

HOUSE BILL No. 6330

September 6, 2018, Introduced by Reps. Lauwers, Johnson, Barrett, Cole and Miller and referred to the Committee on Agriculture.

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, 19, and 20.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE
2 An act to authorize the growing and cultivating of industrial
3 hemp for research **AND DEVELOPMENT** purposes; **TO REQUIRE AND PROVIDE**
4 **FOR THE LICENSING OF CERTAIN PERSONS ENGAGED IN THE GROWING,**
5 **PROCESSING, AND HANDLING OF INDUSTRIAL HEMP; TO PROVIDE FOR THE**
6 **COLLECTION OF FEES;** to authorize the receipt and expenditure of
7 funding for research **AND DEVELOPMENT** related to industrial hemp;
8 ~~and~~ to prescribe the powers and duties of certain state agencies

1 and officials and colleges and universities in this state; **AND TO**
2 **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) "BOARD" MEANS THE INDUSTRIAL HEMP ADVISORY BOARD CREATED
7 IN SECTION 6.

8 (B) "BROKER" MEANS TO ENGAGE OR PARTICIPATE IN THE MARKETING
9 OF HEMP BY ACTING AS AN INTERMEDIARY OR NEGOTIATOR BETWEEN
10 PROSPECTIVE BUYERS AND SELLERS.

11 (C) "CANNABIS" MEANS THE PLANT *Cannabis sativa* L. AND ANY PART
12 OF THAT PLANT, WHETHER GROWING OR NOT.

13 (D) ~~(a)~~ "Department" means the department of agriculture and
14 rural development.

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

17 (E) "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT, OR HIS OR
18 HER DESIGNEE.

19 (F) "GPS COORDINATES" MEANS LATITUDE AND LONGITUDE COORDINATES
20 DERIVED FROM A GLOBAL POSITIONING SYSTEM.

21 (G) "GROW" MEANS TO PLANT, PROPAGATE, GROW, CULTIVATE, OR
22 HARVEST LIVE PLANTS OR VIABLE SEEDS.

23 (H) "GROWER" MEANS A PERSON THAT POSSESSES A GROWER LICENSE
24 ISSUED BY THE DEPARTMENT UNDER THIS ACT.

25 (I) "HANDLE" MEANS TO POSSESS OR STORE INDUSTRIAL HEMP ON
26 PREMISES OWNED, OPERATED, OR CONTROLLED BY A GROWER OR PROCESSOR-
27 HANDLER OR TO TRANSPORT HEMP.

1 (J) "HEMP" MEANS INDUSTRIAL HEMP.

2 (K) ~~(e)~~ "Industrial hemp" means the plant ~~Cannabis sativa~~
3 *Cannabis sativa* L. and any part of ~~the~~ THAT plant, INCLUDING THE
4 VIABLE SEEDS OF THAT PLANT AND ALL DERIVATIVES, EXTRACTS,
5 CANNABINOID, ISOMERS, ACIDS, SALTS, AND SALTS OF ISOMERS, whether
6 growing or not, with a delta-9-tetrahydrocannabinol concentration
7 of not more than 0.3% on a dry weight basis. INDUSTRIAL HEMP
8 INCLUDES INDUSTRIAL HEMP COMMODITIES AND PRODUCTS AND TOPICAL OR
9 INGESTIBLE ANIMAL AND CONSUMER PRODUCTS DERIVED FROM THE PLANT
10 *Cannabis sativa* L. WITH A DELTA-9 TETRAHYDROCANNABINOL
11 CONCENTRATION OF NOT MORE THAN 0.3% ON A DRY WEIGHT BASIS.

12 (I) "LICENSEE" MEANS A GROWER OR A PROCESSOR-HANDLER.

13 (M) "LICENSING FUND" MEANS THE INDUSTRIAL HEMP LICENSING FUND
14 CREATED IN SECTION 5.

15 (N) "LOCATION ID" MEANS THE UNIQUE IDENTIFIER ESTABLISHED BY
16 THE APPLICANT FOR EACH UNIQUE SET OF GPS COORDINATES WHERE HEMP
17 WILL BE GROWN, HANDLED, STORED, PROCESSED, OR BROKERED.

18 (O) "MARKET" MEANS TO PROMOTE OR SELL HEMP OR A HEMP PRODUCT.
19 MARKET INCLUDES, BUT IS NOT LIMITED TO, EFFORTS TO ADVERTISE AND
20 GATHER INFORMATION ABOUT THE NEEDS OR PREFERENCES OF POTENTIAL
21 CONSUMERS OR SUPPLIERS.

22 (P) "NONVIABLE SEED" MEANS SEED THAT HAS BEEN CRUSHED,
23 DEHULLED, HEAT TREATED, OR OTHERWISE RENDERED TO HAVE A 0.0%
24 GERMINATION RATE.

25 (Q) "PERSON" MEANS AN INDIVIDUAL OR BUSINESS ENTITY.

26 (R) "PLOT" MEANS A CONTIGUOUS AREA IN A FIELD, GREENHOUSE, OR
27 INDOOR GROWING STRUCTURE CONTAINING THE SAME VARIETY OF HEMP

1 THROUGHOUT THE AREA.

2 (S) "POSTHARVEST SAMPLE" MEANS A HEMP SAMPLE TAKEN FROM THE
3 HARVESTED HEMP OF A SINGLE HEMP PLOT.

4 (T) "PREHARVEST SAMPLE" MEANS A COMPOSITE AND REPRESENTATIVE
5 HEMP SAMPLE TAKEN FROM PLANTS IN A SINGLE HEMP PLOT THAT HAS NOT
6 BEEN HARVESTED.

7 (U) "PROCESS" MEANS TO CONVERT RAW HEMP INTO A MARKETABLE
8 FORM.

9 (V) "PROCESSOR-HANDLER" MEANS A PERSON THAT POSSESSES A
10 PROCESSOR-HANDLER LICENSE ISSUED BY THE DEPARTMENT UNDER THIS ACT.

11 (W) "PROGRAM" MEANS THE INDUSTRIAL HEMP LICENSING PROGRAM
12 ESTABLISHED BY THIS ACT.

13 (X) "PROPAGULE" MEANS A PLANT OR PLANT PART THAT IS UTILIZED
14 TO GROW A NEW PLANT.

15 (Y) "RESEARCH FUND" MEANS THE INDUSTRIAL HEMP RESEARCH AND
16 DEVELOPMENT FUND CREATED IN SECTION 4.

17 (Z) "SECONDARY PREHARVEST SAMPLE" MEANS A PREHARVEST SAMPLE
18 THAT IS TAKEN FROM A SINGLE HEMP PLOT ON A DATE AFTER THE DATE ON
19 WHICH AN INITIAL PREHARVEST SAMPLE WAS TAKEN.

20 (AA) "THC" MEANS TETRAHYDROCANNABINOL.

