

INITIATION OF LEGISLATION

An initiation of legislation to legalize and regulate marihuana and hemp cultivation, production, testing, sale, distribution, possession, and use for medical and nonmedical purposes; to provide for licensing of certain marihuana establishments; to provide certain rights to persons with a doctor's recommendation for the use of marihuana; to authorize collection of fees; to allow an excise tax on marihuana transfers at the point of sale; to provide for the powers and duties of certain state and local governmental officers and agencies; to authorize local units of government to adopt limited regulation of marihuana facilities and stores; and to require the promulgation of rules. This proposal is to be voted on in the November 8, 2016 General Election. THE FULL TEXT OF THE LEGISLATION TO BE INITIATED APPEARS ON THE REVERSE SIDE OF THIS PETITION.

We, the undersigned qualified and registered electors, residents in the county of _____, State of Michigan, respectively petition for initiation of legislation.

WARNING – A person who knowingly signs this petition more than once, signs a name other than his or her own, signs when not a qualified and registered elector, or sets opposite his or her signature on a petition, a date other than the actual date the signature was affixed, is violating the provisions of the Michigan election law.

INDICATE CITY OR TOWNSHIP IN WHICH REGISTERED TO VOTE	SIGNATURE	PRINTED NAME	STREET ADDRESS OR RURAL ROUTE	ZIP CODE	DATE OF SIGNING		
					MO	DAY	YEAR
CITY OF <input type="checkbox"/> TOWNSHIP OF <input type="checkbox"/>	1.						
CITY OF <input type="checkbox"/> TOWNSHIP OF <input type="checkbox"/>	2.						
CITY OF <input type="checkbox"/> TOWNSHIP OF <input type="checkbox"/>	3.						
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CITY OF <input type="checkbox"/> TOWNSHIP OF <input type="checkbox"/>	9.						
CITY OF <input type="checkbox"/> TOWNSHIP OF <input type="checkbox"/>	10.						

CERTIFICATE OF CIRCULATOR

The undersigned circulator of the above petition asserts that he or she is 18 years of age or older and a United States citizen; that each signature on the petition was signed in his or her presence; that he or she has neither caused nor permitted a person to sign the petition more than once and has no knowledge of a person signing the petition more than once; and that, to his or her best knowledge and belief, each signature is the genuine signature of the person purporting to sign the petition, the person signing the petition was at the time of signing a registered elector of the city or township indicated preceding the signature, and the elector was qualified to sign the petition.

If the circulator is not a resident of Michigan, the circulator shall make a cross or check mark in the box provided, otherwise each signature on this petition sheet is invalid and the signatures will not be counted by a filing official. By making a cross or check mark in the box provided, the undersigned circulator asserts that he or she is not a resident of Michigan and agrees to accept the jurisdiction of this state for the purpose of any legal proceeding or hearing that concerns a petition sheet executed by the circulator and agrees that legal process served on the secretary of state or a designated agent of the secretary of state has the same effect as if personally served on the circulator.

WARNING – A circulator knowingly making a false statement in the above certificate, a person not a circulator who signs as a circulator, or a person who signs a name other than his or her own as circulator is guilty of a misdemeanor.

CIRCULATOR – Do not sign or date certificate until after circulating petition.

_____/_____/_____
(Signature of Circulator) (Date)

(Printed Name of Circulator)

(Complete Residence Address (Street and Number or Rural Route)) Do not enter a post office box

(City or Township, State, Zip Code)

(County of Registration, if Registered to Vote, of a Circulator who is not a Resident of Michigan)



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THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 1. This act shall be known and may be cited as the "Michigan marihuana legalization, regulation and economic stimulus act."

Sec. 2. As used in this act, and unless the context otherwise requires:

(a) "Consumer" means an individual 21 years of age or older, or a person with a physician's recommendation for the use of marihuana, or a person who is registered in any governmental medical marihuana program.

(b) "Hemp" means a plant of the genus *Cannabis* and any part of that plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration that is less than 1.0% on a dry weight basis, or as allowed by state or federal regulation.

(c) "License", "licensed", or "licensure" means an exemption, or exempted from penalty in any manner under state and local law, for specific conduct related to marihuana.

(d) "Locality" means a city, village, or township, or federally regulated tribe.

(e) "Marihuana" means any part of the plant of the genus *Cannabis* whether growing or not, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, extract, mixture, or preparation of or from the plant, its resin, or any other concentrate. Marihuana does not include hemp, nor does it include the seed of the plant, fiber produced from the stalk, oil, or cake made from the seed of the plant, or the weight of any other ingredient that is combined with marihuana or marihuana products.

