sell an edible marihuana-infused product in a shape or package that is attractive to individuals younger than 18 years of age or that is easily confused with commercially sold candy that



1 does not contain marihuana.

2 (b) Sell or otherwise transfer a marihuana-infused product
3 unless the marihuana-infused product is contained in an opaque,
4 resealable, child-resistant package as provided for under 16 CFR
5 1700.20. This subdivision does not apply to a marihuana-infused
6 product that is sold or transferred for consumption on the premises
7 where it is sold or transferred.

8 (c) Except as otherwise provided in subdivision (b), sell or
9 otherwise transfer marihuana unless the marihuana is contained in
10 an opaque package.

11 Sec. 26. (1) A licensee shall do all of the following, as
12 applicable:

13 (a) Cultivate, process, test, and store marihuana within an
14 enclosed area that is secured in a manner that prevents access by
15 individuals not authorized by the licensee to access the area.

16 (b) Secure each entrance to the licensee's licensed premises
17 and restrict access to areas containing marihuana to only the
18 following:

19 (i) Employees and other individuals authorized by the licensee
20 to access the area.

21 (ii) Employees and agents of the cannabis regulatory agency.

22 (iii) State and local law enforcement officers and emergency
23 personnel.

24 (c) Secure its inventory and equipment during and after
25 operating hours to deter and prevent theft of marihuana and
26 marihuana accessories.

27 (d) Allow employees and agents of the cannabis regulatory
28 agency, during the licensee's hours of operation, to do either of
29 the following:



1 (i) Inspect the licensee's licensed premises.

2 (ii) Audit the books and records of the licensee.

3 (e) Use the statewide monitoring system in accordance with the
4 rules promulgated under this act.

5 (2) A licensee shall not do any of the following:

6 (a) Cultivate, process, sell, or display marihuana or sell or
7 display marihuana accessories if the cultivating, processing,
8 selling, or displaying is visible from a public place outside of
9 the licensee's licensed premises without the use of binoculars,
10 aircraft, or other optical aids.

11 (b) Cultivate process, test, or store marihuana at any
12 location other than the licensee's licensed premises.

13 (c) Employ an individual who is younger than 18 years of age.

14 (d) Allow an individual who is younger than 18 years of age to
15 volunteer for the licensee.

16 (e) Sell or otherwise transfer tobacco.

17 (f) Employ an individual if both of the following conditions
18 are met:

19 (i) The individual was an employee of the cannabis regulatory
20 agency at any time in the 2 years immediately preceding the date of
21 the licensee's offer of employment.

22 (ii) The individual had compliance and enforcement discretion
23 while employed by the cannabis regulatory agency during the period
24 described in subparagraph (i).

25 (3) A person may do any of the following:

26 (a) Lease, or otherwise allow the use of, property that the
27 person owns, occupies, or manages for activities allowed under this
28 act or the rules promulgated under this act.

29 (b) Employ an individual who engages in activities allowed



1 under this act or the rules promulgated under this act.

2 (c) If the person is a certified public accountant who is
3 licensed under article 7 of the occupational code, 1980 PA 299, MCL
4 339.720 to 339.736, engage in the practice of public accounting as
5 that term is defined in section 720 of the occupational code, 1980
6 PA 299, MCL 339.720, for a licensee, a prospective licensee, or an
7 applicant.

8 (d) If the person is a financial institution, provide a
9 financial service to a licensee, a prospective licensee, or an
10 applicant.

11 (4) A person shall not do any of the following:

12 (a) Lease, pledge, or borrow or loan money against a license.

13 (b) Transfer a license to another person, unless the cannabis
14 regulatory agency approves the transfer and the transfer is
15 conducted in accordance with the rules promulgated under this act.

16 (c) Hold itself out as a type of licensee if the person does
17 not hold that type of state license or if any of the following
18 apply:

19 (i) The person's state license is suspended, revoked, lapsed,
20 or void.

21 (ii) The person fraudulently obtained the state license.

22 (iii) The state license was transferred to the person in a
23 manner other than in accordance with subdivision (b).

24 Sec. 26a. (1) Except as otherwise provided in subsection (2),
25 a licensee shall adopt and use a third-party inventory control and
26 tracking system that is capable of interfacing with the statewide
27 monitoring system to allow the licensee to enter or access
28 information in the statewide monitoring system as required under
29 this act and the rules promulgated under this act. The third-party



1 inventory control and tracking system must have all of the
2 following capabilities necessary for the licensee to comply with
3 the requirements applicable to the licensee's license type:

4 (a) Tracking all marihuana plants, products, packages,
5 consumer purchase totals, waste, transfers, conversions, sales, and
6 returns that are linked to unique identification numbers.

