

HOUSE BILL NO. 6291

December 12, 2024, Introduced by Reps. Aragona, Bruck, McKinney and Wilson and referred to the Committee on Government Operations.

A bill to amend 2018 IL 1, entitled
"Michigan Regulation and Taxation of Marihuana Act,"
by amending sections 3 and 8 (MCL 333.27953 and 333.27958), as
amended by 2023 PA 166.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3. As used in this act:
- 2 (a) "Cannabis regulatory agency" means the marijuana
- 3 regulatory agency created under Executive Reorganization Order No.
- 4 2019-2, MCL 333.27001, renamed the cannabis regulatory agency under
- 5 Executive Reorganization Order No. 2022-1, MCL 333.27002.

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

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

(d) "Indian lands" means any of the following:

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

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

(e) "Indian tribe" means any Indian tribe, band, nation, or other organized group or community of Indians which is recognized as eligible by the United States Secretary of the Interior for the special programs and services provided by the United States to Indians because of their status as Indians, and is recognized as possessing powers of self-government.

(f) "Industrial hemp" means any of the following:

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

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

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

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

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

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

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

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

7 (I) Has a THC concentration of 0.3% or less on a dry-weight or
8 per volume basis.

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

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

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

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

18 (g) "Licensee" means a person holding a state license.

19 (h) "Marihuana" means any of the following:

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

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

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

24 (iv) Marihuana concentrate.

25 (v) A compound, manufacture, salt, derivative, mixture,
26 extract, acid, isomer, salt of an isomer, or preparation of any of
27 the following:

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

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

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

2 (D) Marihuana concentrate.

3 (vi) A marihuana-infused product.

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

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

12 (i) Except for marihuana concentrate extracted from any of the
13 following, "marihuana" does not include any of the following:

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

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

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

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

21 (v) Industrial hemp.

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

24 (vii) A drug for which an application filed in accordance with
25 21 USC 355 is approved by the Food and Drug Administration.

26 (j) "Marihuana accessories" means any equipment, product,
27 material, or combination of equipment, products, or materials, that
28 is specifically designed for use in planting, propagating,
29 cultivating, growing, harvesting, manufacturing, compounding,

1 converting, producing, processing, preparing, testing, analyzing,
2 packaging, repackaging, storing, containing, ingesting, inhaling,
3 or otherwise introducing marihuana into the human body.

4 (k) "Marihuana concentrate" means the resin extracted from any
5 part of a plant of the genus *Cannabis*.

6 (l) "Marihuana establishment" means a marihuana grower,
7 marihuana safety compliance facility, marihuana processor,
8 marihuana microbusiness, marihuana retailer, marihuana secure
9 transporter, or any other type of marihuana-related business
10 licensed by the cannabis regulatory agency.

11 (m) "Marihuana grower" means a person licensed to cultivate
12 marihuana and sell or otherwise transfer marihuana to marihuana
13 establishments.

14 (n) "Marihuana-infused product" means a topical formulation,
15 tincture, beverage, edible substance, or similar product containing
16 marihuana and other ingredients and that is intended for human
17 consumption.

18 (o) "Marihuana microbusiness" means a person licensed to
19 cultivate not more than 150 marihuana plants; process and package
20 marihuana; and sell or otherwise transfer marihuana to individuals
21 who are 21 years of age or older or to a marihuana safety
22 compliance facility, but not to other marihuana establishments.

23 (p) "Marihuana processor" means a person licensed to obtain
24 marihuana from marihuana establishments; process and package
25 marihuana; and sell or otherwise transfer marihuana to marihuana
26 establishments.

27 (q) "Marihuana retailer" means a person licensed to obtain
28 marihuana from marihuana establishments and to sell or otherwise
29 transfer marihuana to marihuana establishments and to individuals

1 who are 21 years of age or older.

2 (r) "Marihuana safety compliance facility" means a person
3 licensed to test marihuana, including certification for potency and
4 the presence of contaminants.

5 (s) "Marihuana secure transporter" means a person licensed to
6 obtain marihuana from marihuana establishments in order to
7 transport marihuana to marihuana establishments.

8 (t) "Marijuana regulatory agency", unless the context dictates
9 otherwise, means the cannabis regulatory agency.

10 (u) "Municipal license" means a license issued by a
11 municipality pursuant to section 16 that allows a person to operate
12 a marihuana establishment in that municipality.

13 (v) "Municipality" means a city, village, or township.

14 (w) "Person" means an individual, corporation, limited
15 liability company, partnership of any type, trust, or other legal
16 entity.

17 (x) "Process" or "processing" means to separate or otherwise
18 prepare parts of a marihuana plant and to compound, blend, extract,
19 infuse, or otherwise make or prepare marihuana concentrate or
20 marihuana-infused products.

21 (y) "Qualifying Indian tribe" means an Indian tribe that meets
22 all of the following conditions:

23 (i) The Indian tribe has entered into an agreement with the
24 cannabis regulatory agency under section 7(2)(b) that is in effect.

25 (ii) The Indian tribe has entered into an agreement with the
26 department of treasury that is in effect and that does all of the
27 following:

28 (A) States that the revenue collected from the tax or fee
29 described in subparagraph (iii) is not state money, and requires that

1 this revenue be retained by and used as determined by only the
2 Indian tribe, if the marihuana subject to the tax or fee was grown
3 and processed on only the Indian tribe's Indian lands.

4 (B) States whether the revenue collected from the tax or fee
5 described in subparagraph (iii) from marihuana not described in sub-
6 subparagraph (A) is subject to revenue sharing between the Indian
7 tribe and this state and, if so, the details of the revenue sharing
8 arrangement.

