

**SUBSTITUTE FOR
SENATE BILL NO. 601**

A bill to amend 2020 PA 220, entitled
"Industrial hemp growers act,"
by amending sections 103, 211, 303, and 307 (MCL 333.29103,
333.29211, 333.29303, and 333.29307), section 103 as amended by
2021 PA 58 and sections 211, 303, and 307 as amended by 2021 PA 4;
and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 103. As used in this act:

2 (a) "Acceptable THC level" means the application of the
3 measurement of uncertainty to the reported total delta-9-THC
4 concentration level on a dry weight basis that produces a
5 distribution or range that includes 0.3% or less total delta-9-THC.

6 (b) "Applicant" means a person that submits an application for



1 a registration.

2 (c) "Cannabis" means the plant *Cannabis sativa* L. and any part
3 of that plant, whether growing or not.

4 (d) "Compliance monitoring testing facility" means a
5 laboratory that meets both of the following requirements:

6 (i) Is registered with the DEA to conduct chemical analysis of
7 controlled substances under 21 CFR 1301.13.

8 (ii) Performs routine compliance monitoring testing of
9 unofficial hemp samples throughout the growing season.

10 (e) "Controlled substance felony" means a felony violation of
11 the laws of any state having to do with controlled substances or a
12 felony violation of federal law having to do with controlled
13 substances.

14 (f) "Conviction" means a plea of guilty or nolo contendere, or
15 a finding of guilt related to a controlled substance felony, unless
16 1 of the following applies:

17 (i) The finding of guilt is subsequently expunged.

18 (ii) The finding of guilt is set aside under 1965 PA 213, MCL
19 780.621 to 780.624, or otherwise expunged.

20 (iii) The individual is pardoned.

21 (g) "Corrective action plan" means a plan created under
22 section 601.

23 (h) "Criminal history record information" means that term as
24 defined in section 1a of 1925 PA 289, MCL 28.241a.

25 (i) "Criminal history report" means a report that meets all of
26 the following requirements:

27 (i) Is prepared by the United States Federal Bureau of
28 Investigation or another authority approved by the department.

29 (ii) Includes fingerprint-based criminal history record



1 information.

2 (iii) Is completed not more than 60 days before an application
3 is submitted under section 201.

4 (j) "Culpable mental state greater than negligence" means to
5 act intentionally, knowingly, willfully, or recklessly.

6 (k) "DEA" means the United States Drug Enforcement
7 Administration.

8 (l) "Department" means the department of agriculture and rural
9 development.

10 (m) "Designated sampling agent" means a federal, state, or
11 local law enforcement agent authorized by the department to collect
12 official samples under section 401.

13 (n) "Dispose" means an activity that transitions industrial
14 hemp into a nonretrievable or noningestible form of industrial hemp
15 under section 407.

16 (o) "Dry weight basis" means the ratio of the amount of
17 moisture in cannabis to the amount of solid in cannabis.

18 (p) "Dwelling" means a house, building, tent, trailer,
19 vehicle, or other shelter that is occupied in whole or in part as a
20 home, residence, living place, or sleeping place for 1 or more
21 individuals either permanently or transiently, or any portion
22 thereof.

23 (q) "Fund" means the industrial hemp fund created in section
24 107.

25 (r) "Good standing" means all fees or fines owed under this
26 act are paid and there are no outstanding fees or fines owed to the
27 department.

28 (s) "GPS coordinates" means latitude and longitude coordinates
29 derived from a global positioning system that are taken from a



1 central point within a growing area or structure and that include
2 decimal degrees to 6 places after the decimal.

3 (t) "Grow" or "growing", unless the context requires
4 otherwise, means to plant, propagate, cultivate, or harvest live
5 plants or viable seed. Grow or growing includes drying and storing
6 harvested industrial hemp, possessing live industrial hemp plants
7 or viable seed on a premises where the live industrial hemp plants
8 or viable seed are grown, growing industrial hemp for the purposes
9 of conducting research, and selling harvested industrial hemp to a
10 ~~processor-handler licensed under the industrial hemp research and~~
11 ~~development act, 2014 PA 547, MCL 286.841 to 286.859, or processor~~
12 licensed under the medical marihuana facilities licensing act, 2016
13 PA 281, MCL 333.27101 to 333.27801, as authorized under this act.
14 Grow or growing does not include selling an intermediary, in-
15 process, or finished industrial hemp product or smokable hemp
16 flower.

