

STATE OF MICHIGAN JUDICIAL DISTRICT JUDICIAL CIRCUIT COUNTY	SUMMONS	CASE NUMBER -MM
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Court address

925 West Ottawa, Lansing, MI 48909

Court telephone number

517-373-0807

 Plaintiff's name, address, and telephone number
 MICHIGAN CANNABIS INDUSTRY ASSOCIATION

v

 Defendant's name, address, and telephone number
 STATE OF MICHIGAN,
 MICHIGAN DEPARTMENT OF TREASURY, and
 RACHEEL EUBANKS, in her official capacity as Michigan
 State Treasurer

 Plaintiff's attorney bar number, address, and telephone number
 HONIGMAN LLP
 Douglas E. Mains (P75351)
 222 N. Washington Sq. Suite 400, Lansing, MI 48933
 517-377-0732

Instructions: Check the items below that apply to you and provide any required information. Submit this form to the court clerk along with your complaint and, if necessary, a case inventory addendum (MC 21). The summons section will be completed by the court clerk.

Domestic Relations Case

- ☐ There are no pending or resolved cases within the jurisdiction of the family division of the circuit court involving the family or family members of the person(s) who are the subject of the complaint.
- ☐ There is one or more pending or resolved cases within the jurisdiction of the family division of the circuit court involving the family or family members of the person(s) who are the subject of the complaint. I have separately filed a completed confidential case inventory (MC 21) listing those cases.
- ☐ It is unknown if there are pending or resolved cases within the jurisdiction of the family division of the circuit court involving the family or family members of the person(s) who are the subject of the complaint.

Civil Case

- ☐ This is a business case in which all or part of the action includes a business or commercial dispute under MCL 600.8035.
- ☐ MDHHS and a contracted health plan may have a right to recover expenses in this case. I certify that notice and a copy of the complaint will be provided to MDHHS and (if applicable) the contracted health plan in accordance with MCL 400.106(b).
- ☒ There is no other pending or resolved civil action arising out of the same transaction or occurrence as alleged in the complaint.
- ☐ A civil action between these parties or other parties arising out of the transaction or occurrence alleged in the complaint has

 been previously filed in ☐ this court, ☐ _____ Court, where

it was given case number _____ and assigned to Judge _____

 The action ☐ remains ☐ is no longer pending.

Summons section completed by court clerk.

SUMMONS

NOTICE TO THE DEFENDANT: In the name of the people of the State of Michigan you are notified:

1. You are being sued.
2. **YOU HAVE 21 DAYS** after receiving this summons and a copy of the complaint to **file a written answer with the court** and serve a copy on the other party **or take other lawful action with the court** (28 days if you were served by mail or you were served outside of Michigan).
3. If you do not answer or take other action within the time allowed, judgment may be entered against you for the relief demanded in the complaint.
4. If you require accommodations to use the court because of a disability or if you require a foreign language interpreter to help you fully participate in court proceedings, please contact the court immediately to make arrangements.

Issue date	Expiration date*	Court clerk
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*This summons is invalid unless served on or before its expiration date. This document must be sealed by the seal of the court.

PROOF OF SERVICE

TO PROCESS SERVER: You must serve the summons and complaint and file proof of service with the court clerk before the expiration date on the summons. If you are unable to complete service, you must return this original and all copies to the court clerk.

CERTIFICATE OF SERVICE / NONSERVICE

☐ I served ☐ personally ☐ by registered or certified mail, return receipt requested, and delivery restricted to the addressee (copy of return receipt attached) a copy of the summons and the complaint, together with the attachments listed below, on:

☐ I have attempted to serve a copy of the summons and complaint, together with the attachments listed below, and have been unable to complete service on:

Name	Date and time of service
Place or address of service	
Attachments (if any)	

☐ I am a sheriff, deputy sheriff, bailiff, appointed court officer or attorney for a party.

☐ I am a legally competent adult who is not a party or an officer of a corporate party. I declare under the penalties of perjury that this certificate of service has been examined by me and that its contents are true to the best of my information, knowledge, and belief.

Service fee \$	Miles traveled	Fee \$	
Incorrect address fee \$	Miles traveled	Fee \$	TOTAL FEE \$

Signature _____

Name (type or print) _____

ACKNOWLEDGMENT OF SERVICE

I acknowledge that I have received service of a copy of the summons and complaint, together with

Attachments (if any) _____ on _____ Date and time

Signature _____ on behalf of _____

Name (type or print) _____

STATE OF MICHIGAN
IN THE COURT OF CLAIMS

MICHIGAN CANNABIS INDUSTRY
ASSOCIATION,

Plaintiff,

vs.

Case No. _____-MM

Hon. _____

STATE OF MICHIGAN, MICHIGAN
DEPARTMENT OF TREASURY, & RACHAEL
EUBANKS IN HER OFFICIAL CAPACITY AS
MICHIGAN STATE TREASURER

Defendants. /

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VERIFIED COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF

There is no other pending or resolved civil action
arising out of the same transaction or occurrence
alleged in the Verified Complaint.

NOW COMES Plaintiff, the Michigan Cannabis Industry Association (“MiCIA”), by and through its counsel, Honigman LLP and Dykema Gossett PLLC, for its Verified Complaint for Declaratory and Injunctive Relief, and states as follows:

PARTIES

1. Plaintiff MiCIA is a trade association that represents approximately 400 licensed cannabis businesses across Michigan, including businesses licensed under the Michigan Regulation and Taxation of Marihuana Act (“MRTMA”), 2018 IL 1, MCL 333.27951 *et seq.*

2. MiCIA’s members are subject to the excise tax levied and imposed on the wholesale price of marihuana under the Comprehensive Road Funding Tax Act (“CRFTA”), 2025 PA 23, (**Exhibit A**, House Bill 4951, as enrolled.)

3. Defendant State of Michigan imposes the tax levied by CRFTA and directs the use of its proceeds.

4. Defendant Michigan Department of Treasury (the “Department”) is an administrative department of the State of Michigan that is responsible for administering and enforcing CRFTA. See Exhibit A, §. 7 to §. 11.

5. Defendant Rachael Eubanks is the State Treasurer of the State of Michigan and is responsible for administering and enforcing the taxes levied by CRFTA.

JURISDICTION AND VENUE

6. This Court has exclusive jurisdiction under MCL 600.6419(1)(a) because Plaintiff is seeking declaratory and injunctive relief to prevent the Defendants from enforcing the excise tax levied and imposed by CRFTA.

7. As the Department is a state agency, venue is proper in this Court. MCL 600.6419(1), (7).

FACTUAL ALLEGATIONS

Relevant History

8. On September 16, 2025, House Bill 4951 was introduced in the Michigan House of Representatives.

9. As originally drafted, the purpose of the bill, as expressed in its title, was to:

provide for the imposition and collection of taxes; to provide for the establishment of procedures for the collection, administration, and enforcement of taxes; to provide for the disposition of the tax; to create the comprehensive road funding fund; to prescribe the powers and duties of certain state and local government officers and entities; and to prescribe penalties.

10. Notably, neither the title nor the text of the bill made any mention whatsoever of marihuana, stating only that it would be cited as the CRFTA, created the Comprehensive Road Funding Fund within the Department, and that any money in such fund would be used to “fund road construction, preservation, and maintenance” and “replace revenue lost as a result of diverting or reducing revenue raised to fund road construction.”

11. House Bill 4951 was originally referred to the House Appropriations Committee, but, on September 25, 2025 – just nine days after its introduction – the House suspended its rules and discharged the bill from committee without ever conducting a hearing.

12. On the same day, the House adopted a substitute to the bill, completely rewriting the body of the legislation to create a comprehensive and convoluted structure to levy an excise tax “on the wholesale price of the sale or other transfer of marihuana...” and to provide mechanisms to collect such excise tax and, in the only nod to the bill’s original purpose, to deposit tax revenue in the Comprehensive Road Funding Fund.

13. The substitute to House Bill 4951 also relied heavily upon definitions of terms contained within MRTMA in order to implement its tax scheme.

14. The House immediately passed House Bill 4951 by a vote of 78 ayes to 21 nays, with 11 members not voting.

15. Upon information and belief, the Michigan Senate intended to vote on House Bill 4951, as passed by the House, on September 30, 2025, just five days after the House had adopted a wholesale substitute that completely changed the purpose of the bill as introduced.

16. At roughly 3:30 a.m. on October 3, 2025, the Senate passed House Bill 4951 by a vote of 19 ayes to 17 nays with one member not voting.

17. House Bill 4951 was presented to the Governor on October 6, 2025 and signed into law as Public Act 23 of 2025 on October 7, 2025, less than two weeks after the bill was completely rewritten and jammed through both chambers without a single committee hearing to discuss the substance of the bill.

CRFTA’s Excise Tax on the Sale and Transfer of Marihuana.

18. CRFTA purports to levy and impose an excise tax of 24 percent on the wholesale price of the sale or transfer of marihuana for: (a) the first sale or transfer from a marihuana establishment to a marihuana retail licensee; (b) the sale of marihuana that is cultivated and processed for retail sale by a marihuana retail licensee; and (c) the sale or transfer of marihuana from a provisioning center to a marihuana retail licensee. Exhibit A, §. 5.

19. Beginning January 1, 2026, persons subject to the CRFTA excise tax—including Plaintiff’s members—must file returns and remit taxes to the Department. Exhibit A, §. 5; MCL §. 9.

The Michigan Regulation and Taxation of Marihuana Act is the Exclusive Means for Imposing Excise Taxes on the Sale and Transfer of Marihuana.

20. In 2018, voters overwhelmingly approved a law initiated by petition pursuant to Const 1963, art 2, § 9 designated as Proposal 18-1, the Michigan Regulation and Taxation of Marihuana

Act (“MRTMA”), establishing a comprehensive regulatory scheme governing the licensing, regulation, and taxation of marihuana. 2018 IL 1, MCL 333.27951 *et seq.* (**Exhibit B**, MRTMA).

Notably, the title of the act explicitly references the “taxation of marihuana.”¹

21. MRTMA is the product of a voter-initiated law ratified in accordance with Const 1963, Art 2, § 9. This provision reserves to the people the power to propose and enact laws through initiative. (**Exhibit C**, Const 1963, Art 2, § 9).

22. As an initiated law, amendments to MRTMA require ratification by voters or a three-fourths supermajority vote of the legislature. Const 1963, Art 2, § 9 (“no law adopted by the people at the polls under the initiative provisions of this section shall be amended or repealed, except by a vote of the electors unless otherwise provided in the initiative measure or by three-fourths of the members elected to and serving in each house of the legislature.”) This constitutional requirement safeguards voter-initiated laws from legislative interference.

23. “Laws enacted through the initiative process” are entitled to “special protection.” *Mothering Justice v Attorney Gen*, ___ Mich ___ (2024), 2024 WL 3610042 at *2. When evaluating whether legislation conflicts with Art 2, § 9, courts must determine whether subsequent legislation “constitutes an undue burden on voters’ exercise of their direct-democracy rights.” *Id.* at *5 (quoting *League of Women Voters of Mich v Sec’y of State*, 508 Mich. 520, 541; 975 NW2d 840 (2022)).

24. The power of initiative “serves as a limitation on the powers of the legislature[,]” insulating initiated laws from “government infringement” absent compliance with Art 2, § 9’s

¹ The actual language appearing on the ballot stated, relevantly, that the proposal would “[p]ermit retail sales of marijuana and edibles subject to a 10% tax, dedicated to implementation costs, clinical trials, schools, roads, and municipalities where marijuana businesses are located.”

strict legislative super-majority requirements. *See id.* (quoting *Woodland v Mich Citizens Lobby*, 423 Mich 188, 215; 378 NW2d 337 (1985)).

25. Because the people have expressly reserved the power of initiative, courts “must liberally construe [Art 2, § 9] in favor of the people. To that end, the Legislature may not evade, parry, or thwart the people’s Article 2, § 9 powers.” *Id.* (internal quotations and citations omitted). In short, “the people are entitled to have *their* initiative upheld absent compliance with constitutional procedures.” *Protect MI Constitution v Secy of State*, 492 Mich 860, 861; 819 NW2d 428 (2012) (Markman, J., concurring)

26. MRTMA’s purpose is “to control the commercial production and distribution of marihuana under a system that licenses, regulates, and taxes the businesses involved.” MCL 333.27952. Further, marihuana establishments are barred from selling or transferring marihuana “that was not produced, distributed, and *taxed in compliance with this act.*” MCL 333.27961(f) (emphasis added).

