

DRAFT 6

A bill to amend 2018 IL 1, entitled "Michigan Regulation and Taxation of Marihuana Act," by amending the title and sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 9a, 11a, 12, 13, 14, 15, and 17 (MCL 333.27951, 333.27952, 333.27953, 333.27954, 333.27955, 333.27956, 333.27957, 333.27958, 333.27959, 333.27959a, 333.27961a, 333.27962, 333.27963, 333.27964, 333.27965, and 333.27967), sections 3, 7, 8, and 13 as amended by 2023 PA 166, section 9a as added by 2020 PA 208, section 11a as added by 2021 PA 55, and section 14 as amended by 2023 PA 165, and by adding sections 20, 21, 22, 23, 24, 24a, 25, 26, 27, and 29; and to repeal acts and parts of acts.



THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An initiation of legislation to allow ~~under state law~~ **for** the
 3 personal possession, **cultivation, transfer,** and use of marihuana by
 4 ~~persons~~ **individuals** 21 years of age or older; to ~~provide for~~ **allow**
 5 **for** the ~~lawful~~ **commercial** cultivation, **processing, testing,**
 6 **transportation,** and sale of marihuana and ~~industrial hemp~~ by
 7 **certain** persons; ~~21 years of age or older;~~ **to allow for the**
 8 **commercial processing, distribution, and sale of industrial hemp** by
 9 certain persons; **to require the licensing of certain persons**
 10 **engaged in commercial marihuana activities;** to ~~permit the taxation~~
 11 ~~of revenue derived from~~ **impose a tax on** ~~commercial marihuana~~
 12 ~~facilities;~~ **sales;** **to provide for the powers and duties of certain**
 13 **state and local governmental officers and entities;** to ~~permit~~
 14 **require** the promulgation of ~~administrative~~ rules; and to **prohibit**
 15 **certain activities related to marihuana and** prescribe ~~certain~~
 16 penalties ~~for violations of this act. If not enacted by the~~
 17 ~~Michigan State Legislature in accordance with the Michigan~~
 18 ~~Constitution of 1963, the proposed legislation is to be voted on at~~
 19 ~~the General Election, November 6, 2018.~~ **and civil sanctions.**

20 Sec. 1. This act ~~shall be known and may be cited as the~~
 21 ~~Michigan Regulation and Taxation of Marihuana Act.~~ **"Michigan**
 22 **regulation and taxation of marihuana act".**

23 Sec. 2. (1) The purpose of this act is to ~~make~~ **do both of the**
 24 **following:**

25 (a) **Make** marihuana legal under state and local law for ~~adults~~
 26 **individuals who are** 21 years of age or older. ~~, to make industrial~~
 27 ~~hemp legal under state and local law, and to control~~

28 (b) **Control** the commercial production and distribution of



1 marihuana under a system that licenses, regulates, and taxes the
2 businesses involved.

3 (2) The intent **of this act** is to ~~prevent~~ **do all of the**
4 **following:**

5 (a) **Prevent** arrest and penalty for personal possession and
6 cultivation of marihuana by ~~adults~~ **individuals who are** 21 years of
7 age or older. ~~;~~ ~~remove~~

8 (b) **Remove** the commercial production and distribution of
9 marihuana from the illicit market. ~~;~~ ~~prevent~~

10 (c) **Prevent** revenue generated from commerce in marihuana from
11 going to criminal enterprises or gangs. ~~;~~ ~~prevent~~

12 (d) **Prevent** the **unauthorized** distribution of marihuana to
13 ~~persons under~~ **individuals younger than** 21 years of age. ~~;~~ ~~prevent~~

14 (e) **Prevent** the diversion of marihuana to illicit markets. ~~;~~
15 ~~ensure~~

16 (f) **Ensure** the safety of marihuana and marihuana-infused
17 products. ~~;~~ ~~and ensure~~

18 (g) **Ensure the** security of ~~marihuana establishments~~ **licensed**
19 **premises.**

20 (3) **This act does not affect the cannabis regulatory agency's**
21 **ability to enter into an agreement with an Indian tribe concerning**
22 **the regulation of marihuana.**

23 (4) To the fullest extent possible, this act ~~shall~~ **must** be
24 interpreted **and construed** in accordance with the purpose and intent
25 set forth in this section.

26 Sec. 3. As used in this act:

27 (a) "Adulterated marihuana" or "adulterated marihuana-infused
28 product" means a product sold as marihuana that contains an
29 unintended substance or chemical or biological matter other than



1 marihuana and that causes an adverse reaction to an individual who
2 ingests or consumes the product.

3 (b) "Applicant" means a person that applies for a state
4 license. Applicant includes, with respect to disclosures in an
5 application for a state license or for purposes of ineligibility
6 for a state license, a managerial employee of the applicant, a
7 person holding a direct or indirect ownership interest of more than
8 10% in the applicant, and the following for each type of applicant:

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

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

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

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



1 spouses.

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

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

10 (c) ~~(a)~~—"Cannabis regulatory agency" means the marijuana
11 regulatory agency created under Executive Reorganization Order No.
12 2019-2, MCL 333.27001, renamed the cannabis regulatory agency under
13 Executive Reorganization Order No. 2022-1, MCL 333.27002.

14 (d) "Class A marihuana grower" means a person that holds a
15 state license described in section 20(1)(a)(i) or (1)(b)(i).

16 (e) "Class B marihuana grower" means a person that holds a
17 state license described in section 20(1)(a)(ii) or (1)(b)(ii).

18 (f) "Class C marihuana grower" means a person that holds a
19 state license described in section 20(1)(a)(iii) or (1)(b)(iii).

20 (g) ~~(b)~~—"Cultivate" means to propagate, breed, grow, harvest,
21 dry, cure, or separate parts of a marihuana plant by manual or
22 mechanical means.

23 ~~(c) "Department" means the cannabis regulatory agency.~~

24 (h) "Financial institution" means any of the following:

25 (i) A state or national bank.

26 (ii) A state or federally chartered savings and loan
27 association.

28 (iii) A state or federally chartered savings bank.

29 (iv) A state or federally chartered credit union.



1 (v) An insurance company.

2 (vi) An entity that offers any of the following to a resident
3 of this state:

4 (A) A mutual fund account.

5 (B) A securities brokerage account.

6 (C) A money market account.

7 (D) A retail investment account.

8 (vii) A legal entity regulated by the Securities and Exchange
9 Commission that collects funds from the public.

10 (viii) A legal entity that is a member of the National
11 Association of Securities Dealers and that collects funds from the
12 public.

13 (ix) Any other legal entity that collects funds from the
14 public.

15 (i) "Financial service" means a deposit; withdrawal; transfer
16 between accounts; exchange of currency; loan; extension of credit;
17 purchase or sale of any stock, bond, certificate of deposit, or
18 other monetary instrument; or any other payment, transfer, or
19 delivery by, through, or to a financial institution, by whatever
20 means effected.

21 (j) ~~(d)~~—"Indian lands" means any of the following:

22 (i) All lands within the limits of an Indian reservation.

23 (ii) Any lands title to which is either held in trust by the
24 United States for the benefit of any Indian tribe or individual or
25 held by any Indian tribe or individual subject to restriction by
26 the United States against alienation and over which an Indian tribe
27 exercises governmental power.

28 (k) ~~(e)~~—"Indian tribe" means any Indian tribe, band, nation,
29 or other organized group or community of Indians which is



1 recognized as eligible by the United States Secretary of the
 2 Interior for the special programs and services provided by the
 3 United States to Indians because of their status as Indians, and is
 4 recognized as possessing powers of self-government.

5 (l) ~~(f)~~—"Industrial hemp" means any of the following:

6 (i) A plant of the genus *Cannabis*, whether growing or not, with
 7 a THC concentration of 0.3% or less on a dry-weight basis.

8 (ii) A part of a plant of the genus *Cannabis*, whether growing
 9 or not, with a THC concentration of 0.3% or less on a dry-weight
 10 basis.

11 (iii) The seeds of a plant of the genus *Cannabis* with a THC
 12 concentration of 0.3% or less on a dry-weight basis.

13 (iv) If it has a THC concentration of 0.3% or less on a dry-
 14 weight basis, a compound, manufacture, derivative, mixture,
 15 preparation, extract, cannabinoid, acid, salt, isomer, or salt of
 16 an isomer of any of the following:

17 (A) A plant of the genus *Cannabis*.

18 (B) A part of a plant of the genus *Cannabis*.

19 (v) A product to which 1 of the following applies:

20 (A) If the product is intended for human or animal
 21 consumption, the product, in the form in which it is intended for
 22 sale to a consumer, meets both of the following requirements:

23 (I) Has a THC concentration of 0.3% or less on a dry-weight or
 24 ~~per volume~~ **per-volume** basis.

25 (II) Contains a total amount of THC that is less than or equal
 26 to the limit established by the cannabis regulatory agency under
 27 section 8(1)(n).

28 (B) If the product is not intended for human or animal
 29 consumption, the product meets both of the following requirements:



1 (I) Contains a substance listed in subparagraph (i), (ii), (iii),
2 or (iv).

3 (II) Has a THC concentration of 0.3% or less on a dry-weight
4 basis.

5 (m) **"Licensed premises" means the location at which the**
6 **cannabis regulatory agency has authorized a licensee to operate.**

7 (n) ~~(g)~~ "Licensee" means a person holding a state license.

8 (o) ~~(h)~~ "Marihuana" means any of the following:

9 (i) A plant of the genus *Cannabis*, whether growing or not.

10 (ii) A part of a plant of the genus *Cannabis*, whether growing
11 or not.

12 (iii) The seeds of a plant of the genus *Cannabis*.

13 (iv) Marihuana concentrate.

14 (v) A compound, manufacture, salt, derivative, mixture,
15 extract, acid, isomer, salt of an isomer, or preparation of any of
16 the following:

17 (A) A plant of the genus *Cannabis*.

18 (B) A part of a plant of the genus *Cannabis*.

19 (C) The seeds of a plant of the genus *Cannabis*.

20 (D) Marihuana concentrate.

21 (vi) A marihuana-infused product.

22 (vii) A product with a THC concentration of more than 0.3% on a
23 dry-weight or ~~per volume~~ **per-volume** basis in the form in which it
24 is intended for sale to a consumer.

25 (viii) A product that is intended for human or animal
26 consumption and that contains, in the form in which it is intended
27 for sale to a consumer, a total amount of THC that is greater than
28 the limit established by the cannabis regulatory agency under
29 section 8(1)(n).



1 **(p)** ~~(i)~~—Except for marihuana concentrate extracted from any of
2 the following, "marihuana" does not include any of the following:

3 (i) The mature stalks of a plant of the genus *Cannabis*.

4 (ii) Fiber produced from the mature stalks of a plant of the
5 genus *Cannabis*.

6 (iii) Oil or cake made from the seeds of a plant of the genus
7 *Cannabis*.

8 (iv) A compound, manufacture, salt, derivative, mixture, or
9 preparation of the mature stalks of a plant of the genus *Cannabis*.

10 (v) Industrial hemp.

11 (vi) An ingredient combined with marihuana to prepare topical
12 or oral administrations, food, drink, or other products.

13 (vii) A drug for which an application filed in accordance with
14 21 USC 355 is approved by the Food and Drug Administration.

15 **(q)** ~~(j)~~—"Marihuana accessories" means any equipment, product,
16 material, or combination of equipment, products, or materials, that
17 is specifically designed for use in ~~planting~~, **any of the following:**

18 (i) **Planting**, propagating, cultivating, growing, harvesting,
19 manufacturing, compounding, converting, producing, processing,
20 preparing, testing, analyzing, packaging, repackaging, storing, **or**
21 containing ~~, ingesting, marihuana~~.

