

HOUSE BILL NO. 5106

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

A bill to amend 2018 IL 1, entitled
"Michigan Regulation and Taxation of Marihuana Act,"
by amending section 7 (MCL 333.27957), as amended by 2023 PA 166.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7. (1) The cannabis regulatory agency is responsible for
2 implementing this act and has the powers and duties necessary to
3 control the commercial production and distribution of marihuana.
4 The cannabis regulatory agency shall do all of the following:

5 (a) Promulgate rules ~~pursuant to~~**under** section 8 that are
6 necessary to implement, administer, and enforce this act.

1 (b) Grant or deny each application for licensure and
2 investigate each applicant to determine eligibility for licensure,
3 including conducting a background investigation on each person
4 holding an ownership interest in the applicant.

5 (c) Ensure that marihuana establishments comply with this act
6 and the rules promulgated under this act by doing all of the
7 following:

8 (i) Performing investigations of compliance and regular
9 inspections of marihuana establishments.

10 (ii) Taking appropriate disciplinary action against a licensee
11 **or a person described in subsection (5),** including prescribing
12 civil fines for violations of this act or the rules promulgated
13 under this act and suspending, restricting, or revoking a state
14 license. **The cannabis regulatory agency may summarily suspend a**
15 **state license in accordance with section 92 of the administrative**
16 **procedures act of 1969, 1969 PA 306, MCL 24.292, if the cannabis**
17 **regulatory agency determines that the licensee has engaged in**
18 **conduct that requires emergency action because the conduct poses a**
19 **risk to the public health, safety, or welfare. For purposes of this**
20 **subparagraph, conduct that poses a risk to the public health,**
21 **safety, or welfare includes, but is not limited to, any of the**
22 **following:**

23 (A) The licensee is in possession of marihuana for which the
24 source cannot be determined.

25 (B) The cannabis regulatory agency determines that the
26 licensee is in possession of marihuana that the licensee obtained
27 in violation of this act.

28 (C) The licensee obstructs a cannabis regulatory agency
29 investigation.

1 (D) The licensee fails to provide the cannabis regulatory
2 agency with records that the licensee is required to provide to the
3 cannabis regulatory agency under this act or the rules promulgated
4 under this act.

5 (d) Hold at least 4 public meetings each calendar year for the
6 purpose of hearing complaints and receiving the views of the public
7 with respect to administration of this act.

8 (e) Collect fees for licensure and fines for violations of
9 this act or the rules promulgated under this act.

10 (f) Deposit all fees collected for licensure into the
11 marihuana regulation fund established under section 14 and remit
12 all fines collected for deposit into the general fund.

13 (g) Submit an annual report to the governor covering the
14 immediately preceding year that includes all of the following:

15 (i) The number of state licenses of each class issued.

16 (ii) Demographic information of licensees.

17 (iii) A description of enforcement and disciplinary actions
18 taken against licensees.

19 (iv) A statement of revenues and expenses of the cannabis
20 regulatory agency related to the implementation, administration,
21 and enforcement of this act.

22 (h) Employ personnel as necessary to adequately perform its
23 duties.

24 (2) The cannabis regulatory agency may do either of the
25 following:

26 (a) Enter into an agreement with an advisor or consultant as
27 necessary to adequately perform its duties under this act.

28 (b) Enter into an agreement with an Indian tribe regarding
29 marihuana-related regulatory issues that involve the interests of

1 this state and the Indian tribe, including, but not limited to,
2 issues related to the commercial growing, processing, sale,
3 testing, transportation, and possession of marihuana.

4 (3) A person who has a pecuniary interest, directly or
5 indirectly, in a marihuana establishment or tribal marihuana
6 business may not be an employee, advisor, or consultant involved in
7 the implementation, administration, or enforcement of this act. An
8 employee, advisor, or consultant of the cannabis regulatory agency
9 is not personally liable for any action at law for damages
10 sustained by a person because of an action performed or done in the
11 performance of the employee's, advisor's, or consultant's duties in
12 the implementation, administration, or enforcement of this act.

13 (4) The department of state police shall cooperate and assist
14 the cannabis regulatory agency in performing the cannabis
15 regulatory agency's duties under this act, including, but not
16 limited to, conducting background investigations of applicants.

17 **(5) The expiration of a person's state license, or the mere**
18 **fact that a person is no longer a licensee or no longer operates a**
19 **marihuana establishment, does not terminate the cannabis regulatory**
20 **agency's authority to take disciplinary action against the person.**