

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 6330

A bill to amend 2014 PA 547, entitled
"Industrial hemp research act,"
by amending the title and sections 1, 2, 3, and 4 (MCL 286.841,
286.842, 286.843, and 286.844) and by adding sections 5, 6, 7, 8,
9, 10, 11, 12, 13, 14, 15, 16, 17, 18, and 19.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

An act to authorize the growing and cultivating of industrial
hemp for research **AND DEVELOPMENT** purposes; **TO REQUIRE AND PROVIDE**
FOR THE REGISTRATION AND LICENSING OF CERTAIN PERSONS ENGAGED IN
THE GROWING, PROCESSING, AND HANDLING OF INDUSTRIAL HEMP; TO
PROVIDE FOR THE COLLECTION OF FEES; to authorize the receipt and
expenditure of funding for research **AND DEVELOPMENT** related to
industrial hemp; ~~and~~ to prescribe the powers and duties of certain

1 state agencies and officials and colleges and universities in this
2 state; **AND TO PROVIDE FOR CERTAIN FINES AND SANCTIONS.**

3 Sec. 1. This act shall be known and may be cited as the
4 "industrial hemp research **AND DEVELOPMENT** act".

5 Sec. 2. As used in this act:

6 (A) **"BROKER" MEANS TO ENGAGE OR PARTICIPATE IN THE MARKETING**
7 **OF INDUSTRIAL HEMP BY ACTING AS AN INTERMEDIARY OR NEGOTIATOR**
8 **BETWEEN PROSPECTIVE BUYERS AND SELLERS.**

9 (B) **"CANNABIS" MEANS THE PLANT *Cannabis sativa* L. AND ANY PART**
10 **OF THAT PLANT, WHETHER GROWING OR NOT.**

11 (C) ~~(a)~~ "Department" means the department of agriculture and
12 rural development.

13 ~~— (b) "Fund" means the industrial hemp research fund created in~~
14 ~~section 4.~~

15 (D) **"DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT, OR HIS OR**
16 **HER DESIGNEE.**

17 (E) **"GPS COORDINATES" MEANS LATITUDE AND LONGITUDE COORDINATES**
18 **DERIVED FROM A GLOBAL POSITIONING SYSTEM.**

19 (F) **"GROW" MEANS TO PLANT, PROPAGATE, GROW, CULTIVATE, OR**
20 **HARVEST LIVE PLANTS OR VIABLE SEEDS.**

21 (G) **"GROWER" MEANS A PERSON REGISTERED BY THE DEPARTMENT UNDER**
22 **THIS ACT TO GROW INDUSTRIAL HEMP.**

23 (H) **"HANDLE" MEANS TO POSSESS, STORE, OR TRANSPORT INDUSTRIAL**
24 **HEMP ON PREMISES OWNED, OPERATED, OR CONTROLLED BY A REGISTERED**
25 **GROWER OR LICENSED PROCESSOR-HANDLER.**

26 (I) ~~(c)~~ "Industrial hemp" means the plant ~~*Cannabis sativa*~~
27 ***Cannabis sativa* L. and any part of the THAT plant, INCLUDING THE**

1 VIABLE SEEDS OF THAT PLANT AND ALL DERIVATIVES, EXTRACTS,
2 CANNABINOID, ISOMERS, ACIDS, SALTS, AND SALTS OF ISOMERS, whether
3 growing or not, with a delta-9-tetrahydrocannabinol concentration
4 of not more than 0.3% on a dry weight basis. INDUSTRIAL HEMP
5 INCLUDES INDUSTRIAL HEMP COMMODITIES AND PRODUCTS AND TOPICAL OR
6 INGESTIBLE ANIMAL AND CONSUMER PRODUCTS DERIVED FROM THE PLANT
7 *Cannabis sativa* L. WITH A DELTA-9 TETRAHYDROCANNABINOL
8 CONCENTRATION OF NOT MORE THAN 0.3% ON A DRY WEIGHT BASIS.

9 (J) "LICENSING AND REGISTRATION FUND" MEANS THE INDUSTRIAL
10 HEMP LICENSING AND REGISTRATION FUND CREATED IN SECTION 5.

11 (K) "LOCATION ID" MEANS THE UNIQUE IDENTIFIER ESTABLISHED BY
12 THE APPLICANT FOR EACH UNIQUE SET OF GPS COORDINATES WHERE
13 INDUSTRIAL HEMP WILL BE GROWN, HANDLED, STORED, PROCESSED, OR
14 BROKERED.

15 (I) "MARKET" MEANS TO PROMOTE OR SELL INDUSTRIAL HEMP OR AN
16 INDUSTRIAL HEMP COMMODITY OR PRODUCT. MARKET INCLUDES, BUT IS NOT
17 LIMITED TO, EFFORTS TO ADVERTISE AND GATHER INFORMATION ABOUT THE
18 NEEDS OR PREFERENCES OF POTENTIAL CONSUMERS OR SUPPLIERS.

19 (M) "NONVIABLE SEED" MEANS SEED THAT HAS BEEN CRUSHED,
20 DEHULLED, HEAT TREATED, OR OTHERWISE RENDERED TO HAVE A 0.0%
21 GERMINATION RATE.

22 (N) "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, CORPORATION,
23 ASSOCIATION, OR OTHER LEGAL ENTITY.

24 (O) "PLOT" MEANS A CONTIGUOUS AREA IN A FIELD, GREENHOUSE, OR
25 INDOOR GROWING STRUCTURE CONTAINING THE SAME VARIETY OF INDUSTRIAL
26 HEMP THROUGHOUT THE AREA.

27 (P) "PROCESS" MEANS TO CONVERT RAW INDUSTRIAL HEMP INTO A

1 MARKETABLE FORM.

2 (Q) "PROCESSOR-HANDLER" MEANS A PERSON LICENSED BY THE
3 DEPARTMENT UNDER THIS ACT TO PROCESS, HANDLE, BROKER, OR MARKET
4 INDUSTRIAL HEMP.

