

# SENATE BILL NO. 598

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

A bill to amend 2016 PA 281, entitled  
"Medical marihuana facilities licensing act,"  
by amending sections 102, 302, 401, and 402 (MCL 333.27102,  
333.27302, 333.27401, and 333.27402), section 102 as amended by  
2021 PA 57, section 401 as amended by 2020 PA 207, and section 402  
as amended by 2021 PA 161, and by adding section 402a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1       Sec. 102. As used in this act:
- 2       (a) "Advisory panel" or "panel" means the ~~marijuana~~**cannabis**
- 3       regulatory agency.

1 (b) "Affiliate" means any person that controls, is controlled  
2 by, or is under common control with; is in a partnership or joint  
3 venture relationship with; or is a co-shareholder of a corporation,  
4 a co-member of a limited liability company, or a co-partner in a  
5 limited liability partnership with a licensee or applicant.

6 (c) "Applicant" means a person who applies for a state  
7 operating license. Applicant includes, with respect to disclosures  
8 in an application, for purposes of ineligibility for a license  
9 under section 402, or for purposes of prior ~~marijuana~~**cannabis**  
10 regulatory agency approval of a transfer of interest under section  
11 406, and only for applications submitted on or after January 1,  
12 2019, a managerial employee of the applicant, a person holding a  
13 direct or indirect ownership interest of more than 10% in the  
14 applicant, and the following for each type of applicant:

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

17 (ii) For a partnership and limited liability partnership: all  
18 partners and their spouses. For a limited partnership and limited  
19 liability limited partnership: all general and limited partners,  
20 not including a limited partner holding a direct or indirect  
21 ownership interest of 10% or less and who does not exercise control  
22 over or participate in the management of the partnership, and their  
23 spouses. For a limited liability company: all members and managers,  
24 not including a member holding a direct or indirect ownership  
25 interest of 10% or less and who does not exercise control over or  
26 participate in the management of the company, and their spouses.

27 (iii) For a privately held corporation: all corporate officers  
28 or persons with equivalent titles and their spouses, all directors  
29 and their spouses, and all stockholders, not including those

1 holding a direct or indirect ownership interest of 10% or less, and  
2 their spouses.

3 (iv) For a publicly held corporation: all corporate officers or  
4 persons with equivalent titles and their spouses, all directors and  
5 their spouses, and all stockholders, not including those holding a  
6 direct or indirect ownership interest of 10% or less, and their  
7 spouses.

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

12 (vi) For a nonprofit corporation: all individuals and entities  
13 with membership or shareholder rights in accordance with the  
14 articles of incorporation or the bylaws and the spouses of the  
15 individuals.

16 (d) "Board" means the ~~marijuana~~**cannabis** regulatory agency.

17 (e) **"Cannabis regulatory agency" means the marijuana**  
18 **regulatory agency created under Executive Reorganization Order No.**  
19 **2019-2, MCL 333.27001, renamed the cannabis regulatory agency under**  
20 **Executive Reorganization Order No. 2022-1, MCL 333.27002.**

21 (f) ~~(e)~~—"Cutting" means a section of a lead stem or root stock  
22 that is used for vegetative asexual propagation.

23 (g) ~~(f)~~—"Department" means the department of licensing and  
24 regulatory affairs.

25 (h) ~~(g)~~—"Grower" means a licensee that is a commercial entity  
26 located in this state that cultivates, dries, trims, or cures and  
27 packages marihuana for sale to a processor, provisioning center, or  
28 another grower.

29 (i) ~~(h)~~—"Industrial hemp" means that term as defined in

section 3 of the Michigan Regulation and Taxation of Marihuana Act,  
2018 IL 1, MCL 333.27953.

(j) ~~(i)~~—"Industrial hemp research and development act" means  
the industrial hemp research and development act, 2014 PA 547, MCL  
286.841 to 286.859.

(k) ~~(j)~~—"Licensee" means a person holding a state operating  
license.

(l) ~~(k)~~—"Marihuana" means that term as defined in section 3 of  
the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1,  
MCL 333.27953.

(m) ~~(l)~~—"Marihuana facility" means a location at which a  
licensee is licensed to operate under this act.