7 (b) Tracking lot and batch information throughout the entire
8 chain of custody.

9 (c) Tracking all products, conversions, and derivatives
10 throughout the entire chain of custody.

11 (d) Tracking marihuana plant, batch, and product destruction.

12 (e) Tracking transportation of product.

13 (f) Performing complete batch recall tracking that clearly
14 identifies all of the following details relating to the specific
15 batch subject to the recall:

16 (i) Sold product.

17 (ii) Product inventory that is finished and available for sale.

18 (iii) Product that is in the process of transfer.

19 (iv) Product being processed into another form.

20 (v) Postharvest raw product, such as product that is in the
21 drying, trimming, or curing process.

22 (g) Reporting and tracking loss, theft, or diversion of
23 product containing marihuana.

24 (h) Reporting and tracking all inventory discrepancies.

25 (i) Reporting and tracking adverse customer responses or other
26 similar issues.

27 (j) Reporting and tracking all sales and refunds.

28 (k) Electronically receiving and transmitting information as
29 required under this act, the Michigan Medical Marihuana Act, and



1 the marihuana tracking act, 2016 PA 282, MCL 333.27901 to
2 333.27904.

3 (l) Receiving testing results electronically from a marihuana
4 safety compliance facility via a secured application program
5 interface into the system and directly linking the testing results
6 to each applicable source batch and sample.

7 (m) Identifying test results that may have been altered.

8 (n) Providing the licensee with access to information in the
9 tracking system that is necessary to verify that the licensee is
10 carrying out the marihuana transactions authorized under the
11 licensee's license in accordance with this act.

12 (o) Providing information to cross-check that the product
13 received the required testing and, if applicable, that product
14 sales are made to a qualifying patient or a primary caregiver on
15 behalf of a qualifying patient.

16 (p) Providing the cannabis regulatory agency and state
17 agencies with access to information in the database that they are
18 authorized to access.

19 (q) Providing law enforcement agencies with access only to the
20 information in the database that is necessary to verify that an
21 individual possesses a valid and current registry identification
22 card.

23 (r) Providing licensees with access only to the information in
24 the system that they are required to receive before a sale,
25 transfer, transport, or other activity authorized under a license
26 granted under this act.

27 (s) Securing the confidentiality of information in the
28 database by preventing access by a person that is not authorized to
29 access the statewide monitoring system or is not authorized to



1 access the particular information.

2 (t) Providing analytics to the cannabis regulatory agency
3 regarding key performance indicators such as the following:

4 (i) Total daily sales.

5 (ii) Total marihuana plants in production.

6 (iii) Total marihuana plants destroyed.

7 (iv) Total inventory adjustments.

8 (2) If the statewide monitoring system is capable of allowing
9 a licensee to access or enter information into the statewide
10 monitoring system without use of a third-party inventory control
11 and tracking system, a licensee may access or enter information
12 into the statewide monitoring system directly and the licensee is
13 not required to adopt and use a third-party inventory control and
14 tracking system.

15 Sec. 27. (1) A licensee or applicant shall file with the
16 cannabis regulatory agency proof of financial responsibility for
17 liability for bodily injury to lawful users resulting from the
18 manufacture, distribution, transportation, or sale of adulterated
19 marihuana or adulterated marihuana-infused product in an amount not
20 less than \$100,000.00 for each license. The proof of financial
21 responsibility must be a liability insurance policy that meets all
22 of the following requirements:

23 (a) Is issued by a licensed insurance company or licensed
24 captive insurance company in this state.

25 (b) Does not include a condition, provision, stipulation, or
26 limitation contained in the policy, or any other endorsement, that
27 relieves the insurer from liability for the payment of any claim
28 for which the insured may be held liable under this act.

29 (c) Covers bodily injuries to a qualifying patient or any



1 other lawful user of marihuana, including injuries that are caused
2 by the intentional conduct of the licensee or its employee or
3 agent. However, the proof of financial responsibility is not
4 required to cover bodily injuries to qualifying patients or any
5 other lawful users of marihuana caused by the licensee or its
6 employee or agent if the licensee or its employee or agent acted
7 with the intent to harm.

8 (2) A licensee or applicant must include with its filing under
9 subsection (1) an attestation of compliance with this section on a
10 form approved by the cannabis regulatory agency. An officer of the
11 licensed insurance company or licensed captive insurance company
12 that issues the policy described in subsection (1) must sign the
13 attestation of compliance that the licensee or applicant is
14 required to file under this subsection.