22 (ii) **Ingesting**, inhaling, or otherwise introducing marihuana
23 into the ~~human~~ body **of a human or animal**.

24 **(r)** ~~(k)~~—"Marihuana concentrate" means the resin extracted from
25 any part of a **marihuana** plant. ~~of the genus *Cannabis*~~.

26 ~~(l) "Marihuana establishment" means a marihuana grower,~~
27 ~~marihuana safety compliance facility, marihuana processor,~~
28 ~~marihuana microbusiness, marihuana retailer, marihuana secure~~
29 ~~transporter, or any other type of marihuana-related business~~



1 ~~licensed by the cannabis regulatory agency.~~

2 (s) ~~(m)~~ "Marihuana grower" means a person ~~licensed to~~
3 ~~cultivate marihuana and sell or otherwise transfer marihuana to~~
4 ~~marihuana establishments.~~ **that holds a state license described in**
5 **section 20.**

6 (t) ~~(n)~~ "Marihuana-infused product" means a topical
7 formulation, tincture, beverage, edible substance, or similar
8 product containing marihuana and other ingredients and that is
9 intended for human **or animal** consumption.

10 (u) ~~(o)~~ "Marihuana microbusiness" means a person ~~licensed to~~
11 ~~cultivate not more than 150 marihuana plants; process and package~~
12 ~~marihuana; and sell or otherwise transfer marihuana to individuals~~
13 ~~who are 21 years of age or older or to a marihuana safety~~
14 ~~compliance facility, but not to other marihuana establishments.~~ **that**
15 **holds a state license described in section 25.**

16 (v) "Marihuana plant" means any plant of the genus *Cannabis*
17 *sativa* L. **Marihuana plant does not include industrial hemp.**

18 (w) ~~(p)~~ "Marihuana processor" means a person ~~licensed to~~
19 ~~obtain marihuana from marihuana establishments; process and package~~
20 ~~marihuana; and sell or otherwise transfer marihuana to marihuana~~
21 ~~establishments.~~ **that holds a state license described in section 21.**

22 (x) "Marihuana provisioning center" means a person that holds
23 a state license described in section 24a.

24 (y) "Marihuana regulation fund" means the marihuana regulation
25 fund created under section 14.

26 (z) ~~(q)~~ "Marihuana retailer" means a person ~~licensed to obtain~~
27 ~~marihuana from marihuana establishments and to sell or otherwise~~
28 ~~transfer marihuana to marihuana establishments and to individuals~~
29 ~~who are 21 years of age or older.~~ **that holds a state license**



1 **described in section 24.**

2 (aa) ~~(r)~~ "Marihuana safety compliance facility" means a person
3 ~~licensed to test marihuana, including certification for potency and~~
4 ~~the presence of contaminants.~~ **that holds a state license described**
5 **in section 23.**

6 (bb) ~~(s)~~ "Marihuana secure transporter" means a person
7 ~~licensed to obtain marihuana from marihuana establishments in order~~
8 ~~to transport marihuana to marihuana establishments.~~ **that holds a**
9 **state license described in section 22.**

10 ~~(t) "Marijuana regulatory agency", unless the context dictates~~
11 ~~otherwise, means the cannabis regulatory agency.~~

12 (cc) "Medical facility licensee" means either of the
13 following, as applicable:

14 (i) Before March 1, 2026, a person that holds a state operating
15 license granted under the medical marihuana facilities licensing
16 act.

17 (ii) On or after March 1, 2026, a licensee that is granted a
18 state license under section 29.

19 (dd) "Medical marihuana facilities licensing act" means the
20 medical marihuana facilities licensing act, 2016 PA 281, MCL
21 333.27101 to 333.27801.

22 (ee) "Michigan Medical Marihuana Act" means the Michigan
23 Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.

24 (ff) ~~(u)~~ "Municipal license" means a license issued by a
25 municipality pursuant to **under** section 16 ~~that allows a person to~~
26 ~~operate a marihuana establishment in that municipality.~~ **6.**

27 (gg) ~~(v)~~ "Municipality" means a city, village, or township.
28 **For purposes of section 6, municipality includes an Indian tribe.**

29 (hh) ~~(w)~~ "Person" means an individual, corporation, limited



1 liability company, partnership of any type, trust, or other legal
2 entity.

3 (ii) "Primary caregiver" means that term as defined in section
4 3 of the Michigan Medical Marihuana Act, MCL 333.26423.

5 (jj) ~~(*)~~ "Process" or "processing" means to ~~separate~~ do any of
6 the following:

7 (i) **Separate** or otherwise prepare parts of a marihuana plant.
8 ~~and to compound,~~

9 (ii) **Compound**, blend, extract, infuse, or otherwise make or
10 prepare marihuana concentrate or marihuana-infused products.

11 (kk) ~~(y)~~ "Qualifying Indian tribe" means an Indian tribe that
12 meets all of the following conditions:

13 (i) The Indian tribe has entered into an agreement with the
14 cannabis regulatory agency under section 7(2)(b) ~~that~~ **and the**
15 **agreement** is in effect.

16 (ii) The Indian tribe has entered into an agreement with the
17 department of treasury, ~~that~~ **the agreement** is in effect, and ~~that~~
18 **the agreement** does all of the following:

19 (A) States that the revenue collected from the tax or fee
20 described in subparagraph (iii) is not state money ~~,~~ and requires
21 that this revenue be retained by and used as determined by only the
22 Indian tribe, if the marihuana subject to the tax or fee was grown
23 and processed on only the Indian tribe's Indian lands.

24 (B) States whether the revenue collected from the tax or fee
25 described in subparagraph (iii) from marihuana not described in sub-
26 subparagraph (A) is subject to revenue sharing between the Indian
27 tribe and this state and, if so, the details of the revenue sharing
28 arrangement.

29 (iii) The Indian tribe imposes a tax or fee on each sale or



1 transfer of marihuana from a tribal marihuana business located in
 2 the Indian tribe's Indian lands to a person other than a tribal
 3 marihuana business or ~~marihuana establishment. licensee.~~ This
 4 subparagraph does not prohibit a qualifying Indian tribe from
 5 imposing the tax or fee on sales or transfers of marihuana that are
 6 not described in this subparagraph. The tax or fee must be based on
 7 the sales price of the marihuana, and the rate of the tax or fee
 8 must be equal to or greater than the rate established under section
 9 13.

10 (ll) "Qualifying patient" means that term as defined in section
 11 3 of the Michigan Medical Marihuana Act, MCL 333.26423.

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

14 (nn) "Seed" means the fertilized, ungerminated, matured ovule,
 15 containing an embryo or rudimentary plant, of a marihuana plant
 16 that is flowering.

17 (oo) "Seedling" means a marihuana plant that has germinated,
 18 has not flowered, and is not harvestable.

19 (pp) ~~(z)~~ "State license" means ~~a license issued an~~
 20 **authorization granted** by the cannabis regulatory agency **under this**
 21 **act** that allows a person to ~~operate a marihuana~~
 22 ~~establishment.engage in an activity described in this act or the~~
 23 **rules promulgated under this act that is otherwise prohibited by**
 24 **law.**

25 (qq) ~~(aa)~~ "THC" means any of the following:

26 (i) Tetrahydrocannabinolic acid.

27 (ii) Unless excluded by **a rule promulgated by** the cannabis
 28 regulatory agency under section ~~§(2)(e), 8~~, a tetrahydrocannabinol,
 29 regardless of whether it is artificially or naturally derived.



1 (iii) A tetrahydrocannabinol that is a structural, optical, or
 2 geometric isomer of a tetrahydrocannabinol described in
 3 subparagraph (ii).

4 **(rr)** ~~(bb)~~ "Tribal marihuana business" means a business that
 5 meets all of the following conditions:

6 (i) The business engages in the type of activities licensed
 7 under this act.

8 (ii) The business is not a ~~marihuana establishment.licensee.~~

9 (iii) The business is wholly owned by a qualifying Indian tribe,
 10 the enrolled members of a qualifying Indian tribe, or a combination
 11 of a qualifying Indian tribe and the members of that qualifying
 12 Indian tribe.

13 (iv) The business is located in this state and in the Indian
 14 lands of the qualifying Indian tribe described in subparagraph (iii).

15 (v) The business is subject to a tax or fee described in
 16 subdivision ~~(y) (iii)~~. **(kk) (iii)** .

17 **(ss)** ~~(ee)~~ "Unreasonably impracticable" means that the measures
 18 necessary to comply with the rules or ordinances adopted pursuant
 19 ~~to~~ **in accordance with** this act subject licensees to unreasonable
 20 risk or require such a high investment of money, time, or any other
 21 resource or asset that a reasonably prudent businessperson would
 22 not operate ~~the marihuana establishment.as a licensee.~~

23 **(tt)** "Statewide monitoring system" means the system operated
 24 by the cannabis regulatory agency under section 28.

25 **(uu)** "Visiting qualifying patient" means that term as defined
 26 in section 3 of the Michigan Medical Marihuana Act, MCL 333.26423.

27 Sec. 4. (1) ~~1.~~ This act does not authorize **any of the**
 28 **following:**

29 (a) ~~operating,~~ **Operating**, navigating, or being in physical



1 control of any motor vehicle, aircraft, snowmobile, off-road
 2 recreational vehicle, or motorboat while under the influence of
 3 marihuana. †

4 (b) ~~transfer of~~ **Except as otherwise authorized under this act,**
 5 **transferring** marihuana or marihuana accessories to ~~a person under~~
 6 ~~the age of an individual who is younger than 21~~ † **years of age.**

7 (c) ~~any person under the age of~~ **Except as otherwise authorized**
 8 **under this act, an individual who is younger than 21 years of age**
 9 to possess, consume, purchase or otherwise obtain, cultivate,
 10 process, transport, or sell marihuana. †

11 (d) ~~separation of~~ **Separating marihuana** plant resin by butane
 12 extraction or another method that utilizes a substance with a
 13 flashpoint below 100 degrees Fahrenheit in any public place, motor
 14 vehicle, or within the curtilage of any residential structure. †

15 (e) ~~consuming~~ **Consuming** marihuana in a public place or smoking
 16 marihuana where prohibited by the person ~~who~~ **that** owns, occupies,
 17 or manages the property. ~~, except for~~ **For** purposes of this
 18 subdivision, a public place does not include an area designated for
 19 **marihuana** consumption within a municipality that has authorized
 20 **marihuana** consumption in designated areas that are not accessible
 21 to ~~persons under~~ **individuals who are younger than** 21 years of age.
 22 †

23 (f) ~~cultivating~~ **Cultivating** marihuana plants if the plants are
 24 visible from a public place without the use of binoculars,
 25 aircraft, or other optical aids or **if the plants are** outside of an
 26 enclosed area equipped with locks or other functioning security
 27 devices that restrict access to the area. †

28 (g) ~~consuming~~ **Consuming** marihuana while operating, navigating,
 29 or being in physical control of any motor vehicle, aircraft,



1 snowmobile, off-road recreational vehicle, or motorboat, or smoking
 2 marihuana within the passenger area of a vehicle upon a public way.
 3 ~~÷~~

4 ~~(h) possessing~~ **Possessing** marihuana **or marihuana** accessories
 5 ~~or possessing or consuming marihuana on the~~ **or in any of the**
 6 **following:**

7 **(i) The** grounds of a public or private school where ~~children~~
 8 **individuals** attend classes in preschool programs, kindergarten
 9 programs, or grades 1 ~~through to~~ 12. ~~÷ in a~~

10 **(ii) A** school bus. ~~÷ or on the~~

11 **(iii) The** grounds of any correctional facility. ~~÷ or~~

12 **(i)** Possessing more than 2.5 ounces of marihuana within a
 13 ~~person's place of~~ **an individual's** residence unless ~~the any~~
 14 **marihuana in** excess ~~marihuana of~~ **2.5 ounces** is stored in a
 15 container or area equipped with locks or other functioning security
 16 devices that restrict access to the contents of the container or
 17 area.

