

## INDUSTRIAL HEMP GROWERS ACT (EXCERPT)

### Act 137 of 2020

#### CHAPTER VI

##### Violations and Penalties

#### **333.28601 Program violations; notice; corrective action plan; penalties.**

Sec. 601. (1) A grower negligently violates the program if the grower does any of the following:

(a) Fails to provide a legal description for each field, greenhouse, building, or other location where industrial hemp will be grown under section 201.

(b) Fails to obtain a registration.

(c) Grows industrial hemp that exceeds the acceptable THC level.

(2) If a grower violates subsection (1), the department shall issue the grower a notice of violation and the terms of a corrective action plan. The grower must comply with the terms of the corrective action plan.

(3) The department shall develop a corrective action plan under subsection (2) that includes the following terms:

(a) A reasonable date by which the grower will correct the negligent violation.

(b) A requirement that for not less than 2 years after a violation under subsection (1), the grower shall make periodic reports to the department about the grower's progress and compliance with the requirements of the corrective action plan.

(4) A grower that negligently violates the industrial hemp plan 3 times in a 5-year period is ineligible to grow hemp for 5 years from the date of the third violation.

(5) A negligent violation under this section is not subject to criminal enforcement.

**History:** 2020, Act 137, Imd. Eff. July 8, 2020.

#### **333.28603 Allegation investigations; registration suspension; notice.**

Sec. 603. (1) If any of the following allegations are made concerning a grower, the department shall investigate and may suspend the grower's registration for not more than 60 days:

(a) The grower intentionally grew or was in possession of cannabis with a total delta-9-THC content greater than the acceptable THC level.

(b) The grower violated a provision of this act.

(c) The grower made a false statement, as determined by the department, to the department or a law enforcement agency.

(d) The grower failed to comply with an order from the department or a law enforcement agency.

(2) If the department suspends a registration under this section, the department shall notify the grower in writing that the registration is suspended.

(3) If a registration is suspended under this section, the grower shall not harvest or remove industrial hemp from the location where the industrial hemp was located at the time the department issued the notice of suspension, except as authorized in writing by the department.

**History:** 2020, Act 137, Imd. Eff. July 8, 2020.

#### **333.28605 Revocation of registration; hearing; suspension removal.**

Sec. 605. (1) The department shall not permanently revoke a registration suspended under section 603 unless the department notifies the grower of the allegation against the grower and gives the grower an opportunity for a hearing to appeal the revocation.

(2) The department shall schedule a hearing on a revocation under subsection (1) for a date as soon as practicable that is not more than 60 days after the date of notification of a registration suspension.

(3) The department shall conduct the hearing required under this section pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(4) If the department finds by a preponderance of the evidence that an allegation under section 603(1) is true, the department shall revoke the registration. The revocation is effective immediately, and the department or a law enforcement agency must do either of the following:

(a) Order the grower to destroy all cannabis that is in the grower's possession under section 407.

(b) Confiscate all cannabis that is in the grower's possession.

(5) The department or a law enforcement agency shall not compensate or indemnify the value of the cannabis that is destroyed or confiscated under this section.

(6) If the department revokes a registration, the grower is barred from participating in the program in any capacity for a minimum of 5 years from the date on which the registration was revoked.

(7) If the department does not find by a preponderance of the evidence that an allegation under section 603(1) is true, the department shall remove the suspension imposed under section 603 within 24 hours of the department's determination.

(8) If a grower violates the program 3 times within a 5-year period, the grower is barred from participating in the program in any capacity for a minimum of 5 years from the date of the grower's third violation.

**History:** 2020, Act 137, Imd. Eff. July 8, 2020.

### **333.28607 Material falsification of information.**

Sec. 607. A grower shall not materially falsify information required under section 201. A grower that violates this section is ineligible to participate in the program.

**History:** 2020, Act 137, Imd. Eff. July 8, 2020.

### **333.28609 Violation of act; penalties and fines.**

Sec. 609. (1) A person that individually, or by the action of an agent or employee, or as the agent or employee of another, negligently or with a culpable mental state greater than negligence, violates this act or a rule promulgated under this act is subject to an administrative fine. On the request of a person to whom an administrative fine is issued, the department shall conduct a hearing pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. The department shall impose an administrative fine authorized under this section as follows:

(a) For a first violation, an administrative fine of not less than \$100.00 or more than \$500.00, plus the actual costs of the investigation and double the amount of any economic benefit associated with the violation.

(b) For a second violation that occurs within 5 years after a violation under subdivision (a), an administrative fine of not less than \$500.00 or more than \$1,000.00, plus the actual costs of the investigation and double the amount of any economic benefit associated with the violation.

(c) For a third or subsequent violation that occurs within 5 years after a violation under subdivision (a), an administrative fine of not less than \$1,000.00 or more than \$2,000.00, plus the actual costs of the investigation and double the amount of any economic benefit associated with the violation.

(2) Any violation made with a culpable mental state greater than negligence must be reported to the attorney general, the USDA, and the chief law enforcement officer of this state.

(3) A decision of the department under this section is subject to judicial review as provided by law.

(4) The department shall advise the attorney general of the failure of any person to pay an administrative fine imposed under this section. The attorney general shall bring an action to recover the fine.

(5) Any administrative fine, investigation costs, or recovery of an economic benefit associated with a violation that is collected under this section must be paid to the state treasury and deposited into the fund.

**History:** 2020, Act 137, Imd. Eff. July 8, 2020.