21 (BB) "VARIETY" MEANS A SUBDIVISION OF A SPECIES THAT HAS THE
22 FOLLOWING CHARACTERISTICS:

23 (i) THE SUBDIVISION IS UNIFORM, IN THE SENSE THAT VARIATIONS
24 BETWEEN THE SUBDIVISION AND OTHER SUBDIVISIONS IN ESSENTIAL AND
25 DISTINCTIVE CHARACTERISTICS ARE DESCRIBABLE.

26 (ii) THE SUBDIVISION IS DISTINCT, IN THE SENSE THAT THE
27 SUBDIVISION CAN BE DIFFERENTIATED BY 1 OR MORE IDENTIFIABLE

1 MORPHOLOGICAL, PHYSIOLOGICAL, OR OTHER CHARACTERISTICS FROM ALL
2 OTHER KNOWN SUBDIVISIONS.

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

5 (CC) "VIABLE SEED" MEANS SEED THAT HAS A GERMINATION RATE OF
6 GREATER THAN 0.0%.

7 (DD) "VOLUNTEER CANNABIS PLANT" MEANS A CANNABIS PLANT THAT IS
8 NOT INTENTIONALLY PLANTED AND GROWS OF ITS OWN ACCORD FROM SEEDS OR
9 ROOTS IN THE YEARS FOLLOWING AN INTENTIONALLY PLANTED CANNABIS
10 CROP.

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

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

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

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

26 (2) The state treasurer may receive money or other assets from
27 any source for deposit into the **RESEARCH** fund, including federal

1 research grants. The state treasurer shall direct the investment of
2 the **RESEARCH** fund. The state treasurer shall credit to the **RESEARCH**
3 fund interest and earnings from **RESEARCH** fund investments.

4 (3) Money in the **RESEARCH** fund at the close of the fiscal year
5 shall remain in the **RESEARCH** fund and shall not lapse to the
6 general fund.

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

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

11 (a) Research into growing or cultivating, or both, industrial
12 hemp.

13 (b) Providing grants to colleges or universities in this state
14 to conduct research into growing or cultivating, or both,
15 industrial hemp.

16 **SEC. 5. (1) THE DEPARTMENT SHALL ESTABLISH AN INDUSTRIAL HEMP**
17 **LICENSING PROGRAM OPERATED AND ADMINISTERED BY THE DEPARTMENT.**

18 **(2) THE DEPARTMENT SHALL ESTABLISH RULES FOR THE**
19 **IMPLEMENTATION OF THIS ACT IN ACCORDANCE WITH THE ADMINISTRATIVE**
20 **PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328.**

21 **(3) THE INDUSTRIAL HEMP LICENSING FUND IS CREATED WITHIN THE**
22 **STATE TREASURY.**

23 **(4) THE STATE TREASURER MAY RECEIVE LICENSE FEES AND**
24 **ADMINISTRATIVE FINES UNDER THIS ACT FOR DEPOSIT INTO THE LICENSING**
25 **FUND. THE STATE TREASURER MAY ALSO RECEIVE MONEY OR OTHER ASSETS**
26 **FROM ANY OTHER SOURCE FOR DEPOSIT INTO THE LICENSING FUND. THE**
27 **STATE TREASURER SHALL CREDIT TO THE LICENSING FUND INTEREST AND**

1 EARNINGS FROM LICENSING FUND INVESTMENTS.

2 (5) THE DEPARTMENT SHALL EXPEND MONEY FROM THE LICENSING FUND
3 TO ADMINISTER AND CARRY OUT THE DUTIES REQUIRED BY THIS ACT.

4 (6) MONEY IN THE LICENSING FUND AT THE CLOSE OF THE FISCAL
5 YEAR SHALL REMAIN IN THE LICENSING FUND AND SHALL NOT LAPSE TO THE
6 GENERAL FUND.

7 (7) THE DEPARTMENT SHALL BE THE ADMINISTRATOR OF THE LICENSING
8 FUND FOR AUDITING PURPOSES.

9 SEC. 6. (1) THE INDUSTRIAL HEMP ADVISORY BOARD IS CREATED
10 WITHIN THE DEPARTMENT TO ADVISE THE DEPARTMENT WITH RESPECT TO
11 POLICIES AND PROCEDURES APPLICABLE TO THE ADMINISTRATION OF THIS
12 ACT.

13 (2) THE BOARD SHALL CONSIST OF THE FOLLOWING MEMBERS:

14 (A) THE DIRECTOR OR HIS OR HER DESIGNEE.

15 (B) THE DIRECTOR OF THE DEPARTMENT OF LICENSING AND REGULATORY
16 AFFAIRS OR HIS OR HER DESIGNEE.

17 (C) THE DIRECTOR OF MICHIGAN STATE UNIVERSITY AGBIORESEARCH,
18 OR A SUCCESSOR ENTITY, OR HIS OR HER DESIGNEE.

19 (D) THE DIRECTOR OF THE DEPARTMENT OF STATE POLICE OR HIS OR
20 HER DESIGNEE.

21 (E) THE PRESIDENT OF THE MICHIGAN SHERIFFS' ASSOCIATION, OR A
22 SUCCESSOR ENTITY, OR HIS OR HER DESIGNEE.

23 (F) THE PRESIDENT OF THE MICHIGAN ASSOCIATION OF CHIEFS OF
24 POLICE, OR A SUCCESSOR ENTITY, OR HIS OR HER DESIGNEE.

25 (G) EIGHT AT-LARGE MEMBERS APPOINTED BY THE DIRECTOR IN
26 ACCORDANCE WITH THE FOLLOWING:

27 (i) ONE OR MORE MEMBERS WHO REPRESENT HEMP GRAIN, FIBER, OR

1 SEED GROWERS.

2 (ii) ONE OR MORE MEMBERS WHO REPRESENT HEMP GRAIN OR FIBER
3 PROCESSOR-HANDLERS.

4 (iii) ONE OR MORE MEMBERS WHO REPRESENT HEMP PHYTOCANNABINOID
5 GROWERS.

6 (iv) ONE OR MORE MEMBERS WHO REPRESENT HEMP PHYTOCANNABINOID
7 PROCESSOR-HANDLERS.

8 (3) THE DIRECTOR OR HIS OR HER DESIGNEE SHALL SERVE AS CHAIR
9 OF THE BOARD.

10 (4) THE BOARD SHALL MEET AT LEAST 1 TIME ANNUALLY AT THE CALL
11 OF THE CHAIR.

12 (5) IN MAKING THE INITIAL APPOINTMENTS TO THE BOARD FOR AT-
13 LARGE MEMBERS, THE DIRECTOR SHALL STAGGER THE TERMS OF THE AT-LARGE
14 MEMBERS. AFTER THE INITIAL TERM, AT-LARGE MEMBERS SHALL BE
15 APPOINTED TO A TERM OF 4 YEARS.

