

HOUSE BILL No. 5984

October 19, 2016, Introduced by Rep. Callton and referred to the Committee on Judiciary.

A bill to amend 2016 PA 281, entitled
"Medical marihuana facilities licensing act,"
by amending section 402 (MCL 333.27402).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 402. (1) The board shall issue a license to an applicant
2 who submits a complete application and pays both the nonrefundable
3 application fee required under section 401(5) and the regulatory
4 assessment established by the board for the first year of
5 operation, if the board determines that the applicant is qualified
6 to receive a license under this act.

7 (2) An applicant is ineligible to receive a license if any of
8 the following circumstances exist:

9 (a) The applicant has been convicted of or released from
10 incarceration for a felony under the laws of this state, any other
11 state, or the United States within the past 10 years or has been

1 convicted of a controlled substance-related felony within the past
2 10 years.

3 (b) Within the past 5 years the applicant has been convicted
4 of a misdemeanor involving a controlled substance, theft,
5 dishonesty, or fraud in any state or been found responsible for
6 violating a local ordinance in any state involving a controlled
7 substance, dishonesty, theft, or fraud that substantially
8 corresponds to a misdemeanor in that state.

9 (c) The applicant has knowingly submitted an application for a
10 license under this act that contains false information.

11 (d) The applicant is a member of the board.

12 (e) The applicant fails to demonstrate the applicant's ability
13 to maintain adequate premises liability and casualty insurance for
14 its proposed marihuana facility.

15 (f) The applicant holds an elective office of a governmental
16 unit of this state, another state, or the federal government; is a
17 member of or employed by a regulatory body of a governmental unit
18 in this state, another state, or the federal government; or is
19 employed by a governmental unit of this state. This subdivision
20 does not apply to an elected officer of or employee of a federally
21 recognized Indian tribe or to an elected precinct delegate.

22 (g) The applicant, if an individual, has been a resident of
23 this state for less than a continuous 2-year period immediately
24 preceding the date of filing the application **OR, IF A BUSINESS**
25 **ENTITY, HAS NOT PAID PROPERTY TAXES TO THIS STATE IN BOTH OF THE 2**
26 **YEARS IMMEDIATELY PRECEDING THE DATE OF FILING THE APPLICATION.** The
27 requirements in this subdivision do not apply after June 30, 2018.

1 (h) The board determines that the applicant is not in
2 compliance with section 205(1).

3 (i) The applicant fails to meet other criteria established by
4 rule.

5 (3) In determining whether to grant a license to an applicant,
6 the board may also consider all of the following:

7 (a) The integrity, moral character, and reputation; personal
8 and business probity; financial ability and experience; and
9 responsibility or means to operate or maintain a marihuana facility
10 of the applicant and of any other person that either:

11 (i) Controls, directly or indirectly, the applicant.

12 (ii) Is controlled, directly or indirectly, by the applicant
13 or by a person who controls, directly or indirectly, the applicant.

14 (b) The financial ability of the applicant to purchase and
15 maintain adequate liability and casualty insurance.

16 (c) The sources and total amount of the applicant's
17 capitalization to operate and maintain the proposed marihuana
18 facility.

19 (d) Whether the applicant has been indicted for, charged with,
20 arrested for, or convicted of, pled guilty or nolo contendere to,
21 forfeited bail concerning, or had expunged any relevant criminal
22 offense under the laws of any jurisdiction, either felony or
23 misdemeanor, not including traffic violations, regardless of
24 whether the offense has been expunged, pardoned, or reversed on
25 appeal or otherwise.

26 (e) Whether the applicant has filed, or had filed against it,
27 a proceeding for bankruptcy within the past 7 years.

1 (f) Whether the applicant has been served with a complaint or
2 other notice filed with any public body regarding payment of any
3 tax required under federal, state, or local law that has been
4 delinquent for 1 or more years.

5 (g) Whether the applicant has a history of noncompliance with
6 any regulatory requirements in this state or any other
7 jurisdiction.

8 (h) Whether at the time of application the applicant is a
9 defendant in litigation involving its business practices.

10 (i) Whether the applicant meets other standards in rules
11 applicable to the license category.

12 (4) Each applicant shall submit with its application, on forms
13 provided by the board, a passport quality photograph and 1 set of
14 fingerprints for each person having any ownership interest in the
15 marihuana facility and each person who is an officer, director, or
16 managerial employee of the applicant. The department may designate
17 an entity or agent to collect the fingerprints, and the applicant
18 is responsible for the cost associated with the fingerprint
19 collection.

20 (5) The board shall review all applications for licenses and
21 shall inform each applicant of the board's decision.

22 (6) A license shall be issued for a 1-year period and is
23 renewable annually. Except as otherwise provided in this act, the
24 board shall renew a license if all of the following requirements
25 are met:

26 (a) The licensee applies to the board on a renewal form
27 provided by the board that requires information prescribed in

1 rules.

2 (b) The application is received by the board on or before the
3 expiration date of the current license.

4 (c) The licensee pays the regulatory assessment under section
5 603.

6 (d) The licensee meets the requirements of this act and any
7 other renewal requirements set forth in rules.

8 (7) The department shall notify the licensee by mail or
9 electronic mail at the last known address on file with the board
10 advising of the time, procedure, and regulatory assessment under
11 section 603. The failure of the licensee to receive notice under
12 this subsection does not relieve the licensee of the responsibility
13 for renewing the license.

14 (8) If a license renewal application is not submitted by the
15 license expiration date, the license may be renewed within 60 days
16 after its expiration date upon application, payment of the
17 regulatory assessment under section 603, and satisfaction of any
18 renewal requirement and late fee set forth in rules. The licensee
19 may continue to operate during the 60 days after the license
20 expiration date if the license is renewed by the end of the 60-day
21 period.

22 (9) License expiration does not terminate the board's
23 authority to impose sanctions on a licensee whose license has
24 expired.

25 (10) In its decision on an application for renewal, the board
26 shall consider any specific written input it receives from an
27 individual or entity within the local unit of government in which

1 the applicant for renewal is located.

2 (11) A licensee must consent in writing to inspections,
3 examinations, searches, and seizures that are permitted under this
4 act and must provide a handwriting exemplar, fingerprints,
5 photographs, and information as authorized in this act or by rules.

6 (12) An applicant or licensee has a continuing duty to provide
7 information requested by the board and to cooperate in any
8 investigation, inquiry, or hearing conducted by the board.

9 Enacting section 1. This amendatory act takes effect 90 days
10 after the date it is enacted into law.