

**STATE OF MICHIGAN
99TH LEGISLATURE
REGULAR SESSION OF 2018**

Introduced by Rep. Kesto

ENROLLED HOUSE BILL No. 5144

AN ACT to amend 2016 PA 281, entitled “An act to license and regulate medical marihuana growers, processors, provisioning centers, secure transporters, and safety compliance facilities; to provide for the powers and duties of certain state and local governmental officers and entities; to create a medical marihuana licensing board; to provide for interaction with the statewide monitoring system for commercial marihuana transactions; to create an advisory panel; to provide immunity from prosecution for marihuana-related offenses for persons engaging in marihuana-related activities in compliance with this act; to prescribe civil fines and sanctions and provide remedies; to provide for forfeiture of contraband; to provide for taxes, fees, and assessments; and to require the promulgation of rules,” by amending the title and sections 102, 201, 205, 206, 501, 502, 503, 504, 505, 602, and 801 (MCL 333.27102, 333.27201, 333.27205, 333.27206, 333.27501, 333.27502, 333.27503, 333.27504, 333.27505, 333.27602, and 333.27801).

The People of the State of Michigan enact:

TITLE

An act to license and regulate medical marihuana growers, processors, provisioning centers, secure transporters, and safety compliance facilities; to provide for the powers and duties of certain state and local governmental officers and entities; to create a medical marihuana licensing board; to provide for interaction with the statewide monitoring system for commercial marihuana transactions; to create an advisory panel; to provide immunity from prosecution for marihuana-related offenses for persons engaging in certain activities in compliance with this act; to prescribe civil fines and sanctions and provide remedies; to provide for forfeiture of contraband; to provide for taxes, fees, and assessments; and to require the promulgation of rules.

Sec. 102. As used in this act:

(a) “Advisory panel” or “panel” means the marihuana advisory panel created in section 801.

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

(c) “Applicant” means a person who applies for a state operating license. With respect to disclosures in an application, or for purposes of ineligibility for a license under section 402, the term applicant includes an officer, director, and managerial employee of the applicant and a person who holds any direct or indirect ownership interest in the applicant.

(d) “Board” means the medical marihuana licensing board created in section 301.

(e) “Cutting” means a section of a lead stem or root stock that is used for vegetative asexual propagation.

(f) “Department” means the department of licensing and regulatory affairs.

(g) “Grower” means a licensee that is a commercial entity located in this state that cultivates, dries, trims, or cures and packages marihuana for sale to a processor, provisioning center, or another grower.