17 (u) "Grower" means a person that is required to be registered
18 under section 201.

19 (v) "Industrial hemp" means that term as defined in section 3
20 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL
21 1, MCL 333.27953.

22 (w) "Industrial hemp plan" means the plan created under
23 section 105.

24 (x) "Key participant" means a person that has a direct or
25 indirect financial interest in the person or business producing
26 hemp or a person in a corporate entity at an executive level that
27 is regularly responsible for decision making impacting the growing
28 of industrial hemp. A key participant includes, but is not limited
29 to, any of the following:



(i) For a sole proprietorship, a sole proprietor.

(ii) For a partnership, a partner.

(iii) For a corporation, an individual with executive managerial control including, but not limited to, a chief executive officer, a chief operating officer, or a chief financial officer.

(y) Key participant does not include positions such as farm, field, or shift managers.

(z) "Lot" means either of the following:

(i) A contiguous area in a field, greenhouse, or other indoor growing area that contains the same variety or strain of cannabis throughout.

(ii) A farm, tract, **or** field ~~, or subfield~~ as these terms are defined in 7 CFR 718.2.

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

(bb) "Measurement of uncertainty" means the parameter associated with the result of a measurement that characterizes the dispersion of the values that could reasonably be attributed to the particular quantity subject to the measurement.

(cc) "Negligence" means the failure to exercise the level of care that a reasonably prudent person would exercise in the same or similar circumstances.

(dd) "Noncompliant industrial hemp" means industrial hemp that is not in compliance with this act or the rules promulgated under this act.

(ee) "Official hemp sample" means a sample of an industrial hemp lot that is collected by a designated sampling agent under section 401 in accordance with department sampling protocols and is



1 tested by a regulatory testing facility.

2 (ff) "Percentage of THC on a dry weight basis" means the
3 percentage, by weight, of THC in cannabis after excluding the
4 moisture from the cannabis.

5 (gg) "Person" means an individual, partnership, corporation,
6 association, ~~college or university~~, or other legal entity.

7 (hh) "Postdecarboxylation test" means a test of cannabis for
8 delta-9-THC after a carboxyl group is eliminated from delta-9-THC
9 acid.

10 (ii) "Program" means the industrial hemp program established
11 by this act.

12 (jj) "Registration" means a grower registration granted under
13 this act.

14 (kk) "Regulatory testing facility" means a laboratory that
15 meets all of the following requirements:

16 (i) Is registered with the DEA.

17 (ii) Is authorized to conduct chemical analysis of controlled
18 substances pursuant to 21 CFR 1301.13.

19 (iii) Meets the requirements under section 403.

20 (iv) Conducts testing of official hemp samples.

21 (ll) "Remediate" means an activity that transitions
22 noncompliant industrial hemp into industrial hemp that is in
23 compliance with this act and the rules promulgated under this act.
24 ~~under section 407.~~

25 (mm) "THC" means that term as defined in section 3 of the
26 Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL
27 333.27953.

28 (nn) "Total delta-9-THC" means the total available
29 tetrahydrocannabinol measured as the sum of delta-9-



1 tetrahydrocannabinol and 87.7% of the delta-9-tetrahydrocannabinol
2 acid reported on a dry weight basis.

3 (oo) "Unofficial hemp sample" means a sample of industrial
4 hemp collected by a grower for routine compliance monitoring
5 testing throughout the growing season for testing by a compliance
6 monitoring testing facility.

7 (pp) "USDA" means the United States Department of Agriculture.

8 (qq) "Variety" means a subdivision of a species that has the
9 following characteristics:

10 (i) The subdivision is uniform, in the sense that variations
11 between the subdivision and other subdivisions in essential and
12 distinctive characteristics are describable.

13 (ii) The subdivision is distinct, in the sense that the
14 subdivision can be differentiated by 1 or more identifiable
15 morphological, physiological, or other characteristics from all
16 other known subdivisions.