(n) ~~(m)~~—"Marihuana plant" means any plant of the species  
*Cannabis sativa* L. Marihuana plant does not include industrial  
hemp.

(o) ~~(n)~~—"Marihuana-infused product" means that term as defined  
in section 3 of the Michigan Regulation and Taxation of Marihuana  
Act, 2018 IL 1, MCL 333.27953.

(p) ~~(o)~~—"Marihuana tracking act" means the marihuana tracking  
act, 2016 PA 282, MCL 333.27901 to 333.27904.

~~(p) "Marijuana regulatory agency" means the marijuana  
regulatory agency created under Executive Reorganization Order No.  
2019-2, MCL 333.27001.~~

(q) "Michigan medical marihuana act" means the Michigan  
Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.

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

(s) "Paraphernalia" means any equipment, product, or material  
of any kind that is designed for or used in growing, cultivating,  
producing, manufacturing, compounding, converting, storing,

1 processing, preparing, transporting, injecting, smoking, ingesting,  
2 inhaling, or otherwise introducing into the human body, marihuana.

3 (t) "Person" means an individual, corporation, limited  
4 liability company, partnership, limited partnership, limited  
5 liability partnership, limited liability limited partnership,  
6 trust, or other legal entity.

7 (u) "Plant" means any living organism that produces its own  
8 food through photosynthesis and has observable root formation or is  
9 in growth material.

10 (v) "Processor" means a licensee that is a commercial entity  
11 located in this state that purchases marihuana from a grower and  
12 that extracts resin from the marihuana or creates a marihuana-  
13 infused product for sale and transfer in packaged form to a  
14 provisioning center or another processor.

15 (w) "Provisioning center" means a licensee that is a  
16 commercial entity located in this state that purchases marihuana  
17 from a grower or processor and sells, supplies, or provides  
18 marihuana to registered qualifying patients, directly or through  
19 the patients' registered primary caregivers. Provisioning center  
20 includes any commercial property where marihuana is sold at retail  
21 to registered qualifying patients or registered primary caregivers.  
22 A noncommercial location used by a registered primary caregiver to  
23 assist a qualifying patient connected to the caregiver through the  
24 department's marihuana registration process in accordance with the  
25 Michigan Medical Marihuana Act is not a provisioning center for  
26 purposes of this act.

27 (x) "Registered primary caregiver" means a primary caregiver  
28 who has been issued a current registry identification card under  
29 the Michigan Medical Marihuana Act.

1 (y) "Registered qualifying patient" means a qualifying patient  
2 who has been issued a current registry identification card under  
3 the Michigan Medical Marihuana Act or a visiting qualifying patient  
4 as that term is defined in section 3 of the Michigan Medical  
5 Marihuana Act, MCL 333.26423.

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

8 (aa) "Rules" means rules promulgated under the administrative  
9 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, by the  
10 ~~marijuana~~**cannabis** regulatory agency to implement this act.

11 (bb) "Safety compliance facility" means a licensee that is a  
12 commercial entity that takes marihuana from a marihuana facility or  
13 receives marihuana from a registered primary caregiver, tests the  
14 marihuana for contaminants and for tetrahydrocannabinol and other  
15 cannabinoids, returns the test results, and may return the  
16 marihuana to the marihuana facility.

17 (cc) "Secure transporter" means a licensee that is a  
18 commercial entity located in this state that stores marihuana and  
19 transports marihuana between marihuana facilities for a fee.

20 (dd) "Seed" means the fertilized, ungerminated, matured ovule,  
21 containing an embryo or rudimentary plant, of a marihuana plant  
22 that is flowering.

23 (ee) "Seedling" means a marihuana plant that has germinated  
24 and has not flowered and is not harvestable.

25 (ff) "State operating license" or, unless the context requires  
26 a different meaning, "license" means a license that is issued under  
27 this act that allows the licensee to operate as 1 of the following,  
28 specified in the license:

29 (i) A grower.

(ii) A processor.

(iii) A secure transporter.

(iv) A provisioning center.

(v) A safety compliance facility.

(gg) "Statewide monitoring system" or, unless the context requires a different meaning, "system" means an internet-based, statewide database established, implemented, and maintained by the department under the marihuana tracking act, that is available to licensees, law enforcement agencies, and authorized state departments and agencies on a 24-hour basis for all of the following:

(i) Verifying registry identification cards.

