

SENATE BILL NO. 597

October 02, 2025, Introduced by Senators SINGH and MOSS and referred to Committee on Regulatory Affairs.

A bill to amend 2018 IL 1, entitled
"Michigan Regulation and Taxation of Marihuana Act,"
by amending sections 7, 8, 9, and 9a (MCL 333.27957, 333.27958,
333.27959, and 333.27959a), sections 7 and 8 as amended by 2023 PA
166 and section 9a as added by 2020 PA 208, and by adding section
9b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7. (1) The cannabis regulatory agency is responsible for
2 implementing this act and has the powers and duties necessary to
3 control the commercial production and distribution of marihuana.

1 The cannabis regulatory agency shall do all of the following:

2 (a) Promulgate rules pursuant to section 8 that are necessary
3 to implement, administer, and enforce this act.

4 (b) ~~Grant~~**Subject to section 9b, grant** or deny each
5 application for licensure and investigate each applicant to
6 determine eligibility for licensure, including conducting a
7 background investigation on each person holding an ownership
8 interest in the applicant.

9 (c) Ensure that marihuana establishments comply with this act
10 and the rules promulgated under this act by doing all of the
11 following:

12 (i) Performing investigations of compliance and regular
13 inspections of marihuana establishments.

14 (ii) Taking appropriate disciplinary action against a licensee,
15 including prescribing civil fines for violations of this act or the
16 rules promulgated under this act and suspending, restricting, or
17 revoking a state license.

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

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

23 (f) Deposit all fees collected for licensure into the
24 marihuana regulation fund established under section 14 and remit
25 all fines collected for deposit into the general fund.

26 (g) Submit an annual report to the governor covering the
27 immediately preceding year that includes all of the following:

28 (i) The number of state licenses of each class issued.

29 (ii) Demographic information of licensees.

1 (iii) A description of enforcement and disciplinary actions
2 taken against licensees.

3 (iv) A statement of revenues and expenses of the cannabis
4 regulatory agency related to the implementation, administration,
5 and enforcement of this act.

6 (h) Employ personnel as necessary to adequately perform its
7 duties.

8 (2) The cannabis regulatory agency may do either of the
9 following:

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

12 (b) Enter into an agreement with an Indian tribe regarding
13 marihuana-related regulatory issues that involve the interests of
14 this state and the Indian tribe, including, but not limited to,
15 issues related to the commercial growing, processing, sale,
16 testing, transportation, and possession of marihuana.

17 (3) A person who has a pecuniary interest, directly or
18 indirectly, in a marihuana establishment or tribal marihuana
19 business may not be an employee, advisor, or consultant involved in
20 the implementation, administration, or enforcement of this act. An
21 employee, advisor, or consultant of the cannabis regulatory agency
22 is not personally liable for any action at law for damages
23 sustained by a person because of an action performed or done in the
24 performance of the employee's, advisor's, or consultant's duties in
25 the implementation, administration, or enforcement of this act.

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

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

4 (a) Procedures for issuing a state license pursuant to section
5 9 and for renewing, suspending, and revoking a state license.

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

10 (c) Qualifications for licensure that are directly and
11 demonstrably related to the operation of a marihuana establishment.
12 However, a prior conviction solely for a marihuana-related offense
13 must not disqualify an individual or otherwise affect eligibility
14 for licensure, unless the offense involved distribution of a
15 controlled substance to a minor.

16 (d) Requirements and standards for safe cultivation,
17 processing, and distribution of marihuana by marihuana
18 establishments, including health standards to ensure the safe
19 preparation of marihuana-infused products and prohibitions on
20 pesticides that are not safe for use on marihuana.

21 (e) Testing, packaging, and labeling standards, procedures,
22 and requirements for marihuana, including, but not limited to, all
23 of the following:

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

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

27 (iii) A requirement that the amount of marihuana or marihuana
28 concentrate contained within a marihuana-infused product be
29 specified on the product label.

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

5 WARNING: USE BY PREGNANT OR BREASTFEEDING WOMEN, OR BY
6 WOMEN PLANNING TO BECOME PREGNANT, MAY RESULT IN FETAL
7 INJURY, PRETERM BIRTH, LOW BIRTH WEIGHT, OR DEVELOPMENTAL
8 PROBLEMS FOR THE CHILD.

9 (f) Security requirements, including lighting, physical
10 security, and alarm requirements, and requirements for securely
11 transporting marihuana between marihuana establishments. The
12 requirements described in this subdivision must not prohibit
13 cultivation of marihuana outdoors or in greenhouses.