16 (6) AN AT-LARGE MEMBER SHALL SERVE UNTIL HIS OR HER TERM
17 EXPIRES OR UNTIL A SUCCESSOR IS APPOINTED IN THE EVENT OF A
18 VACANCY. IF A VACANCY OCCURS, THE DIRECTOR SHALL APPOINT A NEW
19 MEMBER MEETING THE QUALIFICATIONS OF THE MEMBER VACATING THE
20 POSITION TO SERVE THE REMAINDER OF THE UNEXPIRED TERM OF THE
21 VACATING MEMBER.

22 (7) THE DIRECTOR SHALL HAVE THE AUTHORITY TO REMOVE AN AT-
23 LARGE MEMBER FROM THE BOARD.

24 (8) A BOARD MEMBER SHALL NOT RECEIVE COMPENSATION BUT SHALL BE
25 REIMBURSED, PAYABLE FROM THE LICENSING FUND, FOR ACTUAL TRAVEL
26 EXPENSES INCURRED WHILE ATTENDING A MEETING OF THE BOARD.

27 SEC. 7. (1) EXCEPT FOR A COLLEGE OR UNIVERSITY IN THIS STATE,

1 A PERSON SHALL NOT GROW INDUSTRIAL HEMP IN THIS STATE UNLESS THE
2 PERSON IS LICENSED UNDER THIS ACT. A PERSON OTHER THAN A COLLEGE OR
3 UNIVERSITY IN THIS STATE THAT WISHES TO GROW INDUSTRIAL HEMP IN
4 THIS STATE SHALL APPLY TO THE DEPARTMENT FOR A GROWER LICENSE.

5 (2) AN APPLICATION FOR A GROWER LICENSE SHALL INCLUDE, BUT IS
6 NOT LIMITED TO, THE FOLLOWING:

7 (A) A COMPLETED APPLICATION FORM THAT INCLUDES, BUT IS NOT
8 LIMITED TO, THE FOLLOWING INFORMATION:

9 (i) THE APPLICANT'S FULL NAME, BIRTH DATE, MAILING ADDRESS,
10 TELEPHONE NUMBER, AND VALID AND MONITORED ELECTRONIC MAIL ADDRESS.

11 (ii) IF THE APPLICANT REPRESENTS A BUSINESS ENTITY, THE FULL
12 NAME OF THE BUSINESS ENTITY, THE BUSINESS ENTITY'S MAILING ADDRESS,
13 AND THE FULL NAME OF THE APPLICANT WHO WILL HAVE SIGNING AUTHORITY
14 ON BEHALF OF THE BUSINESS ENTITY, INCLUDING HIS OR HER BIRTH DATE,
15 TITLE, AND VALID AND MONITORED ELECTRONIC MAIL ADDRESS.

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

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

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

25 (A) .

26 (C) A RESEARCH PLAN RELATED TO THE GROWING OF INDUSTRIAL HEMP.

27 (D) THE RESULTS OF A CRIMINAL BACKGROUND CHECK CONDUCTED IN

1 ACCORDANCE WITH SECTION 9.

2 (E) A GROWER LICENSE APPLICATION FEE AS PROVIDED IN SECTION
3 19.

4 (3) AN INITIAL GROWER LICENSE APPLICATION MAY BE SUBMITTED AT
5 ANY TIME. AN INITIAL GROWER LICENSE ISSUED BY THE DEPARTMENT
6 EXPIRES AT MIDNIGHT ON NOVEMBER 30 IN THE YEAR IN WHICH IT IS
7 ISSUED.

8 (4) OTHER THAN AN INITIAL GROWER LICENSE, A GROWER LICENSE IS
9 VALID FOR 1 YEAR BEGINNING ON DECEMBER 1 AND EXPIRES AT MIDNIGHT ON
10 NOVEMBER 30 EACH YEAR.

11 (5) THE DEPARTMENT SHALL NOT ISSUE A GROWER LICENSE
12 APPLICATION TO RENEW AN EXISTING GROWER LICENSE EARLIER THAN
13 OCTOBER 1.

14 (6) IF A LICENSE APPLICATION TO RENEW AN EXISTING GROWER
15 LICENSE IS POSTMARKED LATER THAN NOVEMBER 30, THE APPLICATION SHALL
16 BE SUBJECT TO A LATE FEE OF \$250.00.

17 (7) A COMPLETED APPLICATION AND SUPPORTING DOCUMENTS SUBMITTED
18 TO THE DEPARTMENT UNDER THIS SECTION ARE EXEMPT FROM DISCLOSURE
19 UNDER THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO
20 15.246.

21 SEC. 8. (1) EXCEPT FOR A COLLEGE OR UNIVERSITY IN THIS STATE,
22 A PERSON SHALL NOT PROCESS, BROKER, OR MARKET HEMP IN THIS STATE
23 UNLESS THEY ARE LICENSED UNDER THIS ACT. A PERSON OTHER THAN A
24 COLLEGE OR UNIVERSITY IN THIS STATE THAT WISHES TO PROCESS, BROKER,
25 OR MARKET HEMP IN THIS STATE SHALL APPLY TO THE DEPARTMENT FOR A
26 PROCESSOR-HANDLER LICENSE.

27 (2) AN APPLICATION FOR A PROCESSOR-HANDLER LICENSE SHALL

1 INCLUDE, BUT IS NOT LIMITED TO, THE FOLLOWING:

2 (A) A COMPLETED APPLICATION FORM THAT INCLUDES, BUT IS NOT
3 LIMITED TO, THE FOLLOWING INFORMATION:

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

6 (ii) IF THE APPLICANT REPRESENTS A BUSINESS ENTITY, THE FULL
7 NAME OF THE BUSINESS ENTITY, THE BUSINESS ENTITY'S MAILING ADDRESS,
8 AND THE FULL NAME OF THE APPLICANT WHO WILL HAVE SIGNING AUTHORITY
9 ON BEHALF OF THE BUSINESS ENTITY, INCLUDING HIS OR HER BIRTH DATE,
10 TITLE, AND VALID AND MONITORED ELECTRONIC MAIL ADDRESS.

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

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

18 (C) A RESEARCH PLAN RELATED TO THE MARKETING OF INDUSTRIAL
19 HEMP.

20 (D) THE RESULTS OF A CRIMINAL BACKGROUND CHECK CONDUCTED IN
21 ACCORDANCE WITH SECTION 9.

22 (E) A PROCESSOR-HANDLER LICENSE APPLICATION FEE AS PROVIDED IN
23 SECTION 19.

24 (3) AN INITIAL PROCESSOR-HANDLER LICENSE APPLICATION MAY BE
25 SUBMITTED AT ANY TIME. AN INITIAL PROCESSOR-HANDLER LICENSE ISSUED
26 BY THE DEPARTMENT EXPIRES AT MIDNIGHT ON NOVEMBER 30 IN THE YEAR IN
27 WHICH IT IS ISSUED.

1 (4) OTHER THAN AN INITIAL PROCESSOR-HANDLER LICENSE, A
2 PROCESSOR-HANDLER LICENSE IS VALID FOR 1 YEAR BEGINNING ON DECEMBER
3 1.