(ii) Tracking marihuana transfer and transportation by licensees, including transferee, date, quantity, and price.

(iii) Verifying in commercially reasonable time that a transfer will not exceed the limit that the patient or caregiver is authorized to receive under section 4 of the Michigan Medical Marihuana Act, MCL 333.26424.

(hh) "Tissue culture" means a marihuana plant cell, cutting, tissue, or organ, that is kept under a sterile condition on a nutrient culture medium of known composition and that does not have visible root formation. A tissue culture is not a marihuana plant for purposes of a grower.

(ii) "Usable marihuana" means the dried leaves, flowers, plant resin, or extract of the marihuana plant, but does not include the seeds, stalks, and roots of the plant.

Sec. 302. The ~~board-cannabis~~ **regulatory agency** has general responsibility for implementing this act. The ~~board-cannabis~~ **regulatory agency** has the powers and duties specified in this act

1 and all other powers necessary and proper to fully and effectively  
2 implement and administer this act for the purpose of licensing,  
3 regulating, and enforcing the licensing and regulation system  
4 established under this act for marihuana growth, processing,  
5 testing, and transporting. The ~~board~~**cannabis regulatory agency** is  
6 subject to the administrative procedures act of 1969, 1969 PA 306,  
7 MCL 24.201 to 24.328. The ~~board's~~**duties of the cannabis regulatory**  
8 **agency** include all of the following:

9 (a) Granting or denying each application for a state operating  
10 license within a reasonable time.

11 (b) Deciding all license applications in reasonable order.

12 (c) Conducting its public meetings in compliance with the open  
13 meetings act, 1976 PA 267, MCL 15.231 to 15.246.

14 ~~(d) Consulting with the department in promulgating~~  
15 **Promulgating** rules and emergency rules as necessary to implement,  
16 administer, and enforce this act. ~~The board~~**Except as otherwise**  
17 **required to implement section 402a, the cannabis regulatory agency**  
18 shall not promulgate a rule establishing a limit on the number or  
19 type of marihuana facility licenses that may be granted.

20 (e) Implementing and collecting the application fee described  
21 in section 401 and, in conjunction with the department of treasury,  
22 the tax described in section 601 and regulatory assessment  
23 described in section 603.

24 (f) Providing for the levy and collection of fines for a  
25 violation of this act or rules.

26 (g) Providing oversight of a marihuana facility through the  
27 ~~board's~~inspectors, agents, and auditors **of the cannabis regulatory**  
28 **agency** and through the state police or attorney general for the  
29 purpose of certifying the revenue, receiving complaints from the



1 public, or conducting investigations into the operation of the  
2 marihuana facility as the ~~board~~ **cannabis regulatory agency**  
3 considers necessary and proper to ensure compliance with this act  
4 and rules and to protect and promote the overall safety, security,  
5 and integrity of the operation of a marihuana facility.

6 (h) Providing oversight of marihuana facilities to ensure that  
7 marihuana-infused products meet health and safety standards that  
8 protect the public to a degree comparable to state and federal  
9 standards applicable to similar food and drugs.

10 (i) Reviewing and ruling on any complaint by a licensee  
11 regarding any investigative procedures of this state that are  
12 believed to be unnecessarily disruptive of marihuana facility  
13 operations. The need to inspect and investigate is presumed at all  
14 times. ~~The board may delegate authority to hear, review, or rule on~~  
15 ~~licensee complaints to a subcommittee of the board. To prevail on~~  
16 the complaint, a licensee must establish by a preponderance of the  
17 evidence that the procedures unreasonably disrupted its marihuana  
18 facility operations.