(f) "Marihuana accessory" means any equipment, product, or material of that is used, intended, or designed for use in planting, propagating, cultivating, curing, delivering, drying, growing, harvesting, composting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, transferring, transporting, vaporizing, or containing marihuana, or for ingesting, inhaling, or otherwise introducing marihuana into the human body.

(g) "Marihuana establishment" means a marihuana product manufacturing facility, a marihuana testing facility, or a marihuana store.

(h) "Marihuana product manufacturing facility" means a person or entity licensed to cultivate, acquire, manufacture, prepare, package or transfer marihuana or marihuana products to other marihuana establishments.

(i) "Marihuana products" include marihuana or marihuana with other ingredients and intended for human consumption or use.

(j) "Marihuana testing facility" means an entity licensed to analyze and certify the safety and quality of marihuana.

(k) "Marihuana store" means a person or entity licensed to acquire and sell marihuana or marihuana products to consumers or to other marihuana establishments. A marihuana product manufacturing facility may also be a marijuana store if allowed by the locality.

(l) "Physician's recommendation" means that a physician has stated in his or her professional opinion, a person is likely to receive therapeutic or palliative benefit from the medical use of marihuana to treat or alleviate the person's medical condition or associated symptoms. If a person is under the age of 18, in addition to a written recommendation from a physician, the person's parent or legal guardian shall consent in writing to allow the person's medical use of marihuana and control the acquisition of the marihuana, the dosage, and the frequency of the medical use of marihuana.

(m) "School property" means a building, playing field, or property used for school purposes regularly to impart instruction to children in grades kindergarten through 12, when provided by a public or private school, except those buildings used primarily for adult education or college extension courses.

(n) "Under the influence of marihuana" means that because of using or consuming marihuana, a person's ability to operate a motor vehicle in a normal manner is substantially lessened.

(o) "Unreasonably impracticable" means that the measures necessary to comply with the regulations require such a high risk or investment of money, time, or any other resource or asset so as to discourage a reasonably prudent business person from engaging in the operation of a marihuana establishment or hemp businesses.

Sec. 3. A consumer shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, for committing any of the following acts:

(a) Acquiring, possessing, internally possessing, using, or transporting marihuana, marihuana products, or marihuana accessories.

(b) Cultivating, growing, harvesting, possessing, propagating, processing, or transporting 12 or fewer marihuana plants, each of which is at least 12 inches high or 12 inches in diameter, and possessing the marihuana derived from those plants. The plants must be grown in a manner so as to reasonably prevent unauthorized access to or harvesting of the plants, and the marihuana produced from the plants must not be made available for sale.

(c) Possessing, growing, processing, or transporting any number of marihuana plants or their parts that are smaller than those described in subdivision (b). The plants must be grown in a manner so as to reasonably prevent unauthorized access to or harvesting of the plants, and the marihuana produced from the plants must not be made available for sale.

(d) Transferring 2.5 ounces or less of marihuana without remuneration to a consumer.

(e) Consuming marihuana on private property, or on public property as otherwise allowed by law.

(f) Assisting another consumer in any of the acts described in subdivisions (a) to (e).

(g) Manufacturing, acquiring, or possessing marihuana or marihuana products or accessories, or selling marihuana or marihuana products or accessories to a consumer.

(h) Cultivating, harvesting, processing,

packaging, transporting, or possessing marihuana or marihuana products, or delivering or transferring marihuana or marihuana products to or from a marihuana establishment, if the person conducting any activity under this subdivision has obtained a current, valid license to operate a marihuana establishment or is acting in his or her capacity as an owner, employee, or agent of a licensed marihuana establishment where such activity is allowed.

(i) Leasing or otherwise allowing the use of property owned, occupied, or controlled by any person, corporation, or other entity for any of the activities conducted lawfully in accordance with subdivisions (a) to (c).

Sec. 4. Any hemp, marihuana, marihuana accessory, marihuana product, or licit property that is possessed, owned, or used incidental to or in connection with activity as allowed under this act shall not be seized or forfeited.

Sec. 5. (a) A person may engage in hemp cultivation, acquisition, transfer and exchange of seeds, delivery, processing, manufacture, sale and export of products for commercial purposes and research. All products made from hemp may be possessed or traded for remuneration without the possessor or trader being subject to arrest, prosecution, or penalty in any manner or denied any right or privilege.

(b) The department of agriculture and rural development may adopt rules to facilitate and provide for the implementation of this provision. The department shall not adopt a rule that would prohibit a person from growing hemp based on the legal status of hemp under federal law, or which creates an unreasonably impracticable burden upon a Michigan farmer.

