



Senate Fiscal Agency  
P.O. Box 30036  
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383  
Fax: (517) 373-1986

House Bill 5965 (Substitute H-1 as passed by the House)  
Sponsor: Representative Roger Hauck  
House Committee: Regulatory Reform  
Senate Committee: Regulatory Reform

Date Completed: 9-20-22

### **CONTENT**

**The bill would amend the Medical Marihuana Facilities Licensing Act to modify various definitions.**

Under the Act, "applicant" means a person who applies for State operating license. The term includes with respect to disclosures in an application, for certain purposes, and only for applications submitted on or after January 1, 2019, a managerial employee of the applicant, a person holding a direct or indirect ownership interest of more than 10% in the applicant, and the following for each type of applicant:

- For an individual or sole proprietorship: the proprietor and the proprietor's spouse.
- For a partnership and limited liability partnership, all partners and their spouses.
- For a limited partnership and limited liability limited partnership, all general and limited partners, not including a limited partner holding a direct or indirect ownership interest of 10% or less and who does not exercise control over or participate in the management of the partnership, and their spouses.
- For a limited liability company, all members and managers, not including a member holding a direct or indirect ownership interest of 10% or less and who does not exercise control over or participate in the management of the company, and their spouses.
- For a privately held corporation: all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, and all stockholders, not including those holding a direct or indirect ownership interest of 10% or less, and their spouses.
- For a publicly held corporation: all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, and all stockholders, not including those holding a direct or indirect ownership interest of 10% or less, and their spouses.
- For a multilevel ownership enterprise: any entity or person that receives or has the right to receive more than 10% of the gross or net profit from the enterprise during any full or partial calendar or fiscal year.
- For a nonprofit corporation: all individuals and entities with membership or shareholder rights in accordance with the articles of incorporation or the bylaws and the spouses of the individuals.

The bill would delete all references to spouses.

"Grower" means a licensee that is a commercial entity located in the State that cultivates, dries, trims, or cures and packages marihuana for sale to a processor, provisioning center, or another grower. Instead, under the bill, "grower" would mean a licensee that is a commercial entity in the State that holds a grower license.

"Processor" means a licensee that is a commercial entity located in the 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. Under the bill, "processor" would mean a licensee that is a commercial entity located in the State that holds a processor license.

"Provisioning center" means a licensee that is a commercial entity located in the 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. Under the bill, "provisioning center" would mean a license that is a commercial entity located in the State that holds a provisioning center license.

"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. Under the bill, "safety compliance facility" would mean a licensee that is a commercial entity that holds a safety compliance facility license.

"Secure transporter" means a licensee that is a commercial entity located in the State that stores marihuana and transports marihuana between marihuana facilities for a fee. Under the bill, "secure transporter" would mean a licensee that is a commercial entity located in the State that holds a secure transporter license.

MCL 333.27102

Legislative Analyst: Eleni Lionas

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Joe Carrasco, Jr.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.