27. Section 13 of MRTMA provides that “in addition to all other taxes, an excise tax is imposed on each marihuana establishment and on each person who sells marihuana[.]”² MCL 333.27963(1). MRTMA’s excise tax rate is ten percent of the sale or transfer price. *Id.*

28. The import of this language is clear: while other taxes may generally apply to marihuana, such as the sales tax, MRTMA is the exclusive mechanism for imposing *excise* taxes. Legislative authority over marihuana excise taxes is exclusive to MRTMA; no other statute may

² Revenues derived from MRTMA’s excise tax are distributed to the Cannabis Regulatory Agency for administration and enforcement, municipalities and counties in which certain marihuana businesses are located, the School Aid Fund, and Michigan Transportation Fund. MCL 333.27964.

intrude upon or duplicate the marihuana excise tax. Thus, additional excise taxes require a direct amendment to MRTMA itself.

29. First, the phrase “*in addition to* all other taxes” indicates MRTMA’s excise tax is separate and distinct from other forms of taxation. *Id.* (emphasis added). The plain language creates a unique excise tax governed exclusively by MRTMA, while at the same time, providing that generally applicable taxes established outside of MRTMA, such as the sales tax, also apply.

30. Second, the reference to “all *other* taxes” necessarily excludes any excise taxes not expressly authorized by MRTMA. *Id.* (emphasis added). Any attempt to levy additional excise taxes is constitutionally invalid unless MRTMA is directly amended in accordance with Art 2, § 9. MRTMA’s requirement that marihuana may only be sold or transferred if it is “taxed in compliance with” its provisions reinforces this conclusion and clearly requires any additional excise taxes to be approved by voters or a legislative supermajority. MCL 333.27961(f).

CRFTA’s Excise Tax Required a Supermajority Vote of the Legislature or Ratification by Voters Under Article 2, Section 9 of the Michigan Constitution.

31. Both CRFTA and MRTMA levy separate excise taxes on the sale and transfer of marihuana. But because MRTMA is the exclusive means by which excise taxes may be imposed, the legislature was required to comply with Art 2, § 9 to levy an additional excise tax, either through a three-fourths legislative supermajority’s approval of a bill amending MRTMA or by submitting the proposed amendments to a vote of the people. Const 1963,, Art 2, § 9.

32. CRFTA meets neither of these requirements. CRFTA was enacted as a separate public act distinct from MRTMA and failed to garner the required supermajority of legislative support. (Exhibit D and E, House and Senate Journals.)

33. Upon information and belief, the legislature enacted CRFTA with a simple majority to evade the requirements of Art 2, § 9, notwithstanding MRTMA’s exclusive jurisdiction over excise taxes.

34. That an amendment to MRTMA was required is plainly evident from the text of CRFTA itself. For example, CRFTA’s statutory definitions of the terms “cannabis regulatory agency,” “marihuana,” “marihuana establishment,” “marihuana microbusiness,” and “marihuana retailer” are all identically and tersely defined to mean “that term as defined in section 3 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27953.” See Exhibit A, §. 3. Likewise, the term “marihuana retail licensee” is also dependent on MRTMA, as it includes “a marihuana retailer, marihuana microbusiness, or any other person authorized by the cannabis regulatory agency under the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 3, MCL 333.27951 to 333.27967, to sell or otherwise transfer marihuana to individuals who are 21 years of age or older.” Exhibit A, §. 3.

35. Notably, CRFTA’s excise tax applies “[f]or the first sale or other transfer of *marihuana* from a *marihuana establishment* to a *marihuana retail licensee*, a tax is levied on the *marihuana establishment* at the rate of 24% of the wholesale price of the *marihuana* sold or otherwise transferred.” Exhibit A, §. 5 (emphasis added). The excise tax also applies to “the sale of *marihuana* that is cultivated and processed for retail sale by the *marihuana retail licensee*” and “the sale or transfer of *marihuana* from a provisioning center to a *marihuana retail licensee*[.]” *Id.* (emphasis added).

36. The definitions of these terms are grafted directly from MRTMA into CRFTA, meaning the Department must necessarily rely on MRTMA to implement and enforce CRFTA. Any ambiguity as to which transactions, products, or entities are subject to CRFTA’s excise tax can

only be resolved by reference to MRTMA. It is impossible to construe CRFTA independently without reference to MRTMA. CRFTA is therefore fundamentally dependent on MRTMA.

37. This maneuver enabled the Legislature to circumvent Art 2, § 9’s strict procedural requirements, which require either a legislative supermajority or voter ratification to amend initiated laws. The Supreme Court has held that “[c]onstruing Art 2, § 9 in favor of the people requires that we not allow the Legislature to sidestep the people’s reserved power.” *Mothering Justice*, 2024 WL 3610042 at *6. Yet that is precisely what happened here.

38. The legislature’s attempt to bypass MRTMA through the enactment of CRFTA mirrors the unconstitutional adopt-and-amend scheme rejected in *Mothering Justice*. In *Mothering Justice*, the Court held that the Legislature violated Art 2, § 9 by adopting a voter-initiated law and later amending it with just a simple majority. Although the method here differs slightly, the design is the same: the Legislature seeks to modify MRTMA’s excise tax regime not by direct amendment, but by enacting a separate statute. As the Court recognized, “the Constitution limits the Legislature’s role with respect to initiatives to the powers expressly conferred upon it.” *Mothering Justice*, 2024 WL 3610042 at *12.

39. By purporting to levy an additional 24 percent excise tax on top of the existing ten percent rate established by MRTMA, CRFTA creates a significantly cumulative excise tax burden that not only defies the will of the voters, but it also invades MRTMA’s exclusive authority over excise taxes.

40. To illustrate the problem by way of analogy, this maneuver is akin to the Legislature enacting a standalone statute by simple majority vote to impose an additional \$0.24 bottle deposit on top of the existing \$0.10 bottle deposit required by the Michigan Beverage Container Act, 1976 IL 1, MCL 445.571 to MCL 445.576. Because the original deposit was established by a voter-

initiated law, any attempt to modify it is invalid absent compliance with Article 2, Section 9. The same principle applies here: CRFTA’s attempt to layer an additional excise tax on top of the MRTMA is invalid.

CRFTA Violates Article 4, Section 24 of the Michigan Constitution.

41. CRFTA raises additional constitutional concerns. In particular, “[n]o law shall embrace more than one subject, which shall be expressed in its title. No bill shall be altered or amended on its passage through either house so as to change its original purpose as determined by its total content and not alone by its title.” Const 1963, Art 4, § 24. (**Exhibit F**, Const 1963, Art 4, § 24.)

42. There are three kinds of challenges that may be brought under Art 4, § 24: (a) a “title-body” challenge, (b) a multiple-object challenge, and (c) a change of purpose challenge. *People v Kevorkian*, 447 Mich 436, 453; 527 NW2d 714 (1994). The present case involves challenges to CRFTA’s noncompliance with the title-body and change of purpose clauses.

43. CRFTA raises substantial constitutional concerns in two key respects: first, the original title misrepresented the content of House Bill 4951; and second, the bill underwent an unlawful change of purpose. Both these defects violate Art 4, § 24.

(a) Title-body Challenge.

44. A title-body challenge examines whether an act’s title adequately expresses the content of the law. *Id.*

45. The purpose of the title-body (or title-object) clause is to provide “the Legislature and the public fair notice of the scope of the legislation” and “notice that no matters except those which it indicates will be found in the body” of the act. *State Mutual Rodded Fire Insurance Co v Foster*, 267 Mich 118, 121; 255 NW 174, 175 (1934); see also *Arnold v Ogle Const Co*, 333 Mich 652, 663; 53 NW2d 655 (1952). Under the title-object clause, a bill’s “general object” must be “fairly

indicated by its title[,]” to ensure that lawmakers are “fairly notified of its design when required to pass upon it.” *People v Mahaney*, 13 Mich 481, 495 (1865).

46. In its original, introduced version, House Bill 4951 was titled:

A bill to provide for the imposition and collection of taxes; to provide for the establishment of procedures for the collection, administration, and enforcement of taxes; to provide for the disposition of the tax; to create the comprehensive road funding fund; to prescribe the powers and duties of certain state and local government officers and entities; and to prescribe penalties.

(**Exhibit G**, 2025 HB 4951 as introduced (emphasis added).) But astoundingly, beyond a couple of cursory references to “taxes” in the bill’s title, ***none*** of its substantive provisions contained a single mention of any tax, let alone the imposition, collection, administration, or enforcement of one.

47. As introduced, House Bill 4951 was a pedestrian bill that simply created a comprehensive road funding fund administered by the Department of Transportation, authorized receipt of funds “from any source[,]” and directed the Department of Transportation to expend funds for road construction, revenue replacement, or both. *Id.*

48. The bill’s substantive provisions at introduction were completely silent on any form of tax including, ***crucially***, who and what would be subject to tax. The substantive provisions also failed to identify any specific tax, rate, or collection and enforcement mechanisms. It did not establish a scheme for the disposition of the tax.

49. Thus, the title’s statement that the introduced version of the bill provided for “the imposition and collection of taxes[,]” established “procedures for the collection, administration, and enforcement of taxes[,]” and provided for “the disposition of the tax” was demonstrably false and misleading.

50. This raises a critical question: ***why would a title falsely claim that a bill imposes a tax, yet omit any substantive language actually establishing such a tax?*** This discrepancy suggests

that the title, or potentially even the bill itself, was deliberately crafted to obscure its true purpose from both the public and legislators.

51. While case law describes the historical practice of inserting hidden provisions into bills whose titles give no indication of their content, the constitutional concern is equally applicable here. Art 4, § 24 was designed to prevent “another practice, also intended to be remedied by this provision, by which, through dexterous management, clauses were inserted in bills of which the titles gave no intimation, and their passage secured through legislative bodies whose members were not generally aware of their intention and effect.” *Mahaney*, 13 Mich at 495.

52. Although the facts in the present case differ from historical practice, the introduced version contained a title claiming the bill imposed and administered taxes when it plainly did not. The initial misrepresentation distorted the legislative process, depriving lawmakers and the public of fair notice about the bill’s actual content from the beginning.

53. The Michigan Supreme Court in *Vernor v Secy of State*, 179 Mich 157, 160; 146 NW 338 (1914),³ articulated the test for titles:

What is the constitutional test? We think it is that a title must embrace the object of the act, and ***the body of the act must not be inconsistent with the title.*** The pertinent questions should be: Does the title of the act fairly indicate the purpose of the legislation? Is the title a fair index of the act? Does the title of the act fairly inform the legislators and the public of its purposes, as a whole?

54. Plainly under *Vernor*, a bill’s title must not mislead. Since House Bill 4951’s original title purports to establish a tax but the body contains no such provisions, it fails the *Vernor* test.

55. Allowing this maneuver to stand would set a dangerous precedent. A false and misleading title distorts and confuses public debate and undermines transparency in the legislative

³ The *Vernor* court interpreted and applied the 1908 Constitution’s predecessor to the current Art 4, § 24 in the 1963 Constitution.

process. Future legislators may have little incentive to include accurate titles, especially amid the controversy surrounding tax legislation or the pressures of a highly polarized political climate.

56. It might be argued that the discrepancy between the substance and title at introduction is irrelevant because the final version of the bill is more closely aligned with its title. However, Art 4, § 24 is not merely concerned with the end result—it is designed to ensure transparency throughout the entire legislative process.

(b) Change of Purpose Challenge.

57. This raises a second concern regarding the bill’s compliance with Art 4, § 24. During the legislative process, the bill’s title and substantive content were fundamentally altered, resulting in a final version that bore practically no resemblance to the introduced version of the bill. The final result represents an unlawful change of purpose.

58. The change-of-purpose clause provides, “[n]o bill shall be altered or amended on its passage through either house so as to change its original purpose as determined by its total content and not alone by its title.” Const 1963, Art 4, § 24.

59. A change of purpose challenge tests whether “the subject matter of the amendment or substitute is germane to the original purpose” of the bill. *Kevorkian*, 447 Mich at 460. “The test is whether or not the change [by amendment or substitute] represented an amendment or extension of the basic purpose of the original, or the introduction of entirely new and different subject matter.” *Anderson v Oakland Cnty Clerk*, 419 Mich 313, 328; 353 NW2d 448 (1984). Where the changes “fall within the general purpose of the original bill, or are extensions of it, the Court has termed them germane.” *Id.*

60. But because House Bill 4951’s original title was demonstrably false and misleading, it cannot be the yardstick for measuring germaneness in this case.