4 (5) THE DEPARTMENT SHALL NOT ISSUE A PROCESSOR-HANDLER LICENSE
5 APPLICATION TO RENEW AN EXISTING PROCESSOR-HANDLER LICENSE EARLIER
6 THAN OCTOBER 1.

7 (6) IF A LICENSE APPLICATION TO RENEW AN EXISTING PROCESSOR-
8 HANDLER LICENSE IS POSTMARKED LATER THAN NOVEMBER 30, THE
9 APPLICATION SHALL BE SUBJECT TO A LATE FEE OF \$250.00.

10 (7) A COMPLETED APPLICATION AND SUPPORTING DOCUMENTS SUBMITTED
11 TO THE DEPARTMENT UNDER THIS SECTION ARE EXEMPT FROM DISCLOSURE
12 UNDER THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO
13 15.246.

14 SEC. 9. (1) A LICENSE APPLICANT SHALL UNDERGO AND PAY FOR A
15 CRIMINAL BACKGROUND CHECK CONDUCTED BY A STATE OR FEDERAL LAW
16 ENFORCEMENT AGENCY SELECTED BY THE DEPARTMENT AND ENSURE DELIVERY
17 OF THE REPORT TO THE DEPARTMENT.

18 (2) THE DEPARTMENT SHALL NOT ACCEPT A REPORT FROM A CRIMINAL
19 BACKGROUND CHECK THAT WAS CONDUCTED MORE THAN 3 MONTHS BEFORE THE
20 RECEIPT OF A LICENSE APPLICATION.

21 (3) THE SUBSTITUTION OF AN INDIVIDUAL WITH SIGNING AUTHORITY
22 REQUIRES APPROVAL FROM THE DEPARTMENT AND THE SUBMISSION OF A
23 CURRENT CRIMINAL BACKGROUND CHECK FOR THE SUBSTITUTE INDIVIDUAL.

24 SEC. 10. (1) THE DEPARTMENT SHALL ISSUE A LICENSE OR DENY AN
25 APPLICATION SUBMITTED UNDER THIS ACT IN A TIMELY MANNER. THE
26 DEPARTMENT SHALL DENY A LICENSE APPLICATION IF THE APPLICATION IS
27 INCOMPLETE OR IF ANY OF THE FOLLOWING APPLY:

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

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

4 (C) THE APPLICANT'S CRIMINAL BACKGROUND REPORT INDICATES
5 EITHER OF THE FOLLOWING WITHIN THE 10 YEARS PRECEDING THE ISSUE
6 DATE OF THE BACKGROUND CHECK:

7 (i) A FELONY CONVICTION.

8 (ii) A DRUG-RELATED MISDEMEANOR CONVICTION OR VIOLATION.

9 (D) THE APPLICANT HAS NOT DEMONSTRATED, AS DETERMINED BY THE
10 DIRECTOR, A WILLINGNESS TO COMPLY WITH THE DEPARTMENT'S RULES,
11 INSTRUCTIONS FROM THE DEPARTMENT, OR INSTRUCTIONS FROM A LAW
12 ENFORCEMENT AGENCY.

13 (E) THE APPLICANT IS DELINQUENT IN MAKING A REQUIRED REPORT OR
14 PAYMENT TO THE DEPARTMENT IN CONNECTION WITH THE APPLICANT'S
15 INVOLVEMENT WITH THE PROGRAM OR ANY OTHER PROGRAM WITHIN THE
16 DEPARTMENT.

17 (F) THE APPLICANT HAS UNPAID FEES, FINES, OR CIVIL PENALTIES
18 OWED TO THE DEPARTMENT UNDER THIS ACT.

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

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

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

1 DEFICIENCY AND REQUESTING ADDITIONAL INFORMATION.

2 (3) THE DEPARTMENT MAY APPROVE AN ACREAGE OR SQUARE FOOTAGE
3 THAT IS EQUAL TO, GREATER THAN, OR LESS THAN THE ACREAGE OR SQUARE
4 FOOTAGE STATED IN THE APPLICATION FOR A GROWER LICENSE.

5 SEC. 11. (1) IF THE DEPARTMENT DENIES A LICENSE APPLICATION
6 UNDER THIS ACT, THE DEPARTMENT SHALL NOTIFY THE APPLICANT OF THE
7 DENIAL IN WRITING BY LETTER OR ELECTRONIC MAIL.

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

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

15 SEC. 12. (1) A GROWER CONSENTS TO ALL OF THE FOLLOWING:

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

20 (B) COLLECTION BY THE DEPARTMENT OF SAMPLES OF CANNABIS
21 MATERIAL IN POSSESSION OF THE GROWER AT ANY TIME.

22 (C) FORFEITURE AND DESTRUCTION OF ANY OF THE FOLLOWING,
23 WITHOUT COMPENSATION:

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

26 (ii) HEMP PRESENT AT A LOCATION THAT IS NOT LICENSED BY THE
27 DEPARTMENT.

1 (iii) HEMP THAT IS NOT ACCOUNTED FOR IN REQUIRED REPORTING TO
2 THE DEPARTMENT.

3 (iv) HEMP THAT IS GROWN, HANDLED, OR STORED IN A MANNER THAT
4 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 HEMP FOR PURPOSES OTHER THAN
9 RESEARCH INTO THE GROWING OF HEMP.

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

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

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

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

20 (F) SELL OR TRANSPORT, OR PERMIT THE SALE OR TRANSPORT OF,
21 LIVING HEMP PLANTS, VIABLE HEMP SEEDS, HEMP LEAF MATERIAL, OR HEMP
22 FLORAL MATERIAL TO A LOCATION NOT LISTED IN HIS OR HER LICENSE OR
23 TO A PERSON IN THIS STATE WHO IS NOT A GROWER OR PROCESSOR-HANDLER.

24 (G) ALLOW PUBLIC ACCESS TO OR ACTIVITIES ON A HEMP GROWING
25 SITE, INCLUDING, BUT NOT LIMITED TO, THE OPERATION OF A HEMP MAZE.

26 (H) GROW, HANDLE, OR STORE HEMP IN AN OUTDOOR FIELD OR SITE
27 THAT IS LOCATED WITHIN 1,000 FEET OF A SCHOOL OR A PUBLIC

1 RECREATIONAL AREA.

2 (3) A GROWER SHALL DO ALL OF THE FOLLOWING:

3 (A) POST SIGNAGE IN AT LEAST 1 CONSPICUOUS LOCATION AT EACH
4 GROWING LOCATION. THE SIGNAGE SHALL INCLUDE THE FOLLOWING:

5 (i) THE STATEMENT, "INDUSTRIAL HEMP LICENSED BY THE MICHIGAN
6 DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT".

7 (ii) THE LICENSE HOLDER'S NAME.

8 (iii) THE LICENSE HOLDER'S LICENSE NUMBER.