15 (3) A licensee or applicant may furnish proof of financial
16 responsibility that exceeds the requirements of this section.

17 (4) If at any time a licensee does not maintain proof of
18 financial responsibility as required under this section, the
19 cannabis regulatory agency shall immediately suspend the licensee's
20 license until the licensee provides to the cannabis regulatory
21 agency proof of financial responsibility as required under this
22 section.

23 (5) An insured licensee shall not cancel liability insurance
24 required under this section unless the licensee does both of the
25 following:

26 (a) Gives 30 days' prior written notice to the cannabis
27 regulatory agency.

28 (b) Procures new proof of financial responsibility required
29 under this section and delivers that proof to the cannabis



1 regulatory agency within 30 days after giving the cannabis
2 regulatory agency the notice under subdivision (a).

3 (6) As used in this section, "bodily injury" does not include
4 expected or intended effect or long-term adverse effect of smoking,
5 ingestion, or consumption of marihuana or marihuana-infused
6 product.

7 Sec. 28. (1) This section applies beginning on March 1, 2026.

8 (2) An unexpired license issued under the medical marihuana
9 facilities licensing act is considered to be a state license as
10 follows:

11 (a) A class A grower license is a class A marihuana grower
12 license.

13 (b) A class B grower license is a class B marihuana grower
14 license.

15 (c) A class C grower license is a class C marihuana grower
16 license.

17 (d) A processor license is a marihuana processor license.

18 (e) A secure transporter license is a marihuana secure
19 transporter license.

20 (f) A safety compliance facility is a marihuana safety
21 compliance facility.

22 (g) A provisioning center is 1 of the following, as
23 applicable:

24 (i) A marihuana provisioning center if the municipality in
25 which the provisioning center is operating does both of the
26 following before March 1, 2026:

27 (A) Adopts an ordinance that explicitly prohibits a
28 provisioning center operating under the medical marihuana
29 facilities licensing act from operating as a marihuana retailer



1 under this act.

2 (B) Notifies, by certified mail, the cannabis regulatory
3 agency that the municipality has adopted an ordinance described in
4 sub-subparagraph (A) .

5 (ii) A marihuana retailer if 1 of the following applies:

6 (A) The conditions in subparagraph (i) are not met.

7 (B) The ordinance described in subparagraph (i) (A) is repealed
8 or no longer includes the prohibition described in subparagraph
9 (i) (A) .

10 (3) A state license described in subsection (2) expires on the
11 expiration date of the corresponding license granted under the
12 medical marihuana facilities licensing act.

13 (4) A person that holds a state license as a result of
14 subsection (2) and that does not, on March 1, 2026, hold any other
15 state licenses, is considered a licensee.

16 (5) The cannabis regulatory agency shall not do any of the
17 following:

18 (a) Treat a state license described in subsection (2) , or any
19 subsequent renewal of a state license described in subsection (2) ,
20 differently than any other state license.

21 (b) Treat a licensee described in subsection (4) differently
22 than any other licensee.

23 (c) Treat the marihuana of a licensee described in subsection
24 (4) that is entered into the statewide monitoring system before
25 March 1, 2026 differently than any other marihuana in the statewide
26 monitoring system.

27 (d) Require a licensee described in subsection (4) to do any
28 of the following:

29 (i) Renew the licensee's state license before the applicable



1 expiration date described in subsection (3).

2 (ii) Quarantine, retest, or retag a marihuana plant that was
3 planted in compliance with the medical marihuana facilities
4 licensing act before March 1, 2026.

5 (iii) Quarantine, retest, or retag a marihuana-infused product
6 that was processed, or the production of which was initiated, in
7 compliance with the medical marihuana facilities licensing act
8 before March 1, 2026.

9 (e) Take any type of disciplinary or adverse action against a
10 licensee described in subsection (4) solely because the licensee
11 obtained a license under this section.

12 (6) An activity that a medical facility licensee engages in
13 that would otherwise be a violation of this act is considered to
14 not be a violation of this act if both of the following conditions
15 are met:

16 (a) The activity meets 1 of the following conditions:

17 (i) It is initiated before March 1, 2026.

18 (ii) It is initiated after March 1, 2026 but is directly
19 related to an activity that is initiated before March 1, 2026.

20 (b) The activity is or would have been in compliance with the
21 medical marihuana facilities licensing act.

22 Enacting section 1. Sections 10, 11, and 16 of the Michigan
23 Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27960,
24 333.27961, and 333.27966, are repealed.