5 (R) "PROGRAM" MEANS THE INDUSTRIAL HEMP LICENSING AND
6 REGISTRATION PROGRAM ESTABLISHED BY THIS ACT.

7 (S) "PROPAGULE" MEANS A PLANT OR PLANT PART THAT IS UTILIZED
8 TO GROW A NEW PLANT.

9 (T) "RESEARCH FUND" MEANS THE INDUSTRIAL HEMP RESEARCH AND
10 DEVELOPMENT FUND CREATED IN SECTION 4.

11 (U) "TESTING FACILITY" MEANS A SAFETY COMPLIANCE FACILITY
12 LICENSED UNDER THE MEDICAL MARIHUANA FACILITIES LICENSING ACT, 2016
13 PA 281, MCL 333.27101 TO 333.27801, OR A TESTING FACILITY APPROVED
14 BY THE DEPARTMENT.

15 (V) "THC" MEANS TETRAHYDROCANNABINOL.

16 (W) "VARIETY" MEANS A SUBDIVISION OF A SPECIES THAT HAS THE
17 FOLLOWING CHARACTERISTICS:

18 (i) THE SUBDIVISION IS UNIFORM, IN THE SENSE THAT VARIATIONS
19 BETWEEN THE SUBDIVISION AND OTHER SUBDIVISIONS IN ESSENTIAL AND
20 DISTINCTIVE CHARACTERISTICS ARE DESCRIBABLE.

21 (ii) THE SUBDIVISION IS DISTINCT, IN THE SENSE THAT THE
22 SUBDIVISION CAN BE DIFFERENTIATED BY 1 OR MORE IDENTIFIABLE
23 MORPHOLOGICAL, PHYSIOLOGICAL, OR OTHER CHARACTERISTICS FROM ALL
24 OTHER KNOWN SUBDIVISIONS.

25 (iii) THE SUBDIVISION IS STABLE, IN THE SENSE THAT THE
26 SUBDIVISION WILL REMAIN UNIFORM AND DISTINCT IF REPRODUCED.

27 (X) "VIABLE SEED" MEANS SEED THAT HAS A GERMINATION RATE OF

1 GREATER THAN 0.0%.

2 (Y) "VOLUNTEER CANNABIS PLANT" MEANS A CANNABIS PLANT THAT IS
3 NOT INTENTIONALLY PLANTED AND GROWS OF ITS OWN ACCORD FROM SEEDS OR
4 ROOTS IN THE YEARS FOLLOWING AN INTENTIONALLY PLANTED CANNABIS
5 CROP.

6 Sec. 3. (1) The department or a college or university in this
7 state may grow or cultivate, or both, industrial hemp for purposes
8 of research conducted under an agricultural pilot program or other
9 agricultural or academic research project.

10 (2) The department or a college or university that transports
11 industrial hemp as part of a research project authorized under this
12 act shall include along with a shipment of industrial hemp a letter
13 on the department's or the college's or university's letterhead
14 that provides notice that the shipment includes industrial hemp
15 authorized under ~~the industrial hemp research~~ **THIS** act.

16 (3) A college or university in this state may receive direct
17 grants from the federal government or any other source for the
18 purpose of conducting research authorized under this act.

19 Sec. 4. (1) The industrial hemp research **AND DEVELOPMENT** fund
20 is created within the state treasury.

21 (2) The state treasurer may receive money or other assets from
22 any source for deposit into the **RESEARCH** fund, including federal
23 research grants. The state treasurer shall direct the investment of
24 the **RESEARCH** fund. The state treasurer shall credit to the **RESEARCH**
25 fund interest and earnings from **RESEARCH** fund investments.

26 (3) Money in the **RESEARCH** fund at the close of the fiscal year
27 shall remain in the **RESEARCH** fund and shall not lapse to the

1 general fund.

2 (4) The department shall be the administrator of the **RESEARCH**
3 fund for auditing purposes.

4 (5) The department shall expend money from the **RESEARCH** fund,
5 upon appropriation, only for 1 or more of the following purposes:

6 (a) Research into growing or cultivating, or both, industrial
7 hemp.

8 (b) Providing grants to colleges or universities in this state
9 to conduct research into growing or cultivating, or both,
10 industrial hemp.

11 **SEC. 5. (1) THE DEPARTMENT SHALL ESTABLISH, OPERATE, AND**
12 **ADMINISTER AN INDUSTRIAL HEMP LICENSING AND REGISTRATION PROGRAM.**

13 **(2) THE INDUSTRIAL HEMP LICENSING AND REGISTRATION FUND IS**
14 **CREATED WITHIN THE STATE TREASURY.**

15 **(3) THE STATE TREASURER MAY RECEIVE LICENSE AND REGISTRATION**
16 **FEES AND ADMINISTRATIVE FINES UNDER THIS ACT FOR DEPOSIT INTO THE**
17 **LICENSING AND REGISTRATION FUND. THE STATE TREASURER MAY ALSO**
18 **RECEIVE MONEY OR OTHER ASSETS FROM ANY OTHER SOURCE FOR DEPOSIT**
19 **INTO THE LICENSING AND REGISTRATION FUND. THE STATE TREASURER SHALL**
20 **CREDIT TO THE LICENSING AND REGISTRATION FUND INTEREST AND EARNINGS**
21 **FROM LICENSING AND REGISTRATION FUND INVESTMENTS.**

22 **(4) THE DEPARTMENT SHALL EXPEND MONEY FROM THE LICENSING AND**
23 **REGISTRATION FUND TO ESTABLISH, OPERATE, AND ENFORCE THE LICENSING**
24 **AND REGISTRATION PROGRAM CREATED UNDER THIS ACT.**

25 **(5) MONEY IN THE LICENSING AND REGISTRATION FUND AT THE CLOSE**
26 **OF THE FISCAL YEAR SHALL REMAIN IN THE LICENSING AND REGISTRATION**
27 **FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.**

(6) THE DEPARTMENT SHALL BE THE ADMINISTRATOR OF THE LICENSING AND REGISTRATION FUND FOR AUDITING PURPOSES.