- (h) “Licensee” means a person holding a state operating license.
- (i) “Marihuana” means that term as defined in section 7106 of the public health code, 1978 PA 368, MCL 333.7106.
- (j) “Marihuana facility” means a location at which a licensee is licensed to operate under this act.
- (k) “Marihuana plant” means any plant of the species *Cannabis sativa* L.
- (l) “Marihuana-infused product” means a topical formulation, tincture, beverage, edible substance, or similar product containing any usable marihuana that is intended for human consumption in a manner other than smoke inhalation. Marihuana-infused product is not considered a food for purposes of the food law, 2000 PA 92, MCL 289.1101 to 289.8111.
- (m) “Marihuana tracking act” means the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.
- (n) “Michigan medical marihuana act” means the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.
- (o) “Municipality” means a city, township, or village.
- (p) “Paraphernalia” means any equipment, product, or material of any kind that is designed for or used in growing, cultivating, producing, manufacturing, compounding, converting, storing, processing, preparing, transporting, injecting, smoking, ingesting, inhaling, or otherwise introducing into the human body, marihuana.
- (q) “Person” means an individual, corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited liability limited partnership, trust, or other legal entity.
- (r) “Plant” means any living organism that produces its own food through photosynthesis and has observable root formation or is in growth material.
- (s) “Processor” means a licensee that is a commercial entity located in this state that purchases marihuana from a grower and that extracts resin from the marihuana or creates a marihuana-infused product for sale and transfer in packaged form to a provisioning center or another processor.
- (t) “Provisioning center” means a licensee that is a commercial entity located in this state that purchases marihuana from a grower or processor and sells, supplies, or provides marihuana to registered qualifying patients, directly or through the patients’ registered primary caregivers. Provisioning center includes any commercial property where marihuana is sold at retail to registered qualifying patients or registered primary caregivers. A noncommercial location used by a primary caregiver to assist a qualifying patient connected to the caregiver through the department’s marihuana registration process in accordance with the Michigan medical marihuana act is not a provisioning center for purposes of this act.
- (u) “Registered primary caregiver” means a primary caregiver who has been issued a current registry identification card under the Michigan medical marihuana act.
- (v) “Registered qualifying patient” means a qualifying patient who has been issued a current registry identification card under the Michigan medical marihuana act or a visiting qualifying patient as that term is defined in section 3 of the Michigan medical marihuana act, MCL 333.26423.
- (w) “Registry identification card” means that term as defined in section 3 of the Michigan medical marihuana act, MCL 333.26423.
- (x) “Rules” means rules promulgated under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, by the department in consultation with the board to implement this act.
- (y) “Safety compliance facility” means a licensee that is a commercial entity that takes marihuana from a marihuana facility or receives marihuana from a registered primary caregiver, tests the marihuana for contaminants and for tetrahydrocannabinol and other cannabinoids, returns the test results, and may return the marihuana to the marihuana facility.
- (z) “Secure transporter” means a licensee that is a commercial entity located in this state that stores marihuana and transports marihuana between marihuana facilities for a fee.
- (aa) “Seed” means the fertilized, ungerminated, matured ovule, containing an embryo or rudimentary plant, of a marihuana plant that is flowering.
- (bb) “Seedling” means a marihuana plant that has germinated and has not flowered and is not harvestable.
- (cc) “State operating license” or, unless the context requires a different meaning, “license” means a license that is issued under this act that allows the licensee to operate as 1 of the following, specified in the license:
- (i) A grower.
 - (ii) A processor.
 - (iii) A secure transporter.
 - (iv) A provisioning center.
 - (v) A safety compliance facility.

(dd) “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.

(ee) “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.

(ff) “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. 201. (1) Except as otherwise provided in this act, if a person has been granted a state operating license and is operating within the scope of the license, the licensee and its agents are not subject to any of the following for engaging in activities described in subsection (2):

(a) Criminal penalties under state law or local ordinances regulating marihuana.

(b) State or local criminal prosecution for a marihuana-related offense.

(c) State or local civil prosecution for a marihuana-related offense.

(d) Search or inspection, except for an inspection authorized under this act by law enforcement officers, the municipality, or the department.

(e) Seizure of marihuana, real property, personal property, or anything of value based on a marihuana-related offense.

(f) Any sanction, including disciplinary action or denial of a right or privilege, by a business or occupational or professional licensing board or bureau based on a marihuana-related offense.

(2) The following activities are protected under subsection (1) if performed under a state operating license within the scope of that license and in accord with this act, rules, and any ordinance adopted under section 205:

(a) Growing marihuana.

(b) Purchasing, receiving, selling, transporting, or transferring marihuana from or to a licensee, a licensee’s agent, a registered qualifying patient, or a registered primary caregiver.

(c) Possessing marihuana.

(d) Possessing or manufacturing marihuana paraphernalia for medical use.

(e) Processing marihuana.

(f) Transporting marihuana.

(g) Testing, transferring, infusing, extracting, altering, or studying marihuana.

(h) Receiving or providing compensation for products or services.

(3) Except as otherwise provided in this act, a person who owns or leases real property upon which a marihuana facility is located and who has no knowledge that the licensee violated this act is not subject to any of the following for owning, leasing, or permitting the operation of a marihuana facility on the real property:

(a) Criminal penalties under state law or local ordinances regulating marihuana.

(b) State or local civil prosecution based on a marihuana-related offense.

(c) State or local criminal prosecution based on a marihuana-related offense.