9 (iii) The Indian tribe imposes a tax or fee on each sale or
10 transfer of marihuana from a tribal marihuana business located in
11 the Indian tribe's Indian lands to a person other than a tribal
12 marihuana business or marihuana establishment. This subparagraph
13 does not prohibit a qualifying Indian tribe from imposing the tax
14 or fee on sales or transfers of marihuana that are not described in
15 this subparagraph. The tax or fee must be based on the sales price
16 of the marihuana and the rate of the tax or fee must be equal to or
17 greater than the rate established under section 13.

18 (z) "State license" means a license issued by the cannabis
19 regulatory agency that allows a person to operate a marihuana
20 establishment.

21 (aa) "THC" means any of the following:

22 (i) Tetrahydrocannabinolic acid.

23 (ii) Unless excluded by the cannabis regulatory agency under
24 section ~~8(2)(c)~~, **8(2)**, a tetrahydrocannabinol, regardless of
25 whether it is artificially or naturally derived.

26 (iii) A tetrahydrocannabinol that is a structural, optical, or
27 geometric isomer of a tetrahydrocannabinol described in
28 subparagraph (ii).

29 (bb) "Tribal marihuana business" means a business that meets

1 all of the following conditions:

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

4 (ii) The business is not a marihuana establishment.

5 (iii) The business is wholly owned by a qualifying Indian tribe,
6 the enrolled members of a qualifying Indian tribe, or a combination
7 of a qualifying Indian tribe and the members of that qualifying
8 Indian tribe.

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

11 (v) The business is subject to a tax or fee described in
12 subdivision (y) (iii).

13 (cc) "Unreasonably impracticable" means that the measures
14 necessary to comply with the rules or ordinances adopted pursuant
15 to this act subject licensees to unreasonable risk or require such
16 a high investment of money, time, or any other resource or asset
17 that a reasonably prudent businessperson would not operate the
18 marihuana establishment.

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

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

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

28 (c) Qualifications for licensure that are directly and
29 demonstrably related to the operation of a marihuana establishment.

1 However, a prior conviction solely for a marihuana-related offense
2 must not disqualify an individual or otherwise affect eligibility
3 for licensure, unless the offense involved distribution of a
4 controlled substance to a minor.

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

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

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

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

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

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

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

27 (f) Security requirements, including lighting, physical
28 security, and alarm requirements, and requirements for securely
29 transporting marihuana between marihuana establishments. The

1 requirements described in this subdivision must not prohibit
2 cultivation of marihuana outdoors or in greenhouses.

3 (g) Record keeping requirements for marihuana establishments
4 and monitoring requirements to track the transfer of marihuana by
5 licensees.

6 (h) Requirements for the operation of marihuana secure
7 transporters to ensure that all marihuana establishments are
8 properly serviced.

9 (i) Reasonable restrictions on advertising, marketing, and
10 display of marihuana and marihuana establishments.

11 (j) A plan to promote and encourage participation in the
12 marihuana industry by people from communities that have been
13 disproportionately impacted by marihuana prohibition and
14 enforcement and to positively impact those communities.

15 (k) Penalties for failure to comply with a rule promulgated
16 pursuant to this section or for a violation of this act by a
17 licensee, including civil fines and suspension, revocation, or
18 restriction of a state license.

19 (l) Informational pamphlet standards for marihuana retailers
20 and marihuana microbusinesses, including, but not limited to, a
21 requirement to make available to every customer at the time of sale
22 a pamphlet measuring 3.5 inches by 5 inches that includes safety
23 information related to marihuana use by minors and the poison
24 control hotline number.

25 (m) Procedures and standards for approving an appointee to
26 operate a marihuana establishment under section 9a.

27 (n) A limit on the total amount of THC that a product
28 described in section 3(f)(v)(A) may contain.

29 (2) The cannabis regulatory agency may promulgate rules to do

1 any of the following:

2 (a) Provide for the issuance of additional types or classes of
3 state licenses to operate marihuana-related businesses, including
4 licenses that authorize any of the following:

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

7 (ii) Consumption of marihuana within designated areas.

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

10 (iv) Cultivation for purposes of propagation.

11 (v) Facilitation of scientific research or education.

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

14 (b) ~~(c)~~ Exclude from the definition of THC in section 3 a
15 tetrahydrocannabinol if, after the cannabis regulatory agency makes
16 findings with respect to each of the following factors, the
17 cannabis regulatory agency determines that the tetrahydrocannabinol
18 does not have a potential for abuse:

19 (i) The actual or relative potential for abuse of the
20 tetrahydrocannabinol.

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

23 (iii) The state of current scientific knowledge regarding the
24 tetrahydrocannabinol.

25 (iv) The history and current pattern of abuse of the
26 tetrahydrocannabinol.

27 (v) The scope, duration, and significance of abuse of the
28 tetrahydrocannabinol.

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

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

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

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

8 (b) Requires a customer to provide a marihuana retailer with
9 identifying information other than identification to determine the
10 customer's age or requires the marihuana retailer to acquire or
11 record personal information about customers other than information
12 typically required in a retail transaction.

13 (c) Prohibits a marihuana establishment from operating at a
14 shared location of a marihuana facility operating pursuant to the
15 medical marihuana facilities licensing act, 2016 PA 281, MCL
16 333.27101 to 333.27801, or prohibits a marihuana grower, marihuana
17 processor, or marihuana retailer from operating within a single
18 facility.

19 (4) A rule promulgated under this act must be promulgated
20 pursuant to the administrative procedures act of 1969, 1969 PA 306,
21 MCL 24.201 to 24.328.