SEC. 6. (1) EXCEPT AS OTHERWISE PROVIDED UNDER THIS ACT FOR A COLLEGE OR UNIVERSITY IN THIS STATE, A PERSON SHALL NOT GROW INDUSTRIAL HEMP IN THIS STATE UNLESS THE PERSON IS REGISTERED AS A GROWER UNDER THIS ACT. A PERSON OTHER THAN A COLLEGE OR UNIVERSITY IN THIS STATE THAT WISHES TO GROW INDUSTRIAL HEMP IN THIS STATE SHALL SUBMIT THE REGISTRATION APPLICATION FEE PROVIDED UNDER SECTION 16, AND REGISTER WITH THE DEPARTMENT ON A FORM AS PRESCRIBED BY THE DEPARTMENT THAT INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING:

(A) THE APPLICANT'S FULL NAME, BIRTH DATE, MAILING ADDRESS, TELEPHONE NUMBER, AND VALID AND MONITORED ELECTRONIC MAIL ADDRESS. IF THE APPLICANT IS A PERSON THAT IS NOT AN INDIVIDUAL, THE FULL NAME OF EACH OFFICER AND DIRECTOR, AND PARTNER, MEMBER, OR OWNER OWNING IN EXCESS OF 10% OF EQUITY OR STOCK, INCLUDING HIS OR HER BIRTH DATE, TITLE, AND VALID AND MONITORED ELECTRONIC MAIL ADDRESS.

(B) THE PROPOSED ACREAGE AND GREENHOUSE OR OTHER INDOOR SQUARE FOOTAGE TO BE PLANTED.

(C) THE STREET ADDRESS, LOCATION ID, AND GPS COORDINATES FOR EACH FIELD, GREENHOUSE, BUILDING, OR OTHER SITE WHERE INDUSTRIAL HEMP WILL BE GROWN, HANDLED, OR STORED.

(D) MAPS DEPICTING EACH FIELD, GREENHOUSE, BUILDING, OR OTHER SITE WHERE INDUSTRIAL HEMP WILL BE GROWN, HANDLED, OR STORED, WITH APPROPRIATE INDICATIONS FOR ENTRANCES, FIELD BOUNDARIES, AND SPECIFIC LOCATIONS CORRESPONDING TO THE GPS COORDINATES PROVIDED UNDER SUBDIVISION (C).

1 (E) IF APPLICABLE, A REQUEST BY THE APPLICANT THAT A GROWER
2 REGISTRATION ISSUED TO THE APPLICANT INCLUDE A DESIGNATION
3 AUTHORIZING THE APPLICANT TO SELL HARVESTED INDUSTRIAL HEMP TO A
4 PROCESSOR LICENSED UNDER THE MEDICAL MARIHUANA FACILITIES LICENSING
5 ACT, 2016 PA 281, MCL 333.27101 TO 333.27801, AS PRESCRIBED UNDER
6 SECTION 10(6).

7 (2) AN INITIAL GROWER REGISTRATION APPLICATION MAY BE
8 SUBMITTED AT ANY TIME. AN INITIAL GROWER REGISTRATION ISSUED BY THE
9 DEPARTMENT EXPIRES AT MIDNIGHT ON NOVEMBER 30 IN THE YEAR IN WHICH
10 IT IS ISSUED.

11 (3) OTHER THAN AN INITIAL GROWER REGISTRATION, A GROWER
12 REGISTRATION IS VALID FOR 1 YEAR BEGINNING ON DECEMBER 1 AND
13 EXPIRING AT MIDNIGHT ON THE FOLLOWING NOVEMBER 30 EACH YEAR.

14 (4) AN APPLICATION TO RENEW AN EXISTING GROWER REGISTRATION
15 SHALL BE POSTMARKED ON OR BEFORE NOVEMBER 30. AN APPLICATION
16 SUBMITTED AFTER NOVEMBER 30 IS SUBJECT TO A LATE FEE OF \$250.00.

17 (5) AN APPLICATION AND SUPPORTING DOCUMENTS SUBMITTED TO THE
18 DEPARTMENT UNDER THIS SECTION ARE EXEMPT FROM DISCLOSURE UNDER THE
19 FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246.

20 SEC. 7. (1) EXCEPT AS OTHERWISE PROVIDED UNDER THIS ACT FOR A
21 COLLEGE OR UNIVERSITY IN THIS STATE, AND EXCEPT FOR A PROCESSOR
22 LICENSED UNDER THE MEDICAL MARIHUANA FACILITIES LICENSING ACT, 2016
23 PA 281, MCL 333.27101 TO 333.27801, OR A TESTING FACILITY, A PERSON
24 SHALL NOT PROCESS, HANDLE, BROKER, OR MARKET INDUSTRIAL HEMP IN
25 THIS STATE UNLESS THE PERSON IS LICENSED AS A PROCESSOR-HANDLER
26 UNDER THIS ACT. A PERSON OTHER THAN A COLLEGE OR UNIVERSITY IN THIS
27 STATE THAT WISHES TO PROCESS, HANDLE, BROKER, OR MARKET INDUSTRIAL

1 HEMP IN THIS STATE SHALL SUBMIT THE LICENSE APPLICATION FEE
2 PROVIDED UNDER SECTION 16 AND APPLY TO THE DEPARTMENT FOR A
3 PROCESSOR-HANDLER LICENSE ON A FORM AS PRESCRIBED BY THE DEPARTMENT
4 THAT INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING:

5 (A) THE APPLICANT'S FULL NAME, DATE OF BIRTH, MAILING ADDRESS,
6 TELEPHONE NUMBER, AND VALID AND MONITORED ELECTRONIC MAIL ADDRESS.