(d) Search or inspection, except for an inspection authorized under this act by law enforcement officers, the municipality, or the department.

(e) Seizure of any real or personal property or anything of value based on a marihuana-related offense.

(f) Any sanction, including disciplinary action or denial of a right or privilege, by a business or occupational or professional licensing board or bureau.

(4) Except as otherwise provided in this act, a certified public accountant who is licensed under article 7 of the occupational code, 1980 PA 299, MCL 339.720 to 339.736, is not subject to any of the following for engaging in the practice of public accounting as that term is defined in section 720 of the occupational code, 1980 PA 299, MCL 339.720, for an applicant or licensee who is in compliance with this act, rules, and the Michigan medical marihuana act:

(a) Criminal penalties under state law or local ordinances regulating marihuana.

(b) State or local civil prosecution based on a marihuana-related offense.

- (c) State or local criminal prosecution based on a marihuana-related offense.
- (d) Seizure of any real or personal property or anything of value based on a marihuana-related offense.
- (e) Any sanction, including disciplinary action or denial of a right or privilege, by a business or occupational or professional licensing board or bureau based on a marihuana-related offense.

(5) Except as otherwise provided in this act, a financial institution is not subject to any of the following for providing a financial service to a licensee under this act:

- (a) Criminal penalties under state law or local ordinances regulating marihuana.
- (b) State or local civil prosecution based on a marihuana-related offense.
- (c) State or local criminal prosecution based on a marihuana-related offense.
- (d) Seizure of any real or personal property or anything of value based on a marihuana-related offense.
- (e) Any sanction, including disciplinary action or denial of a right or privilege, by a business or occupational or professional licensing board or bureau based on a marihuana-related offense.

(6) For the purposes of regulating the commercial entities established under this act, any provisions of the following acts that are inconsistent with this act do not apply to a grower, processor, secure transporter, provisioning center, or safety compliance facility operating in compliance with this act:

- (a) The business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098.
- (b) The nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192.
- (c) 1931 PA 327, MCL 450.98 to 450.192.
- (d) The Michigan revised uniform limited partnership act, 1982 PA 213, MCL 449.1101 to 449.2108.
- (e) The Michigan limited liability company act, 1993 PA 23, MCL 450.4101 to 450.5200.
- (f) 1907 PA 101, MCL 445.1 to 445.5.
- (g) 1913 PA 164, MCL 449.101 to 449.106.
- (h) The uniform partnership act, 1917 PA 72, MCL 449.1 to 449.48.

(7) As used in this section:

(a) “Financial institution” means any of the following:

- (i) A state or national bank.
- (ii) A state or federally chartered savings and loan association.
- (iii) A state or federally chartered savings bank.
- (iv) A state or federally chartered credit union.
- (v) An insurance company.
- (vi) An entity that offers any of the following to a resident of this state:
 - (A) A mutual fund account.
 - (B) A securities brokerage account.
 - (C) A money market account.
 - (D) A retail investment account.

(vii) An entity regulated by the Securities and Exchange Commission that collects funds from the public.

(viii) An entity that is a member of the National Association of Securities Dealers and that collects funds from the public.

(ix) Another entity that collects funds from the public.

(b) “Financial service” means a deposit; withdrawal; transfer between accounts; exchange of currency; loan; extension of credit; purchase or sale of any stock, bond, certificate of deposit, or other monetary instrument; or any other payment, transfer, or delivery by, through, or to a financial institution, by whatever means effected.

Sec. 205. (1) The board shall not issue a state operating license to an applicant unless the municipality in which the applicant’s proposed marihuana facility will operate has adopted an ordinance that authorizes that type of facility. A municipality may adopt an ordinance to authorize 1 or more types of marihuana facilities within its boundaries and to limit the number of each type of marihuana facility. A municipality may adopt other ordinances relating to marihuana facilities within its jurisdiction, including zoning regulations, but shall not impose regulations regarding the purity or pricing of marihuana or interfering or conflicting with this act or rules for licensing marihuana facilities. A municipality that adopts an ordinance under this subsection that authorizes a marihuana facility shall provide the department with all of the following on a form prescribed and provided by the department:

(a) An attestation that the municipality has adopted an ordinance under this subsection that authorizes the marihuana facility.