18 **(2) 2.** ~~This act does not limit any privileges, rights,~~
 19 ~~immunities, or defenses of a person as provided in the Michigan~~
 20 ~~medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430, the~~
 21 ~~medical marihuana facilities licensing act, 2016 PA 281, MCL~~
 22 ~~333.27101 to 333.27801,~~ **Medical Marihuana Act** or any other law of
 23 this state allowing for or regulating marihuana for medical use.

24 **(3) 3.** ~~This act does not require~~ **do any of the following:**

25 **(a) Require** an employer to ~~permit~~ **allow** or accommodate conduct
 26 otherwise allowed ~~by~~ **under** this act in any workplace or on the
 27 employer's property. ~~This act does not prohibit~~

28 **(b) Prohibit** an employer from disciplining an employee ~~for~~
 29 ~~violation of~~ **who violates** a workplace drug policy or for working



1 while under the influence of marihuana. ~~This act does not prevent~~

2 (c) **Prohibit** an employer from ~~refusing to hire,~~ discharging,
3 disciplining, **refusing to hire**, or otherwise taking an adverse
4 employment action against ~~a person~~ **an individual** with respect to
5 hire, tenure, terms, conditions, or privileges of employment
6 because ~~of that person's violation of~~ **the individual violated** a
7 workplace drug policy or because ~~that person~~ **the individual** was
8 working while under the influence of marihuana.

9 (4) ~~4. This act allows a person to~~ **A person may** prohibit or
10 otherwise regulate the consumption, cultivation, distribution,
11 processing, sale, or display of marihuana ~~and or~~ marihuana
12 accessories on property the person owns, occupies, or manages. ~~7~~
13 ~~except that~~ **However**, a lease agreement ~~may~~ **must** not prohibit a
14 tenant from ~~lawfully possessing and consuming~~ marihuana **on the**
15 **leased premises or from consuming marihuana on the leased premises**
16 by means other than smoking, **if the possession or consumption is**
17 **authorized under this act.**

18 (5) ~~5.~~ All other laws inconsistent with this act do not apply
19 to conduct that is ~~permitted by~~ **authorized under** this act. **A**
20 **contract is not void or voidable as against public policy solely**
21 **because it pertains to an activity that is authorized under this**
22 **act.**

23 Sec. 5. (1) ~~1.~~ Notwithstanding any other law or provision of
24 this act, and except as otherwise provided in section 4, ~~of this~~
25 ~~act,~~ the following acts by ~~a person~~ **an individual who is** 21 years
26 of age or older are not unlawful, are not an offense, are not
27 grounds for seizing or forfeiting property, are not grounds for
28 arrest, prosecution, or penalty in any manner, are not grounds for
29 search or inspection, and are not grounds to deny any other right



1 or privilege:

2 (a) ~~except~~ **Except** as ~~permitted by~~ **provided in** subdivision (b),
 3 possessing, using or consuming, internally possessing, purchasing,
 4 transporting, or processing **not more than** 2.5 ounces ~~or less of~~
 5 marihuana, ~~except that of which~~ not more than 15 grams ~~of marihuana~~
 6 may be in the form of marihuana concentrate. †

7 (b) ~~within~~ **Within** the ~~person's~~ **individual's** residence,
 8 ~~possessing,~~ **any of the following:**

9 (i) **Possessing**, storing, and processing not more than 10 ounces
 10 of marihuana **that was not produced by marihuana plants cultivated**
 11 **on the premises at which the individual's residence is located as**
 12 **provided for in subparagraph (iii).**

13 (ii) **Possessing**, storing, and **processing** any marihuana produced
 14 by marihuana plants cultivated on the premises **at which the**
 15 **individual's residence is located as provided for in subparagraph**
 16 **(iii).** ~~and cultivating~~

17 (iii) **Except as otherwise provided in this subparagraph,**
 18 **possessing, cultivating, and processing** not more than 12 marihuana
 19 plants for personal use, ~~provided that no more than 12 marihuana~~
 20 ~~plants are possessed, cultivated, or processed on the premises at~~
 21 ~~once,~~ **on the premises at which the individual's residence is**
 22 **located. A combined total of not more than 12 marihuana plants may**
 23 **be possessed, cultivated, or processed at 1 time by individuals on**
 24 **the premises at which the individuals' residence is located.**

25 (c) ~~assisting~~ **Assisting** another ~~person~~ **individual** who is 21
 26 years of age or older in any of the acts described in this section.
 27 ~~;~~ ~~and~~

28 (d) ~~giving~~ **Giving** away or otherwise transferring without
 29 remuneration ~~up to~~ **not more than** 2.5 ounces of marihuana, ~~except~~



1 ~~that of which~~ not more than 15 grams ~~of marihuana~~ may be in the
 2 form of marihuana concentrate, to ~~a person~~ **an individual who is** 21
 3 years of age or older, ~~as long as~~ **but only if** the transfer is not
 4 advertised or promoted to the public.

5 (2) ~~2.~~ Notwithstanding any other law or provision of this act,
 6 **and** except as otherwise provided in section 4, ~~of this act,~~ the
 7 use, manufacture, possession, and purchase of marihuana accessories
 8 by ~~a person~~ **an individual who is** 21 years of age or older **or who is**
 9 **a qualifying patient, visiting qualifying patient, or primary**
 10 **caregiver,** and the distribution or sale of marihuana accessories to
 11 ~~a person~~ **an individual who is** 21 years of age or older **or who is a**
 12 **qualifying patient, visiting qualifying patient, or primary**
 13 **caregiver,** is authorized, is not unlawful, is not an offense, is
 14 not grounds for seizing or forfeiting property, is not grounds for
 15 arrest, prosecution, or penalty in any manner, and is not grounds
 16 to deny any other right or privilege.

17 (3) ~~3. A person shall~~ **An individual must** not be denied custody
 18 of or visitation with a minor for conduct that is ~~permitted by~~
 19 **allowed under** this act, unless the ~~person's~~ **individual's** behavior
 20 ~~is such that it~~ creates an unreasonable danger to the minor that
 21 can be clearly articulated and substantiated.

22 Sec. 6. (1) ~~1.~~ Except as **otherwise** provided in **this section**
 23 **and** section 4, a municipality may, **by adopting or enforcing an**
 24 **ordinance or taking an action that the municipality is authorized**
 25 **by law to take, regulate licensees within its boundaries,**
 26 **including, but not limited to,** completely ~~prohibit~~ **prohibiting** or
 27 ~~limit~~ **limiting** the number of ~~marihuana establishments~~ **licensees**
 28 **that may operate** within its boundaries. ~~Individuals~~ **An individual**
 29 may petition to initiate an ordinance to provide for the number of



1 ~~marihuana establishments licenses~~ that are allowed to operate
 2 within the boundaries of a municipality or to completely prohibit
 3 ~~marihuana establishments licenses~~ from operating within the
 4 boundaries of a municipality. ~~and such~~ If the petition is signed
 5 by qualified electors in the municipality in a number greater than
 6 5% of the votes cast for governor by qualified electors in the
 7 municipality at the last gubernatorial election, the ordinance
 8 shall ~~must~~ be submitted to the electors of the municipality at the
 9 next regular election ~~when a petition is signed by qualified~~
 10 ~~electors held~~ in the municipality. ~~in a number greater than 5% of~~
 11 ~~the votes cast for governor by qualified electors in the~~
 12 ~~municipality at the last gubernatorial election.~~ A petition under
 13 this subsection is subject to section 488 of the Michigan election
 14 law, 1954 PA 116, MCL 168.488.

15 (2) If requested by the cannabis regulatory agency, a
 16 municipality shall provide the cannabis regulatory agency with all
 17 of the following on a form prescribed and provided by the cannabis
 18 regulatory agency:

19 (a) An attestation that the municipality has or has not
 20 adopted an ordinance under subsection (1).

21 (b) If applicable, all of the following:

22 (i) The type of licensees authorized to operate under the
 23 ordinance.

24 (ii) A description of any zoning regulations that apply to an
 25 applicant's proposed licensed premises.

26 (c) The signature of the clerk of the municipality or the
 27 clerk's designee.

28 (d) Any other information required by the cannabis regulatory
 29 agency.



1 (3) ~~2.~~ A municipality may adopt ~~other ordinances that are not~~
 2 ~~unreasonably impracticable and do not conflict with this act or~~
 3 ~~with any rule promulgated pursuant to this act and~~ **or enforce an**
 4 **ordinance that does any of the following:**

5 (a) ~~establish~~ **Establishes** reasonable restrictions on public
 6 signs related to ~~marihuana establishments;~~ **licensees and licensed**
 7 **premises.**

8 (b) ~~regulate~~ **Regulates** the time, place, and manner of
 9 operation of ~~marihuana establishments~~ **licensees** and of the
 10 production, manufacture, sale, or display of marihuana
 11 accessories.†

12 (c) ~~authorize~~ **Authorizes** the sale of marihuana for consumption
 13 in designated areas that are not accessible to ~~persons under~~
 14 **individuals who are younger than** 21 years of age, or at special
 15 events in limited areas and for a limited time. †~~and~~

16 (d) ~~designate~~ **Designates** a violation of the ordinance and
 17 ~~provide~~ **provides** for a ~~penalty~~ **sanction** for that violation by a
 18 marihuana establishment, ~~provided that such violation is~~ **licensee.**
 19 **However, a violation designated under this subdivision must be a**
 20 **civil infraction and such penalty is** ~~the~~ **sanction must be** a civil
 21 fine of not more than ~~\$500.~~ **\$500.00.**

22 (e) ~~3. A municipality may adopt an ordinance requiring~~ **Except**
 23 **as otherwise provided for in subsection (5) (d), requires** a
 24 ~~marihuana establishment~~ **licensee** with a ~~physical location~~ **licensed**
 25 **premises located** within the **boundaries of the** municipality to
 26 obtain a municipal license. †~~but may not impose qualifications for~~
 27 ~~licensure that conflict with this act or rules promulgated by the~~
 28 ~~department.~~

29 (f) **Prohibits a medical facility licensee that is operating as**



1 a provisioning center from operating as a marihuana retailer. This
 2 subdivision applies if the ordinance is adopted before March 1,
 3 2026.

4 (4) 4. ~~A municipality may charge an annual fee of not more~~
 5 than ~~\$5,000~~ **\$5,000.00** to defray application, administrative, and
 6 enforcement costs associated with ~~the operation of the marihuana~~
 7 ~~establishment~~ **a licensee operating** in the municipality.

