

HOUSE BILL NO. 5302

September 14, 2021, Introduced by Reps. Steenland and Lilly and referred to the Committee on Regulatory Reform.

A bill to amend 2016 PA 282, entitled "Marihuana tracking act," by amending sections 2 and 3 (MCL 333.27902 and 333.27903), section 2 as amended by 2021 PA 59.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 2. As used in this act:
- 2 (a) "Department" means the department of licensing and
- 3 regulatory affairs.
- 4 (b) "Financial institution" means that term as defined in

1 section 201 of the medical marihuana facilities licensing act, MCL
2 333.27201.

3 (c) "Licensee" means that term as defined in section 102 of
4 the medical marihuana facilities licensing act, MCL 333.27102.

5 (d) **"Licensed specialty medical grower" means that term as**
6 **defined in section 3 of the Michigan Medical Marihuana Act, MCL**
7 **333.26423.**

8 (e) ~~(d)~~—"Marihuana" means that term as defined in section 3 of
9 the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1,
10 MCL 333.27953.

11 (f) **"Marijuana regulatory agency" means the marijuana**
12 **regulatory agency created under Executive Reorganization Order No.**
13 **2019-2, MCL 333.27001.**

14 (g) ~~(e)~~—"Medical marihuana facilities licensing act" means the
15 medical marihuana facilities licensing act, 2016 PA 281, MCL
16 333.27101 to 333.27801.

17 (h) **"Michigan Medical Marihuana Act" means the Michigan**
18 **Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.**

19 (i) ~~(f)~~—"Registered primary caregiver" means that term as
20 defined in section ~~102 of the medical marihuana facilities~~
21 ~~licensing act, MCL 333.27102.3~~ **of the Michigan Medical Marihuana**
22 **Act, MCL 333.26423.**

23 (j) ~~(g)~~—"Registered qualifying patient" means that term as
24 defined in section ~~102 of the medical marihuana facilities~~
25 ~~licensing act, MCL 333.27102.3~~ **of the Michigan Medical Marihuana**
26 **Act, MCL 333.26423.**

27 (k) ~~(h)~~—"Registry identification card" means that term as
28 defined in section 3 of the Michigan ~~medical marihuana act, 2008 IL~~
29 ~~1,~~ **Medical Marihuana Act, MCL 333.26423.**

1 (l) ~~(i)~~ "Statewide monitoring system" or "system" means an
 2 internet-based, statewide database established, implemented, and
 3 maintained directly or indirectly by the ~~department~~ **marijuana**
 4 **regulatory agency** that is available to licensees, law enforcement
 5 agencies, and authorized state departments and agencies on a 24-
 6 hour basis for all of the following:

7 (i) Verifying registry identification cards.

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

10 (iii) Verifying in a commercially reasonable time that a
 11 transfer will not exceed the limit that the registered qualifying
 12 patient or registered primary caregiver is authorized to receive
 13 under section 4 of the Michigan ~~medical marihuana act, 2008 IL 1,~~
 14 **Medical Marihuana Act**, MCL 333.26424.

15 Sec. 3. (1) The ~~department~~ **marijuana regulatory agency** shall
 16 establish a statewide monitoring system for use as an integrated
 17 marihuana tracking, inventory, and verification system. The system
 18 must allow for interface with third-party inventory and tracking
 19 systems as described in section 207 of the medical marihuana
 20 facilities licensing act, **MCL 333.27207**, to provide for access by
 21 this state, licensees, and law enforcement personnel, to the extent
 22 that they need and are authorized to receive or submit the
 23 information, to comply with, enforce, or administer this act; the
 24 Michigan ~~medical marihuana act, 2008 IL 1, MCL 333.26421 to~~
 25 ~~333.26430;~~ **Medical Marihuana Act**; or the medical marihuana
 26 facilities licensing act.

27 (2) At a minimum, the system must be capable of storing and
 28 providing access to information that, in conjunction with 1 or more
 29 third-party inventory control and tracking systems under section

1 207 of the medical marihuana facilities licensing act, **MCL**
2 **333.27207**, allows all of the following:

3 (a) Verification that a registry identification card **or**
4 **specialty medical grower license** is current and valid and has not
5 been suspended, revoked, or denied.

6 (b) Retention of a record of the date, time, quantity, and
7 price of each sale or transfer of marihuana to a registered
8 qualifying patient, ~~or~~ registered primary caregiver, **or licensed**
9 **specialty medical grower**.

10 (c) Determination of whether a particular sale or transfer
11 transaction will exceed the permissible limit established under the
12 Michigan ~~medical marihuana act, 2008 IL 1, MCL 333.26421 to~~
13 ~~333.26430.~~ **Medical Marihuana Act**.

14 (d) Effective monitoring of marihuana seed-to-sale transfers.

15 (e) Receipt and integration of information from third-party
16 inventory control and tracking systems under section 207 of the
17 medical marihuana facilities licensing act, **MCL 333.27207**.

18 (3) The ~~department~~ **marijuana regulatory agency** shall
19 promulgate rules to govern the process for incorporating
20 information concerning registry identification card **and specialty**
21 **medical grower license** renewal, revocation, suspension, and changes
22 and other information applicable to licensees, registered primary
23 caregivers, ~~and~~ registered qualifying patients, **and licensed**
24 **specialty medical growers** that must be included and maintained in
25 the statewide monitoring system.

26 (4) The ~~department~~ **marijuana regulatory agency** shall seek bids
27 to establish, operate, and maintain the statewide monitoring system
28 under this section. The ~~department~~ **marijuana regulatory agency**
29 shall do all of the following:

1 (a) Evaluate bidders based on the cost of the service and the
 2 ability to meet all of the requirements of this act; the Michigan
 3 ~~medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430;~~
 4 **Medical Marihuana Act**; and the medical marihuana facilities
 5 licensing act.

6 (b) Give strong consideration to the bidder's ability to
 7 prevent fraud, abuse, and other unlawful or prohibited activities
 8 associated with the commercial trade in marihuana in this state,
 9 and the ability to provide additional tools for the administration
 10 and enforcement of this act, ~~the Michigan medical marihuana act,~~
 11 ~~2008 IL 1, MCL 333.26421 to 333.26430;~~ **Medical Marihuana Act**, and
 12 the medical marihuana facilities licensing act.

13 (c) Institute procedures to ensure that the contract awardee
 14 does not disclose or use the information in the system for any use
 15 or purpose except for the enforcement, oversight, and
 16 implementation of the Michigan ~~medical marihuana act, 2008 IL 1,~~
 17 ~~MCL 333.26421 to 333.26430,~~ **Medical Marihuana Act** or the medical
 18 marihuana facilities licensing act.

19 (d) Require the contract awardee to deliver the functioning
 20 system by 180 days after award of the contract.

21 (5) The ~~department~~ **marijuana regulatory agency** may terminate a
 22 contract with a contract awardee under this act for a violation of
 23 this act. A contract awardee may be debarred from award of other
 24 state contracts under this act for a violation of this act.

25 Enacting section 1. This amendatory act does not take effect
 26 unless all of the following bills of the 101st Legislature are
 27 enacted into law:

28 (a) Senate Bill No. ____ or House Bill No.5301.

29 (b) Senate Bill No. ____ or House Bill No.5300.

1 (c) Senate Bill No. _____ or House Bill No. 5321 (request no.
2 04326'21).

3 (d) Senate Bill No. _____ or House Bill No. 5319 (request no.
4 04327'21).