9 (B) SCOUT AND MONITOR PREVIOUSLY LICENSED GROWING SITES FOR
10 VOLUNTEER CANNABIS PLANTS AND DESTROY THOSE PLANTS. THE GROWER MUST
11 CONTINUE THIS ACTIVITY FOR 3 YEARS FROM THE DATE A PLANTING ON THE
12 SITE WAS LAST REPORTED TO THE DEPARTMENT.

13 (C) NOTIFY THE DEPARTMENT OF ANY INTERACTION WITH LAW
14 ENFORCEMENT CONCERNING THE REQUIREMENTS OF THIS ACT WITHIN 72 HOURS
15 BY TELEPHONE AND IN WRITING WITHIN 7 CALENDAR DAYS OF THE
16 INTERACTION.

17 (D) NOTIFY THE DEPARTMENT OF A THEFT OF HEMP, WHETHER GROWING
18 OR NOT WITHIN 24 HOURS OF DISCOVERING THE THEFT.

19 (E) SUBMIT ALL REPORTS IN A TIMELY MANNER AS REQUIRED UNDER
20 THIS ACT.

21 (F) BEFORE IMPLEMENTING A CHANGE TO THE LICENSED SITES
22 INCLUDED IN THE GROWER LICENSE, SUBMIT A SITE MODIFICATION REQUEST
23 FORM AND THE REQUIRED FEES, AS DESCRIBED IN SECTION 19, BASED ON
24 THE REQUESTED CHANGES AND OBTAIN PRIOR WRITTEN APPROVAL FROM THE
25 DEPARTMENT.

26 (G) UPON REQUEST FROM THE DEPARTMENT OR A LAW ENFORCEMENT
27 AGENCY, IMMEDIATELY PRODUCE A COPY OF HIS OR HER LICENSE FOR

1 INSPECTION.

2 (4) A GROWER MAY TRANSFER UP TO 1 POUND OF HEMP PER TRANSFER
3 TO A TESTING LABORATORY FOR THE PURPOSE OF MEASURING THC,
4 CANNABIDIOL, OR OTHER PHYTOCANNABINOID LEVELS.

5 (5) A GROWER MAY SELL HARVESTED HEMP TO A PROCESSING FACILITY
6 LICENSED UNDER THE MEDICAL MARIHUANA FACILITIES LICENSING ACT, 2016
7 PA 281, MCL 333.27101 TO 333.27801. IF A GROWER INTENDS TO SELL
8 HARVESTED HEMP TO A FACILITY DESCRIBED IN THIS SUBSECTION, THE
9 GROWER MUST APPLY FOR THAT DESIGNATION ON HIS OR HER GROWER LICENSE
10 APPLICATION. BEFORE SELLING HARVESTED HEMP TO A FACILITY DESCRIBED
11 IN THIS SUBSECTION, THE GROWER SHALL ENTER THE SALE INTO THE SEED-
12 TO-SALE TRACKING SYSTEM ESTABLISHED UNDER SECTION 3 OF THE
13 MARIHUANA TRACKING ACT, 2016 PA 282, MCL 333.27903.

14 SEC. 13. (1) A PROCESSOR-HANDLER CONSENTS TO ALL OF THE
15 FOLLOWING:

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

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

22 (C) FORFEITURE AND DESTRUCTION OF ANY OF THE FOLLOWING,
23 WITHOUT COMPENSATION:

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

26 (ii) HEMP PRESENT AT A LOCATION THAT IS NOT LICENSED BY THE
27 DEPARTMENT.

1 (iii) HEMP THAT IS NOT ACCOUNTED FOR IN REQUIRED REPORTING TO
2 THE DEPARTMENT.

3 (iv) HEMP THAT IS PROCESSED, HANDLED, STORED, OR BROKERED IN A
4 MANNER THAT VIOLATES THIS ACT.

5 (v) LIVE HEMP PLANTS UNLESS THE LICENSEE IS ALSO LICENSED AS A
6 GROWER.

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

9 (2) A PROCESSOR-HANDLER SHALL NOT DO ANY OF THE FOLLOWING:

10 (A) PROCESS, HANDLE, STORE, OR BROKER HEMP FOR PURPOSES OTHER
11 THAN RESEARCH INTO THE MARKETING OF HEMP.

12 (B) PROCESS, HANDLE, STORE, OR BROKER HEMP IN A LOCATION OTHER
13 THAN THE LOCATION LISTED IN HIS OR HER PROCESSOR-HANDLER LICENSE.

14 (C) PROCESS, HANDLE, STORE, OR BROKER HEMP ON LAND OR WITHIN A
15 STRUCTURE OR VEHICLE THAT IS NOT OWNED OR COMPLETELY CONTROLLED BY
16 THE PROCESSOR-HANDLER.

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

22 (3) A PROCESSOR-HANDLER SHALL DO ALL OF THE FOLLOWING:

23 (A) NOTIFY THE DEPARTMENT OF ANY INTERACTION WITH LAW
24 ENFORCEMENT CONCERNING THE REQUIREMENTS OF THIS ACT WITHIN 72 HOURS
25 BY TELEPHONE AND IN WRITING WITHIN 7 CALENDAR DAYS OF THE
26 INTERACTION.

27 (B) NOTIFY THE DEPARTMENT OF A THEFT OF HEMP MATERIAL WITHIN

1 24 HOURS OF DISCOVERING THE THEFT.

2 (C) SUBMIT ALL REPORTS IN A TIMELY MANNER AS REQUIRED UNDER
3 THIS ACT.

4 (D) BEFORE IMPLEMENTING A CHANGE TO THE LICENSED SITES
5 INCLUDED IN THE PROCESSOR-HANDLER LICENSE, SUBMIT A SITE
6 MODIFICATION REQUEST FORM AND THE REQUIRED FEES, AS DESCRIBED IN
7 SECTION 19, BASED ON THE REQUESTED CHANGES AND OBTAIN PRIOR WRITTEN
8 APPROVAL FROM THE DEPARTMENT.

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

12 (4) A PROCESSOR-HANDLER MAY TRANSFER UP TO 1 POUND OF HEMP PER
13 TRANSFER TO A TESTING LABORATORY FOR THE PURPOSE OF MEASURING THC,
14 CANNABIDIOL, OR OTHER PHYTOCANNABINOID LEVELS.

15 SEC. 14. (1) IF ANY OF THE FOLLOWING ALLEGATIONS ARE MADE
16 CONCERNING A LICENSEE, THE DEPARTMENT SHALL SUSPEND HIS OR HER
17 LICENSE FOR NOT MORE THAN 60 DAYS:

18 (A) THE LICENSEE PLED GUILTY TO, OR WAS CONVICTED OF, A FELONY
19 OR DRUG-RELATED MISDEMEANOR OR VIOLATION.

20 (B) THE LICENSEE INTENTIONALLY GREW OR WAS IN POSSESSION OF
21 CANNABIS WITH A DELTA-9-THC CONTENT GREATER THAN 0.3% ON A DRY
22 WEIGHT BASIS.

