

SENATE BILL NO. 1058

August 15, 2020, Introduced by Senators WOJNO and VANDERWALL and referred to the Committee on Regulatory Reform.

A bill to amend 2016 PA 281, entitled
"Medical marihuana facilities licensing act,"
by amending section 102 (MCL 333.27102), as amended by 2019 PA 3.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 102. As used in this act:

2 (a) "Advisory panel" or "panel" means the ~~marihuana advisory~~
3 ~~panel created in section 801.~~ **marijuana regulatory agency.**

4 (b) "Affiliate" means any person that controls, is controlled
5 by, or is under common control with; is in a partnership or joint
6 venture relationship with; or is a co-shareholder of a corporation,

1 a co-member of a limited liability company, or a co-partner in a
2 limited liability partnership with a licensee or applicant.

3 (c) "Applicant" means a person who applies for a state
4 operating license. Applicant includes, with respect to disclosures
5 in an application, for purposes of ineligibility for a license
6 under section 402, or for purposes of prior ~~board~~**marijuana**
7 **regulatory agency** approval of a transfer of interest under section
8 406, and only for applications submitted on or after January 1,
9 2019, a managerial employee of the applicant, a person holding a
10 direct or indirect ownership interest of more than 10% in the
11 applicant, and the following for each type of applicant:

12 (i) For an individual or sole proprietorship: the proprietor
13 and spouse.

14 (ii) For a partnership and limited liability partnership: all
15 partners and their spouses. For a limited partnership and limited
16 liability limited partnership: all general and limited partners,
17 not including a limited partner holding a direct or indirect
18 ownership interest of 10% or less and who does not exercise control
19 over or participate in the management of the partnership, and their
20 spouses. For a limited liability company: all members and managers,
21 not including a member holding a direct or indirect ownership
22 interest of 10% or less and who does not exercise control over or
23 participate in the management of the company, and their spouses.

24 (iii) For a privately held corporation: all corporate officers
25 or persons with equivalent titles and their spouses, all directors
26 and their spouses, and all stockholders, not including those
27 holding a direct or indirect ownership interest of 10% or less, and
28 their spouses.

29 (iv) For a publicly held corporation: all corporate officers or

persons with equivalent titles and their spouses, all directors and their spouses, and all stockholders, not including those holding a direct or indirect ownership interest of 10% or less, and their spouses.

(v) For a multilevel ownership enterprise: any entity or person that receives or has the right to receive more than 10% of the gross or net profit from the enterprise during any full or partial calendar or fiscal year.

(vi) For a nonprofit corporation: all individuals and entities with membership or shareholder rights in accordance with the articles of incorporation or the bylaws and their spouses.

(d) "Board" means the ~~medical marihuana licensing board created in section 301.~~ **marijuana regulatory agency.**

(e) "Cutting" means a section of a lead stem or root stock that is used for vegetative asexual propagation.

(f) "Department" means the department of licensing and regulatory affairs.

(g) "Grower" means a licensee that is a commercial entity located in this state that cultivates, dries, trims, or cures and packages marihuana for sale to a processor, provisioning center, or another grower.

(h) "Industrial hemp" means that term as defined in section 7106 of the public health code, 1978 PA 368, MCL 333.7106.

(i) "Industrial hemp research and development act" means the industrial hemp research and development act, 2014 PA 547, **MCL 286.841 to 286.859.**

(j) "Licensee" means a person holding a state operating license.

(k) "Marihuana" means that term as defined in section 7106 of

1 the public health code, 1978 PA 368, MCL 333.7106.

2 (l) "Marihuana facility" means a location at which a licensee
3 is licensed to operate under this act.

4 (m) "Marihuana plant" means any plant of the species *Cannabis*
5 *sativa* L. Marihuana plant does not include industrial hemp.

6 (n) "Marihuana-infused product" means a topical formulation,
7 tincture, beverage, edible substance, or similar product containing
8 any usable marihuana that is intended for human consumption in a
9 manner other than smoke inhalation. Marihuana-infused product is
10 not considered a food for purposes of the food law, 2000 PA 92, MCL
11 289.1101 to 289.8111.

12 (o) "Marihuana tracking act" means the marihuana tracking act,
13 2016 PA 282, MCL 333.27901 to 333.27904.

14 (p) **"Marijuana regulatory agency" means the marijuana**
15 **regulatory agency created under Executive Reorganization Order No.**
16 **2019-2, MCL 333.27001.**

17 (q) ~~(p)~~ "Michigan ~~medical marihuana act~~" **Medical Marihuana**
18 **Act**" means the Michigan ~~medical marihuana act~~, **Medical Marihuana**
19 **Act**, 2008 IL 1, MCL 333.26421 to 333.26430.

20 (r) ~~(q)~~ "Municipality" means a city, township, or village.

21 (s) ~~(r)~~ "Paraphernalia" means any equipment, product, or
22 material of any kind that is designed for or used in growing,
23 cultivating, producing, manufacturing, compounding, converting,
24 storing, processing, preparing, transporting, injecting, smoking,
25 ingesting, inhaling, or otherwise introducing into the human body,
26 marihuana.

