

HOUSE BILL NO. 4740

April 29, 2021, Introduced by Reps. Outman, Hertel and Lilly 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 2020 PA 207.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 102. As used in this act:
- 2 (a) "Advisory panel" or "panel" means the marijuana regulatory
- 3 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

1 venture relationship with; or is a co-shareholder of a corporation,
2 a co-member of a limited liability company, or a co-partner in a
3 limited liability partnership with a licensee or applicant.

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

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

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

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

(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 the spouses of the individuals.

(d) "Board" means the 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 ~~7106-3 of the public health code, 1978 PA 368, MCL 333.7106.~~ **Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27953.**

(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 7106-3 of the ~~public health code, 1978 PA 368, MCL 333.7106.~~ **Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27953.**

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

(m) "Marihuana plant" means ~~any plant of the species Cannabis sativa L. Marihuana plant does not include industrial hemp.~~ **that term as defined in section 3 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27953.**

(n) "Marihuana-infused product" means ~~a topical formulation, tincture, beverage, edible substance, or similar product containing any usable marihuana that is intended for human consumption in a manner other than smoke inhalation. Marihuana-infused product is not considered a food for purposes of the food law, 2000 PA 92, MCL 289.1101 to 289.8111.~~ **that term as defined in section 3 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27953.**

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

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

(q) "Michigan medical marihuana act" means the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.

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

(s) "Paraphernalia" means any equipment, product, or material of any kind that is designed for or used in growing, cultivating,

1 producing, manufacturing, compounding, converting, storing,
2 processing, preparing, transporting, injecting, smoking, ingesting,
3 inhaling, or otherwise introducing into the human body, marihuana.

4 (t) "Person" means an individual, corporation, limited
5 liability company, partnership, limited partnership, limited
6 liability partnership, limited liability limited partnership,
7 trust, or other legal entity.

8 (u) "Plant" means any living organism that produces its own
9 food through photosynthesis and has observable root formation or is
10 in growth material.

11 (v) "Processor" means a licensee that is a commercial entity
12 located in this state that purchases marihuana from a grower and
13 that extracts resin from the marihuana or creates a marihuana-
14 infused product for sale and transfer in packaged form to a
15 provisioning center or another processor.

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

28 (x) "Registered primary caregiver" means a primary caregiver
29 who has been issued a current registry identification card under

1 the Michigan Medical Marihuana Act.

2 (y) "Registered qualifying patient" means a qualifying patient
3 who has been issued a current registry identification card under
4 the Michigan Medical Marihuana Act or a visiting qualifying patient
5 as that term is defined in section 3 of the Michigan Medical
6 Marihuana Act, MCL 333.26423.

7 (z) "Registry identification card" means that term as defined
8 in section 3 of the Michigan Medical Marihuana Act, MCL 333.26423.

9 (aa) "Rules" means rules promulgated under the administrative
10 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, by the
11 marijuana regulatory agency to implement this act.

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

18 (cc) "Secure transporter" means a licensee that is a
19 commercial entity located in this state that stores marihuana and
20 transports marihuana between marihuana facilities for a fee.

21 (dd) "Seed" means the fertilized, ungerminated, matured ovule,
22 containing an embryo or rudimentary plant, of a marihuana plant
23 that is flowering.

24 (ee) "Seedling" means a marihuana plant that has germinated
25 and has not flowered and is not harvestable.

26 (ff) "State operating license" or, unless the context requires
27 a different meaning, "license" means a license that is issued under
28 this act that allows the licensee to operate as 1 of the following,
29 specified in the license:

1 (i) A grower.

2 (ii) A processor.

3 (iii) A secure transporter.

4 (iv) A provisioning center.

5 (v) A safety compliance facility.

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

13 (i) Verifying registry identification cards.

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

16 (iii) Verifying in commercially reasonable time that a transfer
17 will not exceed the limit that the patient or caregiver is
18 authorized to receive under section 4 of the Michigan Medical
19 Marihuana Act, MCL 333.26424.

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

25 (ii) "Usable marihuana" means the dried leaves, flowers, plant
26 resin, or extract of the marihuana plant, but does not include the
27 seeds, stalks, and roots of the plant.