23 (C) THE LICENSEE VIOLATED A PROVISION OF THIS ACT.

24 (D) THE LICENSEE MADE A FALSE STATEMENT, AS DETERMINED BY THE
25 DEPARTMENT, TO THE DEPARTMENT OR A LAW ENFORCEMENT AGENCY.

26 (E) THE LICENSEE FAILED TO COMPLY WITH AN INSTRUCTION OR ORDER
27 FROM THE DEPARTMENT OR A LAW ENFORCEMENT AGENCY.

1 (2) IF THE DEPARTMENT SUSPENDS A LICENSE, THE DEPARTMENT SHALL
2 NOTIFY THE LICENSEE IN WRITING THAT HIS OR HER LICENSE HAS BEEN
3 SUSPENDED.

4 (3) A PERSON WHOSE GROWER LICENSE HAS BEEN SUSPENDED UNDER
5 THIS SECTION SHALL NOT HARVEST OR REMOVE HEMP FROM THE PREMISES
6 WHERE HEMP WAS LOCATED AT THE TIME THE DEPARTMENT ISSUED ITS NOTICE
7 OF SUSPENSION, EXCEPT AS AUTHORIZED IN WRITING BY THE DEPARTMENT.

8 (4) A PERSON WHOSE PROCESSOR-HANDLER LICENSE HAS BEEN
9 SUSPENDED UNDER THIS SECTION SHALL NOT PROCESS OR REMOVE HEMP FROM
10 THE PREMISES WHERE HEMP WAS LOCATED AT THE TIME THE DEPARTMENT
11 ISSUED ITS NOTICE OF SUSPENSION, EXCEPT AS AUTHORIZED IN WRITING BY
12 THE DEPARTMENT.

13 (5) AFTER ISSUING A NOTIFICATION OF LICENSE SUSPENSION, THE
14 DEPARTMENT SHALL INSPECT THE LICENSEE'S PREMISES AND PERFORM AN
15 INVENTORY OF ALL HEMP THAT IS IN THE LICENSEE'S POSSESSION.

16 SEC. 15. (1) THE DEPARTMENT SHALL NOT PERMANENTLY REVOKE A
17 LICENSE SUSPENDED UNDER SECTION 14 UNLESS THE DEPARTMENT HAS
18 NOTIFIED THE LICENSEE OF THE ALLEGATION AGAINST HIM OR HER AND
19 GIVEN THE LICENSEE AN OPPORTUNITY FOR A HEARING TO APPEAL THE
20 REVOCATION.

21 (2) THE DEPARTMENT SHALL SCHEDULE A LICENSE REVOCATION HEARING
22 FOR A DATE AS SOON AS PRACTICABLE THAT IS NOT MORE THAN 60 DAYS
23 AFTER THE DATE OF NOTIFICATION OF A LICENSE SUSPENSION.

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

27 (4) IF THE DIRECTOR FINDS THAT IT IS MORE LIKELY THAN NOT THAT

1 AN ALLEGATION UNDER SECTION 14(1) CONCERNING THE PERSON SUBJECT TO
2 THE LICENSE REVOCATION HEARING IS TRUE, THE DIRECTOR SHALL REVOKE
3 THE LICENSE EFFECTIVE IMMEDIATELY AND THE DEPARTMENT OR A LAW
4 ENFORCEMENT AGENCY SHALL ORDER DESTROYED, OR CONFISCATE, ALL
5 CANNABIS THAT IS IN THE PERSON'S POSSESSION.

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

9 (6) A PERSON WHOSE LICENSE HAS BEEN REVOKED IS BARRED FROM
10 PARTICIPATION IN THE PROGRAM IN ANY CAPACITY FOR A MINIMUM OF 5
11 YEARS FROM THE DATE ON WHICH THE LICENSE WAS REVOKED.

12 (7) IF THE DIRECTOR DOES NOT FIND THAT IT IS MORE LIKELY THAN
13 NOT THAT AN ALLEGATION UNDER SECTION 14(1) CONCERNING THE PERSON
14 SUBJECT TO A LICENSE REVOCATION HEARING IS TRUE, THE DEPARTMENT
15 SHALL LIFT THE SUSPENSION IMPOSED UNDER SECTION 14 WITHIN 24 HOURS.

16 SEC. 16. (1) A GROWER THAT INTENDS TO HARVEST OR DESTROY A
17 HEMP CROP SHALL SUBMIT TO THE DEPARTMENT A COMPLETE AND CURRENT
18 HARVEST OR DESTRUCTION REPORT. THE GROWER SHALL SUBMIT THE HARVEST
19 OR DESTRUCTION REPORT NOT LESS THAN 15 DAYS BEFORE THE INTENDED
20 HARVEST OR DESTRUCTION DATE. THE REPORT SHALL BE SUBMITTED ON A
21 FORM PROVIDED BY THE DIRECTOR.

22 (2) UPON THE DEPARTMENT'S RECEIPT OF A HARVEST OR DESTRUCTION
23 REPORT FROM A GROWER, THE DEPARTMENT SHALL SCHEDULE A PREHARVEST
24 SAMPLE COLLECTION TO BE PERFORMED BY THE DEPARTMENT ON A DATE
25 DETERMINED BY THE DEPARTMENT AND COMMUNICATED TO THE GROWER. A
26 GROWER WHO HARVESTS OR DESTROYS A CROP BEFORE A PREHARVEST SAMPLE
27 IS COLLECTED BY THE DEPARTMENT IS SUBJECT TO SUSPENSION AND

1 REVOCATION OF HIS OR HER LICENSE.

2 (3) DURING THE DEPARTMENT'S SCHEDULED PREHARVEST SAMPLE
3 COLLECTION, ALL OF THE FOLLOWING APPLY:

4 (A) THE GROWER OR AN AUTHORIZED REPRESENTATIVE SHALL BE
5 PRESENT AT THE GROWING SITE.

6 (B) THE GROWER SHALL PROVIDE THE DEPARTMENT WITH COMPLETE AND
7 UNRESTRICTED ACCESS TO ALL CANNABIS, WHETHER GROWING OR HARVESTED,
8 ALL LAND, BUILDINGS, AND OTHER STRUCTURES USED FOR GROWING,
9 HANDLING, AND STORAGE OF CANNABIS, AND ALL LOCATIONS LISTED IN THE
10 GROWER LICENSE.

11 (C) THE CANNABIS TO BE SELECTED FOR PREHARVEST SAMPLING SHALL
12 BE DETERMINED SOLELY BY THE DEPARTMENT.

13 (D) THE DEPARTMENT SHALL COLLECT AND RETAIN SAMPLES FROM EACH
14 PLOT A GROWER INTENDS TO HARVEST OR DESTROY.

15 (4) UNLESS OTHERWISE AND SPECIFICALLY AUTHORIZED IN WRITING BY
16 THE DEPARTMENT, A GROWER SHALL HARVEST OR DESTROY A CROP FROM WHICH
17 A PREHARVEST SAMPLE WAS COLLECTED NOT MORE THAN 15 DAYS AFTER THE
18 DATE OF THE SAMPLE COLLECTION.