19 (j) Holding at least 2 public meetings each year. ~~Upon 72~~  
20 ~~hours' written notice to each member, the chairperson or any 2~~  
21 ~~board members may call a special meeting. Three members of the~~  
22 ~~board constitute a quorum, including when making determinations on~~  
23 ~~an application for a license. Three votes are required in support~~  
24 ~~of final determinations of the board on applications for licenses~~  
25 ~~and all other licensing determinations, except that 4 votes are~~  
26 ~~required in support of a determination to suspend or revoke a~~  
27 ~~license. The board~~ **cannabis regulatory agency** shall keep a complete  
28 and accurate record of all of its meetings and hearings. Upon order  
29 of the ~~board, 1 of the board members or~~ **cannabis regulatory agency,**

1 a hearing officer designated by the ~~board~~**cannabis regulatory**  
2 **agency** may conduct any hearing provided for under this act or by  
3 rules and may recommend findings and decisions to the ~~board~~.  
4 **cannabis regulatory agency**. The ~~board member or~~ hearing officer  
5 conducting the hearing has all powers and rights regarding the  
6 conduct of hearings granted to the ~~board~~**cannabis regulatory agency**  
7 under this act. The record made at the time of the hearing ~~shall~~  
8 **must** be reviewed by the ~~board or a majority of the board~~, **cannabis**  
9 **regulatory agency**, and the findings and decision ~~of the majority of~~  
10 ~~the board~~ are the order of the ~~board~~**cannabis regulatory agency** in  
11 the case.

12 (k) Maintaining records that are separate and distinct from  
13 the records of any ~~other~~ state board. The records shall be made  
14 available for public inspection subject to the limitations of this  
15 act and shall accurately reflect all ~~board~~ proceedings **of the**  
16 **cannabis regulatory agency**.

17 (l) Reviewing the patterns of marihuana transfers by the  
18 licensees under this act as recorded in a statewide database  
19 established for use in administering and enforcing this act and  
20 making recommendations to the governor and the legislature in a  
21 written annual report to the governor and the legislature and  
22 additional reports that the governor requests. The annual report  
23 ~~shall~~**must** be submitted by April 15 of each year and ~~shall~~**must**  
24 include the report required under section 702, a statement of  
25 receipts and disbursements by the ~~board~~, **cannabis regulatory**  
26 **agency**, the actions taken by the ~~board~~, **cannabis regulatory agency**,  
27 and any additional information and recommendations that the ~~board~~  
28 **cannabis regulatory agency** considers appropriate or that the  
29 governor requests.

1 (m) Except as otherwise provided in this act, all information,  
2 records, interviews, reports, statements, memoranda, or other data  
3 supplied to or used by the ~~board~~**cannabis regulatory agency** are  
4 subject to the freedom of information act, 1976 PA 442, MCL 15.231  
5 to 15.246, except for the following:

6 (i) Unless presented during a public hearing or requested by  
7 the licensee or applicant who is the sole subject of the data, all  
8 of the information, records, interviews, reports, statements,  
9 memoranda, or other data supplied to, created by, or used by the  
10 ~~board~~**cannabis regulatory agency** related to background  
11 investigation of applicants or licensees and to trade secrets,  
12 internal controls, and security measures of the licensees or  
13 applicants.

14 (ii) All information, records, interviews, reports, statements,  
15 memoranda, or other data supplied to or used by the ~~board~~**cannabis**  
16 **regulatory agency** that have been received from another jurisdiction  
17 or local, state, or federal agency under a promise of  
18 confidentiality or if the release of the information is otherwise  
19 barred by the statutes, rules, or regulations of that jurisdiction  
20 or agency or by an intergovernmental agreement.

21 (iii) All information in the statewide monitoring system.

22 Sec. 401. (1) A person may apply to the ~~marijuana~~**cannabis**  
23 regulatory agency for state operating licenses in the categories of  
24 class A, B, or C grower; processor; provisioning center; secure  
25 transporter; and safety compliance facility as provided in this  
26 act. The application shall be made under oath on a form provided by  
27 the ~~marijuana~~**cannabis** regulatory agency and shall contain  
28 information as prescribed by the ~~marijuana~~**cannabis** regulatory  
29 agency, including, but not limited to, all of the following:

1 (a) The name, business address, business telephone number,  
2 Social Security number, and, if applicable, federal tax  
3 identification number of the applicant.

4 (b) The identity of every person having a 2.5% or greater  
5 ownership interest in the applicant with respect to which the  
6 license is sought. If the disclosed entity is a trust, the  
7 application shall disclose the names and addresses of the  
8 beneficiaries; if a privately held corporation, the names and  
9 addresses of all shareholders, officers, and directors; if a  
10 publicly held corporation, the names and addresses of all  
11 shareholders holding a direct or indirect interest of greater than  
12 5%, officers, and directors; if a partnership or limited liability  
13 partnership, the names and addresses of all partners; if a limited  
14 partnership or limited liability limited partnership, the names of  
15 all partners, both general and limited; or if a limited liability  
16 company, the names and addresses of all members and managers.

