

# SENATE BILL NO. 1190

September 28, 2022, Introduced by Senator HOLLIER and referred to the Committee on Regulatory Reform.

A bill to amend 2018 IL 1, entitled  
"Michigan Regulation and Taxation of Marihuana Act,"  
by amending section 9 (MCL 333.27959).

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 9. **(1)** ~~1. Each~~ An application for a state license must be  
2       submitted to the ~~department. Upon receipt of~~ **marijuana regulatory**  
3       **agency. Not later than 90 days after the marijuana regulatory**  
4       **agency receives** a complete application and application fee, the  
5       ~~department~~ **marijuana regulatory agency** shall ~~forward~~ **do all of the**

1 following:

2 (a) **Forward** a copy of the application to the municipality in  
3 which the marihuana establishment ~~is to~~**will** be located. ~~and~~  
4 determine

5 (b) **Determine** whether the applicant and the premises qualify  
6 for the state license and comply with this act. ~~and issue~~

7 (c) **Issue** the appropriate state license or send the applicant  
8 a notice of rejection ~~setting forth that~~ **states the** specific  
9 reasons why the department did not approve the ~~state license~~  
10 application. ~~within 90 days.~~

11 (2) ~~2.~~ ~~The department~~ **marijuana regulatory agency** shall issue  
12 the following state license types: ~~marihuana~~

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

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

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

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

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

18 (f) **Class A** marihuana grower ~~authorizing that~~ **authorizes the**  
19 cultivation of not more than 100 marihuana plants. ~~and class~~

20 (g) **Class B** marihuana grower ~~authorizing that~~ **authorizes the**  
21 cultivation of not more than 500 marihuana plants. ~~and class~~

22 (h) **Class C** marihuana grower ~~authorizing that~~ **authorizes the**  
23 cultivation of not more than 2,000 marihuana plants.

24 (3) ~~3.~~ Except as otherwise provided in this section, the  
25 ~~department~~ **marijuana regulatory agency** shall approve ~~a~~ **an**  
26 **application for a** state license ~~application~~ and issue a state  
27 license **to the applicant** if **all of the following conditions are**  
28 **met:**

29 (a) **All of the following apply to the applicant:** ~~has~~

(i) **The applicant** submitted an application in ~~compliance~~  
accordance with the rules promulgated by the ~~department,~~ **marijuana**  
**regulatory agency under this act.**

(ii) **The applicant** is in compliance with this act and the rules  
promulgated by the **marijuana regulatory agency under this act.** ~~7~~  
and has

(iii) **The applicant** paid the ~~required~~ **application** fee. ~~7~~

(b) ~~the~~ **The** municipality in which the proposed marihuana  
establishment will be located does not notify the ~~department~~  
**marijuana regulatory agency** that the proposed marihuana  
establishment is not in compliance with an ordinance consistent  
with section 6 ~~of this act and that is~~ in effect at the time of  
application. ~~7~~

(c) ~~the~~ **The** property where the proposed marihuana  
establishment ~~is to~~ **will** be located is not within an area zoned  
exclusively for residential use and is not within 1,000 feet, **or a**  
**shorter distance prescribed by an applicable ordinance adopted**  
**under section 6,** of a pre-existing public or private school  
~~providing that provides~~ education in kindergarten or any of grades  
1 through to 12. ~~7, unless a municipality adopts an ordinance that~~  
~~reduces this distance requirement;~~

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

(i) ~~(1) will hold an~~ **An** ownership interest in ~~both a marihuana~~  
safety compliance facility ~~or in a marihuana secure transporter and~~  
in a marihuana grower, ~~a marihuana processor, a marihuana retailer,~~  
or ~~a marihuana microbusiness.~~ ~~7~~

(ii) **An ownership interest in a marihuana secure transporter**

1 and in a marihuana grower, marihuana processor, marihuana retailer,  
2 or marihuana microbusiness.