19 (5) IF A GROWER FAILS TO COMPLETE THE REPORTED HARVEST OR
20 DESTRUCTION WITHIN 15 DAYS AFTER THE DEPARTMENT COLLECTS A
21 PREHARVEST SAMPLE, THE GROWER SHALL SUBMIT A NEW HARVEST OR
22 DESTRUCTION REPORT AND THE DEPARTMENT MAY ORDER A SECONDARY
23 PREHARVEST SAMPLE OF THE PLOT. IF THE DEPARTMENT ORDERS A SECONDARY
24 PREHARVEST SAMPLE, THE FOLLOWING APPLY:

25 (A) BEFORE THE DEPARTMENT COLLECTS THE SAMPLE, THE DEPARTMENT
26 SHALL ASSESS AGAINST THE GROWER A SECONDARY PREHARVEST SAMPLE FEE
27 PER PLOT AS PROVIDED UNDER SECTION 19.

1 (B) A GROWER SHALL NOT HARVEST ANY REMAINING CROP UNTIL THE
2 DEPARTMENT COLLECTS A SECONDARY PREHARVEST SAMPLE.

3 (6) THE DEPARTMENT SHALL MEASURE THE THC CONCENTRATION OF EACH
4 PREHARVEST SAMPLE COLLECTED UNDER THIS SECTION. IF THE DEPARTMENT
5 IS NOT ABLE TO PERFORM THE THC TEST INTERNALLY, THE DEPARTMENT MAY
6 IDENTIFY AND CONTRACT WITH A THIRD-PARTY LABORATORY TO PROVIDE THC
7 TESTING SERVICES. IF THE RESULT OF AN INITIAL THC TEST ON A
8 PREHARVEST SAMPLE INDICATES A DELTA-9-THC CONCENTRATION IN THE
9 PREHARVEST SAMPLE THAT IS GREATER THAN 0.3% ON A DRY WEIGHT BASIS,
10 THE FOLLOWING SHALL APPLY:

11 (A) THE DEPARTMENT SHALL ORDER A POSTHARVEST THC TEST OF THE
12 PLOT AND THE GROWER SHALL PAY A POSTHARVEST TESTING FEE AS PROVIDED
13 UNDER SECTION 19.

14 (B) IF WITHIN 15 DAYS OF NOTIFICATION OF THE PREHARVEST THC
15 TEST A GROWER FAILS TO PAY THE POSTHARVEST TESTING FEE IMPOSED BY
16 THE DEPARTMENT UNDER SUBDIVISION (A), THE PREHARVEST TEST RESULTS
17 STAND, AND THE DEPARTMENT OR A LAW ENFORCEMENT AGENCY SHALL ORDER
18 DESTROYED, OR CONFISCATE, ALL CANNABIS THAT IS IN THE LICENSEE'S
19 POSSESSION.

20 (7) ALL SAMPLES COLLECTED BY THE DEPARTMENT SHALL BECOME THE
21 PROPERTY OF THE DEPARTMENT AND SHALL NOT BE RETURNABLE. THE
22 DEPARTMENT SHALL NOT OWE COMPENSATION FOR THE COLLECTED SAMPLES.

23 (8) THE DEPARTMENT SHALL ESTABLISH RULES FOR COLLECTING,
24 RECEIVING, RETAINING, PREPARING, TESTING, AND RELEASING SAMPLES
25 COLLECTED UNDER THIS ACT IN ACCORDANCE WITH THE ADMINISTRATIVE
26 PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328.

27 SEC. 17. (1) A GROWER SHALL SUBMIT THE FOLLOWING REPORTS TO

1 THE DEPARTMENT:

2 (A) A COMPLETE AND CURRENT FIELD PLANTING REPORT IN ACCORDANCE
3 WITH THE FOLLOWING:

4 (i) THE GROWER MUST SUBMIT THE REPORT NOT MORE THAN 15 DAYS
5 AFTER A PLANTING, INCLUDING A REPLANTING, OF SEEDS OR PROPAGULES IN
6 AN OUTDOOR LOCATION.

7 (ii) THE REPORT MUST IDENTIFY THE FIELD LOCATION ID AS LISTED
8 ON THE GROWER LICENSE, THE PRIMARY INTENDED USE OF THE HARVEST FOR
9 EACH PLANTING, AND ANY OTHER INFORMATION REQUESTED BY THE
10 DEPARTMENT.

11 (iii) A GROWER WHO DOES NOT PLANT HEMP IN AN APPROVED OUTDOOR
12 SITE LISTED IN THE GROWER LICENSE MUST SUBMIT A FIELD PLANTING
13 REPORT ON OR BEFORE JULY 31 STATING THAT HEMP HAS NOT AND WILL NOT
14 BE PLANTED AT THAT SITE.

15 (B) A COMPLETE AND CURRENT GREENHOUSE OR INDOOR PLANTING
16 REPORT IN ACCORDANCE WITH THE FOLLOWING:

17 (i) THE GROWER SHALL SUBMIT THE REPORT NOT MORE THAN 15 DAYS
18 AFTER ESTABLISHING PLANTS AT AN INDOOR LOCATION.

19 (ii) IN ADDITION TO THE INITIAL GREENHOUSE OR INDOOR PLANTING
20 REPORT, A GROWER WITH AN APPROVED GREENHOUSE OR INDOOR GROWING SITE
21 SHALL SUBMIT QUARTERLY REPORTS TO THE DEPARTMENT FOR EACH LOCATION.
22 QUARTERLY GREENHOUSE OR INDOOR PLANTING REPORTS SHALL BE DUE ON
23 MARCH 31, JUNE 30, SEPTEMBER 30, AND DECEMBER 31.

24 (C) A COMPLETED PRODUCTION REPORT BY DECEMBER 31 OF THE
25 CURRENT LICENSE YEAR.

26 (D) A COMPLETED RESEARCH REPORT BY DECEMBER 31 OF THE CURRENT
27 LICENSE YEAR.

1 (2) A PROCESSOR-HANDLER SHALL SUBMIT THE FOLLOWING REPORTS TO
2 THE DEPARTMENT:

3 (A) A COMPLETED PRODUCTION REPORT BY DECEMBER 31 OF THE
4 CURRENT LICENSE YEAR.

5 (B) A COMPLETED RESEARCH REPORT BY DECEMBER 31 OF THE CURRENT
6 LICENSE YEAR.

7 (3) A LICENSEE SHALL SUBMIT THE REPORT DESCRIBED IN THIS
8 SECTION ON A FORM PROVIDED BY THE DEPARTMENT.

9 (4) A LICENSEE WHO FAILS TO SUBMIT AN ACCURATE AND COMPLETE
10 REPORT AS REQUIRED UNDER THIS ACT MAY BE SUBJECT TO SUSPENSION AND
11 REVOCATION OF HIS OR HER LICENSE.