7 IF THE APPLICANT IS A PERSON THAT IS NOT AN INDIVIDUAL, THE FULL
8 NAME OF EACH OFFICER AND DIRECTOR, AND PARTNER, MEMBER, OR OWNER
9 OWNING IN EXCESS OF 10% OF EQUITY OR STOCK, INCLUDING HIS OR HER
10 BIRTH DATE, TITLE, AND VALID AND MONITORED ELECTRONIC MAIL ADDRESS.

11 (B) THE STREET ADDRESS, LOCATION ID, AND GPS COORDINATES FOR
12 EACH BUILDING OR SITE WHERE INDUSTRIAL HEMP WILL BE PROCESSED,
13 HANDLED, STORED, OR BROKERED.

14 (C) MAPS DEPICTING EACH BUILDING, OR OTHER SITE WHERE
15 INDUSTRIAL HEMP WILL BE PROCESSED, HANDLED, STORED, OR BROKERED
16 WITH APPROPRIATE INDICATIONS FOR ENTRANCES AND SPECIFIC LOCATIONS
17 CORRESPONDING TO THE GPS COORDINATES PROVIDED UNDER SUBDIVISION

18 (B).

19 (2) AN INITIAL PROCESSOR-HANDLER LICENSE APPLICATION MAY BE
20 SUBMITTED AT ANY TIME. AN INITIAL PROCESSOR-HANDLER LICENSE ISSUED
21 BY THE DEPARTMENT EXPIRES AT MIDNIGHT ON NOVEMBER 30 IN THE YEAR IN
22 WHICH IT IS ISSUED.

23 (3) OTHER THAN AN INITIAL PROCESSOR-HANDLER LICENSE, A
24 PROCESSOR-HANDLER LICENSE IS VALID FOR 1 YEAR BEGINNING ON DECEMBER
25 1 AND EXPIRING AT MIDNIGHT ON THE FOLLOWING NOVEMBER 30 EACH YEAR.

26 (4) AN APPLICATION TO RENEW AN EXISTING PROCESSOR-HANDLER
27 LICENSE SHALL BE POSTMARKED ON OR BEFORE NOVEMBER 30. AN

1 APPLICATION SUBMITTED AFTER NOVEMBER 30 IS SUBJECT TO A LATE FEE OF
2 \$250.00.

3 (5) AN APPLICATION AND SUPPORTING DOCUMENTS SUBMITTED TO THE
4 DEPARTMENT UNDER THIS SECTION ARE EXEMPT FROM DISCLOSURE UNDER THE
5 FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246.

6 SEC. 8. (1) THE DEPARTMENT SHALL APPROVE OR DENY A
7 REGISTRATION OR LICENSE APPLICATION SUBMITTED UNDER THIS ACT IN A
8 TIMELY MANNER. THE DEPARTMENT SHALL DENY A REGISTRATION OR LICENSE
9 APPLICATION IF THE APPLICATION IS INCOMPLETE OR IF ANY OF THE
10 FOLLOWING APPLY:

11 (A) THE APPLICANT IS UNDER THE AGE OF 18.

12 (B) THE APPLICANT'S GROWING, HANDLING, STORAGE, PROCESSING, OR
13 BROKERING SITES ARE NOT LOCATED IN THIS STATE.

14 (C) THE APPLICANT HAS NOT DEMONSTRATED, AS DETERMINED BY THE
15 DIRECTOR, A WILLINGNESS TO COMPLY WITH THE DEPARTMENT'S RULES,
16 INSTRUCTIONS FROM THE DEPARTMENT, OR INSTRUCTIONS FROM A LAW
17 ENFORCEMENT AGENCY.

18 (D) THE APPLICANT HAS UNPAID FEES, FINES, OR CIVIL PENALTIES
19 OWED TO THIS STATE UNDER THIS ACT.

20 (E) THE APPLICANT HAS MADE FALSE STATEMENTS OR
21 REPRESENTATIONS, AS DETERMINED BY THE DIRECTOR, TO THE DEPARTMENT
22 OR A LAW ENFORCEMENT AGENCY.

23 (F) THE APPLICANT HAS HAD A GROWER REGISTRATION OR PROCESSOR-
24 HANDLER LICENSE REVOKED IN THE 5 YEARS PRECEDING THE DATE OF
25 APPLICATION.

26 (2) IF THE APPLICATION IS DENIED BECAUSE IT IS INCOMPLETE, THE
27 DEPARTMENT SHALL NOTIFY THE APPLICANT IN WRITING WITHIN A TIMELY

1 MANNER AFTER THE DEPARTMENT RECEIVES THE APPLICATION DESCRIBING THE
2 DEFICIENCY AND REQUESTING ADDITIONAL INFORMATION.

3 SEC. 9. (1) IF THE DEPARTMENT DENIES A REGISTRATION OR LICENSE
4 APPLICATION UNDER THIS ACT, THE DEPARTMENT SHALL NOTIFY THE
5 APPLICANT OF THE DENIAL IN WRITING BY LETTER OR ELECTRONIC MAIL.

6 (2) AN APPLICANT MAY APPEAL A DENIAL OF HIS OR HER
7 REGISTRATION OR LICENSE APPLICATION BY SUBMITTING TO THE DEPARTMENT
8 A WRITTEN REQUEST FOR A HEARING. THE APPLICANT SHALL SUBMIT THE
9 REQUEST TO THE DEPARTMENT NOT MORE THAN 15 DAYS AFTER THE DATE OF
10 THE DENIAL.

11 (3) THE DEPARTMENT SHALL CONDUCT A HEARING REQUESTED UNDER
12 THIS SECTION IN ACCORDANCE WITH THE ADMINISTRATIVE PROCEDURES ACT
13 OF 1969, 1969 PA 306, MCL 24.201 TO 24.328.

14 SEC. 10. (1) A GROWER CONSENTS TO ALL OF THE FOLLOWING:

15 (A) ENTRY ONTO, AND INSPECTION OF, ALL PREMISES BY THE
16 DEPARTMENT OR LAW ENFORCEMENT AGENCIES, WITH OR WITHOUT CAUSE, AND
17 WITH OR WITHOUT ADVANCE NOTICE, WHERE INDUSTRIAL HEMP OR INDUSTRIAL
18 HEMP CULTIVATION EQUIPMENT OR MATERIALS ARE LOCATED, OR TO BE
19 LOCATED.