- (b) A description of any zoning regulations that apply to the proposed marihuana facility within the municipality.
- (c) The signature of the clerk of the municipality or his or her designee.
- (d) Any other information required by the department.

(2) A municipal ordinance may establish an annual, nonrefundable fee of not more than \$5,000.00 to help defray administrative and enforcement costs associated with the operation of a marihuana facility in the municipality.

(3) The department may require a municipality to provide the following information to the department on a form prescribed and provided by the department regarding a licensee who submits an application for license renewal:

- (a) Information that the board declares necessary to determine whether the licensee's license should be renewed.

(b) A description of a violation of an ordinance or a zoning regulation adopted under subsection (1) committed by the licensee, but only if the violation relates to activities licensed under this act and rules or the Michigan medical marihuana act.

(c) Whether there has been a change to an ordinance or a zoning regulation adopted under subsection (1) since the license was issued to the licensee and a description of the change.

(4) Information a municipality obtains from an applicant under this section is exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. Except as otherwise provided in this subsection, information a municipality provides to the department under this section is subject to disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

Sec. 206. The department, in consultation with the board, shall promulgate rules and emergency rules as necessary to implement, administer, and enforce this act. The rules must ensure the safety, security, and integrity of the operation of marihuana facilities, and must include rules to do the following:

- (a) Set appropriate standards for marihuana facilities and associated equipment.
- (b) Subject to section 408, establish minimum levels of insurance that licensees must maintain.
- (c) Establish operating regulations for each category of license to ensure the health, safety, and security of the public and the integrity of marihuana facility operations.
- (d) Establish qualifications and restrictions for persons participating in or involved with operating marihuana facilities.
- (e) Establish testing standards, procedures, and requirements for marihuana sold through provisioning centers.
- (f) Provide for the levy and collection of fines for a violation of this act or rules.
- (g) Prescribe use of the statewide monitoring system to track all marihuana transfers, as provided in the marihuana tracking act and this act and provide for a funding mechanism to support the system.
- (h) Establish quality control standards, procedures, and requirements for marihuana facilities.
- (i) Establish chain of custody standards, procedures, and requirements for marihuana facilities.
- (j) Establish standards, procedures, and requirements for waste product disposal and storage by marihuana facilities.
- (k) Establish chemical storage standards, procedures, and requirements for marihuana facilities.
- (l) Establish standards, procedures, and requirements for securely and safely transporting marihuana between marihuana facilities.
- (m) Establish standards, procedures, and requirements for the storage of marihuana by marihuana facilities.
- (n) Establish labeling and packaging standards, procedures, and requirements for marihuana sold or transferred through provisioning centers, including a prohibition on labeling or packaging that is intended to appeal to or has the effect of appealing to minors.
- (o) Establish daily and monthly purchasing limits at provisioning centers for registered qualifying patients and registered primary caregivers to ensure compliance with the Michigan medical marihuana act.
- (p) Establish marketing and advertising restrictions for marihuana products and marihuana facilities.
- (q) Establish maximum tetrahydrocannabinol levels for marihuana-infused products sold or transferred through provisioning centers.
- (r) Establish health standards to ensure the safe preparation of products containing marihuana that are intended for human consumption in a manner other than smoke inhalation.
- (s) Establish restrictions on edible marihuana-infused products to prohibit shapes that would appeal to minors.

Sec. 501. (1) A grower license authorizes the grower to grow not more than the following number of marihuana plants under the indicated license class for each license the grower holds in that class:

- (a) Class A – 500 marihuana plants.

(b) Class B – 1,000 marihuana plants.

(c) Class C – 1,500 marihuana plants.

(2) Except as otherwise provided in this subsection, a grower license authorizes sale of marihuana plants to a grower only by means of a secure transporter. A grower license authorizes the sale or transfer of seeds, seedlings, or tissue cultures to a grower from a registered primary caregiver or another grower without using a secure transporter.