61. *Anderson* addressed a change of purpose challenge to a bill that was originally introduced as an amendment to the Michigan Election Law but ultimately enacted as a standalone public act for legislative reapportionment. In its analysis, the Court focused on the substantive provisions of the introduced and final versions of the bill, rather than the title, and concluded that the legislation unlawfully changed purpose during the legislative process. *Anderson*, 419 Mich at 328-329 (“House Bill 4481 as finally passed ***served none of the objectives of the original bill.*** The only similarity between the original House Bill 4481 and the substitute bill as enacted was its number and the enacting clause.” (emphasis added).). The Court determined the final version introduced an “entirely new and different subject matter[,]” and declared the act unconstitutional. *Id.* at 331.

62. Federal courts similarly look to a bill’s content to determine whether the public had “fair notice” of a bill’s substantive content:

[H]istory confirms that the change-of-purpose clause can be meaningful only if the analysis of a bill’s “purpose” focuses on fair notice to the public. If identifying merely some commonality of subject matter between a bill as introduced and as enacted is sufficient to pass constitutional muster, then the change-of-purpose clause will provide no effective protection to the public at all. Instead, courts must ask whether those members of the public who are interested in, or affected by, an enactment were put on ***fair notice that the bill, as introduced, might impact their interests.*** The Michigan courts have been faithful to the constitutional command that the Legislature give the public fair notice of the reach of legislation it contemplates adopting.

Toth v Callaghan, 995 F Supp 2d 774, 784 (ED Mich, 2014).⁴ The court concluded that the legislation represented an unconstitutional change of purpose since the public “would have no

⁴ The also court noted then-Senator Whitmer’s protest when the bill was pending before the Senate: “***Senator Whitmer further emphasized that the Senate can ‘not just ram things through by entirely replacing bills with new content.’***” *Toth*, 995 FSupp2d at 779 (emphasis added).

reason to believe” its interests could be impacted by the legislation as originally introduced. *Id.* at 786.

63. The changes to House Bill 4951 in the present case mirror the unconstitutional legislation of *Anderson* and *Toth*. The introduced version merely proposed the creation of a fund for road funding and revenue replacement, without establishing any tax, identifying taxable entities and transactions, specifying the type or rate of tax, or providing a mechanism for collection. **Exhibit G.** Yet all these elements that were omitted from the original bill—which are fundamental to any tax system—were inserted into the bill only after introduction.

64. The final version of House Bill 4951 imposed a 24 percent excise tax on marihuana wholesale prices, defined taxable entities and transactions, mandated filings, and specified how revenue generated from the new tax would be spent. **Exhibit A.** These sweeping changes—none of which were present in the original bill—constitute an unlawful and unconstitutional change of purpose.

65. The enacted version also replaced the original bill’s title with the following:

A bill to provide for the imposition and collection of excise taxes on certain sales of marihuana; to provide for the establishment of procedures for the collection, administration, and enforcement of those taxes; to provide for the disposition of the taxes; to provide for the promulgation of rules; to create the comprehensive road funding fund; and to prescribe the powers and duties of certain state governmental officers and entities.

Id. (emphasis added) (relevant differences from the introduced version are reflected in underlined text).

66. The evolution of the title reflects an entirely different purpose than the content of the bill as originally proposed. Only at the very end of the legislative process was the bill’s true intent finally revealed, when the title was amended to “provide for the imposition and collection of excise taxes on certain sales of marihuana[.]” This belated disclosure frustrated the rights of lawmakers

and the public to meaningfully engage in the legislative process. It is precisely the type of cynical maneuver that Art 4, § 24 was intended to prevent.

CRFTA Represents an Unlawful Amendment by Reference of MRTMA

67. Further, CRFTA’s excise tax unlawfully amends MRTMA by reference. The Michigan Constitution provides, “[n]o law shall be revised, altered, or amended by reference to its title only. The section or sections of the act altered or amended shall be re-enacted and published at length.” Const 1963, 1963, Art 4, § 25. (**Exhibit H**, Const 1963, 1963, Art 4, § 25.)

68. CRFTA violates Art 4, § 25 because it requires reference to MRTMA for meaning to such a great extent that CRFTA cannot be understood or applied without reference to MRTMA.

CRFTA Violates Art 1, § 10

69. Under Const 1963, Art 1, § 10, “No bill of attainder, ex post facto law or *law impairing the obligation of contract shall be enacted.*” (emphasis added).

70. Our courts have long recognized that “[l]iberty of contract is an essential of that liberty protected by the Constitution.” *In re Meredith’s Estate v Detroit Trust Co*, 275 Mich 278, 290; 266 NW 351 (1936) (citing *Allgeyer v Louisiana*, 165 US 578; 17 SCt 427; 41 L Ed 832 (1897)).

71. Thus, in order to guard that liberty, “the purpose of the Contract[s] Clause is to protect bargains reached by parties by prohibiting states from enacting laws that interfere with preexisting contractual arrangements.” *In re Certified Question*, 447 Mich 765, 777; 527 NW2d 468 (1994).

72. To determine whether a law violates the Contracts Clause, courts employ a three-prong test, with the first prong concentrating on “whether the state law has, in fact, operated as a substantial impairment of a contractual relationship.” *Aguirre v Michigan*, 315 Mich App 706, 715; 891 NW2d 516 (2016) (quotation marks and citation omitted).

73. This prong requires consideration of three factors: (1) whether a contractual relationship exists, (2) whether the contractual relationship was impaired by the law, and (3) whether the impairment was substantial. *Id.* at 716 (quotation marks and citation omitted).

74. For purposes of a Contracts Clause analysis, “an impairment takes on constitutional dimensions only when it interferes with reasonably expected contractual benefits.” *Gillette Commercial Operations NA & Subsidiaries v Dep’t of Treasury*, 312 Mich App 394, 413–414; 878 NW2d 891 (2015) (quoting *Borman, LLC v 18718 Borman, LLC*, 777 F3d 816, 826 (CA 6, 2015)).

75. Under the CRFTA, the 24% excise tax is levied on the “wholesale price” of marihuana.

76. The CRFTA defines the term “wholesale price” to explicitly exclude reductions “due to any rebate, trade allowance, licensing or exclusivity agreement, volume or other discount, or any other reduction given by the marihuana establishment.”

77. A number of MiCIA’s members currently have negotiated supply agreements in place that include substantial discounts due to purchase volume, exclusivity or other factors that benefit the parties to those agreements.

78. Those agreements do not expire on January 1, 2026, and are not inherently subject to amendment or renegotiation.

79. One of two things is true regarding the CRFTA, either of which would violate the Contracts Clause: (1) these types of agreements are no longer allowed, rendering the parties’ agreement moot; or (2) these types of agreements are not explicitly disallowed, but the parties must still pay taxes as if the discount did not exist, thereby leaving one party substantially harmed by the terms of existing agreements.

80. Because the CRFTA will substantially impair these contractual relationships, the Court must then examine the second and third prongs of the Contracts Clause analysis, which assess whether “the legislative disruption of contract expectancies [is] necessary to the public good,” and whether “the means chosen by the Legislature to address the public need are reasonable.” *Id.* (alteration in original; quotation marks and citation omitted).

81. While “fixing the damn roads” may well be considered a public good, our courts have recognized that the type of public policies that justify statutes impairing contractual obligations are those that “involve corrections to the marketplace to assure free competition.” *AFT Mich v Michigan (On Remand)*, 315 Mich App 602, 618; 893 NW2d 90 (2016), *aff’d in part and vacated in part* 501 Mich 939 (2017).

82. Here, no such public policy is at play.

83. Moreover, in looking at whether a statute runs afoul of the Contracts Clause, this Court must also analyze whether the state has shown that it did not: “(1) ‘consider impairing the...contracts on par with other policy alternatives’ or (2) ‘impose a drastic impairment when an evident and more moderate course would serve its purpose equally well,’ nor (3) act unreasonably ‘in light of the surrounding circumstances[.]’” *AFT Mich v Michigan*, 297 Mich App 597, 612; 825 NW2d 595 (2012), *vacated by* 498 Mich 851 (2015) (quoting *Buffalo Teachers Federation v Tobe*, 464 F3d 362, 371 (CA 2, 2006)).

84. Defendants simply cannot show that its decision to interfere with valid contracts was a reasonable course of conduct.

Plaintiff Will be Irreparably Harmed by CRFTA.

85. The Department’s implementation and enforcement of CRFTA’s unlawful excise tax will irreparably harm MiCIA’s members as even the “temporary loss of a constitutional right

constitutes irreparable harm which cannot be adequately remedied by an action at law.” *Garner v Mich State Univ*, 185 Mich App 750, 764 (1990).

86. Moreover, the implementation and enforcement of CRFTA threatens the immediate insolvency and continued existence of many of MiCIA’s members. *Slis v State*, 332 Mich App 312, 361 (2020) (“The threat of bankruptcy and the possibility of going out of business can constitute irreparable harm.”).

87. Further, the public is harmed by the Legislature’s usurpation of constitutional safeguards that protect initiated laws from legislative interference, including the voter ratification or supermajority requirement for initiated laws as well as the requirements that a title must accurately reflect a bill’s substance and cannot be changed in a way that obscures a bill’s true purpose. See Const 1963, Art 2, § 9; Art 4, § 24.

CAUSES OF ACTION

COUNT I: DECLARATORY JUDGMENT

93. MiCIA realleges and incorporates by reference the foregoing paragraphs as if fully set forth in this Count.

94. MCR 2.605(A)(1) provides, “In a case of actual controversy within its jurisdiction, a Michigan court of record may declare the rights and other legal relations of an interested party seeking a declaratory judgment, whether or not other relief is or could be sought or granted.”

95. The implementation of CRFTA will uniquely harm MiCIA’s members, who will suffer a special injury distinct from the general public. *Michigan Republican Party v Donahue*, ___ Mich ___, 22 NW3d 564 (2025). MiCIA’s members have a substantial interest in challenging the Legislature’s failure to comply with Art 2, § 9.

96. MiCIA contends that CRFTA’s numerous constitutional deficiencies render the act invalid and unenforceable as a matter of law. If the Legislature wishes to impose an additional

excise tax on the sale or transfer of marihuana, it must amend MRTMA and comply with the legislative supermajority or voter ratification requirements of Art 2, § 9.

97. MiCIA therefore seeks a declaratory judgment that CRFTA is invalid and unenforceable as a matter of law.

COUNT II: INJUNCTIVE RELIEF

98. MiCIA realleges and incorporates by reference the foregoing paragraphs as if fully set forth in this Count.

99. MiCIA has a strong likelihood of success on the merits because CRFTA was enacted in violation of several provisions of the Michigan Constitution, including Art 2, § 9 and Art 4, § 24.

100. For the reasons set forth above, MiCIA's members are at risk of imminent irreparable injury if the Department is allowed to enforce CRFTA despite that statute's circumvention of these constitutional requirements.

101. The harm to MiCIA and its members if an injunction is not issued far exceeds any harm to the Department, as the government has no valid interest in enforcing an unconstitutional act. *See, e.g., Planned Parenthood Ass'n of Cincinnati, Inc v City of Cincinnati*, 822 F2d 1390, 1400 (CA 6, 1987).

102. The public interest also weighs heavily in favor of an injunction, as the public has a strong interest "hav[ing] *their* initiative upheld absent compliance with constitutional procedures." *Protect MI Constitution*, 492 Mich at 861 (Markman, J., concurring) (emphasis original).

PRAYER FOR RELIEF

For the foregoing reasons, MiCIA respectfully requests an order and judgment:

- a. Issuing a declaratory judgment pursuant to MCR 2.605 that CRFTA is unconstitutional, null and void, and without legal effect;
- b. Ordering Defendant and its officers, agents, employees, and other representatives to comply with the Court's order and judgment;
- c. Granting such further relief as this Court deems just and proper.

Respectfully submitted,

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Dated: October 7, 2025

VERIFICATION

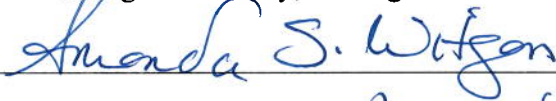
I, Robin Schneider, declare that I have read and made this Verified Complaint, and attest that those facts stated herein of my own knowledge are true and accurate and that those matters stated otherwise are those of which I have been informed and I believe to be true after reasonable inquiry.

