

**SUBSTITUTE FOR
HOUSE BILL NO. 4249**

A bill to amend 2016 PA 281, entitled
"Medical marihuana facilities licensing act,"
by amending sections 502 and 504 (MCL 333.27502 and 333.27504),
section 502 as amended by 2018 PA 648 and section 504 as amended by
2018 PA 10, and by adding section 407b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 407b. A processor that violates section 502(7) or a
2 provisioning center that violates section 504(4) (f) is guilty of a
3 misdemeanor punishable by a fine of not more than \$10,000.00.

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

7 (2) Except as otherwise provided in section 505 and this

1 subsection, a processor license authorizes the processor to
2 transfer marihuana only by means of a secure transporter. A
3 processor license authorizes a processor to transfer marihuana
4 without using a secure transporter to a grower or provisioning
5 center if both of the following are met:

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

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

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

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

19 (a) Marihuana plants.

20 (b) Usable marihuana.

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

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

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

28 (c) Enter all transactions, current inventory, and other
29 information into the statewide monitoring system as required in

1 this act, rules, and the marihuana tracking act.

2 (6) This act does not prohibit a processor from handling,
3 processing, marketing, or brokering, as those terms are defined in
4 section 2 of the industrial hemp research and development act, MCL
5 286.842, industrial hemp.

6 (7) **A processor shall not process marihuana intended for
7 inhalation or a marihuana-infused product intended for inhalation
8 if the marihuana or marihuana-infused product contains or has been
9 combined with any of the following:**

10 (a) Vitamin E acetate.

11 (b) Any other ingredient unless 1 of the following applies:

12 (i) The ingredient is a botanically derived terpene that is
13 chemically identical to a terpene derived from the plant *Cannabis*
14 *sativa* L.

15 (ii) Both of the following conditions are met:

16 (A) The ingredient is approved by the Food and Drug
17 Administration for inhalation.

18 (B) The concentration of the ingredient in the marihuana or
19 marihuana-infused product is equal to or less than the maximum
20 concentration approved by the Food and Drug Administration.

21 Sec. 504. (1) A provisioning center license authorizes the
22 purchase or transfer of marihuana only from a grower or processor
23 and sale or transfer to only a registered qualifying patient or
24 registered primary caregiver. Except as otherwise provided in
25 section 505 and this subsection, all transfers of marihuana to a
26 provisioning center from a separate marihuana facility must be by
27 means of a secure transporter. A transfer of marihuana to a
28 provisioning center from a marihuana facility that occupies the
29 same location as the provisioning center does not require a secure

1 transporter if the marihuana is transferred to the provisioning
2 center using only private real property without accessing public
3 roadways.

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

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

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

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

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

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

29 (d) Not allow the sale, consumption, or use of alcohol or

1 tobacco products on the premises.

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

5 (f) Not sell marihuana intended for inhalation or a marihuana-
6 infused product intended for inhalation if the marihuana or
7 marihuana-infused product contains or has been combined with any of
8 the following:

9 (i) Vitamin E acetate.

10 (ii) Any other ingredient unless 1 of the following applies:

11 (A) The ingredient is a botanically derived terpene that is
12 chemically identical to a terpene derived from the plant *Cannabis*
13 *sativa* L.

14 (B) Both of the following conditions are met:

15 (I) The ingredient is approved by the Food and Drug
16 Administration for inhalation.

17 (II) The concentration of the ingredient in the marihuana or
18 marihuana-infused product is equal to or less than the maximum
19 concentration approved by the Food and Drug Administration.