(3) A grower license authorizes a grower to transfer marihuana without using a secure transporter to a processor or provisioning center if both of the following are met:

(a) The processor or provisioning center occupies the same location as the grower and the marihuana is transferred using only private real property without accessing public roadways.

(b) The grower enters each transfer into the statewide monitoring system.

(4) A grower license authorizes sale of marihuana, other than seeds, seedlings, tissue cultures, and cuttings, to a processor or provisioning center.

(5) Except as otherwise provided in subsections (2) and (3) and section 505, a grower license authorizes the grower to transfer marihuana only by means of a secure transporter.

(6) To be eligible for a grower license, the applicant and each investor in the grower must not have an interest in a secure transporter or safety compliance facility.

(7) Until December 31, 2018, for a period of 30 days after the issuance of a grower license and in accord with rules, a grower may transfer any of the following that are lawfully possessed by an individual formerly registered as a primary caregiver who is an active employee of the grower:

(a) Marihuana plants.

(b) Seeds.

(c) Seedlings.

(8) A grower shall comply with all of the following:

(a) Until December 31, 2021, have, or have as an active employee an individual who has, a minimum of 2 years' experience as a registered primary caregiver.

(b) While holding a license as a grower, not be a registered primary caregiver and not employ an individual who is simultaneously a registered primary caregiver.

(c) Enter all transactions, current inventory, and other information into the statewide monitoring system as required in this act, rules, and the marihuana tracking act.

(9) A grower license does not authorize the grower to operate in an area unless the area is zoned for industrial or agricultural uses or is unzoned and otherwise meets the requirements established in section 205(1).

Sec. 502. (1) A processor license authorizes purchase of marihuana only from a grower and sale of marihuana-infused products or marihuana only to a provisioning center or another processor.

(2) Except as otherwise provided in section 505 and this subsection, a processor license authorizes the processor to transfer marihuana only by means of a secure transporter. A processor license authorizes a processor to transfer marihuana without using a secure transporter to a grower or provisioning center if both of the following are met:

(a) The grower or provisioning center occupies the same location as the processor and the marihuana is transferred using only private real property without accessing public roadways.

(b) The processor enters each transfer into the statewide monitoring system.

(3) To be eligible for a processor license, the applicant and each investor in the processor must not have an interest in a secure transporter or safety compliance facility.

(4) Until December 31, 2018, for a period of 30 days after the issuance of a processor license and in accord with rules, a processor may transfer any of the following that are lawfully possessed by an individual formerly registered as a primary caregiver who is an active employee of the processor:

(a) Marihuana plants.

(b) Usable marihuana.

(5) A processor shall comply with all of the following:

(a) Until December 31, 2021, have, or have as an active employee an individual who has, a minimum of 2 years' experience as a registered primary caregiver.

(b) While holding a license as a processor, not be a registered primary caregiver and not employ an individual who is simultaneously a registered primary caregiver.

(c) Enter all transactions, current inventory, and other information into the statewide monitoring system as required in this act, rules, and the marihuana tracking act.

Sec. 503. (1) A secure transporter license authorizes the licensee to store and transport marijuana and money associated with the purchase or sale of marijuana between marijuana facilities for a fee upon request of a person with legal custody of that marijuana or money. It does not authorize transport to a registered qualifying patient or registered primary caregiver. If a secure transporter has its primary place of business in a municipality that has adopted an ordinance under section 205 authorizing that marijuana facility, the secure transporter may travel through any municipality.

(2) To be eligible for a secure transporter license, the applicant and each investor with an interest in the secure transporter must not have an interest in a grower, processor, provisioning center, or safety compliance facility and must not be a registered qualifying patient or a registered primary caregiver.

(3) A secure transporter shall enter all transactions, current inventory, and other information into the statewide monitoring system as required in this act, rules, and the marijuana tracking act.