17 (c) An identification of any business that is directly or  
18 indirectly involved in the growing, processing, testing,  
19 transporting, or sale of marihuana, including, if applicable, the  
20 state of incorporation or registration, in which an applicant or,  
21 if the applicant is an individual, the applicant's spouse, parent,  
22 or child has any equity interest. If an applicant is a corporation,  
23 partnership, or other business entity, the applicant shall identify  
24 any other corporation, partnership, or other business entity that  
25 is directly or indirectly involved in the growing, processing,  
26 testing, transporting, or sale of marihuana in which it has any  
27 equity interest, including, if applicable, the state of  
28 incorporation or registration. An applicant may comply with this  
29 subdivision by filing a copy of the applicant's registration with

1 the Securities and Exchange Commission if the registration contains  
2 the information required by this subdivision.

3 (d) Whether an applicant has been indicted for, charged with,  
4 arrested for, or convicted of, pled guilty or nolo contendere to,  
5 forfeited bail concerning any criminal offense under the laws of  
6 any jurisdiction, either felony or controlled-substance-related  
7 misdemeanor, not including traffic violations, regardless of  
8 whether the offense has been reversed on appeal or otherwise,  
9 including the date, the name and location of the court, arresting  
10 agency, and prosecuting agency, the case caption, the docket  
11 number, the offense, the disposition, and the location and length  
12 of incarceration.

13 (e) Whether an applicant has ever applied for or has been  
14 granted any commercial license or certificate issued by a licensing  
15 authority in Michigan or any other jurisdiction that has been  
16 denied, restricted, suspended, revoked, or not renewed and a  
17 statement describing the facts and circumstances concerning the  
18 application, denial, restriction, suspension, revocation, or  
19 nonrenewal, including the licensing authority, the date each action  
20 was taken, and the reason for each action.

21 (f) Whether an applicant has filed, or been served with, a  
22 complaint or other notice filed with any public body, regarding the  
23 delinquency in the payment of, or a dispute over the filings  
24 concerning the payment of, any tax required under federal, state,  
25 or local law, including the amount, type of tax, taxing agency, and  
26 time periods involved.

27 (g) A statement listing the names and titles of all public  
28 officials or officers of any unit of government, and the spouses,  
29 parents, and children of those public officials or officers, who,

1 directly or indirectly, own any financial interest in, have any  
2 beneficial interest in, are the creditors of or hold any debt  
3 instrument issued by, or hold or have any interest in any  
4 contractual or service relationship with an applicant. As used in  
5 this subdivision, public official or officer does not include a  
6 person who would have to be listed solely because of his or her  
7 state or federal military service.

8 (h) A description of the type of marihuana facility;  
9 anticipated or actual number of employees; and projected or actual  
10 gross receipts.

11 (i) Financial information in the manner and form prescribed by  
12 the ~~marijuana~~**cannabis** regulatory agency.

13 (j) A paper copy or electronic posting website reference for  
14 the ordinance or zoning restriction that the municipality adopted  
15 to authorize or restrict operation of 1 or more marihuana  
16 facilities in the municipality.

17 (k) A copy of the notice informing the municipality by  
18 registered mail that the applicant has applied for a license under  
19 this act. The applicant shall also certify that it has delivered  
20 the notice to the municipality or will do so by 10 days after the  
21 date the applicant submits the application for a license to the  
22 ~~marijuana~~**cannabis** regulatory agency.

23 (l) Any other information the ~~department~~**cannabis regulatory**  
24 **agency** requires by rule.

25 (2) The ~~marijuana~~**cannabis** regulatory agency shall use  
26 information provided on the application as a basis to conduct a  
27 thorough background investigation on the applicant. A false  
28 application is cause for the ~~marijuana~~**cannabis** regulatory agency  
29 to deny a license. The ~~marijuana~~**cannabis** regulatory agency shall

1 not consider an incomplete application but shall, within a  
2 reasonable time, return the application to the applicant with  
3 notification of the deficiency and instructions for submitting a  
4 corrected application. Information the ~~marijuana~~**cannabis**  
5 regulatory agency obtains from the background investigation is  
6 exempt from disclosure under the freedom of information act, 1976  
7 PA 442, MCL 15.231 to 15.246.