Sec. 6. Marihuana or marihuana products sold or otherwise transferred by a marihuana establishment to a consumer are subject to an excise tax of 10%, paid by the consumer and collected by the marihuana establishment. The legislature may reduce this rate but may not increase it. The department of treasury shall establish procedures for collecting the excise tax by February 1, 2017. The net proceeds shall be used as follows: 40% to the department of transportation, 40% to the school aid fund, and 20% to the locality where the marihuana establishment is located. Marihuana or marihuana products transferred to a person with a physician's recommendation for the use of marihuana, or with proof of registration in any governmental medical marihuana program, are exempt from all excise tax under this Section. The sale of hemp and hemp-derived products is not subject to excise tax.

Sec. 7. (a) A locality may enact an ordinance or regulation that does not conflict with this act or any administrative rules, and which may govern the time, place, manner, type, and number of marihuana establishments and may establish civil sanctions for violations. A locality may allow or prohibit the operation of marihuana establishments by ordinance. If a locality does not allow the operation of marihuana establishments by June 1, 2017, an initiated or referred measure to allow or prohibit the operation of marihuana establishments may be submitted to the voters at a general election under processes substantially similar to the provisions with regard to the amendment by initiatory petition of city charters set forth in the home rule city act. If the locality is not governed by the home rule city act, then the measure shall require 5% of qualified elector signatures and substantially comply with said provisions. This Section does not allow any locality to infringe the rights of any persons under this act. Nothing in this act shall be construed to prohibit either the legislature or a locality of this state the authority to license other private clubs, non-profit entities, or commercial enterprises to effectuate the purpose of this act.

(b) A locality shall not require a consumer to provide a marihuana establishment with personal information other than government-issued identification to determine the consumer's age and shall not require a marihuana establishment to acquire or record personal information about consumers other than information required in a financial transaction conducted at a typical retail store. Any person claiming a tax exemption for medical purposes must provide a physician's recommendation or proof of registration in any governmental medical marihuana program.

Sec. 8. (a) Each application for a license to operate a marihuana establishment or renewal thereof shall be submitted to the relevant locality. The locality shall begin accepting and processing applications on June 1, 2017, and shall issue a license to the applicant between 45 and 90 days after receipt of an application unless the locality finds good cause for denial.

(b) To ensure a secure, reliable, and accountable system for the operation of a marihuana establishment, a locality may use relevant applicable criteria in evaluating any application for a license under this act.

(c) If the locality does not issue a license under this Section, it shall promptly notify the applicant in writing of the specific reason. An applicant has the right to appeal to the circuit court of the county of the applicant within 45 days of receipt of notice of denial. The circuit court may order the issuance of a license.

Sec. 9. This act does not:

(a) Authorize operating any motor vehicle, aircraft, or motorboat under the influence of marihuana. The state and any locality are prohibited from using any per se limit of tetrahydrocannabinol as criteria to determine whether the operator of a motor vehicle is under the influence of marihuana;

(b) Authorize the transfer of marihuana or marihuana products to an individual under the age of 21 without the recommendation of a physician, or allow an individual under the age of 21 to purchase, possess, use, transport, grow, or consume marihuana or marihuana products without the recommendation of a physician;

(c) Prohibit a person or any entity that occupies, owns, or controls a property from prohibiting or otherwise regulating any activity involving marihuana on or in that property or in the course of business;

(d) Limit any privileges or rights of a medical marihuana patient, caregiver, or licensed entity as provided in Michigan law or the laws of any other unit of government;

(e) Allow a person under the age of 18 to use or possess marihuana products without a written physician's recommendation for the medical use of marihuana and written parental consent to control the acquisition, dosage, and frequency of the medical use of marihuana;

(f) Allow a person under the age of 21 to transfer marihuana to any person;

(g) Discharge a state department, agency, board, or commission from any statutory or constitutional duty to regulate medical marihuana.

Sec. 10. (a) Upon sale to a consumer, all

marihuana products shall be in a container that is child-resistant. Child resistant packaging shall be re-closable if not intended for single use. Single-serving edible retail marihuana products that are packaged in child-resistant packaging may be sold in a larger package that is not child-resistant.

(b) Proper labeling must include the following statements: "There may be health risks associated with the consumption of this product."; "This product is intended for use by adults 21 years and older. Keep out of reach of children."; "This product may be unlawful outside the State of Michigan."; "This product contains or is infused with marihuana."; and "Do not drive a motor vehicle or operate heavy machinery while using marihuana."