20 (B) TESTING OF SAMPLES OF CANNABIS MATERIAL IN POSSESSION OF
21 THE GROWER BY A TESTING FACILITY. THE FEE FOR TESTING UNDER THIS
22 SUBDIVISION SHALL BE LIMITED TO REASONABLE COSTS OF CONDUCTING THE
23 TESTING.

24 (C) FORFEITURE AND DESTRUCTION OF ANY OF THE FOLLOWING,
25 WITHOUT COMPENSATION:

26 (i) CANNABIS FOUND TO HAVE A MEASURED DELTA-9-THC CONTENT
27 GREATER THAN 0.3% ON A DRY WEIGHT BASIS.

1 (ii) INDUSTRIAL HEMP PRESENT AT A LOCATION THAT IS NOT
2 INCLUDED IN THE GROWER'S REGISTRATION.

3 (iii) INDUSTRIAL HEMP THAT IS GROWN, HANDLED, OR STORED IN A
4 MANNER THAT VIOLATES THIS ACT.

5 (D) THE RISK OF FINANCIAL OR OTHER LOSS UNDER THIS ACT IS
6 BORNE SOLELY BY THE GROWER.

7 (2) A GROWER SHALL NOT DO ANY OF THE FOLLOWING:

8 (A) GROW, HANDLE, OR STORE INDUSTRIAL HEMP FOR PURPOSES OTHER
9 THAN RESEARCH INTO THE GROWING OF INDUSTRIAL HEMP.

10 (B) HANDLE OR STORE INDUSTRIAL HEMP NOT GROWN UNDER THE
11 AUTHORITY OF HIS OR HER GROWER REGISTRATION UNLESS LICENSED AS A
12 PROCESSOR-HANDLER.

13 (C) GROW, HANDLE, OR STORE INDUSTRIAL HEMP IN A LOCATION OTHER
14 THAN A LOCATION LISTED IN HIS OR HER GROWER REGISTRATION.

15 (D) GROW, HANDLE, OR STORE INDUSTRIAL HEMP ON LAND OR WITHIN A
16 STRUCTURE THAT IS NOT OWNED OR COMPLETELY CONTROLLED BY THE GROWER.

17 (E) INTERPLANT INDUSTRIAL HEMP WITH ANY OTHER CROP WITHOUT
18 EXPRESS WRITTEN PERMISSION FROM THE DEPARTMENT. AS USED IN THIS
19 SUBDIVISION, "INTERPLANT" MEANS TO PLANT A CROP OF INDUSTRIAL HEMP
20 TOGETHER WITH A CROP THAT IS NOT INDUSTRIAL HEMP ON A SINGLE PLOT
21 OF LAND.

22 (F) SELL OR TRANSPORT, OR PERMIT THE SALE OR TRANSPORT OF,
23 LIVING INDUSTRIAL HEMP PLANTS, VIABLE INDUSTRIAL HEMP SEEDS,
24 INDUSTRIAL HEMP LEAF MATERIAL, OR INDUSTRIAL HEMP FLORAL MATERIAL
25 TO A LOCATION NOT LISTED IN HIS OR HER REGISTRATION OR TO A PERSON
26 IN THIS STATE WHO IS NOT A REGISTERED GROWER OR LICENSED PROCESSOR-
27 HANDLER.

1 (3) A GROWER SHALL POST SIGNAGE IN A CONSPICUOUS LOCATION AT
2 EACH BOUNDARY LINE OF A GROWING LOCATION. THE SIGNAGE SHALL INCLUDE
3 THE FOLLOWING:

4 (A) THE STATEMENT, "INDUSTRIAL HEMP REGISTERED WITH THE
5 MICHIGAN DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT".

6 (B) THE REGISTERED GROWER'S NAME.

7 (C) THE REGISTERED GROWER'S REGISTRATION NUMBER.

8 (4) UPON REQUEST FROM THE DEPARTMENT OR A LAW ENFORCEMENT
9 AGENCY, IMMEDIATELY PRODUCE A COPY OF HIS OR HER REGISTRATION FOR
10 INSPECTION.

11 (5) A GROWER MAY TRANSFER UP TO 2-1/2 OUNCES OF INDUSTRIAL
12 HEMP PER TRANSFER TO A TESTING FACILITY FOR THE PURPOSE OF
13 MEASURING THC, CANNABIDIOL, OR OTHER PHYTOCANNABINOID LEVELS.

14 (6) A GROWER MAY SELL HARVESTED INDUSTRIAL HEMP TO A PROCESSOR
15 LICENSED UNDER THE MEDICAL MARIHUANA FACILITIES LICENSING ACT, 2016
16 PA 281, MCL 333.27101 TO 333.27801. IF A GROWER INTENDS TO SELL
17 HARVESTED INDUSTRIAL HEMP TO A PROCESSOR DESCRIBED IN THIS
18 SUBSECTION, THE GROWER MUST APPLY FOR THAT DESIGNATION ON HIS OR
19 HER GROWER REGISTRATION APPLICATION. BEFORE SELLING HARVESTED
20 INDUSTRIAL HEMP TO A PROCESSOR DESCRIBED IN THIS SUBSECTION, THE
21 GROWER SHALL ENTER THE SALE INTO THE SEED-TO-SALE TRACKING SYSTEM
22 ESTABLISHED UNDER SECTION 3 OF THE MARIHUANA TRACKING ACT, 2016 PA
23 282, MCL 333.27903.

24 SEC. 11. (1) A PROCESSOR-HANDLER CONSENTS TO ALL OF THE
25 FOLLOWING:

26 (A) ENTRY ONTO, AND INSPECTION OF, ALL PREMISES BY THE
27 DEPARTMENT OR LAW ENFORCEMENT AGENCIES, WITH OR WITHOUT CAUSE, AND

1 WITH OR WITHOUT ADVANCE NOTICE, WHERE INDUSTRIAL HEMP OR INDUSTRIAL
2 HEMP PROCESSING EQUIPMENT OR MATERIALS ARE LOCATED OR TO BE
3 LOCATED.