8 (5) 5. ~~A municipality may~~ **shall** not adopt **or enforce** an
 9 ordinance that ~~restricts~~ **is unreasonably impracticable or that does**
 10 **any of the following:**

11 (a) **Conflicts with this act or a rule promulgated under this**
 12 **act.**

13 (b) **Restricts** the transportation of marihuana through the
 14 municipality. ~~or prohibits~~

15 (c) **Prohibits** a marihuana grower, ~~a marihuana processor, and a~~
 16 **or** marihuana retailer from operating ~~within a single facility or~~
 17 ~~from operating at a location shared with a marihuana facility~~
 18 ~~operating pursuant to the medical marihuana facilities licensing~~
 19 ~~act, 2016 PA 281, MCL 333.27101 to 333.27801.~~ **at the same licensed**
 20 **premises or at a licensed premises that is shared with a medical**
 21 **facility licensee that is operating in accordance with the medical**
 22 **marihuana facilities licensing act.**

23 (d) **Requires a medical facility licensee, other than a medical**
 24 **facility licensee that is operating as a provisioning center, to do**
 25 **either of the following in order to continue operating before March**
 26 **1, 2026 or to qualify for a state license under section 29:**

27 (i) **Obtain a municipal license that is in addition to a**
 28 **municipal license the medical facility licensee already holds.**

29 (ii) **Renew a municipal license before the expiration of that**



1 municipal license.

2 (e) Discriminate against, or otherwise treat a medical
3 facility licensee differently than, any other licensee solely
4 because the medical facility licensee was granted a state license
5 under section 29.

6 Sec. 7. (1) The cannabis regulatory agency is responsible for
7 implementing this act and has the powers and duties necessary to
8 control the commercial production and distribution of marihuana.
9 The cannabis regulatory agency shall do all of the following:

10 (a) Promulgate rules ~~pursuant to~~ **as required under** section 8.
11 ~~that are necessary to implement, administer, and enforce this act.~~

12 (b) Grant or deny each application for licensure and
13 investigate each applicant to determine eligibility for licensure,
14 including **by** conducting a background investigation on each person
15 ~~holding~~ **that holds** an ownership interest in the applicant.

16 (c) Ensure that ~~marihuana establishments~~ **licensees** comply with
17 this act and the rules promulgated under this act by doing all of
18 the following:

19 (i) Performing investigations of compliance and regular
20 inspections of ~~marihuana establishments~~ **licensed premises**.

21 (ii) **Auditing licenses.**

22 (iii) **Ejecting or excluding, or authorizing the ejection or**
23 **exclusion of, an individual from licensed premises if the**
24 **individual violates this act or the rules promulgated under this**
25 **act.**

26 (iv) ~~(ii)~~ Taking appropriate disciplinary action against a
27 licensee **that violates this act or the rules promulgated under this**
28 **act**, including, **but not limited to**, prescribing civil fines ~~for~~
29 ~~violations of this act or the rules promulgated under this act and~~



1 **or** suspending, restricting, or revoking a state license.

2 (d) Hold at least 4 public meetings each calendar year for the
3 purpose of hearing complaints and receiving the views of the public
4 with respect to **the** administration of this act.

5 (e) Collect fees for licensure and fines for violations of
6 this act or the rules promulgated under this act.

7 (f) Deposit all fees collected for licensure into the
8 marihuana regulation fund. ~~established under section 14 and remit~~

9 **(g) Remit** all fines collected **to the department of treasury**
10 for deposit into the general fund.

11 **(h)** ~~(g)~~ Submit an annual report to the governor covering the
12 immediately preceding **calendar** year that includes all of the
13 following:

14 **(i) The total number of state licenses granted.**

15 **(ii)** ~~(i)~~ The number of **each type of** state ~~licenses of each class~~
16 ~~issued.~~ **license granted.**

17 **(iii)** ~~(ii)~~ Demographic information of licensees.

18 **(iv)** ~~(iii)~~ A description of enforcement and disciplinary actions
19 taken against licensees.

20 **(v)** ~~(iv)~~ A statement of revenues and expenses of the cannabis
21 regulatory agency ~~related to~~ **regarding** the implementation,
22 administration, and enforcement of this act.

23 **(i)** ~~(h)~~ Employ personnel as necessary to adequately perform
24 its duties.

25 (2) The cannabis regulatory agency may do either of the
26 following:

27 (a) Enter into an agreement with an advisor or consultant as
28 necessary to adequately perform its duties under this act.

29 (b) Enter into an agreement with an Indian tribe regarding



1 marihuana-related regulatory issues that involve the interests of
 2 this state and the Indian tribe, including, but not limited to,
 3 issues related to the commercial growing, processing, sale,
 4 testing, transportation, and possession of marihuana.

5 (3) A person ~~who~~**that** has a **direct or indirect** pecuniary
 6 interest ~~, directly or indirectly,~~ in a ~~marihuana establishment~~
 7 **licensee** or tribal marihuana business may not be an employee,
 8 advisor, or consultant involved in the implementation,
 9 administration, or enforcement of this act. An employee, advisor,
 10 or consultant of the cannabis regulatory agency is not personally
 11 liable for any action at law for damages sustained by a person
 12 because of an action performed or done in the performance of the
 13 employee's, advisor's, or consultant's duties in the
 14 implementation, administration, or enforcement of this act.

15 (4) The department of state police shall cooperate and assist
 16 the cannabis regulatory agency in performing the cannabis
 17 regulatory agency's duties under this act, including, but not
 18 limited to, conducting background investigations of applicants.

19 Sec. 8. (1) The cannabis regulatory agency shall promulgate
 20 rules to implement, ~~and administer,~~ **and enforce** this act that
 21 include all of the following:

22 (a) Procedures for ~~issuing~~**granting** a state license pursuant
 23 ~~to~~**under** section 9 and for renewing, suspending, and revoking a
 24 state license.

25 (b) A schedule of fees in amounts not more than necessary to
 26 pay for implementation, administration, and enforcement costs of
 27 this act and that relate to the size of each licensee or the volume
 28 of business conducted by the licensee.

29 (c) Qualifications for licensure that are directly and



1 demonstrably related to ~~the operation of~~ **operating as** a marihuana
 2 establishment. ~~licensee~~. However, a prior conviction solely for a
 3 marihuana-related offense must not disqualify an individual or
 4 otherwise affect eligibility for licensure, unless the offense
 5 involved distribution of a controlled substance to a minor.

6 (d) Requirements and standards for safe cultivation,
 7 processing, and distribution of marihuana by ~~marihuana~~
 8 establishments, ~~licensees~~, including health standards to ensure the
 9 safe preparation of marihuana-infused products and prohibitions on
 10 pesticides that are not safe for use on marihuana.

11 (e) Testing, packaging, and labeling standards, procedures,
 12 and requirements for marihuana, including, but not limited to, all
 13 of the following:

14 (i) A maximum THC level for marihuana-infused products.

15 (ii) A requirement that a representative sample of marihuana be
 16 tested by a marihuana safety compliance facility.

17 (iii) A requirement that the amount of marihuana or marihuana
 18 concentrate contained within a marihuana-infused product be
 19 specified on the product label.

20 (iv) A requirement that all marihuana sold through marihuana
 21 retailers, ~~and marihuana microbusinesses~~, **and marihuana**
 22 **provisioning centers** include on the exterior of the marihuana
 23 packaging the following warning printed in clearly legible type and
 24 surrounded by a continuous heavy line:

25 WARNING: USE BY PREGNANT OR BREASTFEEDING WOMEN, OR BY
 26 WOMEN PLANNING TO BECOME PREGNANT, MAY RESULT IN FETAL
 27 INJURY, PRETERM BIRTH, LOW BIRTH WEIGHT, OR DEVELOPMENTAL
 28 PROBLEMS FOR THE CHILD.

29 (f) Security requirements, including lighting, physical



1 security, and alarm requirements, and requirements for securely
 2 transporting marihuana between ~~marihuana establishments.~~ **licensed**
 3 **premises.** The requirements described in this subdivision must not
 4 prohibit cultivation of marihuana outdoors or in greenhouses.

5 (g) ~~Record keeping~~ **Record-keeping** requirements for ~~marihuana~~
 6 ~~establishments~~ **licensees** and monitoring requirements to track the
 7 transfer of marihuana by licensees.

8 (h) Requirements for the operation of marihuana secure
 9 transporters to ensure that all ~~marihuana establishments~~ **licensees**
 10 are properly serviced.

11 (i) Reasonable restrictions on advertising, marketing, and
 12 display of marihuana, **licensees**, and ~~marihuana~~
 13 ~~establishments.~~ **licensed premises.**

14 (j) A plan to promote and encourage participation in the
 15 marihuana industry by ~~people~~ **individuals** from communities that have
 16 been disproportionately impacted by marihuana prohibition and
 17 enforcement and to positively impact those communities.

18 (k) ~~Penalties~~ **Sanctions** for failure to comply with a rule
 19 promulgated ~~pursuant to~~ **under** this section or for a violation of
 20 this act by a licensee, including civil fines and suspension,
 21 revocation, or restriction of a state license.

22 (l) Informational pamphlet standards for marihuana retailers,
 23 ~~and marihuana microbusinesses,~~ **and marihuana provisioning centers,**
 24 including, but not limited to, a requirement to make available to
 25 every customer at the time of sale a pamphlet measuring 3.5 inches
 26 by 5 inches that includes safety information related to marihuana
 27 use by ~~minors~~ **individuals younger than 21 years of age** and the
 28 poison control hotline number.

29 (m) Procedures and standards for approving an appointee to



1 operate **as** a ~~marihuana establishment licensee~~ under section 9a.

2 (n) A limit on the total amount of THC that a product
3 described in section ~~3(f)(v)(A)~~ **3(l)(v)(A)** may contain.

4 (2) The cannabis regulatory agency may promulgate rules to do
5 any of the following:

6 (a) Provide for the ~~issuance~~ **granting** of additional types or
7 classes of state licenses to ~~operate~~ **engage in** marihuana-related
8 ~~businesses, activities~~, including licenses that authorize any of
9 the following:

10 (i) Limited cultivation, processing, transportation, delivery,
11 storage, sale, or purchase of marihuana.

12 (ii) Consumption of marihuana within designated areas.

13 (iii) Consumption of marihuana at special events in limited
14 areas and for a limited time.

15 (iv) Cultivation for purposes of propagation.

16 (v) Facilitation of scientific research or education.

17 (b) Regulate the ~~cultivation~~, processing, distribution, and
18 sale of industrial hemp.

19 (c) Exclude from the definition of THC in section 3 a
20 tetrahydrocannabinol if, after the cannabis regulatory agency makes
21 findings with respect to each of the following factors, the
22 cannabis regulatory agency determines that the tetrahydrocannabinol
23 does not have a potential for abuse:

24 (i) The actual or relative potential for abuse of the
25 tetrahydrocannabinol.

26 (ii) The scientific evidence of the tetrahydrocannabinol's
27 pharmacological effect, if known.

28 (iii) The state of current scientific knowledge regarding the
29 tetrahydrocannabinol.



1 (iv) The history and current pattern of abuse of the
2 tetrahydrocannabinol.

3 (v) The scope, duration, and significance of abuse of the
4 tetrahydrocannabinol.

5 (vi) The tetrahydrocannabinol's risk to the public health.

6 (vii) The potential of the tetrahydrocannabinol to produce
7 psychic or physiological dependence liability.

8 **(d) Require every applicant to submit fingerprints for the**
9 **purposes described in section 9(1).**

10 (3) The cannabis regulatory agency shall not promulgate a rule
11 that is unreasonably impracticable or that does any of the
12 following:

13 (a) Establishes a limit on the number of any type of state
14 license that may be granted.

15 (b) Requires a customer to provide a marihuana retailer,
16 **marihuana microbusiness, or marihuana provisioning center** with
17 identifying information other than identification to determine the
18 customer's age or, ~~requires the~~ **if the customer is a qualifying**
19 **patient, visiting qualifying patient, or primary caregiver, the**
20 **customer's registry identification card.**

21 **(c) Requires a marihuana retailer, marihuana microbusiness, or**
22 **marihuana provisioning center** to acquire or record personal
23 information about customers other than information typically
24 required in a retail transaction.