(4) A secure transporter shall comply with all of the following:

(a) Each driver transporting marijuana must have a chauffeur's license issued by this state.

(b) Each employee who has custody of marijuana or money that is related to a marijuana transaction shall not have been convicted of or released from incarceration for a felony under the laws of this state, any other state, or the United States within the past 5 years or have been convicted of a misdemeanor involving a controlled substance within the past 5 years.

(c) Each vehicle must be operated with a 2-person crew with at least 1 individual remaining with the vehicle at all times during the transportation of marijuana.

(d) A route plan and manifest must be entered into the statewide monitoring system, and a copy must be carried in the transporting vehicle and presented to a law enforcement officer upon request.

(e) The marijuana must be transported in 1 or more sealed containers and not be accessible while in transit.

(f) A secure transporting vehicle must not bear markings or other indication that it is carrying marijuana or a marijuana-infused product.

(5) A secure transporter is subject to administrative inspection by a law enforcement officer at any point during the transportation of marijuana to determine compliance with this act.

Sec. 504. (1) A provisioning center license authorizes the purchase or transfer of marijuana only from a grower or processor and sale or transfer to only a registered qualifying patient or registered primary caregiver. Except as otherwise provided in section 505 and this subsection, all transfers of marijuana to a provisioning center from a separate marijuana facility must be by means of a secure transporter. A transfer of marijuana to a provisioning center from a marijuana facility that occupies the same location as the provisioning center does not require a secure transporter if the marijuana is transferred to the provisioning center using only private real property without accessing public roadways.

(2) A provisioning center license authorizes the provisioning center to transfer marijuana to or from a safety compliance facility for testing by means of a secure transporter or as provided in section 505.

(3) To be eligible for a provisioning center license, the applicant and each investor in the provisioning center must not have an interest in a secure transporter or safety compliance facility.

(4) A provisioning center shall comply with all of the following:

(a) Sell or transfer marijuana to a registered qualifying patient or registered primary caregiver only after it has been tested and bears the label required for retail sale.

(b) Enter all transactions, current inventory, and other information into the statewide monitoring system as required in this act, rules, and the marijuana tracking act.

(c) Before selling or transferring marijuana to a registered qualifying patient or to a registered primary caregiver on behalf of a registered qualifying patient, inquire of the statewide monitoring system to determine whether the patient and, if applicable, the caregiver hold a valid, current, unexpired, and unrevoked registry identification card and that the sale or transfer will not exceed the daily and monthly purchasing limit established by the medical marijuana licensing board under this act.

(d) Not allow the sale, consumption, or use of alcohol or tobacco products on the premises.

(e) Not allow a physician to conduct a medical examination or issue a medical certification document on the premises for the purpose of obtaining a registry identification card.

Sec. 505. (1) In addition to transfer and testing authorized in section 203, a safety compliance facility license authorizes the safety compliance facility to do all of the following without using a secure transporter:

(a) Take marijuana from, test marijuana for, and return marijuana to only a marijuana facility.

(b) Collect a random sample of marihuana at the marihuana facility of a grower, processor, or provisioning center for testing.

(2) A safety compliance facility must be accredited by an entity approved by the board by 1 year after the date the license is issued or have previously provided drug testing services to this state or this state's court system and be a vendor in good standing in regard to those services. The board may grant a variance from this requirement upon a finding that the variance is necessary to protect and preserve the public health, safety, or welfare.

(3) To be eligible for a safety compliance facility license, the applicant and each investor with any interest in the safety compliance facility must not have an interest in a grower, secure transporter, processor, or provisioning center.

(4) A safety compliance facility shall comply with all of the following:

(a) Perform tests to certify that marihuana is reasonably free of chemical residues such as fungicides and insecticides.

(b) Use validated test methods to determine tetrahydrocannabinol, tetrahydrocannabinol acid, cannabidiol, and cannabidiol acid levels.

(c) Perform tests that determine whether marihuana complies with the standards the board establishes for microbial and mycotoxin contents.

(d) Perform other tests necessary to determine compliance with any other good manufacturing practices as prescribed in rules.