3 (iii) ~~(2) will hold an~~ **An** ownership interest in ~~both a marihuana~~  
4 microbusiness and in a marihuana grower, ~~a marihuana processor, a~~  
5 marihuana retailer, ~~a marihuana safety compliance facility, or a~~  
6 marihuana secure transporter. ~~;~~ and

7 (iv) ~~(3) will hold an~~ **An** ownership interest in more than 5  
8 marihuana growers or in more than 1 marihuana microbusiness, ~~except~~  
9 ~~that the department may approve a license application from a person~~  
10 ~~who holds an ownership interest in more than 5 marihuana growers or~~  
11 ~~more than 1 marihuana microbusiness if,~~ **unless the marijuana**  
12 **regulatory agency**, after January 1, 2023, ~~the department~~  
13 ~~promulgates a rule authorizing an individual~~ **that authorizes a**  
14 **person** to hold an ownership interest in more than 5 marihuana  
15 growers or in more than 1 marihuana microbusiness.

16 (4) ~~4. If a municipality an ordinance adopted under section 6~~  
17 limits the number of marihuana establishments that may be licensed  
18 ~~in the a municipality pursuant to section 6 of this act and if that~~  
19 limit prevents the ~~department~~ **marijuana regulatory agency** from  
20 issuing a state license to ~~all applicants~~ **every applicant** who ~~meet~~  
21 **meets** the requirements of subsection 3 ~~of this section,~~ **(3) and**  
22 **whose marihuana establishment would be located in that**  
23 **municipality**, the municipality shall decide, ~~among competing~~  
24 ~~applications by a competitive process intended to select applicants~~  
25 who are best suited to operate ~~in compliance with this act a~~  
26 **marihuana establishment, which of those applicants may operate**  
27 within the municipality. **This subsection, as amended by the**  
28 **amendatory act that added this sentence, applies to applicants**  
29 **whose applications meet 1 of the following conditions:**

(a) The application is submitted on or after the effective date of that amendatory act.

(b) The application is pending on the effective date of that amendatory act.

(5) ~~5. All~~ **A** state license ~~is~~ **license** is effective for 1 year, unless the department ~~marijuana regulatory agency~~ **marijuana regulatory agency** issues the state license for a longer term. ~~A~~ **The marijuana regulatory agency shall renew a** state license ~~is renewed~~ upon receipt of a complete renewal application and a renewal fee from any marihuana establishment ~~a licensee~~ in good standing.

(6) ~~6. The department~~ **marijuana regulatory agency** shall begin accepting applications for marihuana establishments ~~within 12 months after the effective date of this act.~~ **by December 6, 2019.** Except as otherwise provided in this section, for 24 months after the department ~~marijuana regulatory agency~~ **marijuana regulatory agency** begins to receive **accepting** applications for marihuana establishments, the department ~~may only~~ **marijuana regulatory agency shall** accept applications ~~for licensure: for~~ **from only the following:**

(a) **For** a class A marihuana grower or ~~for a~~ marihuana microbusiness, ~~from persons~~ **an applicant** who ~~are residents~~ **is a resident** of Michigan. ~~for~~

(b) **For** a marihuana retailer, marihuana processor, class B marihuana grower, class C marihuana grower, or a marihuana secure transporter, ~~from persons holding an applicant that holds~~ a state operating license ~~pursuant to~~ **issued under** the medical marihuana facilities licensing act. ~~, 2016 PA 281, MCL 333.27101 to 333.27801; and for~~

(c) **For** a marihuana safety compliance facility, ~~from any~~ applicant. ~~One~~

1           **(7) Beginning 1** year after the ~~department~~**marijuana regulatory**  
2 **agency** begins ~~to accept~~**accepting** applications pursuant ~~to~~**under**  
3 this section, the ~~department~~**marijuana regulatory agency** shall  
4 begin accepting applications from any applicant if the ~~department~~  
5 **marijuana regulatory agency** determines that additional state  
6 licenses are necessary to ~~minimize~~**do any of the following:**

7           **(a) Minimize** the illegal market for marihuana in this state. ~~7~~  
8 ~~to efficiently~~

9           **(b) Efficiently** meet the demand for marihuana. ~~7 or to provide~~

10           **(c) Provide** for reasonable access to marihuana in rural areas.

11           **(8) 7.**~~Information~~ obtained from an applicant related to  
12 licensure under this act is exempt from disclosure under the  
13 freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.