October 7, 2025

By: 

Robin Schneider

Subscribed and sworn before me in Ingham County, Michigan on October 7, 2025.

By: 

Printed Name of Notary Public: Amanda S. Witgen

Notary public, State of Michigan, County of Ingham

My commission expires 2-13-2027

Acting in the County of Ingham



Exhibit A

**STATE OF MICHIGAN
103RD LEGISLATURE
REGULAR SESSION OF 2025**

Introduced by Rep. Steckloff

ENROLLED HOUSE BILL No. 4951

AN ACT to provide for the imposition and collection of excise taxes on certain sales of marihuana; to provide for the establishment of procedures for the collection, administration, and enforcement of those taxes; to provide for the disposition of the taxes; to provide for the promulgation of rules; to create the comprehensive road funding fund; and to prescribe the powers and duties of certain state governmental officers and entities.

The People of the State of Michigan enact:

Sec. 1. This act may be cited as the "comprehensive road funding tax act".

Sec. 3. As used in this act:

- (a) "Affiliated person" means a person that, directly or indirectly through 1 or more intermediaries, controls, is controlled by, or is under common control with, another person.
- (b) "Average wholesale price" means the price of marihuana that is calculated and published by the department each quarter based on the best available information.
- (c) "Cannabis regulatory agency" means that term as defined in section 3 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27953.
- (d) "Comprehensive road funding fund" means the fund created in section 11.
- (e) "Department" means the department of treasury.
- (f) "Marihuana" means that term as defined in section 3 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27953.
- (g) "Marihuana establishment" means that term as defined in section 3 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27953.
- (h) "Marihuana microbusiness" means that term as defined in section 3 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27953.
- (i) "Marihuana retailer" means that term as defined in section 3 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27953.
- (j) "Marihuana retail licensee" means a marihuana retailer, marihuana microbusiness, or any other person authorized by the cannabis regulatory agency under the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967, to sell or otherwise transfer marihuana to individuals who are 21 years of age or older.
- (k) "Person" means an individual, corporation, limited liability company, partnership of any type, trust, or other legal entity.
- (l) "Provisioning center" means that term as defined in section 2 of the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27102.

(m) "Wholesale price" means the following in the following circumstances:

(i) For transactions between persons that are not affiliated persons, the actual price paid to a marihuana establishment by a marihuana retail licensee to acquire marihuana from the marihuana establishment. For purposes of this subparagraph, the wholesale price includes any tax, fee, or other charge reflected on the invoice, bill of sale, purchase order, or other document evidencing the sale or transfer of the marihuana. The wholesale price must not be reduced due to any rebate, trade allowance, licensing or exclusivity agreement, volume or other discount, or any other reduction given by the marihuana establishment.

(ii) For transactions between persons that are affiliated persons, including transactions between provisioning centers and marihuana retail licensees, and for marihuana that is cultivated and processed for retail sale by the marihuana retail licensee, the average wholesale price of the marihuana.

Sec. 5. In addition to all other taxes, beginning January 1, 2026, an excise tax is levied and imposed on the wholesale price of the sale or other transfer of marihuana at the following rates in the following circumstances:

(a) For the first sale or other transfer of marihuana from a marihuana establishment to a marihuana retail licensee, a tax is levied on the marihuana establishment at the rate of 24% of the wholesale price of the marihuana sold or otherwise transferred.

(b) For the sale of marihuana that is cultivated and processed for retail sale by the marihuana retail licensee, a tax is levied on the marihuana retail licensee at the rate of 24% of the wholesale price on the aggregate amount or quantity of marihuana that is cultivated or processed for retail sale by that marihuana retail licensee.

(c) For the sale or transfer of marihuana from a provisioning center to a marihuana retail licensee, a tax is levied on the provisioning center at the rate of 24% of the wholesale price of marihuana sold or otherwise transferred to the marihuana retail licensee.

Sec. 7. (1) The department shall administer the excise taxes imposed by this act pursuant to 1941 PA 122, MCL 205.1 to 205.31, and this act. If the provisions of 1941 PA 122, MCL 205.1 to 205.31, and this act conflict, this act applies.

(2) The department shall prescribe the forms necessary for the administration of this act and may promulgate rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this act and prescribe a method and manner for payment and collection of the taxes imposed under this act.

Sec. 9. (1) A person that is subject to a tax imposed by this act shall file periodic returns at the times and in the manner prescribed by the department and remit the total amount of tax due with each return.

(2) If a due date of a return falls on a Saturday, Sunday, or legal holiday, the taxes are due on the next succeeding business day.

Sec. 11. (1) The comprehensive road funding fund is created in the state treasury.

(2) The state treasurer shall deposit money and other assets received from any source in the fund. The state treasurer shall direct the investment of money in the fund and credit interest and earnings from the investments to the fund.

(3) The department is the administrator of the fund for audits of the fund.

(4) The department shall expend money from the fund, on appropriation, only for the implementation and administration of this act.

(5) Money in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

Sec. 13. (1) Except as otherwise provided under subsection (2), the revenue collected under this act must be deposited in the following manner:

(a) For the 2025-2026 state fiscal year, \$3,000,000.00 to the comprehensive road funding fund and the balance to the neighborhood road fund created in section 13c of 1951 PA 51, MCL 247.663c.

(b) Except as otherwise provided under subsection (2), beginning with the 2026-2027 state fiscal year and each state fiscal year thereafter, \$500,000.00 to the comprehensive road funding fund and the balance to the neighborhood road fund created in section 13c of 1951 PA 51, MCL 247.663c.

(2) For the 2027-2028 state fiscal year and each fiscal year thereafter, the state treasurer shall adjust the amount to be deposited to the comprehensive road funding fund under subsection (1)(b) for inflation, as measured by the ratio of the average published monthly Consumer Price Index values for the previous fiscal year to the published monthly Consumer Price Index values for the fiscal year prior to the previous fiscal year, minus 1. If the calculated change in the Consumer Price Index is negative, the adjustment for that fiscal year is zero. As used in this subsection, "Consumer Price Index" means the most comprehensive index of consumer prices available for this state from the Bureau of Labor Statistics of the United States Department of Labor.

Enacting section 1. This act does not take effect unless all of the following bills of the 103rd Legislature are enacted into law:

(a) House Bill No. 4183.

(b) House Bill No. 4961.

(c) House Bill No. 4968.

This act is ordered to take immediate effect.

Clerk of the House of Representatives

Secretary of the Senate

Approved _____

Governor

Exhibit B

MICHIGAN REGULATION AND TAXATION OF MARIHUANA ACT

Initiated Law 1 of 2018

An initiation of legislation to allow under state law the personal possession and use of marihuana by persons 21 years of age or older; to provide for the lawful cultivation and sale of marihuana and industrial hemp by persons 21 years of age or older; to permit the taxation of revenue derived from commercial marihuana facilities; to permit the promulgation of administrative rules; and to prescribe certain penalties for violations of this act. If not enacted by the Michigan State Legislature in accordance with the Michigan Constitution of 1963, the proposed legislation is to be voted on at the General Election, November 6, 2018.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

The People of the State of Michigan enact:

333.27951 Short title.

Sec. 1.

This act shall be known and may be cited as the Michigan Regulation and Taxation of Marihuana Act.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27952 Purpose and intent.

Sec. 2.

The purpose of this act is to make marihuana legal under state and local law for adults 21 years of age or older, to make industrial hemp legal under state and local law, and to control the commercial production and distribution of marihuana under a system that licenses, regulates, and taxes the businesses involved. The intent is to prevent arrest and penalty for personal possession and cultivation of marihuana by adults 21 years of age or older; remove the commercial production and distribution of marihuana from the illicit market; prevent revenue generated from commerce in marihuana from going to criminal enterprises or gangs; prevent the distribution of marihuana to persons under 21 years of age; prevent the diversion of marihuana to illicit markets; ensure the safety of marihuana and marihuana-infused products; and ensure security of marihuana establishments. To the fullest extent possible, this act shall be interpreted in accordance with the purpose and intent set forth in this section.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675

against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27953 Definitions.

Sec. 3.

As used in this act:

(a) "Cannabis regulatory agency" means the marijuana regulatory agency created under Executive Reorganization Order No. 2019-2, MCL 333.27001, renamed the cannabis regulatory agency under Executive Reorganization Order No. 2022-1, MCL 333.27002.

(b) "Cultivate" means to propagate, breed, grow, harvest, dry, cure, or separate parts of a marihuana plant by manual or mechanical means.

(c) "Department" means the cannabis regulatory agency.

(d) "Indian lands" means any of the following:

(i) All lands within the limits of an Indian reservation.

(ii) Any lands title to which is either held in trust by the United States for the benefit of any Indian tribe or individual or held by any Indian tribe or individual subject to restriction by the United States against alienation and over which an Indian tribe exercises governmental power.

(e) "Indian tribe" means any Indian tribe, band, nation, or other organized group or community of Indians which is recognized as eligible by the United States Secretary of the Interior for the special programs and services provided by the United States to Indians because of their status as Indians, and is recognized as possessing powers of self-government.

(f) "Industrial hemp" means any of the following:

(i) A plant of the genus *Cannabis*, whether growing or not, with a THC concentration of 0.3% or less on a dry-weight basis.

(ii) A part of a plant of the genus *Cannabis*, whether growing or not, with a THC concentration of 0.3% or less on a dry-weight basis.

(iii) The seeds of a plant of the genus *Cannabis* with a THC concentration of 0.3% or less on a dry-weight basis.

(iv) If it has a THC concentration of 0.3% or less on a dry-weight basis, a compound, manufacture, derivative, mixture, preparation, extract, cannabinoid, acid, salt, isomer, or salt of an isomer of any of the following:

(A) A plant of the genus *Cannabis*.

(B) A part of a plant of the genus *Cannabis*.

(v) A product to which 1 of the following applies:

(A) If the product is intended for human or animal consumption, the product, in the form in which it is intended for sale to a consumer, meets both of the following requirements:

(I) Has a THC concentration of 0.3% or less on a dry-weight or per volume basis.

(II) Contains a total amount of THC that is less than or equal to the limit established by the cannabis regulatory agency under section 8(1)(n).

(B) If the product is not intended for human or animal consumption, the product meets both of the following requirements:

(I) Contains a substance listed in subparagraph (i), (ii), (iii), or (iv).

(II) Has a THC concentration of 0.3% or less on a dry-weight basis.

(g) "Licensee" means a person holding a state license.

(h) "Marihuana" means any of the following:

(i) A plant of the genus *Cannabis*, whether growing or not.

(ii) A part of a plant of the genus *Cannabis*, whether growing or not.

(iii) The seeds of a plant of the genus *Cannabis*.

(iv) Marihuana concentrate.

(v) A compound, manufacture, salt, derivative, mixture, extract, acid, isomer, salt of an isomer, or preparation of any of the following:

(A) A plant of the genus *Cannabis*.

(B) A part of a plant of the genus *Cannabis*.

(C) The seeds of a plant of the genus *Cannabis*.

(D) Marihuana concentrate.

(vi) A marihuana-infused product.

(vii) A product with a THC concentration of more than 0.3% on a dry-weight or per volume basis in the form in which it is intended for sale to a consumer.

(viii) A product that is intended for human or animal consumption and that contains, in the form in which it is intended for sale to a consumer, a total amount of THC that is greater than the limit established by the cannabis regulatory agency under section 8(1)(n).

(i) Except for marihuana concentrate extracted from any of the following, "marihuana" does not include any of the following:

(i) The mature stalks of a plant of the genus *Cannabis*.

(ii) Fiber produced from the mature stalks of a plant of the genus *Cannabis*.

(iii) Oil or cake made from the seeds of a plant of the genus *Cannabis*.

(iv) A compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks of a plant of the genus *Cannabis*.

(v) Industrial hemp.

(vi) An ingredient combined with marihuana to prepare topical or oral administrations, food, drink, or other products.

(vii) A drug for which an application filed in accordance with 21 USC 355 is approved by the Food and Drug Administration.

(j) "Marihuana accessories" means any equipment, product, material, or combination of equipment, products, or materials, that is specifically designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, ingesting, inhaling, or otherwise introducing marihuana into the human body.

(k) "Marihuana concentrate" means the resin extracted from any part of a plant of the genus *Cannabis*.

(l) "Marihuana establishment" means a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter, or any other type of marihuana-related business licensed by the cannabis regulatory agency.

(m) "Marihuana grower" means a person licensed to cultivate marihuana and sell or otherwise transfer marihuana to marihuana establishments.

(n) "Marihuana-infused product" means a topical formulation, tincture, beverage, edible substance, or similar product containing marihuana and other ingredients and that is intended for human consumption.

(o) "Marihuana microbusiness" means a person licensed to cultivate not more than 150 marihuana plants; process and package marihuana; and sell or otherwise transfer marihuana to individuals who are 21 years of age or older or to a marihuana safety compliance facility, but not to other marihuana establishments.

(p) "Marihuana processor" means a person licensed to obtain marihuana from marihuana establishments; process and package marihuana; and sell or otherwise transfer marihuana to marihuana establishments.

(q) "Marihuana retailer" means a person licensed to obtain marihuana from marihuana establishments and to sell or otherwise transfer marihuana to marihuana establishments and to individuals who are 21 years of age or older.

(r) "Marihuana safety compliance facility" means a person licensed to test marihuana, including certification for potency and the presence of contaminants.

(s) "Marihuana secure transporter" means a person licensed to obtain marihuana from marihuana establishments in order to transport marihuana to marihuana establishments.

(t) "Marijuana regulatory agency", unless the context dictates otherwise, means the cannabis regulatory agency.

(u) "Municipal license" means a license issued by a municipality pursuant to section 16 that allows a person to operate a marihuana establishment in that municipality.

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

(w) "Person" means an individual, corporation, limited liability company, partnership of any type, trust, or other legal entity.

(x) "Process" or "processing" means to separate or otherwise prepare parts of a marihuana plant and to compound, blend, extract, infuse, or otherwise make or prepare marihuana concentrate or marihuana-infused products.

(y) "Qualifying Indian tribe" means an Indian tribe that meets all of the following conditions:

(i) The Indian tribe has entered into an agreement with the cannabis regulatory agency under section 7(2)(b) that is in effect.

(ii) The Indian tribe has entered into an agreement with the department of treasury that is in effect and that does all of the following:

(A) States that the revenue collected from the tax or fee described in subparagraph (iii) is not state money, and requires that this revenue be retained by and used as determined by only the Indian tribe, if the marihuana subject to the tax or fee was grown and processed on only the Indian tribe's Indian lands.

(B) States whether the revenue collected from the tax or fee described in subparagraph (iii) from marihuana not described in sub-subparagraph (A) is subject to revenue sharing between the Indian tribe and this state and, if so, the details of the revenue sharing arrangement.

(iii) The Indian tribe imposes a tax or fee on each sale or transfer of marihuana from a tribal marihuana business

located in the Indian tribe's Indian lands to a person other than a tribal marihuana business or marihuana establishment. This subparagraph does not prohibit a qualifying Indian tribe from imposing the tax or fee on sales or transfers of marihuana that are not described in this subparagraph. The tax or fee must be based on the sales price of the marihuana and the rate of the tax or fee must be equal to or greater than the rate established under section 13.

(z) "State license" means a license issued by the cannabis regulatory agency that allows a person to operate a marihuana establishment.

(aa) "THC" means any of the following:

(i) Tetrahydrocannabinolic acid.

(ii) Unless excluded by the cannabis regulatory agency under section 8(2)(c), a tetrahydrocannabinol, regardless of whether it is artificially or naturally derived.

(iii) A tetrahydrocannabinol that is a structural, optical, or geometric isomer of a tetrahydrocannabinol described in subparagraph (ii).

(bb) "Tribal marihuana business" means a business that meets all of the following conditions:

(i) The business engages in the type of activities licensed under this act.

(ii) The business is not a marihuana establishment.

(iii) The business is wholly owned by a qualifying Indian tribe, the enrolled members of a qualifying Indian tribe, or a combination of a qualifying Indian tribe and the members of that qualifying Indian tribe.

(iv) The business is located in this state and in the Indian lands of the qualifying Indian tribe described in subparagraph (iii).

(v) The business is subject to a tax or fee described in subdivision (y)(iii).

(cc) "Unreasonably impracticable" means that the measures necessary to comply with the rules or ordinances adopted pursuant to this act subject licensees to unreasonable risk or require such a high investment of money, time, or any other resource or asset that a reasonably prudent businessperson would not operate the marihuana establishment.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018 ;-- Am. 2020, Act 208, Imd. Eff. Oct. 15, 2020 ;-- Am. 2021, Act 56, Eff. Oct. 11, 2021 ;-- Am. 2023, Act 166, Imd. Eff. Oct. 19, 2023

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27954 Scope of act; unauthorized activities with marihuana and marihuana accessories; limitations; application of privileges, rights, immunities, and defenses under other marihuana laws; employer rights; property owner rights.

Sec. 4.

1. This act does not authorize:

(a) operating, navigating, or being in physical control of any motor vehicle, aircraft, snowmobile, off-road recreational vehicle, or motorboat while under the influence of marihuana;

(b) transfer of marihuana or marihuana accessories to a person under the age of 21;

(c) any person under the age of 21 to possess, consume, purchase or otherwise obtain, cultivate, process, transport, or sell marihuana;

(d) separation of plant resin by butane extraction or another method that utilizes a substance with a flashpoint below 100 degrees Fahrenheit in any public place, motor vehicle, or within the curtilage of any residential structure;

(e) consuming marihuana in a public place or smoking marihuana where prohibited by the person who owns, occupies, or manages the property, except for purposes of this subdivision a public place does not include an area designated for consumption within a municipality that has authorized consumption in designated areas that are not accessible to persons under 21 years of age;

(f) cultivating marihuana plants if the plants are visible from a public place without the use of binoculars, aircraft, or other optical aids or outside of an enclosed area equipped with locks or other functioning security devices that restrict access to the area;

(g) consuming marihuana while operating, navigating, or being in physical control of any motor vehicle, aircraft, snowmobile, off-road recreational vehicle, or motorboat, or smoking marihuana within the passenger area of a vehicle upon a public way;

(h) possessing marihuana accessories or possessing or consuming marihuana on the grounds of a public or private school where children attend classes in preschool programs, kindergarten programs, or grades 1 through 12, in a school bus, or on the grounds of any correctional facility; or

(i) Possessing more than 2.5 ounces of marihuana within a person's place of residence unless the excess marihuana is stored in a container or area equipped with locks or other functioning security devices that restrict access to the contents of the container or area.

2. This act does not limit any privileges, rights, immunities, or defenses of a person as provided in the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430, the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, or any other law of this state allowing for or regulating marihuana for medical use.

3. This act does not require an employer to permit or accommodate conduct otherwise allowed by this act in any workplace or on the employer's property. This act does not prohibit an employer from disciplining an employee for violation of a workplace drug policy or for working while under the influence of marihuana. This act does not prevent an employer from refusing to hire, discharging, disciplining, or otherwise taking an adverse employment action against a person with respect to hire, tenure, terms, conditions, or privileges of employment because of that person's violation of a workplace drug policy or because that person was working while under the influence of marihuana.

4. This act allows a person to prohibit or otherwise regulate the consumption, cultivation, distribution, processing, sale, or display of marihuana and marihuana accessories on property the person owns, occupies, or manages, except that a lease agreement may not prohibit a tenant from lawfully possessing and consuming marihuana by means other than smoking.

5. All other laws inconsistent with this act do not apply to conduct that is permitted by this act.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27955 Lawful activities by person 21 years of age or older; terms, conditions, limitations, and restrictions; denial of custody or visitation prohibited.

Sec. 5.

1. Notwithstanding any other law or provision of this act, and except as otherwise provided in section 4 of this act, the following acts by a person 21 years of age or older are not unlawful, are not an offense, are not grounds for seizing or forfeiting property, are not grounds for arrest, prosecution, or penalty in any manner, are not grounds for search or inspection, and are not grounds to deny any other right or privilege:

(a) except as permitted by subdivision (b), possessing, using or consuming, internally possessing, purchasing, transporting, or processing 2.5 ounces or less of marihuana, except that not more than 15 grams of marihuana may be in the form of marihuana concentrate;

(b) within the person's residence, possessing, storing, and processing not more than 10 ounces of marihuana and any marihuana produced by marihuana plants cultivated on the premises and cultivating not more than 12 marihuana plants for personal use, provided that no more than 12 marihuana plants are possessed, cultivated, or processed on the premises at once;

(c) assisting another person who is 21 years of age or older in any of the acts described in this section; and

(d) giving away or otherwise transferring without remuneration up to 2.5 ounces of marihuana, except that not more than 15 grams of marihuana may be in the form of marihuana concentrate, to a person 21 years of age or older, as long as the transfer is not advertised or promoted to the public.

2. Notwithstanding any other law or provision of this act, except as otherwise provided in section 4 of this act, the use, manufacture, possession, and purchase of marihuana accessories by a person 21 years of age or older and the distribution or sale of marihuana accessories to a person 21 years of age or older is authorized, is not unlawful,

is not an offense, is not grounds for seizing or forfeiting property, is not grounds for arrest, prosecution, or penalty in any manner, and is not grounds to deny any other right or privilege.

3. A person shall not be denied custody of or visitation with a minor for conduct that is permitted by this act, unless the person's behavior is such that it creates an unreasonable danger to the minor that can be clearly articulated and substantiated.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27956 Adoption or enforcement of ordinances by municipality; marihuana establishment local license; annual fee; restrictions on transportation or other facilities prohibited.

Sec. 6.

1. Except as provided in section 4, a municipality may completely prohibit or limit the number of marihuana establishments within its boundaries. Individuals may petition to initiate an ordinance to provide for the number of marihuana establishments allowed within a municipality or to completely prohibit marihuana establishments within a municipality, and such ordinance shall be submitted to the electors of the municipality at the next regular election when a petition is signed by qualified electors in the municipality in a number greater than 5% of the votes cast for governor by qualified electors in the municipality at the last gubernatorial election. A petition under this subsection is subject to section 488 of the Michigan election law, 1954 PA 116, MCL 168.488.

2. A municipality may adopt other ordinances that are not unreasonably impracticable and do not conflict with this act or with any rule promulgated pursuant to this act and that:

(a) establish reasonable restrictions on public signs related to marihuana establishments;

(b) regulate the time, place, and manner of operation of marihuana establishments and of the production, manufacture, sale, or display of marihuana accessories;

(c) authorize the sale of marihuana for consumption in designated areas that are not accessible to persons under 21 years of age, or at special events in limited areas and for a limited time; and

(d) designate a violation of the ordinance and provide for a penalty for that violation by a marihuana establishment, provided that such violation is a civil infraction and such penalty is a civil fine of not more than \$500.

3. A municipality may adopt an ordinance requiring a marihuana establishment with a physical location within the municipality to obtain a municipal license, but may not impose qualifications for licensure that conflict with this act or rules promulgated by the department.

4. A municipality may charge an annual fee of not more than \$5,000 to defray application, administrative, and enforcement costs associated with the operation of the marihuana establishment in the municipality.

5. A municipality may not adopt an ordinance that restricts the transportation of marihuana through the municipality or prohibits a marihuana grower, a marihuana processor, and a marihuana retailer from operating within a single facility or from operating at a location shared with a marihuana facility operating pursuant to the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27957 Implementation, administration, and enforcement by cannabis regulatory agency; powers and duties; agreement with Indian tribe; conflict of interest; liability; cooperation of department of state police.

Sec. 7.

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

- (a) Promulgate rules pursuant to section 8 that are necessary to implement, administer, and enforce this act.
 - (b) Grant or deny each application for licensure and investigate each applicant to determine eligibility for licensure, including conducting a background investigation on each person holding an ownership interest in the applicant.
 - (c) Ensure that marihuana establishments comply with this act and the rules promulgated under this act by doing all of the following:
 - (i) Performing investigations of compliance and regular inspections of marihuana establishments.
 - (ii) Taking appropriate disciplinary action against a licensee, including prescribing civil fines for violations of this act or the rules promulgated under this act and suspending, restricting, or revoking a state license.
 - (d) Hold at least 4 public meetings each calendar year for the purpose of hearing complaints and receiving the views of the public with respect to administration of this act.
 - (e) Collect fees for licensure and fines for violations of this act or the rules promulgated under this act.
 - (f) Deposit all fees collected for licensure into the marihuana regulation fund established under section 14 and remit all fines collected for deposit into the general fund.
 - (g) Submit an annual report to the governor covering the immediately preceding year that includes all of the following:
 - (i) The number of state licenses of each class issued.
 - (ii) Demographic information of licensees.
 - (iii) A description of enforcement and disciplinary actions taken against licensees.
 - (iv) A statement of revenues and expenses of the cannabis regulatory agency related to the implementation, administration, and enforcement of this act.
 - (h) Employ personnel as necessary to adequately perform its duties.
- (2) The cannabis regulatory agency may do either of the following:
- (a) Enter into an agreement with an advisor or consultant as necessary to adequately perform its duties under this act.
 - (b) Enter into an agreement with an Indian tribe regarding marihuana-related regulatory issues that involve the interests of this state and the Indian tribe, including, but not limited to, issues related to the commercial growing, processing, sale, testing, transportation, and possession of marihuana.
- (3) A person who has a pecuniary interest, directly or indirectly, in a marihuana establishment or tribal marihuana business may not be an employee, advisor, or consultant involved in the implementation, administration, or enforcement of this act. An employee, advisor, or consultant of the cannabis regulatory agency is not personally liable for any action at law for damages sustained by a person because of an action performed or done in the performance of the employee's, advisor's, or consultant's duties in the implementation, administration, or enforcement of this act.
- (4) The department of state police shall cooperate and assist the cannabis regulatory agency in performing the cannabis regulatory agency's duties under this act, including, but not limited to, conducting background investigations of applicants.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018 ;-- Am. 2023, Act 166, Imd. Eff. Oct. 19, 2023

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27958 Rules; limitations.

Sec. 8.

(1) The cannabis regulatory agency shall promulgate rules to implement and administer this act that include all of the following:

(a) Procedures for issuing a state license pursuant to section 9 and for renewing, suspending, and revoking a state license.

(b) A schedule of fees in amounts not more than necessary to pay for implementation, administration, and enforcement costs of this act and that relate to the size of each licensee or the volume of business conducted by the licensee.

(c) Qualifications for licensure that are directly and demonstrably related to the operation of a marihuana establishment. However, a prior conviction solely for a marihuana-related offense must not disqualify an individual or otherwise affect eligibility for licensure, unless the offense involved distribution of a controlled substance to a minor.

(d) Requirements and standards for safe cultivation, processing, and distribution of marihuana by marihuana establishments, including health standards to ensure the safe preparation of marihuana-infused products and prohibitions on pesticides that are not safe for use on marihuana.

(e) Testing, packaging, and labeling standards, procedures, and requirements for marihuana, including, but not limited to, all of the following:

(i) A maximum THC level for marihuana-infused products.

(ii) A requirement that a representative sample of marihuana be tested by a marihuana safety compliance facility.

(iii) A requirement that the amount of marihuana or marihuana concentrate contained within a marihuana-infused product be specified on the product label.

(iv) A requirement that all marihuana sold through marihuana retailers and marihuana microbusinesses include on the exterior of the marihuana packaging the following warning printed in clearly legible type and surrounded by a continuous heavy line:

WARNING: USE BY PREGNANT OR BREASTFEEDING WOMEN, OR BY
WOMEN PLANNING TO BECOME PREGNANT, MAY RESULT IN FETAL
INJURY, PRETERM BIRTH, LOW BIRTH WEIGHT, OR DEVELOPMENTAL
PROBLEMS FOR THE CHILD.

(f) Security requirements, including lighting, physical security, and alarm requirements, and requirements for securely transporting marihuana between marihuana establishments. The requirements described in this subdivision must not prohibit cultivation of marihuana outdoors or in greenhouses.

(g) Record keeping requirements for marihuana establishments and monitoring requirements to track the transfer of marihuana by licensees.

(h) Requirements for the operation of marihuana secure transporters to ensure that all marihuana establishments are properly serviced.

(i) Reasonable restrictions on advertising, marketing, and display of marihuana and marihuana establishments.

(j) A plan to promote and encourage participation in the marihuana industry by people from communities that have been disproportionately impacted by marihuana prohibition and enforcement and to positively impact those communities.

(k) Penalties for failure to comply with a rule promulgated pursuant to this section or for a violation of this act by a licensee, including civil fines and suspension, revocation, or restriction of a state license.

(l) Informational pamphlet standards for marihuana retailers and marihuana microbusinesses, including, but not limited to, a requirement to make available to every customer at the time of sale a pamphlet measuring 3.5 inches by 5 inches that includes safety information related to marihuana use by minors and the poison control hotline number.

(m) Procedures and standards for approving an appointee to operate a marihuana establishment under section 9a.

(n) A limit on the total amount of THC that a product described in section 3(f)(v)(A) may contain.

(2) The cannabis regulatory agency may promulgate rules to do any of the following:

(a) Provide for the issuance of additional types or classes of state licenses to operate marihuana-related businesses, including licenses that authorize any of the following:

(i) Limited cultivation, processing, transportation, delivery, storage, sale, or purchase of marihuana.

(ii) Consumption of marihuana within designated areas.

(iii) Consumption of marihuana at special events in limited areas and for a limited time.

(iv) Cultivation for purposes of propagation.

(v) Facilitation of scientific research or education.

(b) Regulate the cultivation, processing, distribution, and sale of industrial hemp.

(c) Exclude from the definition of THC in section 3 a tetrahydrocannabinol if, after the cannabis regulatory agency makes findings with respect to each of the following factors, the cannabis regulatory agency determines that the tetrahydrocannabinol does not have a potential for abuse:

(i) The actual or relative potential for abuse of the tetrahydrocannabinol.

- (ii) The scientific evidence of the tetrahydrocannabinol's pharmacological effect, if known.
 - (iii) The state of current scientific knowledge regarding the tetrahydrocannabinol.
 - (iv) The history and current pattern of abuse of the tetrahydrocannabinol.
 - (v) The scope, duration, and significance of abuse of the tetrahydrocannabinol.
 - (vi) The tetrahydrocannabinol's risk to the public health.
 - (vii) The potential of the tetrahydrocannabinol to produce psychic or physiological dependence liability.
- (3) The cannabis regulatory agency shall not promulgate a rule that is unreasonably impracticable or that does any of the following:

- (a) Establishes a limit on the number of any type of state license that may be granted.
- (b) Requires a customer to provide a marihuana retailer with identifying information other than identification to determine the customer's age or requires the marihuana retailer to acquire or record personal information about customers other than information typically required in a retail transaction.
- (c) Prohibits a marihuana establishment from operating at a shared location of a marihuana facility operating pursuant to the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, or prohibits a marihuana grower, marihuana processor, or marihuana retailer from operating within a single facility.
- (4) A rule promulgated under this act must be promulgated pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018 ;-- Am. 2020, Act 31, Imd. Eff. Feb. 20, 2020 ;-- Am. 2020, Act 208, Imd. Eff. Oct. 15, 2020 ;-- Am. 2021, Act 56, Eff. Oct. 11, 2021 ;-- Am. 2023, Act 166, Imd. Eff. Oct. 19, 2023

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the transfer of powers and duties of the department of licensing and regulatory affairs to promulgate rules to regulate industrial hemp to the department of agriculture and rural development by type II transfer, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002. For the renaming of the marijuana regulatory agency to cannabis regulatory agency; establishment of the authority of the cannabis regulatory agency to promulgate rules to regulate the cultivation, processing, distribution, and sale of industrial hemp, and transfer of the authority of the cannabis regulatory agency to promulgate rules to regulate the cultivation of industrial hemp to the department of agriculture and rural development, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27959 License to operate a marihuana establishment; application; qualifications; issuance; disclosure.

Sec. 9.

1. Each application for a state license must be submitted to the department. Upon receipt of a complete application and application fee, the department shall forward a copy of the application to the municipality in which the marihuana establishment is to be located, determine whether the applicant and the premises qualify for the state license and comply with this act, and issue the appropriate state license or send the applicant a notice of rejection setting forth specific reasons why the department did not approve the state license application within 90 days.
2. The department shall issue the following state license types: marihuana retailer; marihuana safety compliance facility; marihuana secure transporter; marihuana processor; marihuana microbusiness; class A marihuana grower authorizing cultivation of not more than 100 marihuana plants; class B marihuana grower authorizing cultivation of not more than 500 marihuana plants; and class C marihuana grower authorizing cultivation of not more than 2,000 marihuana plants.
3. Except as otherwise provided in this section, the department shall approve a state license application and issue a state license if:
 - (a) the applicant has submitted an application in compliance with the rules promulgated by the department, is in compliance with this act and the rules, and has paid the required fee;
 - (b) the municipality in which the proposed marihuana establishment will be located does not notify the department that the proposed marihuana establishment is not in compliance with an ordinance consistent with section 6 of this act and in effect at the time of application;
 - (c) the property where the proposed marihuana establishment is to be located is not within an area zoned exclusively for residential use and is not within 1,000 feet of a pre-existing public or private school providing education in kindergarten or any of grades 1 through 12, unless a municipality adopts an ordinance that reduces this

distance requirement;

(d) no person who holds an ownership interest in the marihuana establishment applicant:

(1) will hold an ownership interest in both a marihuana safety compliance facility or in a marihuana secure transporter and in a marihuana grower, a marihuana processor, a marihuana retailer, or a marihuana microbusiness;

(2) will hold an ownership interest in both a marihuana microbusiness and in a marihuana grower, a marihuana processor, a marihuana retailer, a marihuana safety compliance facility, or a marihuana secure transporter; and

(3) will hold an ownership interest in more than 5 marihuana growers or in more than 1 marihuana microbusiness, except that the department may approve a license application from a person who holds an ownership interest in more than 5 marihuana growers or more than 1 marihuana microbusiness if, after January 1, 2023, the department promulgates a rule authorizing an individual to hold an ownership interest in more than 5 marihuana growers or in more than 1 marihuana microbusiness.

4. If a municipality limits the number of marihuana establishments that may be licensed in the municipality pursuant to section 6 of this act and that limit prevents the department from issuing a state license to all applicants who meet the requirements of subsection 3 of this section, the municipality shall decide among competing applications by a competitive process intended to select applicants who are best suited to operate in compliance with this act within the municipality.

5. All state licenses are effective for 1 year, unless the department issues the state license for a longer term. A state license is renewed upon receipt of a complete renewal application and a renewal fee from any marihuana establishment in good standing.

6. The department shall begin accepting applications for marihuana establishments within 12 months after the effective date of this act. Except as otherwise provided in this section, for 24 months after the department begins to receive applications for marihuana establishments, the department may only accept applications for licensure: for a class A marihuana grower or for a marihuana microbusiness, from persons who are residents of Michigan; for a marihuana retailer, marihuana processor, class B marihuana grower, class C marihuana grower, or a marihuana secure transporter, from persons holding a state operating license pursuant to the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801; and for a marihuana safety compliance facility, from any applicant. One year after the department begins to accept applications pursuant to this section, the department shall begin accepting applications from any applicant if the department determines that additional state licenses are necessary to minimize the illegal market for marihuana in this state, to efficiently meet the demand for marihuana, or to provide for reasonable access to marihuana in rural areas.

7. Information obtained from an applicant related to licensure under this act is exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018.

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27959a Operation of a marihuana establishment; approval; marijuana regulatory agency; notice of violation.

Sec. 9a.

(1) The marijuana regulatory agency may approve the operation of a marihuana establishment by any of the following:

(a) A court-appointed personal representative, guardian, or conservator of an individual who holds a state license or has an interest in a person that holds a state license.

(b) A court-appointed receiver or trustee.

(2) If an individual approved to operate a marihuana establishment under subsection (1) receives notice from the marijuana regulatory agency that the marihuana establishment the individual is operating is in violation of this act or the rules promulgated under this act, the individual shall notify the court that appointed the individual of the notice of violation within 2 days after receiving the notice of violation.

History: Add. 2020, Act 208, Imd. Eff. Oct. 15, 2020

Compiler's Notes: For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27960 Lawful activities by marihuana grower, processor, transporter, or retailer; limitations; contracts related to operation of marihuana establishments.

Sec. 10.

(1) Notwithstanding any other law or provision of this act, and except as otherwise provided in section 4 or the rules promulgated under this act, the following acts are not unlawful, are not an offense, are not grounds for seizing or forfeiting property, are not grounds for arrest, prosecution, or penalty in any manner, are not grounds for search or inspection except as authorized by this act, and are not grounds to deny any other right or privilege:

(a) For a marihuana grower or an agent acting on behalf of a marihuana grower who is 21 years of age or older, cultivating not more than the number of marihuana plants authorized by the state license class; possessing, packaging, storing, or testing marihuana; acquiring marihuana seeds or seedlings from a person who is 21 years of age or older; selling or otherwise transferring, purchasing or otherwise obtaining, or transporting marihuana to or from a marihuana establishment or a tribal marihuana business; or receiving compensation for goods or services.