4 (B) COLLECTION BY THE DEPARTMENT OF SAMPLES OF CANNABIS
5 MATERIAL IN POSSESSION OF THE PROCESSOR-HANDLER AT ANY TIME.

6 (C) FORFEITURE AND DESTRUCTION OF ANY OF THE FOLLOWING,
7 WITHOUT COMPENSATION:

8 (i) CANNABIS FOUND TO HAVE A MEASURED DELTA-9-THC CONTENT
9 GREATER THAN 0.3% ON A DRY WEIGHT BASIS.

10 (ii) INDUSTRIAL HEMP THAT IS PROCESSED, HANDLED, STORED, OR
11 BROKERED IN A MANNER THAT VIOLATES THIS ACT.

12 (iii) LIVE INDUSTRIAL HEMP PLANTS UNLESS THE PROCESSOR-HANDLER
13 IS ALSO REGISTERED AS A GROWER.

14 (D) THE RISK OF FINANCIAL OR OTHER LOSS UNDER THIS ACT IS
15 BORNE SOLELY BY THE PROCESSOR-HANDLER.

16 (2) A PROCESSOR-HANDLER SHALL NOT SELL OR TRANSPORT, OR PERMIT
17 THE SALE OR TRANSPORT OF, VIABLE INDUSTRIAL HEMP SEEDS, INDUSTRIAL
18 HEMP LEAF MATERIAL, OR INDUSTRIAL HEMP FLORAL MATERIAL TO A
19 LOCATION NOT LISTED IN HIS OR HER CURRENT LICENSE OR TO A PERSON IN
20 THIS STATE WHO IS NOT A REGISTERED GROWER OR LICENSED PROCESSOR-
21 HANDLER.

22 (3) UPON REQUEST FROM THE DEPARTMENT OR A LAW ENFORCEMENT
23 AGENCY, A PROCESSOR-HANDLER SHALL IMMEDIATELY PRODUCE A COPY OF HIS
24 OR HER LICENSE FOR INSPECTION.

25 (4) A PROCESSOR-HANDLER MAY TRANSFER UP TO 2-1/2 OUNCES OF
26 INDUSTRIAL HEMP PER TRANSFER TO A TESTING FACILITY FOR THE PURPOSE
27 OF MEASURING THC, CANNABIDIOL, OR OTHER PHYTOCANNABINOID LEVELS.

1 SEC. 12. (1) IF ANY OF THE FOLLOWING ALLEGATIONS ARE MADE
2 CONCERNING A REGISTERED GROWER OR LICENSED PROCESSOR-HANDLER, THE
3 DEPARTMENT SHALL SUSPEND HIS OR HER REGISTRATION OR LICENSE FOR NOT
4 MORE THAN 60 DAYS:

5 (A) THE REGISTERED GROWER OR LICENSED PROCESSOR-HANDLER
6 INTENTIONALLY GREW OR WAS IN POSSESSION OF CANNABIS WITH A DELTA-9-
7 THC CONTENT GREATER THAN 0.3% ON A DRY WEIGHT BASIS.

8 (B) THE REGISTERED GROWER OR LICENSED PROCESSOR-HANDLER
9 VIOLATED A PROVISION OF THIS ACT.

10 (C) THE REGISTERED GROWER OR LICENSED PROCESSOR-HANDLER MADE A
11 FALSE STATEMENT, AS DETERMINED BY THE DEPARTMENT, TO THE DEPARTMENT
12 OR A LAW ENFORCEMENT AGENCY.

13 (D) THE REGISTERED GROWER OR LICENSED PROCESSOR-HANDLER FAILED
14 TO COMPLY WITH AN INSTRUCTION OR ORDER FROM THE DEPARTMENT OR A LAW
15 ENFORCEMENT AGENCY.

16 (2) IF THE DEPARTMENT SUSPENDS A REGISTRATION OR LICENSE, THE
17 DEPARTMENT SHALL NOTIFY THE REGISTERED GROWER OR LICENSED
18 PROCESSOR-HANDLER IN WRITING THAT HIS OR HER REGISTRATION OR
19 LICENSE HAS BEEN SUSPENDED.

20 (3) A PERSON WHOSE GROWER REGISTRATION HAS BEEN SUSPENDED
21 UNDER THIS SECTION SHALL NOT HARVEST OR REMOVE INDUSTRIAL HEMP FROM
22 THE PREMISES WHERE INDUSTRIAL HEMP WAS LOCATED AT THE TIME THE
23 DEPARTMENT ISSUED ITS NOTICE OF SUSPENSION, EXCEPT AS AUTHORIZED IN
24 WRITING BY THE DEPARTMENT.

25 (4) A PERSON WHOSE PROCESSOR-HANDLER LICENSE HAS BEEN
26 SUSPENDED UNDER THIS SECTION SHALL NOT PROCESS OR REMOVE INDUSTRIAL
27 HEMP FROM THE PREMISES WHERE INDUSTRIAL HEMP WAS LOCATED AT THE

1 TIME THE DEPARTMENT ISSUED ITS NOTICE OF SUSPENSION, EXCEPT AS
2 AUTHORIZED IN WRITING BY THE DEPARTMENT.

3 SEC. 13. (1) THE DEPARTMENT SHALL NOT PERMANENTLY REVOKE A
4 REGISTRATION OR LICENSE SUSPENDED UNDER SECTION 12 UNLESS THE
5 DEPARTMENT HAS NOTIFIED THE REGISTERED GROWER OR LICENSED
6 PROCESSOR-HANDLER OF THE ALLEGATION AGAINST HIM OR HER AND GIVEN
7 THE REGISTERED GROWER OR LICENSED PROCESSOR-HANDLER AN OPPORTUNITY
8 FOR A HEARING TO APPEAL THE REVOCATION.