14 (g) Record keeping requirements for marihuana establishments
15 and monitoring requirements to track the transfer of marihuana by
16 licensees.

17 (h) Requirements for the operation of marihuana secure
18 transporters to ensure that all marihuana establishments are
19 properly serviced.

20 (i) Reasonable restrictions on advertising, marketing, and
21 display of marihuana and marihuana establishments.

22 (j) A plan to promote and encourage participation in the
23 marihuana industry by people from communities that have been
24 disproportionately impacted by marihuana prohibition and
25 enforcement and to positively impact those communities.

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

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

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

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

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

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

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

18 (ii) Consumption of marihuana within designated areas.

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

21 (iv) Cultivation for purposes of propagation.

22 (v) Facilitation of scientific research or education.

23 (b) Regulate the cultivation, processing, distribution, and
24 sale of industrial hemp.

25 (c) Exclude from the definition of THC in section 3 a
26 tetrahydrocannabinol if, after the cannabis regulatory agency makes
27 findings with respect to each of the following factors, the
28 cannabis regulatory agency determines that the tetrahydrocannabinol
29 does not have a potential for abuse:

1 (i) The actual or relative potential for abuse of the
2 tetrahydrocannabinol.

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

5 (iii) The state of current scientific knowledge regarding the
6 tetrahydrocannabinol.

7 (iv) The history and current pattern of abuse of the
8 tetrahydrocannabinol.

9 (v) The scope, duration, and significance of abuse of the
10 tetrahydrocannabinol.

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

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

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

17 (a) ~~Establishes~~ **Except as otherwise required to implement**
18 **section 9b, establishes** a limit on the number of any type of state
19 license that may be granted.

20 (b) Requires a customer to provide a marihuana retailer with
21 identifying information other than identification to determine the
22 customer's age or requires the marihuana retailer to acquire or
23 record personal information about customers other than information
24 typically 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 a marihuana grower, marihuana
29 processor, or marihuana retailer from operating within a single

1 facility.

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

5 Sec. 9. ~~(1) 1. Each~~ **An** application for a state license must be
6 submitted to the ~~department.~~ **cannabis regulatory agency**. Upon
7 receipt of a complete application and application fee, the
8 ~~department~~ **cannabis regulatory agency** shall, ~~forward~~ **subject to**
9 **section 9b, do all of the following:**

10 (a) **Forward** a copy of the application to the municipality in
11 which the marihuana establishment ~~is to~~ **will** be located. ~~7~~
12 ~~determine~~

13 (b) **Determine** whether the applicant and the premises qualify
14 for the state license and comply with this act. ~~7~~ **and issue**

15 (c) **Issue** the appropriate state license or send the applicant
16 a notice of rejection ~~setting forth~~ **that states the** specific
17 reasons why the ~~department~~ **cannabis regulatory agency** did not
18 approve the ~~state license application.~~ ~~within 90 days.~~

19 ~~(2) 2. The department~~ **Subject to section 9b, the cannabis**
20 **regulatory agency** shall issue the following state license types:
21 ~~marihuana~~

22 (a) **Marihuana** retailer. ~~7~~ **marihuana**

23 (b) **Marihuana** safety compliance facility. ~~7~~ **marihuana**

24 (c) **Marihuana** secure transporter. ~~7~~ **marihuana**

25 (d) **Marihuana** processor. ~~7~~ **marihuana**

26 (e) **Marihuana** microbusiness. ~~7~~ **class**

27 (f) **Class** A marihuana grower ~~authorizing~~ **that authorizes the**
28 cultivation of not more than 100 marihuana plants. ~~7~~ **class**

29 (g) **Class** B marihuana grower ~~authorizing~~ **that authorizes the**

1 cultivation of not more than 500 marihuana plants. ~~and class~~

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

4 (3) ~~3.~~ Except as otherwise provided in this section **and**
5 **subject to section 9b**, the ~~department~~ **cannabis regulatory agency**
6 shall approve ~~a~~ **an application for a** state license ~~application and~~
7 issue a state license **to the applicant** if **all of the following**
8 **conditions are met:**

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

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

13 (ii) **The applicant** is in compliance with this act and the rules
14 **promulgated by the cannabis regulatory agency under this act.** ~~and~~
15 ~~has~~

16 (iii) **The applicant has** paid the ~~required~~ **application** fee. ~~and~~

17 (b) ~~the~~ **The** municipality in which the **applicant's** proposed
18 marihuana establishment will be located does not notify the
19 ~~department~~ **cannabis regulatory agency** that the **applicant's** proposed
20 marihuana establishment is not in compliance with an ordinance
21 consistent with section 6 ~~of this act and~~ **that is** in effect at the
22 time of application. ~~and~~