8 (3) An applicant must provide written consent to the  
9 inspections, examinations, searches, and seizures provided for in  
10 section 303(1)(c)(i) to (iv) and to disclosure to the ~~marijuana~~  
11 **cannabis** regulatory agency and its agents of otherwise confidential  
12 records, including tax records held by any federal, state, or local  
13 agency, or credit bureau or financial institution, while applying  
14 for or holding a license. Information the ~~marijuana~~**cannabis**  
15 regulatory agency receives under this subsection is exempt from  
16 disclosure under the freedom of information act, 1976 PA 442, MCL  
17 15.231 to 15.246.

18 (4) An applicant must certify that the applicant does not have  
19 an interest in any other state operating license that is prohibited  
20 under this act.

21 (5) A nonrefundable application fee must be paid at the time  
22 of filing to defray the costs associated with the background  
23 investigation conducted by the ~~marijuana~~**cannabis** regulatory  
24 agency. The ~~marijuana~~**cannabis** regulatory agency shall set the  
25 amount of the application fee for each category and class of  
26 license by rule. If the costs of the investigation and processing  
27 the application exceed the application fee, the applicant shall pay  
28 the additional amount to the ~~marijuana~~**cannabis** regulatory agency.  
29 All information, records, interviews, reports, statements,

1 memoranda, or other data supplied to or used by the ~~marijuana~~  
2 **cannabis** regulatory agency in the course of its review or  
3 investigation of an application for a license under this act shall  
4 be disclosed only in accordance with this act. The information,  
5 records, interviews, reports, statements, memoranda, or other data  
6 are not admissible as evidence or discoverable in any action of any  
7 kind in any court or before any tribunal, board, agency, or person,  
8 except for any action considered necessary by the ~~marijuana~~  
9 **cannabis** regulatory agency.

10 (6) By 10 days after the date the applicant submits an  
11 application to the ~~marijuana-cannabis~~ regulatory agency, the  
12 applicant shall notify the municipality by registered mail that it  
13 has applied for a license under this act.

14 **(7) This section is subject to section 402a.**

15 Sec. 402. (1) ~~The marijuana~~ **Subject to section 402a, the**  
16 **cannabis** regulatory agency shall issue a license to an applicant if  
17 all of the following conditions are met:

18 (a) The applicant submits a complete application.

19 (b) The applicant pays both the nonrefundable application fee  
20 required under section 401(5) and the regulatory assessment  
21 established by the ~~marijuana-cannabis~~ regulatory agency for the  
22 first year of operation.

23 (c) The ~~marijuana-cannabis~~ regulatory agency determines that  
24 the applicant is qualified to receive a license under this act.

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

27 (a) The applicant has been convicted of or released from  
28 incarceration for a felony under the laws of this state, any other  
29 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. This subdivision does not apply to a felony for the  
3 manufacture, processing, or distribution of marihuana, or  
4 possession with the intent to manufacture, process, or distribute  
5 marihuana, unless the felony involved the distribution of marihuana  
6 to a minor.

7 (b) Within the past 5 years the applicant has been convicted  
8 of a misdemeanor involving a controlled substance, theft,  
9 dishonesty, or fraud in any state or been found responsible for  
10 violating a local ordinance in any state involving a controlled  
11 substance, dishonesty, theft, or fraud that substantially  
12 corresponds to a misdemeanor in that state. This subdivision does  
13 not apply to a misdemeanor or ordinance violation for the  
14 possession or use of marihuana.

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

17 (d) The applicant is an employee of the ~~marijuana~~**cannabis**  
18 regulatory agency.

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

22 (f) The applicant holds an elective office of a governmental  
23 unit of this state, another state, or the federal government. This  
24 subdivision does not apply to an elected officer of or employee of  
25 a federally recognized Indian tribe or to an elected precinct  
26 delegate.

27 (g) The applicant is a member of or employed by a regulatory  
28 body of a governmental unit in this state, another state, or the  
29 federal government, or is employed by a governmental unit of this

1 state. This subdivision does not apply to any of the following:

2 (i) An elected officer of or employee of a federally recognized  
3 Indian tribe.