(b) For a marihuana processor or an agent acting on behalf of a marihuana processor who is 21 years of age or older, possessing, processing, packaging, storing, or testing marihuana; selling or otherwise transferring, purchasing or otherwise obtaining, or transporting marihuana to or from a marihuana establishment or a tribal marihuana business; or receiving compensation for goods or services.

(c) For a marihuana secure transporter or an agent acting on behalf of a marihuana secure transporter who is 21 years of age or older, possessing or storing marihuana; transporting marihuana to or from a marihuana establishment or a tribal marihuana business; or receiving compensation for services.

(d) For a marihuana safety compliance facility or an agent acting on behalf of a marihuana safety compliance facility who is 21 years of age or older, testing, possessing, repackaging, or storing marihuana; transferring, obtaining, or transporting marihuana to or from a marihuana establishment or a tribal marihuana business; or receiving compensation for services.

(e) For a marihuana retailer or an agent acting on behalf of a marihuana retailer who is 21 years of age or older, possessing, storing, or testing marihuana; selling or otherwise transferring, purchasing or otherwise obtaining, or transporting marihuana to or from a marihuana establishment or a tribal marihuana business; selling or otherwise transferring marihuana to a person who is 21 years of age or older; or receiving compensation for goods or services.

(f) For a marihuana microbusiness or an agent acting on behalf of a marihuana microbusiness who is 21 years of age or older, cultivating not more than 150 marihuana plants; possessing, processing, packaging, storing, or testing marihuana from marihuana plants cultivated on the premises; selling or otherwise transferring marihuana cultivated or processed on the premises to a person who is 21 years of age or older; or receiving compensation for goods or services.

(g) For a tribal marihuana business or an agent acting on behalf of a tribal marihuana business who is 21 years of age or older, engaging in an activity the tribal marihuana business is authorized to engage in under an applicable agreement entered into under section 7(2)(b) that is in effect.

(h) Leasing or otherwise allowing the use of property owned, occupied, or managed for activities allowed under this act.

(i) Enrolling or employing a person who engages in marihuana-related activities allowed under this act.

(j) Possessing, cultivating, processing, obtaining, transferring, or transporting industrial hemp.

(k) Providing professional services to prospective or licensed marihuana establishments related to activity under this act.

(2) A person acting as an agent of a marihuana retailer who sells or otherwise transfers marihuana or marihuana accessories to a person who is younger than 21 years of age is not subject to arrest, prosecution, forfeiture of property, disciplinary action by a professional licensing board, denial of any right or privilege, or penalty in any manner, if the person reasonably verified that the recipient appeared to be 21 years of age or older by means of government-issued photographic identification containing a date of birth, and the person complied with any rules promulgated pursuant to this act.

(3) It is the public policy of this state that contracts related to the operation of marihuana establishments or tribal marihuana businesses be enforceable.

Document received by the MI Court of Claims.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018 ;-- Am. 2023, Act 166, Imd. Eff. Oct. 19, 2023

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27961 Marihuana establishments; requirements; limitations.

Sec. 11.

(a) A marihuana establishment may not allow cultivation, processing, sale, or display of marihuana or marihuana accessories to be visible from a public place outside of the marihuana establishment without the use of binoculars, aircraft, or other optical aids.

(b) A marihuana establishment may not cultivate, process, test, or store marihuana at any location other than a physical address approved by the department and within an enclosed area that is secured in a manner that prevents access by persons not permitted by the marihuana establishment to access the area.

(c) A marihuana establishment shall secure every entrance to the establishment so that access to areas containing marihuana is restricted to employees and other persons permitted by the marihuana establishment to access the area and to agents of the department or state and local law enforcement officers and emergency personnel and shall secure its inventory and equipment during and after operating hours to deter and prevent theft of marihuana and marihuana accessories.

(d) No marihuana establishment may refuse representatives of the department the right during the hours of operation to inspect the licensed premises or to audit the books and records of the marihuana establishment.

(e) No marihuana establishment may allow a person under 21 years of age to volunteer or work for the marihuana establishment.

(f) No marihuana establishment may sell or otherwise transfer marihuana that was not produced, distributed, and taxed in compliance with this act.

(g) A marihuana grower, marihuana retailer, marihuana processor, marihuana microbusiness, or marihuana testing facility or agents acting on their behalf may not transport more than 15 ounces of marihuana or more than 60 grams of marihuana concentrate at one time.

(h) A marihuana secure transporter may not hold title to marihuana.

(i) No marihuana processor may process and no marihuana retailer may sell edible marihuana-infused candy in shapes or packages that are attractive to children or that are easily confused with commercially sold candy that does not contain marihuana.

(j) No marihuana retailer may sell or otherwise transfer marihuana that is not contained in an opaque, resealable, child-resistant package designed to be significantly difficult for children under 5 years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R. 1700.20 (1995), unless the marihuana is transferred for consumption on the premises where sold.

(k) No marihuana establishment may sell or otherwise transfer tobacco.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27961a Direct sale or transfer of marihuana to minor or intoxicated individual; prohibition; right of action; indemnification; defenses; rebuttable presumption; damages; insurance coverage required; civil action; definitions.

Sec. 11a.

(1) A licensee authorized to sell or otherwise transfer marihuana under this act or a rule promulgated under this act shall not directly, or by a clerk, agent, or servant, sell or otherwise transfer marihuana to a minor or to an individual who, at the time of the sale or transfer, is visibly intoxicated.

(2) Except as otherwise provided in this section, an individual who suffers damage or is personally injured by a minor or visibly intoxicated person as a result of a violation of subsection (1), if the violation is a proximate cause of the damage or personal injury or death, shall have a right of action in his or her name against the licensee that sold or transferred the marihuana.

(3) An action under this section must be instituted within 2 years after the injury or death. A person shall give written notice to all defendants within 120 days after entering an attorney-client relationship for the purposes of pursuing a claim for damages under this section. Failure to give written notice to the licensee within that time period is grounds for dismissal of the claim unless the licensee could not be identified within that time period with reasonable diligence. If the licensee is identified after that time period, failure to give written notice within 120 days thereafter is grounds for dismissal. In the event of the death of either party, the right of action under this section survives to or against his or her personal representative.

(4) An action under this section shall not be commenced unless the minor or alleged visibly intoxicated individual is a named defendant and is retained in the action until the litigation is concluded by final action or the licensee is dismissed with prejudice.

(5) A licensee described in subsection (2) has the right to full indemnification from the minor or alleged visibly intoxicated individual for all damages awarded against the licensee.

(6) All defenses of the minor or alleged visibly intoxicated individual are available to the licensee. In an action alleging a violation of subsection (1) involving a minor, proof that the licensee demanded and was shown a government-issued photographic identification appearing to be genuine and showing the minor to be 21 years of age or older, is a complete defense to the action.

(7) It is presumed that a licensee, other than the licensee that last sold or transferred marihuana to a minor or visibly intoxicated person, is not a proximate cause of an injury that gave rise to a cause of action under subsection (2). This presumption may be overcome by clear and convincing evidence.

(8) A minor or alleged visibly intoxicated individual does not have a cause of action under this section. A person does not have a cause of action against a licensee for any loss or damage sustained resulting from the injury or death of the minor or visibly intoxicated person.

(9) An individual who suffers damage or who is personally injured by a minor or visibly intoxicated person as a result of a violation of subsection (1) has the right to recover actual damages in a sum of not less than \$50.00 in each case in which the court or jury determines that intoxication was a proximate cause of the damage, injury, or death.

(10) A licensee authorized to sell or otherwise transfer marihuana under this act or a rule promulgated under this act must maintain insurance coverage provided by a licensed and admitted insurance company in Michigan in a minimum amount of \$50,000.00 for actions brought under subsection (2).

(11) This section provides the exclusive remedy for money damages against a licensee and the licensee's clerks, agents, and employees arising out of a violation of subsection (1). This subsection does not apply to a remedy available under law to lawful users of marihuana for liability resulting from the manufacture, distribution, transportation, or sale of adulterated marihuana.

(12) Except as otherwise provided in this section, a civil action against a licensee is subject to the revised judicature act of 1961, 1961 PA 236, MCL 600.101 to 600.9947.

(13) As used in this section:

(a) "Adulterated marihuana" means a product sold as marihuana that contains any unintended substance or chemical or biological matter other than marihuana that causes adverse reaction after ingestion or consumption.

(b) "Minor" means an individual who is younger than 21 years of age.

(c) "Visibly intoxicated" means displaying obvious, objective, and visible evidence of intoxication that would be apparent to an ordinary observer.

(d) "Written notice" means a communication in writing that does all of the following:

(i) Identifies the minor or alleged visibly intoxicated person by name and address.

(ii) States all of the following:

(A) The date of the alleged violation of subsection (1).

(B) The name and address of the injured or killed individual.

(C) The location and circumstances of the accident or event that caused injury or death.

(D) The date of retention of the person or law firm giving the notice.

History: Add. 2021, Act 55, Eff. Oct. 11, 2021

Compiler's Notes: For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27962 Deduction of certain expenses from income.

Sec. 12.

In computing net income for marihuana establishments, deductions from state taxes are allowed for all the ordinary and necessary expenses paid or incurred during the taxable year in carrying out a trade or business.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27963 Imposition of excise tax; administration by department of treasury; exemptions.

Sec. 13.

(1) Except as otherwise provided in subsection (4), in addition to all other taxes, an excise tax is imposed on each marihuana establishment and on each person who sells marihuana at the rate of 10% of the sales price for marihuana sold or otherwise transferred to a person other than a marihuana establishment or tribal marihuana business.

(2) Except as otherwise provided by a rule promulgated by the department of treasury, a product subject to the tax imposed under this section may not be bundled in a single transaction with a product or service that is not subject to the tax imposed by this section.

(3) The department of treasury shall administer the taxes imposed under this act pursuant to 1941 PA 122, MCL 205.1 to 205.31. The department of treasury may promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to MCL 24.328, that prescribe a method and manner for payment and collection of the taxes imposed under this act.

(4) The tax imposed under subsection (1) does not apply to any of the following:

(a) Marihuana sold or otherwise transferred from a tribal marihuana business.

(b) Marihuana sold or otherwise transferred under the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.

(c) Marihuana sold or otherwise transferred under the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018 ;-- Am. 2023, Act 166, Imd. Eff. Oct. 19, 2023

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27964 Marihuana regulation fund; creation; administration; allocation of expenditures.

Sec. 14.

(1) The marihuana regulation fund is created in the state treasury. The department of treasury shall deposit into the fund all money collected under section 13 and all money collected by the department of treasury in accordance with an agreement described in section 3(y)(ii), and the cannabis regulatory agency shall deposit into the fund all fees collected under this act. The state treasurer shall direct the investment of the fund and shall credit to the fund interest and earnings from fund investments. The cannabis regulatory agency shall administer the fund for auditing purposes. Money in the fund at the close of the fiscal year must remain in the fund and must not lapse to the general fund.

(2) Funds for the initial activities of the cannabis regulatory agency to implement this act shall be appropriated from the general fund. The cannabis regulatory agency shall repay any amount appropriated under this subsection from proceeds in the fund.

(3) The cannabis regulatory agency shall expend money in the fund as follows:

(a) For the implementation, administration, and enforcement of this act.

(b) Until 2022 or for at least 2 years, whichever is later, for 1 or more development and research projects, including clinical trials, that are approved by the United States Food and Drug Administration and sponsored by a nonprofit organization or researcher within an academic institution researching the efficacy of marihuana in treating the medical conditions and preventing the suicide of United States Armed Services veterans. The cannabis regulatory agency shall expend \$20,000,000.00 per year under this subdivision.

(4) Upon appropriation, the unexpended balances in the fund must be allocated as follows:

(a) Subject to subsection (5), 15% to municipalities in which a marihuana retailer or marihuana microbusiness is located, allocated in proportion to the number of marihuana retailers and marihuana microbusinesses within each municipality.

(b) Subject to subsection (5), 15% to counties in which a marihuana retailer or marihuana microbusiness is located, allocated in proportion to the number of marihuana retailers and marihuana microbusinesses within each county.

(c) 35% to the school aid fund to be used for K-12 education.

(d) 35% to the Michigan transportation fund to be used for the repair and maintenance of roads and bridges.