9 (2) THE DEPARTMENT SHALL SCHEDULE A REGISTRATION OR LICENSE
10 REVOCATION HEARING FOR A DATE AS SOON AS PRACTICABLE THAT IS NOT
11 MORE THAN 60 DAYS AFTER THE DATE OF NOTIFICATION OF A REGISTRATION
12 OR LICENSE SUSPENSION.

13 (3) THE DEPARTMENT SHALL CONDUCT THE HEARING REQUIRED UNDER
14 THIS SECTION IN ACCORDANCE WITH THE ADMINISTRATIVE PROCEDURES ACT
15 OF 1969, 1969 PA 306, MCL 24.201 TO 24.328.

16 (4) IF THE DIRECTOR FINDS BY A PREPONDERANCE OF THE EVIDENCE
17 THAT AN ALLEGATION UNDER SECTION 12(1) CONCERNING THE PERSON
18 SUBJECT TO THE REGISTRATION OR LICENSE REVOCATION HEARING IS TRUE,
19 THE DIRECTOR SHALL REVOKE THE REGISTRATION OR LICENSE EFFECTIVE
20 IMMEDIATELY AND THE DEPARTMENT OR A LAW ENFORCEMENT AGENCY SHALL
21 ORDER DESTROYED, OR CONFISCATE, ALL CANNABIS THAT IS IN THE
22 PERSON'S POSSESSION.

23 (5) THE DEPARTMENT OR A LAW ENFORCEMENT AGENCY SHALL NOT OWE
24 COMPENSATION OR INDEMNITY FOR THE VALUE OF THE CANNABIS THAT IS
25 DESTROYED OR CONFISCATED UNDER THIS SECTION.

26 (6) A PERSON WHOSE REGISTRATION OR LICENSE HAS BEEN REVOKED IS
27 BARRED FROM PARTICIPATION IN THE PROGRAM IN ANY CAPACITY FOR A

1 MINIMUM OF 5 YEARS FROM THE DATE ON WHICH THE REGISTRATION OR
2 LICENSE WAS REVOKED.

3 (7) IF THE DIRECTOR DOES NOT FIND BY A PREPONDERANCE OF THE
4 EVIDENCE THAT AN ALLEGATION UNDER SECTION 12(1) CONCERNING THE
5 PERSON SUBJECT TO A REGISTRATION OR LICENSE REVOCATION HEARING IS
6 TRUE, THE DEPARTMENT SHALL LIFT THE SUSPENSION IMPOSED UNDER
7 SECTION 12 WITHIN 24 HOURS.

8 SEC. 14. (1) A GROWER THAT INTENDS TO HARVEST OR DESTROY AN
9 INDUSTRIAL HEMP CROP SHALL SCHEDULE A TEST OF A SAMPLE OF THE CROP
10 BY A TESTING FACILITY, AND THE TESTING FACILITY SHALL TEST THE
11 SAMPLE NOT LESS THAN 15 DAYS BEFORE THE INTENDED HARVEST OR
12 DESTRUCTION DATE.

13 (2) A GROWER WHO HARVESTS OR DESTROYS A CROP BEFORE RECEIVING
14 THE RESULTS OF TESTING UNDER THIS SECTION IS SUBJECT TO SUSPENSION
15 AND REVOCATION OF HIS OR HER REGISTRATION.

16 (3) THE TESTING FACILITY SHALL MEASURE THE THC CONCENTRATION
17 OF EACH SAMPLE COLLECTED UNDER THIS SECTION. THE FOLLOWING APPLY TO
18 THE THC TEST RESULTS:

19 (A) IF THE RESULT OF THE THC TEST INDICATES A DELTA-9-THC
20 CONCENTRATION OF LESS THAN 0.3% ON A DRY WEIGHT BASIS, THE TESTING
21 FACILITY SHALL PROVIDE TO THE GROWER AND TO THE DEPARTMENT A
22 CERTIFIED REPORT STATING THAT RESULT.

23 (B) IF THE RESULT OF THE THC TEST INDICATES A DELTA-9-THC
24 CONCENTRATION THAT IS EQUAL TO OR GREATER THAN 0.3% ON A DRY WEIGHT
25 BASIS, THE GROWER MAY DESTROY THE CROP OR REPEAT THE TESTING AN
26 ADDITIONAL 2 TIMES. THE TESTING FACILITY SHALL PROVIDE TO THE
27 GROWER AND TO THE DEPARTMENT A CERTIFIED REPORT STATING THE RESULT

1 OF EACH TEST PERFORMED UNDER THIS SUBDIVISION.

2 (C) IF A THIRD THC TEST UNDER THIS SUBSECTION INDICATES A
3 DELTA-9-THC CONCENTRATION THAT IS EQUAL TO OR GREATER THAN 0.3%,
4 THE TESTING FACILITY SHALL PROVIDE TO THE GROWER AND TO THE
5 DEPARTMENT A CERTIFIED REPORT STATING THAT RESULT AND THE
6 DEPARTMENT OR A LAW ENFORCEMENT AGENCY SHALL ORDER DESTROYED, OR
7 CONFISCATE, ALL CANNABIS THAT IS IN THE GROWER'S POSSESSION.

8 (4) THE DEPARTMENT SHALL ESTABLISH RULES FOR TESTING UNDER
9 THIS SECTION IN ACCORDANCE WITH THE ADMINISTRATIVE PROCEDURES ACT
10 OF 1969, 1969 PA 306, MCL 24.201 TO 24.328.

11 (5) AN INDIVIDUAL WHO ALLOWS A FALSIFIED SAMPLE OF AN
12 INDUSTRIAL HEMP CROP TO BE TAKEN BY A TESTING FACILITY UNDER THIS
13 SECTION IS GUILTY OF A FELONY AND SHALL BE IMPRISONED FOR NOT LESS
14 THAN 1 YEAR OR MORE THAN 2 YEARS AND SHALL BE FINED \$5,000.00.