27 (t) ~~(s)~~ "Person" means an individual, corporation, limited
28 liability company, partnership, limited partnership, limited
29 liability partnership, limited liability limited partnership,

1 trust, or other legal entity.

2 (u) ~~(t)~~ "Plant" means any living organism that produces its
3 own food through photosynthesis and has observable root formation
4 or is in growth material.

5 (v) ~~(u)~~ "Processor" means a licensee that is a commercial
6 entity located in this state that purchases marihuana from a grower
7 and that extracts resin from the marihuana or creates a marihuana-
8 infused product for sale and transfer in packaged form to a
9 provisioning center or another processor.

10 (w) ~~(v)~~ "Provisioning center" means a licensee that is a
11 commercial entity located in this state that purchases marihuana
12 from a grower or processor and sells, supplies, or provides
13 marihuana to registered qualifying patients, directly or through
14 the patients' registered primary caregivers. Provisioning center
15 includes any commercial property where marihuana is sold at retail
16 to registered qualifying patients or registered primary caregivers.
17 A noncommercial location used by a registered primary caregiver to
18 assist a qualifying patient connected to the caregiver through the
19 department's marihuana registration process in accordance with the
20 Michigan ~~medical marihuana act~~ **Medical Marihuana Act** is not a
21 provisioning center for purposes of this act.

22 (x) ~~(w)~~ "Registered primary caregiver" means a primary
23 caregiver who has been issued a current registry identification
24 card under the Michigan ~~medical marihuana act~~ **Medical Marihuana**
25 **Act**.

26 (y) ~~(x)~~ "Registered qualifying patient" means a qualifying
27 patient who has been issued a current registry identification card
28 under the Michigan ~~medical marihuana act~~ or a visiting qualifying
29 patient as that term is defined in section 3 of the Michigan

1 ~~medical marihuana act,~~ **Medical Marihuana Act**, MCL 333.26423.

2 **(z)** ~~(y)~~ "Registry identification card" means that term as
3 defined in section 3 of the Michigan ~~medical marihuana act,~~ **Medical**
4 **Marihuana Act**, MCL 333.26423.

5 **(aa)** ~~(z)~~ "Rules" means rules promulgated under the
6 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
7 24.328, by the department in consultation with the ~~board~~ **marijuana**
8 **regulatory agency** to implement this act.

9 **(bb)** ~~(aa)~~ "Safety compliance facility" means a licensee that
10 is a commercial entity that takes marihuana from a marihuana
11 facility or receives marihuana from a registered primary caregiver,
12 tests the marihuana for contaminants and for tetrahydrocannabinol
13 and other cannabinoids, returns the test results, and may return
14 the marihuana to the marihuana facility.

15 **(cc)** ~~(bb)~~ "Secure transporter" means a licensee that is a
16 commercial entity located in this state that stores marihuana and
17 transports marihuana between marihuana facilities for a fee.

18 **(dd)** ~~(cc)~~ "Seed" means the fertilized, ungerminated, matured
19 ovule, containing an embryo or rudimentary plant, of a marihuana
20 plant that is flowering.

21 **(ee)** ~~(dd)~~ "Seedling" means a marihuana plant that has
22 germinated and has not flowered and is not harvestable.

23 **(ff)** ~~(ee)~~ "State operating license" or, unless the context
24 requires a different meaning, "license" means a license that is
25 issued under this act that allows the licensee to operate as 1 of
26 the following, specified in the license:

- 27 (i) A grower.
- 28 (ii) A processor.
- 29 (iii) A secure transporter.

1 (iv) A provisioning center.

2 (v) A safety compliance facility.

3 **(gg)** ~~(ff)~~ "Statewide monitoring system" or, unless the context
 4 requires a different meaning, "system" means an internet-based,
 5 statewide database established, implemented, and maintained by the
 6 department under the marihuana tracking act, that is available to
 7 licensees, law enforcement agencies, and authorized state
 8 departments and agencies on a 24-hour basis for all of the
 9 following:

10 (i) Verifying registry identification cards.

11 (ii) Tracking marihuana transfer and transportation by
 12 licensees, including transferee, date, quantity, and price.

13 (iii) Verifying in commercially reasonable time that a transfer
 14 will not exceed the limit that the patient or caregiver is
 15 authorized to receive under section 4 of the Michigan ~~medical~~
 16 ~~marihuana act~~, **Medical Marihuana Act**, MCL 333.26424.

17 **(hh)** ~~(gg)~~ "Tissue culture" means a marihuana plant cell,
 18 cutting, tissue, or organ, that is kept under a sterile condition
 19 on a nutrient culture medium of known composition and that does not
 20 have visible root formation. A tissue culture is not a marihuana
 21 plant for purposes of a grower.

22 **(ii)** ~~(hh)~~ "Usable marihuana" means the dried leaves, flowers,
 23 plant resin, or extract of the marihuana plant, but does not
 24 include the seeds, stalks, and roots of the plant.

25 Enacting section 1. This amendatory act does not take effect
 26 unless Senate Bill No. 1057 of the 100th Legislature is enacted
 27 into law.