(c) Proper labeling also must include the following information if applicable: Name and address of the marihuana establishment that sold the marihuana product to the consumer, and the date of the sale; Name and address of the marihuana product manufacturing and/or testing facility; List of solvents used to produce any marihuana concentrates; List of all ingredients; Production date, batch number, and expiration date, if any; and whether refrigeration is required.

(d) Any ingestible product also requires a nutrition fact panel conforming to FDA requirements, and listing the number of milligrams of THC per serving and the statement: "The intoxicating effects of this product may be delayed by two or more hours."

(e) All packaging must state whether testing was performed and if so, the results of those tests.

(f) All ingestible products shall be labeled with the number of 10 mg tetrahydrocannabinol servings, or fractions thereof, contained within the product.

Sec. 11. Localities may adopt rules necessary to implement this act and may allow or prohibit the operation of marihuana establishments. The rules shall not make their operation unreasonably impracticable. The rules shall include:

(a) Procedures for issuing, renewing, suspending, or revoking any license.

(b) A schedule of application, licensing, and renewal fees. An application fee shall not exceed \$5,000.00. A renewal fee shall not exceed \$500.00, unless the locality determines that a greater fee is necessary to administer this act.

(c) Qualifications for licensure directly and demonstrably related to operation of a marihuana establishment.

(d) Security requirements for marihuana establishments.

(e) Rules to prevent sale or diversion of marihuana and marihuana products to individuals under the age of 21.

(f) Health and safety regulations and standards.

(g) Regulations for advertising and displaying marihuana and marihuana products.

Sec. 12. Notwithstanding any other provision of law, a violation of this act or rules implementing this act or performance of an action involving marihuana not authorized by this act, except for operating any motor vehicle, aircraft, or motorboat under the influence of marihuana, shall be exclusively punishable as follows: A violation may only be issued as a civil infraction, with any fine not to exceed \$100.00, except that distributing marihuana or marihuana products to a person who is between the age of 18 and 21, who does not have the recommendation of a physician to use medical marihuana may incur a civil fine of \$500.00, and any person over the age of 18 years distributing marihuana or marihuana products to a person who is under the age of 18 years and who does not have the recommendation of a physician to use medical marihuana shall be guilty of a misdemeanor punishable by a fine of not more than \$1,000.00 and imprisonment for not more than 60 days for a first offense, a fine of not more than \$2,500.00 and imprisonment for not more than 90 days for a second or subsequent offense, and community service. An individual under the age of 18 who violates any Section of this act may be issued a civil infraction with a civil fine of up to \$500.00. If a violation of this act occurs on school property as defined in this act, a person may be punished by a fine by not more than three times the amount otherwise authorized by this act, or for a criminal violation of this act, by a term of imprisonment for not more than 120 days for a first offense, a fine of not more than \$5,000.00 and imprisonment for not more than 180 days for a second or subsequent offense, and community service.

Sec. 13. This act supersedes any conflicting state statute, administrative rule, local charter, ordinance, or resolution.

Sec. 14. This act shall be considered remedial in nature and shall be liberally construed.

Sec. 15. A consumer or person who uses marihuana or marihuana products for personal use or owns or works at a marihuana establishment shall not be denied custody or visitation of a minor unless the person's behavior is such that it creates an unreasonable danger to the minor that can be clearly articulated and substantiated.

Sec. 16. Possession of marihuana, marihuana accessories, or marihuana products shall not constitute probable cause or reasonable suspicion, nor shall it be used to support the search of the person or property of the person, or otherwise subject any person or property of to inspection by any local, county or state governmental agency.

Sec. 17. Any Section of this act being held invalid shall not affect the application of any other

Section of this act that can be given full effect.

Sec. 18. This act does not preempt, prevent, or obstruct federal enforcement of federal law.

Sec. 19. No contract is unenforceable on the basis that marihuana is prohibited by federal law.

Sec. 20. An insurable interest is granted to marihuana establishments, marihuana, marihuana products, and marihuana accessories to the extent that the interest is lawful under this act.

Sec. 21. A person, individual, or corporate entity including but not limited to a person who uses marihuana or marihuana products for personal use or owns or works at a marihuana establishment, shall be presumed to be engaging in activities made legal by this act, and shall not be subject to disciplinary action, search, seizure of property, arrest, prosecution, any criminal or civil penalties, nor be denied any right or privilege including but not limited to education, child custody, health care, public assistance, organ transplant, purchase and possession of firearms and ammunition, access to any banking or financial services, the right to vote or to serve on a jury, or disciplinary action by a business or occupational or professional licensing board or bureau.

Enacting Section 1. This act takes effect March 1, 2017.