4 (ii) An elected precinct delegate.

5 (iii) The spouse of a person who applies for a state operating  
6 license unless the spouse's position creates a conflict of interest  
7 or is within any of the following:

8 (A) The ~~marijuana~~-**cannabis** regulatory agency.

9 (B) A regulatory body of a governmental unit in this state,  
10 another state, or the federal government that makes decisions  
11 regarding medical marihuana.

12 (h) The ~~marijuana~~-**cannabis** regulatory agency determines that  
13 the applicant is not in compliance with section 205(1).

14 (i) The ~~marijuana~~-**cannabis** regulatory agency determines that  
15 the applicant is not in compliance with section 408.

16 (j) The applicant fails to meet other criteria established by  
17 rule.

18 **(k) Section 402a prohibits the cannabis regulatory agency from**  
19 **issuing a license to the applicant.**

20 (3) In determining whether to grant a license to an applicant,  
21 the ~~marijuana~~-**cannabis** regulatory agency may also consider all of  
22 the following:

23 (a) The business probity; financial ability and experience;  
24 and responsibility or means to operate or maintain a marihuana  
25 facility of the applicant and of any other person that meets either  
26 of the following:

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

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

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

3 (c) The sources and total amount of the applicant's  
4 capitalization to operate and maintain the proposed marihuana  
5 facility.

6 (d) Whether the applicant has been indicted for, charged with,  
7 arrested for, or convicted of, pled guilty or nolo contendere to,  
8 forfeited bail concerning, or had expunged any relevant criminal  
9 offense under the laws of any jurisdiction, either felony or  
10 misdemeanor, not including traffic violations, regardless of  
11 whether the offense has been expunged, pardoned, or reversed on  
12 appeal or otherwise. This subdivision does not apply to a criminal  
13 offense for the possession, use, manufacture, processing, or  
14 distribution of marihuana, or possession with the intent to  
15 manufacture, process, or distribute marihuana, unless the felony  
16 involved the distribution of marihuana to a minor.

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

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

23 (g) Whether the applicant has a history of noncompliance with  
24 any regulatory requirements in this state or any other  
25 jurisdiction.

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

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

1           (4) Each applicant shall ensure that 1 set of fingerprints is  
2 submitted to the department of state police. The applicant shall  
3 submit with its application the applicant's written consent to the  
4 criminal history check described in this section and the submission  
5 of the applicant's fingerprints to, and the inclusion of the  
6 applicant's fingerprints in, the state and federal database systems  
7 described in subsection (7).

8           (5) The fingerprints required under subsection (4) may be  
9 taken by a law enforcement agency or any other person determined by  
10 the department of state police to be qualified to take  
11 fingerprints. The applicant shall submit a fingerprint processing  
12 fee to the department in an amount required under section 3 of 1935  
13 PA 120, MCL 28.273, and any costs imposed by the Federal Bureau of  
14 Investigation.

15           (6) The department of state police shall do all of the  
16 following:

17           (a) Conduct a criminal history check on each applicant and  
18 request the Federal Bureau of Investigation to make a determination  
19 of the existence of any national criminal history pertaining to  
20 each applicant.

21           (b) Provide the ~~marijuana~~**cannabis** regulatory agency with a  
22 written report containing the criminal history record information  
23 of each applicant.

24           (7) All of the following apply concerning fingerprints  
25 submitted to the department of state police under this section:

26           (a) The department of state police shall store and retain all  
27 fingerprints submitted under this section in an automated  
28 fingerprint identification system database that searches against  
29 latent fingerprints, and provides for an automatic notification

1 when a subsequent fingerprint is submitted into the system that  
2 matches a fingerprint previously submitted under this section or  
3 when the criminal history of an individual whose fingerprints are  
4 retained in the system is updated. Upon receiving a notification,  
5 the department of state police shall immediately notify the  
6 ~~marijuana~~**cannabis** regulatory agency. Information in the database  
7 maintained under this subsection is confidential, is not subject to  
8 disclosure under the freedom of information act, 1976 PA 442, MCL  
9 15.231 to 15.246, and shall not be disclosed to any person except  
10 for purposes of this act or for law enforcement purposes.