(e) Enter all transactions, current inventory, and other information into the statewide monitoring system as required in this act, rules, and the marihuana tracking act.

(f) Have a secured laboratory space that cannot be accessed by the general public.

(g) Retain and employ at least 1 staff member with a relevant advanced degree in a medical or laboratory science.

Sec. 602. (1) The medical marihuana excise fund is created in the state treasury.

(2) Except for the application fee under section 401, the regulatory assessment under section 603, and any local fees, all money collected under section 601 and all other fees, fines, and charges, imposed under this act must be deposited in the medical marihuana excise fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(3) Money in the medical marihuana excise fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

(4) The state treasurer is the administrator of the medical marihuana excise fund for auditing purposes.

(5) The money in the medical marihuana excise fund must be allocated, upon appropriation, as follows:

(a) 25% to municipalities in which a marihuana facility is located, allocated in proportion to the number of marihuana facilities within the municipality.

(b) 30% to counties in which a marihuana facility is located, allocated in proportion to the number of marihuana facilities within the county.

(c) 5% to counties in which a marihuana facility is located, allocated in proportion to the number of marihuana facilities within the county. Money allocated under this subdivision must be used exclusively to support the county sheriffs and must be in addition to and not in replacement of any other funding received by the county sheriffs.

(d) 30% to this state for the following:

(i) Until September 30, 2017, for deposit in the general fund of the state treasury.

(ii) Beginning October 1, 2017, for deposit in the first responder presumed coverage fund created in section 405 of the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.405.

(e) 5% to the Michigan commission on law enforcement standards for training local law enforcement officers.

(f) 5% to the department of state police.

Sec. 801. (1) The marihuana advisory panel is created within the department.

(2) The marihuana advisory panel consists of 17 members, including the director of state police or his or her designee, the director of this state's department of health and human services or his or her designee, the director of the department or his or her designee, the attorney general or his or her designee, the director of the department of agriculture and rural development or his or her designee, and the following members appointed by the governor:

(a) One registered medical marihuana patient or medical marihuana primary caregiver.

(b) One representative of the industry from the growers category.

(c) One representative of the industry from the processors category.

(d) One representative of the industry from the provisioning centers category.

(e) One representative of the industry from the safety compliance facilities category.

- (f) One representative of townships.
- (g) One representative of cities and villages.
- (h) One representative of counties.
- (i) One representative of sheriffs.
- (j) One representative of local police.
- (k) One physician licensed under article 15 of the public health code, 1978 PA 368, MCL 333.16101 to 333.18838.
- (l) One representative of the industry from the secure transporter category.

(3) The governor shall appoint the first members of the panel by March 1, 2018. The members appointed to the panel shall serve at the pleasure of the governor and shall serve for terms of 3 years or until a successor is appointed, whichever is later.

(4) If a vacancy occurs on the advisory panel, the governor shall make an appointment for the unexpired term in the same manner as the original appointment.

(5) The director of the department or his or her designee shall call the first meeting of the panel within 1 month after the advisory panel is appointed. At the first meeting, the panel shall elect from among its members a chairperson and any other officers it considers necessary or appropriate. After the first meeting, the panel shall meet at least 2 times each year, or more frequently at the call of the chairperson.

(6) A majority of the members of the panel constitute a quorum for the transaction of business. A majority of the members present and serving are required for official action of the panel.

(7) The business that the panel performs must be conducted at a public meeting held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(8) A writing prepared, owned, used, in the possession of, or retained by the panel in the performance of an official function is subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(9) Members of the panel shall serve without compensation. However, members of the panel may be reimbursed for their actual and necessary expenses incurred in the performance of their official duties as members of the panel.

(10) The panel may make recommendations to the board concerning promulgation of rules and, as requested by the board or the department, the administration, implementation, and enforcement of this act and the marijuana tracking act.

(11) State departments and agencies shall cooperate with the panel and, upon request, provide it with meeting space and other necessary resources to assist it in the performance of its duties.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor