

HOUSE BILL NO. 5104

October 22, 2025, Introduced by Reps. Grant, Aragona, Bohnak, Fairbairn, Wozniak and Neyer
and referred to Committee on Regulatory Reform.

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

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.

4 (b) "Affiliate" means any person that controls, is controlled

1 by, or is under common control with; is in a partnership or joint
2 venture relationship with; or is a co-shareholder of a corporation,
3 a co-member of a limited liability company, or a co-partner in a
4 limited liability partnership with a licensee or applicant.

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

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

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

26 (iii) For a privately held corporation: all corporate officers
27 or persons with equivalent titles and their spouses, all directors
28 and their spouses, and all stockholders, not including those
29 holding a direct or indirect ownership interest of 10% or less, and

1 their spouses.

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

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

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

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

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

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

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

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

28 (i) ~~(h)~~—"Industrial hemp" means that term as defined in
29 section 3 of the Michigan Regulation and Taxation of Marihuana Act,

1 2018 IL 1, MCL 333.27953.

2 (j) ~~(i)~~—"Industrial hemp research and development act" means
3 the industrial hemp research and development act, 2014 PA 547, MCL
4 286.841 to 286.859.

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

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

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

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

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

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

20 ~~(p) "Marijuana regulatory agency" means the marijuana~~
21 ~~regulatory agency created under Executive Reorganization Order No.~~
22 ~~2019-2, MCL 333.27001.~~

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

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

26 (s) "Paraphernalia" means any equipment, product, or material
27 of any kind that is designed for or used in growing, cultivating,
28 producing, manufacturing, compounding, converting, storing,
29 processing, preparing, transporting, injecting, smoking, ingesting,

1 inhaling, or otherwise introducing into the human body, marihuana.

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

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

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

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

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

29 (y) "Registered qualifying patient" means a qualifying patient

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

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

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

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

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

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

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

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

28 (i) A grower.

29 (ii) A processor.

1 (iii) A secure transporter.

2 (iv) A provisioning center.

3 (v) A safety compliance facility.

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

11 (i) Verifying registry identification cards.

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

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

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

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

26 Sec. 402. (1) The ~~marijuana~~**cannabis** regulatory agency shall
27 issue a license to an applicant if all of the following conditions
28 are met:

29 (a) The applicant submits a complete application.

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

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

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

9 (a) The applicant has been convicted of or released from
10 incarceration for a felony under the laws of this state, any other
11 state, or the United States within the past 10 years or has been
12 convicted of a controlled substance-related felony within the past
13 10 years. This subdivision does not apply to a felony for the
14 manufacture, processing, or distribution of marihuana, or
15 possession with the intent to manufacture, process, or distribute
16 marihuana, unless the felony involved the distribution of marihuana
17 to a minor.

18 (b) Within the past 5 years the applicant has been convicted
19 of a misdemeanor involving a controlled substance, theft,
20 dishonesty, or fraud in any state or been found responsible for
21 violating a local ordinance in any state involving a controlled
22 substance, dishonesty, theft, or fraud that substantially
23 corresponds to a misdemeanor in that state. This subdivision does
24 not apply to a misdemeanor or ordinance violation for the
25 possession or use of marihuana.

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

28 (d) The applicant is an employee of the ~~marijuana-cannabis~~
29 regulatory agency.

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

4 (f) The applicant holds an elective office of a governmental
5 unit of this state, another state, or the federal government. This
6 subdivision does not apply to an elected officer of or employee of
7 a federally recognized Indian tribe or to an elected precinct
8 delegate.

9 (g) The applicant is a member of or employed by a regulatory
10 body of a governmental unit in this state, another state, or the
11 federal government, or is employed by a governmental unit of this
12 state. This subdivision does not apply to any of the following:

13 (i) An elected officer of or employee of a federally recognized
14 Indian tribe.

15 (ii) An elected precinct delegate.

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

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

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

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

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

27 (j) The applicant fails to meet other criteria established by
28 rule.

29 (3) In determining whether to grant a license to an applicant,

1 the ~~marijuana~~**cannabis** regulatory agency may also consider all of
2 the following:

3 (a) The business probity; financial ability and experience;
4 and responsibility or means to operate or maintain a marihuana
5 facility of the applicant and of any other person that meets either
6 of the following:

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

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

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

12 (c) The sources and total amount of the applicant's
13 capitalization to operate and maintain the proposed marihuana
14 facility.

15 (d) Whether the applicant has been indicted for, charged with,
16 arrested for, or convicted of, pled guilty or nolo contendere to,
17 forfeited bail concerning, or had expunged any relevant criminal
18 offense under the laws of any jurisdiction, either felony or
19 misdemeanor, not including traffic violations, regardless of
20 whether the offense has been expunged, pardoned, or reversed on
21 appeal or otherwise. This subdivision does not apply to a criminal
22 offense for the possession, use, manufacture, processing, or
23 distribution of marihuana, or possession with the intent to
24 manufacture, process, or distribute marihuana, unless the felony
25 involved the distribution of marihuana to a minor.

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

28 (f) Whether the applicant has been served with a complaint or
29 other notice filed with any public body regarding payment of any

1 tax required under federal, state, or local law that has been
2 delinquent for 1 or more years.

3 (g) Whether the applicant has a history of noncompliance with
4 any regulatory requirements in this state or any other
5 jurisdiction.

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

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

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

17 (5) The fingerprints required under subsection (4) may be
18 taken by a law enforcement agency or any other person determined by
19 the department of state police to be qualified to take
20 fingerprints. The applicant shall submit a fingerprint processing
21 fee to the department in an amount required under section 3 of 1935
22 PA 120, MCL 28.273, and any costs imposed by the Federal Bureau of
23 Investigation.

24 (6) The department of state police shall do all of the
25 following:

26 (a) Conduct a criminal history check on each applicant and
27 request the Federal Bureau of Investigation to make a determination
28 of the existence of any national criminal history pertaining to
29 each applicant.

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

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

6 (a) The department of state police shall store and retain all
7 fingerprints submitted under this section in an automated
8 fingerprint identification system database that searches against
9 latent fingerprints, and provides for an automatic notification
10 when a subsequent fingerprint is submitted into the system that
11 matches a fingerprint previously submitted under this section or
12 when the criminal history of an individual whose fingerprints are
13 retained in the system is updated. Upon receiving a notification,
14 the department of state police shall immediately notify the
15 ~~marijuana~~**cannabis** regulatory agency. Information in the database
16 maintained under this subsection is confidential, is not subject to
17 disclosure under the freedom of information act, 1976 PA 442, MCL
18 15.231 to 15.246, and ~~shall~~**must** not be disclosed to any person
19 except for purposes of this act or for law enforcement purposes.

20 (b) The department of state police shall forward all
21 fingerprints submitted to it under this section to the Federal
22 Bureau of Investigation for submission of those fingerprints into
23 the FBI automatic notification system. This subdivision does not
24 apply until the department of state police is a participant in the
25 FBI automatic notification system. As used in this subdivision:

26 (i) "Automatic notification system" means a system that stores
27 and retains fingerprints, and that provides for an automatic
28 notification to a participant if and when a fingerprint is
29 submitted into the system that matches an individual whose

1 fingerprints are retained in the system or if and when the criminal
2 history of an individual whose fingerprints are retained in the
3 system is updated.

4 (ii) "FBI automatic notification system" means the automatic
5 notification system that is maintained by the Federal Bureau of
6 Investigation.

7 (8) The ~~marijuana-cannabis~~ regulatory agency shall review all
8 applications for licenses and shall inform each applicant of the
9 ~~marijuana-cannabis~~ regulatory agency's decision.

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

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

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

20 (c) The licensee pays the regulatory assessment under section
21 603.

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

24 (10) The department shall notify the licensee by mail or
25 electronic mail at the last known address on file with the
26 ~~marijuana-cannabis~~ regulatory agency advising of the time and
27 procedure for paying and the amount of the regulatory assessment
28 under section 603. The failure of the licensee to receive notice
29 under this subsection does not relieve the licensee of the

1 responsibility for renewing the license.

2 (11) If a license renewal application is not submitted by the
3 license expiration date, the license may be renewed ~~within~~**not**
4 **later than** 60 days after its expiration date upon application,
5 payment of the regulatory assessment under section 603, and
6 satisfaction of any renewal requirement and late fee set forth in
7 rules. The licensee may continue to operate during the 60 days
8 after the license expiration date if the license is renewed by the
9 end of the 60-day period.

10 (12) ~~License~~**The expiration of a person's state operating**
11 **license, or the mere fact that a person is no longer a licensee or**
12 **no longer operates a marihuana facility,** does not terminate the
13 ~~marijuana-cannabis~~ regulatory agency's authority to impose
14 sanctions on a ~~licensee whose license has expired.~~**the person.**

15 (13) In its decision on an application for renewal, the
16 ~~marijuana-cannabis~~ regulatory agency shall consider any specific
17 written input it receives from an individual or entity within the
18 local unit of government in which the applicant for renewal is
19 located.

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

24 (15) An applicant or licensee has a continuing duty to provide
25 information requested by the ~~marijuana-cannabis~~ regulatory agency
26 and to cooperate in any investigation, inquiry, or hearing
27 conducted by the ~~marijuana-cannabis~~ regulatory agency.