15 SEC. 15. (1) BEFORE IMPLEMENTING AN ALTERATION TO A SITE
16 LISTED IN A GROWER'S REGISTRATION, THE GROWER SHALL SUBMIT A SITE
17 MODIFICATION REQUEST FORM, AS PRESCRIBED BY THE DEPARTMENT, AND THE
18 REQUIRED FEE, AS PROVIDED IN SECTION 16, BASED ON THE NUMBER OF
19 REQUESTED ALTERATIONS AND OBTAIN WRITTEN APPROVAL FROM THE
20 DEPARTMENT.

21 (2) THE DEPARTMENT SHALL NOT APPROVE A SITE MODIFICATION
22 REQUEST UNDER THIS SECTION UNLESS THE GROWER HAS PAID THE SITE
23 MODIFICATION FEE IN FULL.

24 SEC. 16. (1) AN APPLICANT FOR A GROWER REGISTRATION OR
25 PROCESSOR-HANDLER LICENSE, OR A REGISTERED GROWER OR LICENSED
26 PROCESSOR-HANDLER, UNDER THIS ACT IS SUBJECT TO THE FOLLOWING FEES,
27 AS APPLICABLE:

1 (A) A GROWER REGISTRATION FEE OF \$100.00.

2 (B) A PROCESSOR-HANDLER LICENSE APPLICATION FEE OF \$1,350.00.

3 (C) A SITE MODIFICATION FEE OF \$50.00 FOR EACH ALTERATION TO A
4 SITE LISTED IN A GROWER REGISTRATION AFTER THE REGISTRATION HAS
5 BEEN ISSUED.

6 (2) ALL FEES UNDER THIS ACT SHALL BE PAID WITH A CHECK OR
7 MONEY ORDER PAYABLE TO THE DEPARTMENT WITHIN 15 DAYS OF INVOICE.

8 (3) A FEE REQUIRED UNDER THIS SECTION IS NONREFUNDABLE.

9 SEC. 17. (1) A PERSON WHO INDIVIDUALLY, OR BY THE ACTION OF
10 HIS OR HER AGENT OR EMPLOYEE, OR AS THE AGENT OR EMPLOYEE OF
11 ANOTHER, VIOLATES THIS ACT OR A RULE PROMULGATED UNDER THIS ACT IS
12 SUBJECT TO AN ADMINISTRATIVE FINE. UPON THE REQUEST OF A PERSON TO
13 WHOM AN ADMINISTRATIVE FINE IS ISSUED, THE DIRECTOR SHALL CONDUCT A
14 HEARING IN ACCORDANCE WITH THE ADMINISTRATIVE PROCEDURES ACT OF
15 1969, 1969 PA 306, MCL 24.201 TO 24.328. THE DEPARTMENT SHALL
16 IMPOSE A FINE AUTHORIZED BY THIS SECTION AS FOLLOWS:

17 (A) FOR A FIRST VIOLATION, NOT LESS THAN \$100.00 OR MORE THAN
18 \$500.00, PLUS ACTUAL COSTS OF THE INVESTIGATION AND DOUBLE THE
19 AMOUNT OF ANY ECONOMIC BENEFIT ASSOCIATED WITH THE VIOLATION.

20 (B) FOR A SECOND VIOLATION WITHIN 5 YEARS AFTER THE FIRST
21 VIOLATION, NOT LESS THAN \$500.00 OR MORE THAN \$1,000.00, PLUS
22 ACTUAL COSTS OF THE INVESTIGATION AND DOUBLE THE AMOUNT OF ANY
23 ECONOMIC BENEFIT ASSOCIATED WITH THE VIOLATION.

24 (C) FOR A THIRD OR SUBSEQUENT VIOLATION WITHIN 5 YEARS AFTER
25 THE DATE OF THE FIRST VIOLATION, NOT LESS THAN \$1,000.00 OR MORE
26 THAN \$2,000.00, PLUS ACTUAL COSTS OF THE INVESTIGATION AND DOUBLE
27 THE AMOUNT OF ANY ECONOMIC BENEFIT ASSOCIATED WITH THE VIOLATION.

1 (2) A DECISION OF THE DIRECTOR UNDER THIS SECTION IS SUBJECT
2 TO JUDICIAL REVIEW AS PROVIDED BY LAW.

3 (3) THE DIRECTOR SHALL ADVISE THE ATTORNEY GENERAL OF THE
4 FAILURE OF ANY PERSON TO PAY AN ADMINISTRATIVE FINE IMPOSED UNDER
5 THIS SECTION. THE ATTORNEY GENERAL SHALL BRING AN ACTION IN A COURT
6 OF COMPETENT JURISDICTION TO RECOVER THE FINE.

7 (4) ANY ADMINISTRATIVE FINE, INVESTIGATION COSTS, OR RECOVERY
8 OF ECONOMIC BENEFIT ASSOCIATED WITH A VIOLATION THAT IS COLLECTED
9 UNDER THIS SECTION SHALL BE PAID TO THE STATE TREASURY AND
10 DEPOSITED INTO THE LICENSING AND REGISTRATION FUND.

11 SEC. 18. THE DEPARTMENT SHALL ESTABLISH RULES FOR THE
12 IMPLEMENTATION OF THIS ACT IN ACCORDANCE WITH THE ADMINISTRATIVE
13 PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328.

14 SEC. 19. A POLITICAL SUBDIVISION OF THIS STATE SHALL NOT ADOPT
15 ANY RULE, REGULATION, CODE, OR ORDINANCE TO RESTRICT OR LIMIT ANY
16 REQUIREMENTS UNDER THIS ACT RELATING TO INDUSTRIAL HEMP. THIS ACT
17 SUPERSEDES AND PREEMPTS ANY RULE, REGULATION, CODE, OR ORDINANCE OF
18 ANY POLITICAL SUBDIVISION OF THIS STATE RELATING TO INDUSTRIAL
19 HEMP.

20 Enacting section 1. This amendatory act takes effect January
21 15, 2019.