25 ~~(c) Prohibits a marihuana establishment from operating at a~~
26 ~~shared location of a marihuana facility operating pursuant to the~~
27 ~~medical marihuana facilities licensing act, 2016 PA 281, MCL~~
28 ~~333.27101 to 333.27801, or prohibits~~

29 **(d) Prohibits** a marihuana grower, marihuana processor, or



1 marihuana retailer from operating ~~within a single facility.~~ **at the**
 2 **same licensed premises.**

3 (4) A rule promulgated under this act must be promulgated
 4 ~~pursuant to~~ **in accordance with** the administrative procedures act of
 5 1969, 1969 PA 306, MCL 24.201 to 24.328.

6 Sec. 9. **(1) 1.** ~~Each application for a state license must be~~
 7 ~~submitted~~ **Subject to section 29, to apply for a state license, a**
 8 **person must do all of the following:**

9 (a) **Submit all of the following** to the ~~department.~~ ~~Upon~~
 10 ~~receipt of~~ **cannabis regulatory agency:**

11 (i) **An application on a form prescribed by the cannabis**
 12 **regulatory agency.**

13 (ii) **Written consent to all of the following:**

14 (A) **A criminal history check as described in subsection (11).**

15 (B) **If required under the rules promulgated under section 8,**
 16 **the submission of the applicant's fingerprints to, and inclusion of**
 17 **the applicant's fingerprints in, the state and federal database**
 18 **systems described in subsection (11).**

19 (iii) **The application fee.**

20 (b) **If required under the rules promulgated under section 8,**
 21 **submit a set of fingerprints to the department of state police.**

22 (2) **Not later than 90 days after receiving a complete**
 23 **application and the application fee, the** ~~department~~ **cannabis**
 24 **regulatory agency shall forward a copy of the application to do all**
 25 **of the following:**

26 (a) **Notify** the municipality in which the ~~marihuana~~
 27 ~~establishment~~ **proposed licensed premises** is ~~to be~~ **located that the**
 28 **cannabis regulatory agency received the application.** ~~, determine~~

29 (b) **Determine** whether the applicant and the **applicant's**



1 **proposed licensed** premises qualify for the state license and comply
 2 with this act. ~~and issue~~

3 (c) **Grant** the ~~appropriate applicant the~~ state license or send
 4 the applicant a notice of rejection ~~setting forth that states the~~
 5 specific reasons why the ~~department~~ **cannabis regulatory agency** did
 6 not approve the state license application. ~~within 90 days.~~

7 (3) ~~2.~~ The ~~department~~ **cannabis regulatory agency** shall ~~issue~~
 8 **grant** the following state license types: ~~marihuana~~

9 (a) **Marihuana** retailer. ~~and marihuana~~

10 (b) **Marihuana** safety compliance facility. ~~and marihuana~~

11 (c) **Marihuana** secure transporter. ~~and marihuana~~

12 (d) **Marihuana** processor. ~~and marihuana~~

13 (e) **Marihuana** microbusiness. ~~and class~~

14 (f) **Class A** marihuana grower. ~~authorizing cultivation of not~~
 15 ~~more than 100 marihuana plants; class~~

16 (g) **Class B** marihuana grower. ~~authorizing cultivation of not~~
 17 ~~more than 500 marihuana plants; and class~~

18 (h) **Class C** marihuana grower. ~~authorizing cultivation of not~~
 19 ~~more than 2,000 marihuana plants.~~

20 (i) **Beginning March 1, 2026, marihuana provisioning center.**

21 (4) ~~3.~~ Except as otherwise provided in this section, the
 22 ~~department~~ **cannabis regulatory agency** shall approve a state license
 23 application and ~~issue~~ **grant the applicant** a state license if **all of**
 24 **the following conditions are met:**

25 (a) ~~the~~ **The** applicant ~~has~~ submitted ~~an~~ **the** application in
 26 ~~compliance~~ **accordance** with **this act and** the rules promulgated by
 27 ~~the department,~~ **under this act,** is in compliance with this act and
 28 the rules **promulgated under this act,** and ~~has~~ paid the ~~required~~
 29 **application fee.** ~~and~~



1 (b) ~~the~~ **Subject to section 29(2)(g), the** municipality in which
 2 the proposed ~~marihuana establishment licensed premises will be~~ **is**
 3 located does not notify the ~~department~~ **cannabis regulatory agency**
 4 that the proposed ~~marihuana establishment is licensed premises~~
 5 **would not in compliance comply** with an ordinance ~~consistent with~~
 6 **adopted under** section 6 ~~of this act and that is~~ in effect at the
 7 ~~time of application;~~ **on the date the application is submitted.**

8 (c) ~~the property where the~~ **The** proposed marihuana
 9 ~~establishment is to be located is licensed premises is~~ not within
 10 ~~an~~ **either of the following:**

11 (i) **An** area zoned exclusively for residential use. ~~and is not~~
 12 ~~within~~

13 (ii) **1,000 feet, or a shorter distance prescribed by an**
 14 **applicable ordinance adopted under section 6,** of a pre-existing
 15 public or private school providing education in kindergarten or any
 16 of grades 1 ~~through to~~ 12. ~~, unless a municipality adopts an~~
 17 ~~ordinance that reduces this distance requirement;~~

18 (d) ~~no~~ **Approval of the application will not result in a person**
 19 ~~who~~ **that** holds an ownership interest in the ~~marihuana establishment~~
 20 applicant **holding any of the following:**

21 (i) ~~(1) will hold an~~ **An** ownership interest in ~~both a marihuana~~
 22 ~~safety compliance facility or in a marihuana secure transporter and~~
 23 ~~in a~~ **any of the following:**

- 24 (A) **A** marihuana grower. ~~, a~~
- 25 (B) **A** marihuana processor. ~~, a~~
- 26 (C) **A** marihuana retailer. ~~, or a~~
- 27 (D) **A** marihuana microbusiness. ~~,~~
- 28 (E) **A marihuana secure transporter.**
- 29 (F) **A marihuana provisioning center.**



1 (ii) An ownership interest in a marihuana secure transporter
2 and in any of the following:

- 3 (A) A marihuana grower.
4 (B) A marihuana processor.
5 (C) A marihuana retailer.
6 (D) A marihuana microbusiness.
7 (E) A marihuana safety compliance facility.
8 (F) A marihuana provisioning center.

9 (iii) ~~(2) will hold an~~ An ownership interest in ~~both a marihuana~~
10 microbusiness and in ~~a~~ any of the following:

- 11 (A) A marihuana grower. ~~a~~
12 (B) A marihuana processor. ~~a~~
13 (C) A marihuana retailer. ~~a~~
14 (D) A marihuana safety compliance facility. ~~or a~~
15 (E) A marihuana secure transporter. ~~and~~
16 (F) A marihuana provisioning center.

17 (iv) ~~(3) will hold an~~ An ownership interest in more than 5
18 marihuana growers ~~or in more than 1 marihuana microbusiness, except~~
19 ~~that the department may approve a license application from a person~~
20 ~~who holds an ownership interest in more than 5 marihuana growers or~~
21 ~~more than 1 marihuana microbusiness if, after January 1, 2023, the~~
22 ~~department~~ unless the cannabis regulatory agency promulgates a rule
23 ~~authorizing an individual~~ that authorizes a person to hold an
24 ownership interest in more than 5 marihuana growers ~~or in more than~~
25 1 marihuana microbusiness.

26 (5) The cannabis regulatory agency shall not approve an
27 application for a state license, grant a state license, or renew a
28 state license unless the applicant or licensee, as applicable,
29 provides proof of the financial responsibility for liability that



1 **is required under section 27.**

2 ~~(6) 4. If a municipality an ordinance adopted under section 6~~
 3 ~~limits the number of marihuana establishments licensees that may be~~
 4 ~~licensed operate in the a municipality pursuant to section 6 of~~
 5 ~~this act and if that limit prevents the department cannabis~~
 6 ~~regulatory agency from issuing a state license to all applicants~~
 7 ~~who meet every applicant that meets the requirements of subsection~~
 8 ~~3 of this section, (3) and whose proposed licensed premises is~~
 9 ~~located in the municipality,~~ the municipality shall decide among
 10 competing applications by a competitive process intended to select
 11 applicants ~~who that~~ are best suited to operate in compliance with
 12 this act within the municipality.

13 ~~(7) 5. All A state licenses are license is~~ effective for 1
 14 year, unless the ~~department issues cannabis regulatory agency~~
 15 ~~grants~~ the state license for a longer term. ~~A The cannabis~~
 16 ~~regulatory agency shall renew a licensee's~~ state license ~~is renewed~~
 17 ~~upon receipt of a receiving the licensee's~~ complete renewal
 18 application, ~~proof of financial responsibility for liability as~~
 19 ~~required under section 27,~~ and a renewal fee, ~~from any marihuana~~
 20 ~~establishment if the licensee is~~ in good standing.

21 ~~(8) 6. The department Except as otherwise provided in this~~
 22 ~~subsection, the cannabis regulatory agency~~ shall begin accepting
 23 applications for ~~marihuana establishments within 12 months after~~
 24 ~~the effective date of this act. Except as otherwise provided in~~
 25 ~~this section, for 24 months after the department begins to receive~~
 26 ~~applications for marihuana establishments, the department may only~~
 27 ~~accept applications for licensure: for a class A marihuana grower~~
 28 ~~or for a marihuana microbusiness, from persons who are residents of~~
 29 Michigan; ~~for a marihuana retailer, marihuana processor, class B~~



1 ~~marihuana grower, class C marihuana grower, or a marihuana secure~~
 2 ~~transporter, from persons holding a state operating license~~
 3 ~~pursuant to the medical marihuana facilities licensing act, 2016 PA~~
 4 ~~281, MCL 333.27101 to 333.27801; and for a marihuana safety~~
 5 ~~compliance facility, from any applicant. One year after the~~
 6 ~~department begins to accept applications pursuant to this section,~~
 7 ~~the department shall begin accepting applications from any~~
 8 ~~applicant if the department determines that additional state~~
 9 ~~licenses are necessary to minimize the illegal market for marihuana~~
 10 ~~in this state, to efficiently meet the demand for marihuana, or to~~
 11 ~~provide for reasonable access to marihuana in rural areas.~~**state**
 12 **licenses by December 6, 2019. The cannabis regulatory agency shall**
 13 **begin accepting applications for marihuana provisioning center**
 14 **licenses on March 1, 2026.**

15 (10) ~~7.~~Information obtained from an applicant related to
 16 licensure under this act is ~~exempt from~~**confidential, is not**
 17 **subject to** disclosure under the freedom of information act, 1976 PA
 18 442, MCL 15.231 to 15.246, **and must not be disclosed to any person**
 19 **except for purposes of this act or for law enforcement purposes.**

20 (11) The department of state police shall do all of the
 21 following:

22 (a) If requested by the cannabis regulatory agency, assist the
 23 cannabis regulatory agency in conducting criminal history checks of
 24 applicants.

25 (b) Store and retain all fingerprints submitted under this
 26 section in an automated fingerprint identification system database
 27 that does all of the following:

28 (i) Searches against latent fingerprints.

29 (ii) Provides for an automatic notification upon either of the



1 following:

2 (A) A subsequent fingerprint is submitted into the system that
3 matches a set of fingerprints previously submitted under this
4 section.

5 (B) The criminal history of an individual whose fingerprints
6 are retained in the system is updated.