12 SEC. 18. (1) BEFORE PLANTING, HANDLING, OR STORING HEMP AT A
13 SITE OTHER THAN A SITE SPECIFIED BY THE GPS COORDINATES LISTED IN
14 HIS OR HER GROWER LICENSE, A GROWER SHALL SUBMIT TO THE DEPARTMENT
15 A SITE MODIFICATION REQUEST FORM AND OBTAIN WRITTEN APPROVAL FOR
16 THE PROPOSED LOCATION FROM THE DEPARTMENT.

17 (2) THE DEPARTMENT SHALL ASSESS A SITE MODIFICATION FEE AS
18 PROVIDED UNDER SECTION 19 FOR EACH NEWLY PROPOSED GROWING LOCATION
19 WHERE HEMP WILL BE PLANTED, REGARDLESS OF WHETHER IT IS AN
20 INDIVIDUAL FIELD OR A GREENHOUSE OR OTHER INDOOR STRUCTURE. THE
21 DEPARTMENT SHALL NOT ASSESS A SITE MODIFICATION FEE FOR CHANGES TO
22 STORAGE-ONLY OR HANDLING-ONLY LOCATIONS.

23 SEC. 19. (1) EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTION
24 (4), AN APPLICANT FOR A LICENSE, OR A LICENSEE, UNDER THIS ACT IS
25 SUBJECT TO THE FOLLOWING FEES, AS APPLICABLE:

26 (A) A LICENSE APPLICATION FEE OF \$1,350.00 FOR EACH GROWING,
27 PROCESSING, HANDLING, STORAGE, OR BROKERING ADDRESS LISTED ON THE

1 APPLICATION.

2 (B) A SECONDARY PREHARVEST SAMPLE FEE AS FOLLOWS:

3 (i) THE SECONDARY PREHARVEST SAMPLE FEE IS \$600.00.

4 (ii) IF 3 OR MORE HARVESTS ARE TAKEN FROM THE SAME PLOT, THE
5 GROWER MAY BE REQUIRED TO PAY AN ADDITIONAL SECONDARY PREHARVEST
6 SAMPLE FEE.

7 (iii) IF A GROWER FAILS TO PAY A SECONDARY PREHARVEST SAMPLE
8 FEE WITHIN 15 DAYS OF INVOICE, THE DEPARTMENT MAY SUSPEND HIS OR
9 HER LICENSE.

10 (C) A POSTHARVEST TESTING FEE AS FOLLOWS:

11 (i) THE POSTHARVEST TESTING FEE IS \$600.00 FOR EACH SAMPLE.

12 (ii) THE DEPARTMENT SHALL NOT COLLECT A POSTHARVEST SAMPLE
13 UNLESS THE GROWER HAS PAID THE POSTHARVEST TESTING FEE IN FULL.

14 (D) A SITE MODIFICATION FEE AS FOLLOWS:

15 (i) THE SITE MODIFICATION FEE IS \$1,000.00 FOR EACH GPS
16 COORDINATE LOCATION CHANGE PER GROWING SITE AFTER A GROWER LICENSE
17 HAS BEEN ISSUED.

18 (ii) THE DEPARTMENT SHALL NOT APPROVE A SITE MODIFICATION
19 REQUEST FOR A NEWLY PROPOSED GROWING SITE UNLESS THE GROWER HAS
20 PAID THE SITE MODIFICATION FEE IN FULL.

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

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

24 (4) THE DEPARTMENT MAY ANNUALLY ADJUST THE SCHEDULE OF FEES
25 DESCRIBED IN THIS SECTION TO ENSURE THAT THE FEES ASSESSED UNDER
26 EACH CATEGORY ARE SUFFICIENT TO COVER THE COST OF THE ACTIVITIES
27 ASSOCIATED WITH THAT CATEGORY AND THAT THE AGGREGATE OF FEES

1 COLLECTED IS SUFFICIENT TO PAY FOR THE ADMINISTRATION AND OPERATION
2 OF THE PROGRAM AS PROVIDED IN THIS ACT. THE DIRECTOR MAY RAISE THE
3 FEES LISTED IN THIS SECTION BY AN AMOUNT DETERMINED BY THE STATE
4 TREASURER TO REFLECT THE CUMULATIVE ANNUAL PERCENTAGE CHANGE IN THE
5 DETROIT-ANN ARBOR-FLINT CONSUMER PRICE INDEX OVER THE PRECEDING 1-
6 YEAR PERIOD. IF THE CUMULATIVE ANNUAL PERCENTAGE CHANGE OVER THE
7 PRECEDING 1-YEAR PERIOD IS LESS THAN ZERO, A CUMULATIVE ANNUAL
8 PERCENTAGE CHANGE OF ZERO SHALL BE USED FOR THE ADJUSTMENT. THE
9 ADJUSTMENT SHALL BE ROUNDED TO THE NEAREST DOLLAR. THE COMMISSION
10 OF AGRICULTURE AND RURAL DEVELOPMENT SHALL APPROVE ALL ADJUSTMENTS
11 TO THE FEES BEFORE THEY ARE ADOPTED.

12 SEC. 20. (1) A PERSON WHO INDIVIDUALLY, OR BY THE ACTION OF
13 HIS OR HER AGENT OR EMPLOYEE, OR AS THE AGENT OR EMPLOYEE OF
14 ANOTHER, VIOLATES THIS ACT OR A RULE PROMULGATED UNDER THIS ACT IS
15 SUBJECT TO AN ADMINISTRATIVE FINE. UPON THE REQUEST OF A PERSON TO
16 WHOM AN ADMINISTRATIVE FINE IS ISSUED, THE DIRECTOR SHALL CONDUCT A
17 HEARING IN ACCORDANCE WITH THE ADMINISTRATIVE PROCEDURES ACT OF
18 1969, 1969 PA 306, MCL 24.201 TO 24.328. THE DEPARTMENT SHALL
19 IMPOSE A FINE AUTHORIZED BY THIS SECTION AS FOLLOWS:

20 (A) FOR A FIRST VIOLATION, NOT LESS THAN \$100.00 OR MORE THAN
21 \$500.00, PLUS ACTUAL COSTS OF THE INVESTIGATION AND DOUBLE THE
22 AMOUNT OF ANY ECONOMIC BENEFIT ASSOCIATED WITH THE VIOLATION.

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

27 (C) FOR A THIRD OR SUBSEQUENT VIOLATION WITHIN 5 YEARS AFTER

1 THE DATE OF THE FIRST VIOLATION, NOT LESS THAN \$1,000.00 OR MORE
2 THAN \$2,000.00, PLUS ACTUAL COSTS OF THE INVESTIGATION AND DOUBLE
3 THE AMOUNT OF ANY ECONOMIC BENEFIT ASSOCIATED WITH THE VIOLATION.

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

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

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

14 Enacting section 1. This amendatory act takes effect 90 days
15 after the date it is enacted into law.