23 (c) ~~the~~ **The** property where the **applicant's** proposed marihuana
24 establishment ~~is to~~ **will** be located is not within ~~an~~ **either of the**
25 **following:**

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

28 (ii) 1,000 feet of a pre-existing public or private school
29 ~~providing that~~ **provides** education in kindergarten or any of grades

~~1 through to~~ 12, unless ~~a~~ **the municipality in which the applicant's proposed marihuana establishment will be located** 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.~~ ~~+~~

(ii) **An ownership interest in a marihuana secure transporter and in a marihuana grower, marihuana processor, marihuana retailer, or marihuana microbusiness.**

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

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

(4) ~~4.~~ If a municipality limits the number of marihuana establishments that may be licensed in the municipality ~~pursuant to~~ **under** section 6 ~~of this act and if~~ that limit prevents the

1 ~~department~~**cannabis regulatory agency** from issuing a state license
2 to all applicants who meet the requirements of subsection 3 ~~of this~~
3 ~~section, (3)~~, the municipality shall decide, among competing
4 applications by a competitive process intended to select applicants
5 who are best suited to operate in compliance with this act within
6 the municipality.

7 (5) ~~5. All~~**A** state licenses ~~are~~**license is** effective for 1
8 year, ~~unless the department~~**cannabis regulatory agency** issues the
9 state license for a longer term. ~~A~~**The cannabis regulatory agency**
10 **shall renew a** state license ~~is renewed~~ upon receipt of a complete
11 renewal application and a renewal fee from ~~any marihuana~~
12 ~~establishment~~**a licensee** in good standing.

13 ~~6. The department shall begin accepting applications for~~
14 ~~marihuana establishments within 12 months after the effective date~~
15 ~~of this act. Except as otherwise provided in this section, for 24~~
16 ~~months after the department begins to receive applications for~~
17 ~~marihuana establishments, the department may only accept~~
18 ~~applications for licensure: for a class A marihuana grower or for a~~
19 ~~marihuana microbusiness, from persons who are residents of~~
20 ~~Michigan; for a marihuana retailer, marihuana processor, class B~~
21 ~~marihuana grower, class C marihuana grower, or a marihuana secure~~
22 ~~transporter, from persons holding a state operating license~~
23 ~~pursuant to the medical marihuana facilities licensing act, 2016 PA~~
24 ~~281, MCL 333.27101 to 333.27801; and for a marihuana safety~~
25 ~~compliance facility, from any applicant. One year after the~~
26 ~~department begins to accept applications pursuant to this section,~~
27 ~~the department shall begin accepting applications from any~~
28 ~~applicant if the department determines that additional state~~
29 ~~licenses are necessary to minimize the illegal market for marihuana~~

~~in this state, to efficiently meet the demand for marihuana, or to provide for reasonable access to marihuana in rural areas.~~

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

Sec. 9a. (1) The ~~marijuana~~ **cannabis** regulatory agency may approve the operation of a marihuana establishment by any of the following:

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

(b) A court-appointed receiver or trustee.

(2) If an individual approved to operate a marihuana establishment under subsection (1) receives notice from the ~~marijuana~~ **cannabis** regulatory agency that the marihuana establishment the individual is operating is in violation of this act or the rules promulgated under this act, the individual shall notify the court that appointed the individual of the notice of violation ~~within not later than 2 days after receiving the~~ **individual receives** the notice of violation.

Sec. 9b. (1) **Except as otherwise provided in subsection (2), beginning on January 1, 2026, the cannabis regulatory agency shall not issue a marihuana retailer license if doing so would, within the municipality where the proposed marihuana retailer will be located, result in there being more than 1 marihuana retailer for every 5,000 residents of the municipality.**

(2) Subsection (1) does not apply to any of the following:

(a) **The renewal of a marihuana retailer license under section 9(5).**

1 (b) A marihuana retailer license that is transferred to
2 another person in accordance with this act and the rules
3 promulgated under this act, regardless of whether the other person
4 is required to submit an application to obtain the marihuana
5 retailer license or is issued a new marihuana retailer license as a
6 result of the transfer.

7 (c) An applicant that receives an exemption under subsection
8 (3).

9 (3) If an applicant's proposed location of a marihuana
10 retailer is located within a resort district, the applicant may
11 apply for an exemption under this section. The cannabis regulatory
12 agency shall create an application and application process for use
13 under this subsection. The cannabis regulatory agency may approve
14 an application for an exemption at the cannabis regulatory agency's
15 discretion.