7 (c) Upon receiving a notification under subdivision (b) (ii) ,
8 immediately notify the cannabis regulatory agency.

9 (d) Forward all fingerprints submitted to it under this
10 section to the Federal Bureau of Investigation for submission of
11 those fingerprints into the FBI automatic notification system. This
12 subdivision does not apply until the department of state police is
13 a participant in the FBI automatic notification system. As used in
14 this subdivision, "FBI automatic notification system" means the
15 automatic notification system that is maintained by the Federal
16 Bureau of Investigation.

17 (12) Information in the database maintained under subsection
18 (11)(b) is confidential, is not subject to disclosure under the
19 freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, and
20 must not be disclosed to any person except for purposes of this act
21 or for law enforcement purposes.

22 Sec. 9a. (1) The ~~marijuana~~**cannabis** regulatory agency may
23 ~~approve the operation of a marihuana establishment by any of the~~
24 following **to operate as a licensee:**

25 (a) A court-appointed personal representative, guardian, or
26 conservator of an individual who holds a state license or has an
27 interest in a person that holds a state license.

28 (b) A court-appointed receiver or trustee.

29 (2) If an individual approved to operate **as** a ~~marihuana~~



1 ~~establishment~~**licensee** under subsection (1) receives notice from
 2 the ~~marijuana~~**cannabis** regulatory agency that the ~~marihuana~~
 3 ~~establishment~~**licensee** the individual is operating is in violation
 4 of this act or the rules promulgated under this act, the individual
 5 shall notify the court that appointed the individual of the notice
 6 of violation ~~within~~**not later than** 2 days after receiving the
 7 notice of violation.

8 Sec. 11a. (1) A licensee authorized to sell or otherwise
 9 transfer marihuana under this act or a rule promulgated under this
 10 act shall not directly, or by a clerk, agent, or servant, sell or
 11 otherwise transfer marihuana to a minor or to an individual who, at
 12 the time of the sale or transfer, is visibly intoxicated.

13 (2) Except as otherwise provided in this section, an
 14 individual who suffers damage or is personally injured by a minor
 15 or visibly intoxicated person as a result of a violation of
 16 subsection (1), if the violation is a proximate cause of the damage
 17 or personal injury or death, shall have a right of action in his or
 18 her name against the licensee that sold or transferred the
 19 marihuana.

20 (3) An action under this section must be instituted within 2
 21 years after the injury or death. A person shall give written notice
 22 to all defendants within 120 days after entering an attorney-client
 23 relationship for the purposes of pursuing a claim for damages under
 24 this section. Failure to give written notice to the licensee within
 25 that time period is grounds for dismissal of the claim unless the
 26 licensee could not be identified within that time period with
 27 reasonable diligence. If the licensee is identified after that time
 28 period, failure to give written notice within 120 days thereafter
 29 is grounds for dismissal. In the event of the death of either



1 party, the right of action under this section survives to or
2 against his or her personal representative.

3 (4) An action under this section shall not be commenced unless
4 the minor or alleged visibly intoxicated individual is a named
5 defendant and is retained in the action until the litigation is
6 concluded by final action or the licensee is dismissed with
7 prejudice.

8 (5) A licensee described in subsection (2) has the right to
9 full indemnification from the minor or alleged visibly intoxicated
10 individual for all damages awarded against the licensee.

11 (6) All defenses of the minor or alleged visibly intoxicated
12 individual are available to the licensee. In an action alleging a
13 violation of subsection (1) involving a minor, proof that the
14 licensee demanded and was shown a government-issued photographic
15 identification appearing to be genuine and showing the minor to be
16 21 years of age or older, is a complete defense to the action.

17 (7) It is presumed that a licensee, other than the licensee
18 that last sold or transferred marihuana to a minor or visibly
19 intoxicated person, is not a proximate cause of an injury that gave
20 rise to a cause of action under subsection (2). This presumption
21 may be overcome by clear and convincing evidence.

22 (8) A minor or alleged visibly intoxicated individual does not
23 have a cause of action under this section. A person does not have a
24 cause of action against a licensee for any loss or damage sustained
25 resulting from the injury or death of the minor or visibly
26 intoxicated person.

27 (9) An individual who suffers damage or who is personally
28 injured by a minor or visibly intoxicated person as a result of a
29 violation of subsection (1) has the right to recover actual damages



1 in a sum of not less than \$50.00 in each case in which the court or
 2 jury determines that intoxication was a proximate cause of the
 3 damage, injury, or death.

4 (10) A licensee authorized to sell or otherwise transfer
 5 marihuana under this act or a rule promulgated under this act must
 6 maintain insurance coverage provided by a licensed and admitted
 7 insurance company in Michigan in a minimum amount of \$50,000.00 for
 8 actions brought under subsection (2).

9 (11) This section provides the exclusive remedy for money
 10 damages against a licensee and the licensee's clerks, agents, and
 11 employees arising out of a violation of subsection (1). This
 12 subsection does not apply to a remedy available under law to lawful
 13 users of marihuana for liability resulting from the manufacture,
 14 distribution, transportation, or sale of adulterated marihuana.

15 (12) Except as otherwise provided in this section, a civil
 16 action against a licensee is subject to the revised judicature act
 17 of 1961, 1961 PA 236, MCL 600.101 to 600.9947.

18 (13) As used in this section:

19 ~~(a) "Adulterated marihuana" means a product sold as marihuana~~
 20 ~~that contains any unintended substance or chemical or biological~~
 21 ~~matter other than marihuana that causes adverse reaction after~~
 22 ~~ingestion or consumption.~~

23 (a) ~~(b)~~—"Minor" means an individual who is younger than 21
 24 years of age **and who is not a qualifying patient or visiting**
 25 **qualifying patient.**

26 (b) ~~(e)~~—"Visibly intoxicated" means displaying obvious,
 27 objective, and visible evidence of intoxication that would be
 28 apparent to an ordinary observer.

29 (c) ~~(d)~~—"Written notice" means a communication in writing that



1 does all of the following:

2 (i) Identifies the minor or alleged visibly intoxicated person
3 by name and address.

4 (ii) States all of the following:

5 (A) The date of the alleged violation of subsection (1).

6 (B) The name and address of the injured or killed individual.

7 (C) The location and circumstances of the accident or event
8 that caused injury or death.

9 (D) The date of retention of the person or law firm giving the
10 notice.

11 Sec. 12. In computing ~~net-taxable~~ income ~~for marihuana~~
12 ~~establishments, deductions from state taxes are allowed for under~~
13 **the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.713, a**
14 **licensee may deduct** all the ordinary and necessary expenses paid or
15 incurred during the taxable year in carrying out a trade or
16 business.

17 Sec. 13. (1) Except as otherwise provided in subsection (4),
18 in addition to all other taxes, an excise tax is imposed on each
19 ~~marihuana establishment-licensee~~ and on each person who sells
20 marihuana at the rate of 10% of the sales price for marihuana sold
21 or otherwise transferred. ~~to a person other than a marihuana~~
22 ~~establishment or tribal marihuana business.~~

23 (2) Except as otherwise provided by a rule promulgated by the
24 department of treasury, a product subject to the tax imposed under
25 this section ~~may~~**must** not be bundled in a single transaction with a
26 product or service that is not subject to the tax imposed by this
27 section.

28 (3) The department of treasury shall administer the taxes
29 imposed under this act ~~pursuant to~~ **in accordance with** 1941 PA 122,



1 MCL 205.1 to 205.31. The department of treasury may promulgate
 2 rules ~~pursuant to~~ **under** the administrative procedures act of 1969,
 3 1969 PA 306, MCL 24.201 to MCL 24.328, that prescribe a method and
 4 manner for payment and collection of the taxes imposed under this
 5 act.

6 (4) The tax imposed under subsection (1) does not apply to any
 7 of the following:

8 (a) Marihuana sold or otherwise transferred from a tribal
 9 marihuana business.

10 (b) Marihuana sold or otherwise transferred under the Michigan
 11 Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.

12 (c) Marihuana sold or otherwise transferred ~~under the medical~~
 13 ~~marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to~~
 14 ~~333.27801.~~ **to a qualifying patient, primary caregiver, or visiting**
 15 **qualifying patient.**

16 (d) **Marihuana sold or otherwise transferred from a licensee to**
 17 **another licensee.**

18 Sec. 14. (1) The marihuana regulation fund is created in the
 19 state treasury. The department of treasury shall deposit into the
 20 fund all money collected under section 13 and all money collected
 21 by the department of treasury in accordance with an agreement
 22 described in section ~~3(y)(ii),~~ **3(kk)(ii)**, and the cannabis regulatory
 23 agency shall deposit into the fund all fees collected under this
 24 act. The state treasurer shall direct the investment of the fund
 25 and shall credit to the fund interest and earnings from fund
 26 investments. The cannabis regulatory agency shall administer the
 27 fund for auditing purposes. Money in the fund at the close of the
 28 fiscal year must remain in the fund and must not lapse to the
 29 general fund.



1 (2) Funds for the initial activities of the cannabis
 2 regulatory agency to implement this act shall be appropriated from
 3 the general fund. The cannabis regulatory agency shall repay any
 4 amount appropriated under this subsection from proceeds in the
 5 fund.

6 (3) The cannabis regulatory agency shall expend money in the
 7 fund as follows:

8 (a) For the implementation, administration, and enforcement of
 9 this act.

10 (b) Until 2022 or for at least 2 years, whichever is later,
 11 for 1 or more development and research projects, including clinical
 12 trials, that are approved by the United States Food and Drug
 13 Administration and sponsored by a nonprofit organization or
 14 researcher within an academic institution researching the efficacy
 15 of marihuana in treating the medical conditions and preventing the
 16 suicide of United States Armed Services veterans. The cannabis
 17 regulatory agency shall expend \$20,000,000.00 per year under this
 18 subdivision.

19 (4) Upon appropriation, the unexpended balances in the fund
 20 must be allocated as follows:

21 (a) Subject to subsection (5), 15% to municipalities in which
 22 **the licensed premises of** a marihuana retailer or marihuana
 23 microbusiness is located, allocated in proportion to the number of
 24 marihuana retailers and marihuana microbusinesses ~~within~~**with**
 25 **licensed premises located in** each municipality.

26 (b) Subject to subsection (5), 15% to counties in which **the**
 27 **licensed premises of** a marihuana retailer or marihuana
 28 microbusiness is located, allocated in proportion to the number of
 29 marihuana retailers and marihuana microbusinesses ~~within~~**with**



1 **licensed premises located in** each county.

2 (c) 35% to the school aid fund to be used for K-12 education,
3 **as provided for under section 11 of article IX of the state**
4 **constitution of 1963.**

5 (d) 35% to the Michigan transportation fund to be used for the
6 repair and maintenance of roads and bridges.

7 (5) If **the licensed premises of** a marihuana retailer or
8 marihuana microbusiness is located in Indian lands, the portions of
9 the unexpended balances attributable to the marihuana retailer or
10 marihuana microbusiness that would have otherwise been allocated to
11 a municipality under subsection (4) (a) and a county under
12 subsection (4) (b) must instead be allocated to the Indian tribe in
13 whose Indian lands the **licensed premises of the** marihuana retailer
14 or marihuana microbusiness is located.

