

MEDICAL MARIHUANA FACILITIES LICENSING ACT (EXCERPT)
Act 281 of 2016

333.27207 Third-party inventory control and tracking system; exception for statewide monitoring system.

Sec. 207. (1) Except as otherwise provided in subsection (2), a licensee shall adopt and use a third-party inventory control and tracking system that is capable of interfacing with the statewide monitoring system to allow the licensee to enter or access information in the statewide monitoring system as required under this act and rules. The third-party inventory control and tracking system must have all of the following capabilities necessary for the licensee to comply with the requirements applicable to the licensee's license type:

- (a) Tracking all marihuana plants, products, packages, patient and primary caregiver purchase totals, waste, transfers, conversions, sales, and returns that are linked to unique identification numbers.
- (b) Tracking lot and batch information throughout the entire chain of custody.
- (c) Tracking all products, conversions, and derivatives throughout the entire chain of custody.
- (d) Tracking marihuana plant, batch, and product destruction.
- (e) Tracking transportation of product.
- (f) Performing complete batch recall tracking that clearly identifies all of the following details relating to the specific batch subject to the recall:
 - (i) Sold product.
 - (ii) Product inventory that is finished and available for sale.
 - (iii) Product that is in the process of transfer.
 - (iv) Product being processed into another form.
 - (v) Postharvest raw product, such as product that is in the drying, trimming, or curing process.
 - (g) Reporting and tracking loss, theft, or diversion of product containing marihuana.
 - (h) Reporting and tracking all inventory discrepancies.
 - (i) Reporting and tracking adverse patient responses or dose-related efficacy issues.
 - (j) Reporting and tracking all sales and refunds.
 - (k) Electronically receiving and transmitting information as required under this act, the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430, and the marihuana tracking act.
- (l) Receiving testing results electronically from a safety compliance facility via a secured application program interface into the system and directly linking the testing results to each applicable source batch and sample.
- (m) Identifying test results that may have been altered.
- (n) Providing the licensee with access to information in the tracking system that is necessary to verify that the licensee is carrying out the marihuana transactions authorized under the licensee's license in accordance with this act.
- (o) Providing information to cross-check that product sales are made to a registered qualifying patient or a registered primary caregiver on behalf of a registered qualifying patient and that the product received the required testing.
- (p) Providing the department and state agencies with access to information in the database that they are authorized to access.
- (q) Providing law enforcement agencies with access to only the information in the database that is necessary to verify that an individual possesses a valid and current registry identification card.
- (r) Providing licensees with access only to the information in the system that they are required to receive before a sale, transfer, transport, or other activity authorized under a license issued under this act.
- (s) Securing the confidentiality of information in the database by preventing access by a person who is not authorized to access the statewide monitoring system or is not authorized to access the particular information.
- (t) Providing analytics to the department regarding key performance indicators such as the following:
 - (i) Total daily sales.
 - (ii) Total marihuana plants in production.
 - (iii) Total marihuana plants destroyed.
 - (iv) Total inventory adjustments.
- (2) If the statewide monitoring system is capable of allowing a licensee to access or enter information into the statewide monitoring system without use of a third-party inventory control and tracking system, a licensee may access or enter information into the statewide monitoring system directly and the licensee is not required to adopt and use a third-party inventory control and tracking system.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 582, Eff. Jan. 1, 2019.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

For transfer of powers and duties of the medical marihuana licensing board, marihuana advisory panel, and department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the medical marihuana licensing board, marihuana advisory panel, and bureau of marijuana regulation, see ERO No. 2019-2, compiled at MCL 333.27001.

For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.