17 (iii) The subdivision is stable, in the sense that the
18 subdivision will remain uniform and distinct if reproduced.

19 (rr) "Viable seed" means seed that has a germination rate of
20 greater than 0.0%.

21 Sec. 211. (1) An initial registration granted by the
22 department under this act expires at midnight on January 31
23 immediately following the date on which the registration is
24 granted.

25 (2) Other than a registration granted under subsection (1), a
26 registration is valid for 1 year beginning on February 1 and
27 expiring at midnight on the following January 31.

28 (3) To renew a registration, an applicant must do all of the
29 following:



1 (a) Submit an application on a form and in a manner provided
2 by the department.

3 (b) If the application is submitted on or before January 31,
4 pay the registration fee under section 511.

5 (c) If an application is submitted after January 31, pay the
6 registration fee under section 511 and a late fee of \$250.00.

7 (4) If an applicant provides express written consent to
8 disclose personal information on an application, the applicant's
9 name, email address, and telephone number may be disclosed to a
10 grower ~~, a processor-handler licensed under the industrial hemp~~
11 ~~research and development act, 2014 PA 547, MCL 286.841 to 286.859,~~
12 or a processor licensed under the medical marihuana facilities
13 licensing act, 2016 PA 281, MCL 333.27101 to 333.27801. If the
14 applicant does not provide express written consent to disclose
15 personal information on the application, any information submitted
16 by the applicant to the department on the application is exempt
17 from disclosure under the freedom of information act, 1976 PA 442,
18 MCL 15.231 to 15.246. This subsection does not apply to the
19 disclosure of personal information to a law enforcement agency.

20 (5) A registration is nontransferable.

21 Sec. 303. A grower shall not do any of the following:

22 (a) Grow industrial hemp that is not in compliance with the
23 grower's registration.

24 (b) Grow industrial hemp in a location that is not disclosed
25 on the grower's application under section 201.

26 (c) Grow industrial hemp in a location that is not owned or
27 completely controlled by the grower. As used in this subdivision,
28 "completely controlled" means to be solely responsible for all of
29 the industrial hemp grown at a location.



(d) Grow industrial hemp in a dwelling.

(e) Grow a variety of industrial hemp that is on the list created under section 505.

(f) Sell or transport, or permit the sale or transport of, viable industrial hemp plants or viable seed.

(g) Harvest industrial hemp before an official hemp sample is collected under section 401.

(h) Sell raw industrial hemp to a person in this state that is not licensed ~~as a processor handler under the industrial hemp research and development act, 2014 PA 547, MCL 286.841 to 286.859,~~ or as a processor under the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, as authorized under this act.

(i) Dispose of industrial hemp without submitting a notice of intent to dispose to the department under section 407(6)(a). This subdivision does not apply to a grower that disposes of industrial hemp affected by poor health, pests, disease, or weather or to prevent cross-pollination of male or hermaphrodite industrial hemp plants.

(j) Sell an intermediary, in-process, or finished industrial hemp product or smokable hemp flower, unless the grower is licensed ~~as a processor handler under the industrial hemp research and development act, 2014 PA 547, MCL 286.841 to 286.859,~~ or as a processor under the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.

Sec. 307. A grower shall provide a record of sale of raw industrial hemp to a ~~processor handler licensed under the industrial hemp research and development act, 2014 PA 547, MCL 286.841 to 286.859,~~ or a processor licensed under the medical



1 marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to
2 333.27801. The record of sale must contain all of the following
3 information:

4 (a) The name and license number of the processor-handler or
5 processor purchasing the industrial hemp.

6 (b) The total weight of industrial hemp purchased.

7 (c) The total sale price of the industrial hemp.

8 (d) The date of the sale.

9 (e) The certified report of the total delta-9-THC testing
10 under section 405 for each variety of industrial hemp purchased.

11 Enacting section 1. Section 801 of the industrial hemp growers
12 act, 2020 PA 220, MCL 333.29801, is repealed.

13 Enacting section 2. This amendatory act does not take effect
14 unless Senate Bill No. 599 of the 103rd Legislature is enacted into
15 law.