15 Sec. 15. ~~A person~~ **Subject to the exceptions in this section,**
16 **an individual** who commits any of the following acts, and is not
17 otherwise authorized by this act to ~~conduct such activities,~~ **commit**
18 **the acts,** may be punished only as provided in this section and is
19 not subject to any other form of punishment or disqualification,
20 unless the person consents to another disposition authorized by
21 law:

22 (a) ~~1. Except for a person~~ **an individual** who engaged in
23 conduct described in ~~sections 4(1) (a), 4(1) (b), 4(1) (c), 4(1) (d),~~
24 ~~4(1) (g), or 4(1) (h), a person~~ **section 4(1) (a), (b), (c), (d), (g),**
25 **or (h), an individual** who possesses not more than the amount of
26 marihuana allowed ~~by~~ **under** section 5, cultivates not more than the
27 amount of marihuana allowed ~~by~~ **under** section 5, delivers without
28 receiving any remuneration to ~~a person~~ **an individual** who is ~~at~~
29 ~~least~~ 21 years of age **or older** not more than the amount of



1 marihuana allowed ~~by~~**under** section 5, or possesses with intent to
 2 deliver not more than the amount of marihuana allowed ~~by~~**under**
 3 section 5, is responsible for a civil infraction and may be
 4 punished by a fine of not more than ~~\$100~~**\$100.00** and forfeiture of
 5 the marihuana.

6 (b) ~~2.~~ Except for a ~~person~~**an individual** who engaged in
 7 conduct described in section 4, a ~~person~~**an individual** who
 8 possesses not more than twice the amount of marihuana allowed ~~by~~
 9 **under** section 5, cultivates not more than twice the amount of
 10 marihuana allowed ~~by~~**under** section 5, delivers without receiving
 11 any remuneration to a ~~person~~**an individual** who is ~~at least~~ 21 years
 12 of age **or older** not more than twice the amount of marihuana allowed
 13 ~~by~~**under** section 5, or possesses with intent to deliver not more
 14 than twice the amount of marihuana allowed ~~by~~**under** section 5, **may**
 15 **be punished as follows:**

16 (i) ~~(a) for~~ **For** a first violation, **the individual** is
 17 responsible for a civil infraction and may be punished by a fine of
 18 not more than ~~\$500~~**\$500.00** and forfeiture of the marihuana. †

19 (ii) ~~(b) for~~ **For** a second violation, **the individual** is
 20 responsible for a civil infraction and may be punished by a fine of
 21 not more than ~~\$1,000~~**\$1,000.00** and forfeiture of the marihuana. †

22 (iii) ~~(c) for a third or~~ **For each** subsequent violation, **the**
 23 **individual** is guilty of a misdemeanor and may be punished by a fine
 24 of not more than ~~\$2,000~~**\$2,000.00** and forfeiture of the marihuana.

25 (c) ~~3.~~ Except for a ~~person~~**an individual** who engaged in
 26 conduct described ~~by~~**in** section 4(1) (a), ~~4(1) (d), or 4(1) (g), a~~
 27 ~~person under~~ **(d), or (g), an individual who is younger than 21**
 28 years of age **and** who possesses not more than 2.5 ounces of
 29 marihuana or who cultivates not more than ~~12~~**the number of**



1 marihuana plants **allowed under section 5 may be punished as**
 2 **follows:**

3 (i) ~~(a) for~~ **For** a first violation, **the individual** is
 4 responsible for a civil infraction and may be punished as follows:

5 (A) ~~(1) if~~ **If** the ~~person~~ **individual** is ~~less~~ **younger** than 18
 6 years of age, by a fine of not more than ~~\$100~~ **\$100.00** or community
 7 service, forfeiture of the marihuana, and completion of 4 hours of
 8 drug education or counseling. ~~+~~ ~~or~~

9 (B) ~~(2) if~~ **If** the ~~person~~ **individual** is ~~at least~~ 18 years of
 10 age **or older**, by a fine of not more than ~~\$100~~ **\$100.00** and
 11 forfeiture of the marihuana.

12 (ii) ~~(b) for~~ **For** a second violation, **the individual** is
 13 responsible for a civil infraction and may be punished as follows:

14 (A) ~~(1) if~~ **If** the ~~person~~ **individual** is ~~less~~ **younger** than 18
 15 years of age, by a fine of not more than ~~\$500~~ **\$500.00** or community
 16 service, forfeiture of the marihuana, and completion of 8 hours of
 17 drug education or counseling. ~~+~~ ~~or~~

18 (B) ~~(2) if~~ **If** the ~~person~~ **individual** is ~~at least~~ 18 years of
 19 age **or older**, by a fine of not more than ~~\$500~~ **\$500.00** and
 20 forfeiture of the marihuana.

21 (d) ~~4.~~ Except for a ~~person~~ **an individual** who engaged in
 22 conduct described in section 4, a ~~person~~ **an individual** who
 23 possesses more than twice the amount of marihuana allowed ~~by~~ **under**
 24 section 5, cultivates more than twice the amount of marihuana
 25 allowed ~~by~~ **under** section 5, or delivers without receiving any
 26 remuneration to a ~~person~~ **an individual** who is ~~at least~~ 21 years of
 27 age **or older** more than twice the amount of marihuana allowed ~~by~~
 28 **under** section 5, ~~shall be~~ **is** responsible for a misdemeanor, but
 29 ~~shall~~ **is** not ~~be~~ subject to imprisonment unless the violation was



1 habitual, willful, and for a commercial purpose or the violation
2 involved violence.

3 Sec. 17. This act ~~shall~~**must** be broadly construed to
4 accomplish ~~its~~**the purpose and** intent as stated in section 2. ~~of~~
5 ~~this act.~~ Nothing in this act purports to supersede any applicable
6 federal law, except where allowed by federal law. All provisions of
7 this act are self-executing. Any section of this act that is found
8 invalid as to any person or circumstances ~~shall~~**must** not affect the
9 application of any other section of this act that can be given full
10 effect without the invalid section or application.

11 Sec. 20. (1) A marihuana grower that is granted and holds a
12 marihuana grower license, or an agent acting on behalf of the
13 marihuana grower who is 18 years of age or older, may do any of the
14 following:

15 (a) Before March 1, 2026, cultivate not more than the
16 following number of marihuana plants:

- 17 (i) For a class A grower license, 100.
- 18 (ii) For a class B grower license, 500.
- 19 (iii) For a class C grower license, 2,000.

20 (b) On or after March 1, 2026, cultivate not more than the
21 following number of marihuana plants:

- 22 (i) For a class A grower license, 500.
- 23 (ii) For a class B grower license, 1,000.
- 24 (iii) For a class C grower license, 2,000.
- 25 (c) Possess, package, store, or test marihuana.
- 26 (d) Obtain seeds or seedlings from any of the following:
- 27 (i) An individual who is 21 years of age or older.
- 28 (ii) On or after March 1, 2026, a qualifying patient or primary

29 caregiver.



1 (d) Sell or otherwise transfer marihuana to a licensee or
2 tribal marihuana business.

3 (e) Purchase or otherwise obtain marihuana from a licensee or
4 tribal marihuana business.

5 (f) Except as provided in subdivision (g), transport at 1 time
6 not more than 15 ounces of marihuana, of which not more than 60
7 grams may be in the form of marihuana concentrate, to or from
8 licensed premises.

9 (g) Transport marihuana to or from a marihuana processor's or
10 marihuana retailer's licensed premises if all of the following
11 conditions are met:

12 (i) The marihuana grower and marihuana processor or marihuana
13 retailer, as applicable, are authorized to operate at the same
14 licensed premises.

15 (ii) The marihuana grower does not use any public real property
16 to transport the marihuana.

17 Sec. 21. (1) A marihuana processor that is granted and holds a
18 marihuana processor license, or an agent acting on behalf of the
19 marihuana processor who is 18 years of age or older, may do any of
20 the following:

21 (a) Possess, process, package, store, or test marihuana.

22 (b) Sell or otherwise transfer marihuana to a licensee or
23 tribal marihuana business.

24 (c) Purchase or otherwise obtain marihuana from a licensee or
25 tribal marihuana business.

26 (d) Except as provided in subdivision (e), transport at 1 time
27 not more than 15 ounces of marihuana, of which not more than 60
28 grams may be in the form of marihuana concentrate, to or from
29 licensed premises.



1 (e) Transport marihuana to or from a marihuana grower's or
2 marihuana retailer's licensed premises if all of the following
3 conditions are met:

4 (i) The marihuana processor and marihuana grower or marihuana
5 retailer, as applicable, are authorized to operate at the same
6 licensed premises.

7 (ii) The marihuana processor does not use any public real
8 property to transport the marihuana.

9 (f) On or after March 1, 2026, handle, process, market, or
10 broker in compliance with the industrial hemp research and
11 development act, 2014 PA 547, MCL 286.841 to 286.859. As used in
12 this subdivision, "handle", "process", "market", and "broker" mean
13 those terms as defined in section 2 of the industrial hemp research
14 and development act, 2014 PA 547, MCL 286.842.

15 (2) A marihuana processor shall not process an edible
16 marihuana-infused product in a shape or package that is attractive
17 to individuals younger than 18 years of age or that is easily
18 confused with commercially sold candy that does not contain
19 marihuana.

20 Sec. 22. (1) A marihuana secure transporter, or an agent
21 acting on behalf of the marihuana secure transporter who is 18
22 years of age or older, may do any of the following:

23 (a) Possess or store marihuana.

24 (b) Transport marihuana to or from licensed premises or a
25 tribal marihuana business.

26 (2) A marihuana secure transporter shall not hold title to
27 marihuana.

28 Sec. 23. A marihuana safety compliance facility, or an agent
29 acting on behalf of the marihuana safety compliance facility who is



1 18 years of age or older, may do all of the following:

2 (a) Test, possess, repackage, or store marihuana.

3 (b) Transfer marihuana to a licensee or tribal marihuana
4 business.

5 (c) Obtain marihuana from a licensee or tribal marihuana
6 business.

7 (d) Transport marihuana to or from licensed premises or a
8 tribal marihuana business.

9 (e) On or after March 1, 2026, obtaining, transporting,
10 transferring, or testing industrial hemp in compliance with the
11 industrial hemp research and development act, 2014 PA 547, MCL
12 286.841 to 286.859.

13 Sec. 24. (1) A marihuana retailer that is granted and holds a
14 marihuana retailer license, or an agent acting on behalf of the
15 marihuana retailer who is 18 years of age or older, may do any of
16 the following:

17 (a) Possess, store, or test marihuana.

18 (b) Sell or otherwise transfer marihuana to any of the
19 following:

20 (i) A licensee.

21 (ii) An individual who is 21 years of age or older.

22 (iii) A tribal marihuana business.

23 (iv) On or after March 1, 2026, any of the following:

24 (A) A qualifying patient.

25 (B) A visiting qualifying patient.

26 (C) A primary caregiver.

27 (c) Purchase or otherwise obtain marihuana from a licensee or
28 tribal marihuana business.

29 (d) Transport at 1 time not more than 15 ounces of marihuana,



1 of which not more than 60 grams may be in the form of marihuana
2 concentrate, to or from licensed premises.

3 (2) A marihuana retailer shall not do either of the following:

4 (a) Sell an edible marihuana-infused product in a shape or
5 package that is attractive to individuals younger than 18 years of
6 age or that is easily confused with commercially sold candy that
7 does not contain marihuana.

8 (b) Sell or otherwise transfer marihuana unless the marihuana
9 is contained in an opaque, resealable, child-resistant package as
10 provided for under 16 CFR 1700.20. This subdivision does not apply
11 to marihuana that is sold or transferred for consumption on the
12 premises where it is sold or transferred.

13 Sec. 24a. (1) A marihuana provisioning center, or an agent
14 acting on behalf of the provisioning center who is 18 years of age
15 or older, may do any of the following:

16 (a) Possess, store, or test marihuana.