11 (b) The department of state police shall forward all  
12 fingerprints submitted to it under this section to the Federal  
13 Bureau of Investigation for submission of those fingerprints into  
14 the FBI automatic notification system. This subdivision does not  
15 apply until the department of state police is a participant in the  
16 FBI automatic notification system. As used in this subdivision:

17 (i) "Automatic notification system" means a system that stores  
18 and retains fingerprints, and that provides for an automatic  
19 notification to a participant if and when a fingerprint is  
20 submitted into the system that matches an individual whose  
21 fingerprints are retained in the system or if and when the criminal  
22 history of an individual whose fingerprints are retained in the  
23 system is updated.

24 (ii) "FBI automatic notification system" means the automatic  
25 notification system that is maintained by the Federal Bureau of  
26 Investigation.

27 (8) The ~~marijuana~~**cannabis** regulatory agency shall review all  
28 applications for licenses and shall inform each applicant of the  
29 ~~marijuana~~**cannabis** regulatory agency's decision.

1 (9) A license shall be issued for a 1-year period and is  
2 renewable annually. Except as otherwise provided in this act, the  
3 ~~marijuana-cannabis~~ regulatory agency shall renew a license if all  
4 of the following requirements are met:

5 (a) The licensee applies to the ~~marijuana-cannabis~~ regulatory  
6 agency on a renewal form provided by the ~~marijuana-cannabis~~  
7 regulatory agency that requires information prescribed in rules.

8 (b) The application is received by the ~~marijuana-cannabis~~  
9 regulatory agency on or before the expiration date of the current  
10 license.

11 (c) The licensee pays the regulatory assessment under section  
12 603.

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

15 (10) The department shall notify the licensee by mail or  
16 electronic mail at the last known address on file with the  
17 ~~marijuana-cannabis~~ regulatory agency advising of the time and  
18 procedure for paying and the amount of the regulatory assessment  
19 under section 603. The failure of the licensee to receive notice  
20 under this subsection does not relieve the licensee of the  
21 responsibility for renewing the license.

22 (11) If a license renewal application is not submitted by the  
23 license expiration date, the license may be renewed within 60 days  
24 after its expiration date upon application, payment of the  
25 regulatory assessment under section 603, and satisfaction of any  
26 renewal requirement and late fee set forth in rules. The licensee  
27 may continue to operate during the 60 days after the license  
28 expiration date if the license is renewed by the end of the 60-day  
29 period.

1 (12) License expiration does not terminate the ~~marijuana~~  
2 **cannabis** regulatory agency's authority to impose sanctions on a  
3 licensee whose license has expired.

4 (13) In its decision on an application for renewal, the  
5 ~~marijuana~~**cannabis** regulatory agency shall consider any specific  
6 written input it receives from an individual or entity within the  
7 local unit of government in which the applicant for renewal is  
8 located.

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

13 (15) An applicant or licensee has a continuing duty to provide  
14 information requested by the ~~marijuana~~**cannabis** regulatory agency  
15 and to cooperate in any investigation, inquiry, or hearing  
16 conducted by the ~~marijuana~~**cannabis** regulatory agency.

17 **Sec. 402a. (1) Except as otherwise provided in subsection (2),**  
18 **beginning on January 1, 2026, the cannabis regulatory agency shall**  
19 **not issue a provisioning center license if doing so would, within**  
20 **the municipality where the proposed provisioning center will be**  
21 **located, result in there being more than 1 provisioning center for**  
22 **every 5,000 residents of the municipality.**

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

24 (a) The renewal of a provisioning center license under section  
25 402(9).

26 (b) A provisioning center license that is transferred to  
27 another person in accordance with section 406 and the rules,  
28 regardless of whether the other person is required to submit an  
29 application to obtain the provisioning center license or is issued

1 a new provisioning center license as a result of the transfer.

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

4 (3) If an applicant's proposed location of a provisioning  
5 center is located within a resort district, the applicant may apply  
6 for an exemption under this section. The cannabis regulatory agency  
7 shall create an application and application process for use under  
8 this subsection. The cannabis regulatory agency may approve an  
9 application for an exemption at the cannabis regulatory agency's  
10 discretion.