17 (b) Sell or otherwise transfer marihuana to any of the
18 following:

19 (i) A licensee.

20 (ii) A qualifying patient.

21 (iii) A visiting qualifying patient.

22 (iv) A primary caregiver.

23 (c) Purchase or otherwise obtain marihuana from a licensee.

24 (d) Transport at 1 time not more than 15 ounces of marihuana,
25 of which not more than 60 grams may be in the form of marihuana
26 concentrate, to or from licensed premises.

27 (2) A marihuana provisioning center shall not do either of the
28 following:

29 (a) Sell an edible marihuana-infused product in a shape or



1 package that is attractive to individuals younger than 18 years of
 2 age or that is easily confused with commercially sold candy that
 3 does not contain marihuana.

4 (b) Sell or otherwise transfer marihuana unless the marihuana
 5 is contained in an opaque, resealable, child-resistant package as
 6 provided for under 16 CFR 1700.20. This subdivision does not apply
 7 to marihuana that is sold or transferred for consumption on the
 8 premises where it is sold or transferred.

9 Sec. 25. (1) A marihuana microbusiness that is granted and
 10 holds a marihuana microbusiness license, or an agent acting on
 11 behalf of the marihuana microbusiness who is 18 years of age or
 12 older, may do all of the following:

13 (a) Cultivate not more than 150 marihuana plants.

14 (b) Possess, process, package, store, or test the marihuana
 15 produced from the marihuana plants cultivated under subdivision
 16 (a).

17 (c) Sell or otherwise transfer marihuana cultivated or
 18 processed by the marihuana microbusiness to any of the following:

19 (i) An individual who is 21 years of age or older.

20 (ii) On or after March 1, 2026, any of the following:

21 (A) A qualifying patient.

22 (B) A visiting qualifying patient.

23 (C) A primary caregiver.

24 (2) A marihuana microbusiness shall not do either of the
 25 following:

26 (a) Sell an edible marihuana-infused product in a shape or
 27 package that is attractive to individuals younger than 18 years of
 28 age or that is easily confused with commercially sold candy that
 29 does not contain marihuana.



1 (b) Sell or otherwise transfer marihuana unless the marihuana
2 is contained in an opaque, resealable, child-resistant package as
3 provided for under 16 CFR 1700.20. This subdivision does not apply
4 to marihuana that is sold or transferred for consumption on the
5 premises where it is sold or transferred.

6 Sec. 26. (1) A licensee shall do all of the following, as
7 applicable:

8 (a) Cultivate, process, test, and store marihuana within an
9 enclosed area that is secured in a manner that prevents access by
10 individuals not authorized by the licensee to access the area.

11 (b) Secure each entrance to the licensee's licensed premises
12 and restrict access to areas containing marihuana to only the
13 following:

14 (i) Employees and other individuals authorized by the licensee
15 to access the area.

16 (ii) Employees and agents of the cannabis regulatory agency.

17 (iii) State and local law enforcement officers and emergency
18 personnel.

19 (c) Secure its inventory and equipment during and after
20 operating hours to deter and prevent theft of marihuana and
21 marihuana accessories.

22 (d) Allow employees and agents of the cannabis regulatory
23 agency, during the licensee's hours of operation, to do any of the
24 following:

25 (i) Inspect the licensee's licensed premises.

26 (ii) Audit the books and records of the licensee.

27 (iii) Inspect all of the following of an individual described in
28 section 9(13) who is on the licensed premises at the time of the
29 inspection:



1 (A) The individual's person.

2 (B) The individual's personal effects that are on the licensed
3 premises.

4 (e) Use the statewide monitoring system in accordance with
5 section 28 and the rules promulgated under this act.

6 (2) A licensee shall not do any of the following:

7 (a) Cultivate, process, sell, or display marihuana or sell or
8 display marihuana accessories if the cultivating, processing,
9 selling, or displaying is visible from a public place outside of
10 the licensee's licensed premises without the use of binoculars,
11 aircraft, or other optical aids.

12 (b) Cultivate process, test, or store marihuana at any
13 location other than the licensee's licensed premises.

14 (c) Employ an individual who is younger than 18 years of age.

15 (d) Allow an individual who is younger than 18 years of age to
16 volunteer for the licensee.

17 (e) Sell or otherwise transfer tobacco.

18 (f) Employ an individual if the individual was an employee of
19 the cannabis regulatory agency at any time in the __ years
20 immediately preceding the date of the licensee's offer of
21 employment.

22 (3) A person may do any of the following:

23 (a) Lease, or otherwise allow the use of, property that the
24 person owns, occupies, or manages for activities allowed under this
25 act or the rules promulgated under this act.

26 (b) Employ an individual who engages in activities allowed
27 under this act or the rules promulgated under this act.

28 (c) If the person is a certified public accountant who is
29 licensed under article 7 of the occupational code, 1980 PA 299, MCL



1 339.720 to 339.736, engage in the practice of public accounting as
2 that term is defined in section 720 of the occupational code, 1980
3 PA 299, MCL 339.720, for a licensee, a prospective licensee, or an
4 applicant.

5 (d) If the person is a financial institution, provide a
6 financial service to a licensee, a prospective licensee, or an
7 applicant.

8 (4) A person shall not do any of the following:

9 (a) Lease, pledge, or borrow or loan money against a license.

10 (b) Transfer a license to another person, unless the cannabis
11 regulatory agency approves the transfer and the transfer is
12 conducted in accordance with the rules promulgated under this act.

13 (c) Hold itself out as a type of licensee if the person does
14 not hold that type of state license or if any of the following
15 apply:

16 (i) The person's state license is suspended, revoked, lapsed,
17 or void.

18 (ii) The person fraudulently obtained the state license.

19 (iii) The state license was transferred to the person in a
20 manner other than in accordance with subdivision (b).

21 Sec. 27. (1) A licensee or applicant shall file with the
22 cannabis regulatory agency proof of financial responsibility for
23 liability for bodily injury to lawful users resulting from the
24 manufacture, distribution, transportation, or sale of adulterated
25 marihuana or adulterated marihuana-infused product in an amount not
26 less than \$100,000.00 for each license. The proof of financial
27 responsibility must be a liability insurance policy that meets all
28 of the following requirements:

29 (a) Is issued by a licensed insurance company or licensed



1 captive insurance company in this state.

2 (b) Does not include a condition, provision, stipulation, or
3 limitation contained in the policy, or any other endorsement, that
4 relieves the insurer from liability for the payment of any claim
5 for which the insured may be held liable under this act.

6 (c) Covers bodily injuries to a qualifying patient, including
7 injuries that are caused by the intentional conduct of the licensee
8 or its employee or agent. However, the proof of financial
9 responsibility is not required to cover bodily injuries to
10 qualifying patients caused by the licensee or its employee or agent
11 if the licensee or its employee or agent acted with the intent to
12 harm.

13 (2) A licensee or applicant must include with its filing under
14 subsection (1) an attestation of compliance with this section on a
15 form approved by the cannabis regulatory agency. An officer of the
16 licensed insurance company or licensed captive insurance company
17 that issues the policy described in subsection (1) must sign the
18 attestation of compliance that the licensee or applicant is
19 required to file under this subsection.

20 (3) A licensee or applicant may furnish proof of financial
21 responsibility that exceeds the requirements of this section.

22 (4) If at any time a licensee does not maintain proof of
23 financial responsibility as required under this section, the
24 cannabis regulatory agency shall immediately suspend the licensee's
25 license until the licensee provides to the cannabis regulatory
26 agency proof of financial responsibility as required under this
27 section.

28 (5) An insured licensee shall not cancel liability insurance
29 required under this section unless the licensee does both of the



1 following:

2 (a) Gives 30 days' prior written notice to the cannabis
3 regulatory agency.

4 (b) Procures new proof of financial responsibility required
5 under this section and delivers that proof to the cannabis
6 regulatory agency within 30 days after giving the cannabis
7 regulatory agency the notice under subdivision (a).

8 (6) As used in this section, "bodily injury" does not include
9 expected or intended effect or long-term adverse effect of smoking,
10 ingestion, or consumption of marihuana or marihuana-infused
11 product.

12 Sec. 29. (1) This section applies beginning on March 1, 2026.

13 (2) An unexpired license issued under the medical marihuana
14 facilities licensing act is considered to be a state license as
15 follows:

16 (a) A class A grower license is a class A marihuana grower
17 license.

18 (b) A class B grower license is a class B marihuana grower
19 license.

20 (c) A class C grower license is a class C marihuana grower
21 license.

22 (d) A processor license is a marihuana processor license.

23 (e) A secure transporter license is a marihuana secure
24 transporter license.

25 (f) A safety compliance facility is a marihuana safety
26 compliance facility.

27 (g) A provisioning center is 1 of the following, as
28 applicable:

29 (i) A marihuana provisioning center if the municipality in



1 which the provisioning center is operating does both of the
2 following before March 1, 2026:

3 (A) Adopts an ordinance that explicitly prohibits a
4 provisioning center operating under the medical marihuana
5 facilities licensing act from operating as a marihuana retailer
6 under this act.

7 (B) Notifies, by certified mail, the cannabis regulatory
8 agency that the municipality has adopted an ordinance described in
9 sub-subparagraph (A).

10 (ii) A marihuana retailer if 1 of the following applies:

11 (A) The conditions in subparagraph (i) are not met.

12 (B) The ordinance described in subparagraph (i) (A) is repealed
13 or no longer includes the prohibition described in subparagraph
14 (i) (A).

15 (3) A state license described in subsection (2) expires on the
16 expiration date of the corresponding license granted under the
17 medical marihuana facilities licensing act.

18 (4) A person that holds a state license as a result of
19 subsection (2) and that does not, on March 1, 2026, hold any other
20 state licenses, is considered a licensee.

21 (5) The cannabis regulatory agency shall not do any of the
22 following:

23 (a) Treat a state license described in subsection (2), or any
24 subsequent renewal of a state license described in subsection (2),
25 differently than any other state license.

26 (b) Treat a licensee described in subsection (4) differently
27 than any other licensee.

28 (c) Treat the marihuana of a licensee described in subsection
29 (4) that is entered into the statewide monitoring system before



1 March 1, 2026 differently than any other marihuana in the statewide
2 monitoring system.

3 (d) Require a licensee described in subsection (4) to do any
4 of the following:

5 (i) Renew the licensee's state license before the applicable
6 expiration date described in subsection (3).

7 (ii) Quarantine, retest, or retag a marihuana plant that was
8 planted in compliance with the medical marihuana facilities
9 licensing act before March 1, 2026.

10 (iii) Quarantine, retest, or retag a marihuana-infused product
11 that was processed, or the production of which was initiated, in
12 compliance with the medical marihuana facilities licensing act
13 before March 1, 2026.

14 (e) Take any type of disciplinary or adverse action against a
15 licensee described in subsection (4) solely because the licensee
16 obtained a license under this section.

17 (6) An activity that a medical facility licensee engages in
18 that would otherwise be a violation of this act is considered to
19 not be a violation of this act if both of the following conditions
20 are met:

21 (a) The activity meets 1 of the following conditions:

22 (i) It is initiated before March 1, 2026.

23 (ii) It is initiated after March 1, 2026 but is directly
24 related to an activity that is initiated before March 1, 2026.

25 (b) The activity is or would have been in compliance with the
26 medical marihuana facilities licensing act.

27 Enacting section 1. Sections 10, 11, and 16 of the Michigan
28 Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27960,
29 333.27961, and 333.27966, are repealed.