(5) If a marihuana retailer or marihuana microbusiness is located in Indian lands, the portions of the unexpended balances attributable to the marihuana retailer or marihuana microbusiness that would have otherwise been allocated to a municipality under subsection (4)(a) and a county under subsection (4)(b) must instead be allocated to the Indian tribe in whose Indian lands the marihuana retailer or marihuana microbusiness is located.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018 ;-- Am. 2023, Act 165, Imd. Eff. Oct. 19, 2023

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27965 Violations; penalties.

Sec. 15.

A person who commits any of the following acts, and is not otherwise authorized by this act to conduct such activities, may be punished only as provided in this section and is not subject to any other form of punishment or disqualification, unless the person consents to another disposition authorized by law:

1. Except for a person who engaged in conduct described in sections 4(1)(a), 4(1)(b), 4(1)(c), 4(1)(d), 4(1)(g), or 4(1)(h), a person who possesses not more than the amount of marihuana allowed by section 5, cultivates not more than the amount of marihuana allowed by section 5, delivers without receiving any remuneration to a person who is at least 21 years of age not more than the amount of marihuana allowed by section 5, or possesses with intent to deliver not more than the amount of marihuana allowed by section 5, is responsible for a civil infraction and may be punished by a fine of not more than \$100 and forfeiture of the marihuana.

2. Except for a person who engaged in conduct described in section 4, a person who possesses not more than twice the amount of marihuana allowed by section 5, cultivates not more than twice the amount of marihuana allowed by section 5, delivers without receiving any remuneration to a person who is at least 21 years of age not more than twice the amount of marihuana allowed by section 5, or possesses with intent to deliver not more than twice the amount of marihuana allowed by section 5:

(a) for a first violation, is responsible for a civil infraction and may be punished by a fine of not more than \$500 and forfeiture of the marihuana;

(b) for a second violation, is responsible for a civil infraction and may be punished by a fine of not more than \$1,000 and forfeiture of the marihuana;

(c) for a third or subsequent violation, is guilty of a misdemeanor and may be punished by a fine of not more than \$2,000 and forfeiture of the marihuana.

3. Except for a person who engaged in conduct described by section 4(1)(a), 4(1)(d), or 4(1)(g), a person under 21 years of age who possesses not more than 2.5 ounces of marihuana or who cultivates not more than 12 marihuana plants:

(a) for a first violation, is responsible for a civil infraction and may be punished as follows:

(1) if the person is less than 18 years of age, by a fine of not more than \$100 or community service, forfeiture of the marihuana, and completion of 4 hours of drug education or counseling; or

(2) if the person is at least 18 years of age, by a fine of not more than \$100 and forfeiture of the marihuana.

(b) for a second violation, is responsible for a civil infraction and may be punished as follows:

(1) if the person is less than 18 years of age, by a fine of not more than \$500 or community service, forfeiture of the marihuana, and completion of 8 hours of drug education or counseling; or

(2) if the person is at least 18 years of age, by a fine of not more than \$500 and forfeiture of the marihuana.

4. Except for a person who engaged in conduct described in section 4, a person who possesses more than twice the amount of marihuana allowed by section 5, cultivates more than twice the amount of marihuana allowed by section 5, or delivers without receiving any remuneration to a person who is at least 21 years of age more than twice the amount of marihuana allowed by section 5, shall be responsible for a misdemeanor, but shall not be subject to imprisonment unless the violation was habitual, willful, and for a commercial purpose or the violation involved violence.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27966 Failure to act by department; application to municipality.

Sec. 16.

1. If the department does not timely promulgate rules as required by section 8 of this act or accept or process applications in accordance with section 9 of this act, beginning one year after the effective date of this act, an applicant may submit an application for a marihuana establishment directly to the municipality where the marihuana establishment will be located.

2. If a marihuana establishment submits an application to a municipality under this section, the municipality shall issue a municipal license to the applicant within 90 days after receipt of the application unless the municipality finds and notifies the applicant that the applicant is not in compliance with an ordinance or rule adopted pursuant to this act.

3. If a municipality issues a municipal license pursuant to this section:

(a) the municipality shall notify the department that the municipal license has been issued;

(b) the municipal license has the same force and effect as a state license; and

(c) the holder of the municipal license is not subject to regulation or enforcement by the department during the municipal license term.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was

certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

333.27967 Construction of act; effect of federal law; severability.

Sec. 17.

This act shall be broadly construed to accomplish its intent as stated in section 2 of this act. Nothing in this act purports to supersede any applicable federal law, except where allowed by federal law. All provisions of this act are self-executing. Any section of this act that is found invalid as to any person or circumstances shall not affect the application of any other section of this act that can be given full effect without the invalid section or application.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018

Compiler's Notes: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against. For the transfer of powers and duties of the department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the bureau of marijuana regulation, see E.R.O. No. 2019-2, compiled at MCL 333.27001. For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.

Exhibit C

STATE CONSTITUTION (EXCERPT)
CONSTITUTION OF MICHIGAN OF 1963

§ 9 Initiative and referendum; limitations; appropriations; petitions.

Sec. 9.

The people reserve to themselves the power to propose laws and to enact and reject laws, called the initiative, and the power to approve or reject laws enacted by the legislature, called the referendum. The power of initiative extends only to laws which the legislature may enact under this constitution. The power of referendum does not extend to acts making appropriations for state institutions or to meet deficiencies in state funds and must be invoked in the manner prescribed by law within 90 days following the final adjournment of the legislative session at which the law was enacted. To invoke the initiative or referendum, petitions signed by a number of registered electors, not less than eight percent for initiative and five percent for referendum of the total vote cast for all candidates for governor at the last preceding general election at which a governor was elected shall be required.

No law as to which the power of referendum properly has been invoked shall be effective thereafter unless approved by a majority of the electors voting thereon at the next general election.

Any law proposed by initiative petition shall be either enacted or rejected by the legislature without change or amendment within 40 session days from the time such petition is received by the legislature. If any law proposed by such petition shall be enacted by the legislature it shall be subject to referendum, as hereinafter provided.

If the law so proposed is not enacted by the legislature within the 40 days, the state officer authorized by law shall submit such proposed law to the people for approval or rejection at the next general election. The legislature may reject any measure so proposed by initiative petition and propose a different measure upon the same subject by a ye and nay vote upon separate roll calls, and in such event both measures shall be submitted by such state officer to the electors for approval or rejection at the next general election.

Any law submitted to the people by either initiative or referendum petition and approved by a majority of the votes cast thereon at any election shall take effect 10 days after the date of the official declaration of the vote. No law initiated or adopted by the people shall be subject to the veto power of the governor, and no law adopted by the people at the polls under the initiative provisions of this section shall be amended or repealed, except by a vote of the electors unless otherwise provided in the initiative measure or by three-fourths of the members elected to and serving in each house of the legislature. Laws approved by the people under the referendum provision of this section may be amended by the legislature at any subsequent session thereof. If two or more measures approved by the electors at the same election conflict, that receiving the highest affirmative vote shall prevail.

The legislature shall implement the provisions of this section.

History: Const. 1963, Art. II, § 9, Eff. Jan. 1, 1964

Constitutionality: A law proposed by initiative petition which is enacted by the Legislature without change or amendment within forty days of its reception takes effect ninety days after the end of the session in which it was enacted unless two-thirds of the members of each house of the Legislature vote to give it immediate effect. *Frey v Department of Management and Budget*, 429 Mich 315; 414 NW2d 873 (1987).

Former Constitution: See Const. 1908, Art. V, § 1.

Document received by the MI Court of Claims.

Exhibit D

No. 87

STATE OF MICHIGAN

JOURNAL

OF THE

House of Representatives

103rd Legislature

REGULAR SESSION OF 2025

House Chamber, Lansing, Thursday, September 25, 2025.

10:00 a.m.

The House was called to order by the Speaker Pro Tempore.

The roll was called by the Clerk of the House of Representatives, who announced that a quorum was present.

Alexander—present	Foreman—present	McFall—present	Schuette—present
Andrews—present	Fox—present	McKinney—present	Scott—excused
Aragona—present	Frisbie—present	Meerman—present	Skaggs—present
Arbit—present	Glanville—present	Mentzer—present	Slagh—present
BeGole—present	Grant—excused	Miller—present	Smit—present
Beson—present	Green, P.—present	Morgan—present	Snyder—present
Bierlein—present	Greene, J.—present	Mueller—present	St. Germaine—present
Bohnak—present	Hall—present	Myers-Phillips—excused	Steckloff—present
Bollin—present	Harris—present	Neeley—excused	Steele—present
Borton—present	Herzberg—present	Neyer—present	Tate—excused
Breen—present	Hoadley—present	O’Neal—excused	Thompson—present
Brixie—present	Hope—present	Outman—present	Tisdell—present
Bruck—present	Hoskins—present	Paiz—present	Ternoglou—present
Byrnes—present	Jenkins-Arno—present	Paquette—present	VanderWall—present
Carra—present	Johnsen—present	Pavlov—present	VanWoerkom—present
Carter, B.—excused	Kelly—present	Pohutsky—present	Wegela—present
Carter, T.—excused	Koleszar—present	Posthumus—present	Weiss—present
Cavitt—present	Kuhn—present	Prestin—present	Wendzel—present
Coffia—present	Kunse—present	Price—present	Whitsett—excused
Conlin—present	Liberati—present	Puri—present	Wilson—excused
DeBoer—present	Lightner—present	Rheingans—present	Witwer—present
DeBoyer—present	Linting—present	Rigas—present	Wooden—present
DeSana—present	Longjohn—present	Robinson—present	Woolford—present
Dievendorf—present	MacDonell—present	Rogers—present	Wortz—present
Edwards—excused	Maddock—present	Roth—present	Wozniak—present
Fairbairn—present	Markkanen—present	Schmaltz—present	Xiong—present
Farhat—present	Martin—present	Schrivver—present	Young—present
Fitzgerald—present	Martus—present		

e/d/s = entered during session

Rep. Bryan Posthumus, from the 90th District, offered the following invocation:

“Heavenly father,

We humbly come before You in adoration. We thank You for Your grace, and we thank You for Your justice. Thank You for all You provide and all You do for us.

Father we ask You to guide and direct the leaders of our state and of our country. Please be with President Trump, and governor Whitmer.

Most importantly, please help instill in us a spirit of ‘Thy will be done’ as we live our lives.
Amen.”

Rep. Posthumus moved that Reps. Brenda Carter, Tyrone Carter, Edwards, Grant, Myers-Phillips, Neeley, O’Neal, Scott, Tate, Whitsett and Wilson be excused from today’s session.

The motion prevailed.

Motions and Resolutions

Rep. Posthumus moved that House Committees be given leave to meet during the balance of today’s session.

The motion prevailed.

Announcement by the Clerk of Printing and Enrollment

The Clerk announced that the following bills had been reproduced and made available electronically on Wednesday, September 24:

House Bill Nos. 5032 5033 5034 5035 5036 5037 5038 5039 5040 5041 5042 5043 5044
5045 5046 5047 5048 5049 5050 5051 5052 5053 5054 5055

The Clerk announced that the following bill had been reproduced and made available electronically on Thursday, September 25:

Senate Bill No. 582

Reports of Standing Committees

The Committee on Rules, by Rep. Schuette, Chair, reported

House Bill No. 4422, entitled

A bill to amend 1998 PA 58, entitled “Michigan liquor control code of 1998,” by amending section 205 (MCL 436.1205), as amended by 2022 PA 142.

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Schuette, Aragona, Wendzel, Martin, Posthumus, DeBoer, Witwer, Liberati and Herzberg

Nays: None

The Committee on Rules, by Rep. Schuette, Chair, reported

House Bill No. 4484, entitled

A bill to amend 1939 PA 280, entitled “The social welfare act,” (MCL 400.1 to 400.119b) by adding section 109z.

Without amendment and with the recommendation that the bill then pass.

The bill was referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Schuette, Aragona, Wendzel, Martin, Posthumus, DeBoer, Witwer, Liberati and Herzberg

Nays: None

The Committee on Rules, by Rep. Schuette, Chair, reported

House Bill No. 4591, entitled

A bill to amend 1978 PA 368, entitled “Public health code,” by amending section 18101 (MCL 333.18101), as amended by 2019 PA 96, and by adding sections 16190a and 18105a.

Without amendment and with the recommendation that the bill then pass.

The bill was referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Schuette, Aragona, Wendzel, Martin, Posthumus, DeBoer, Witwer, Liberati and Herzberg

Nays: None

The Committee on Rules, by Rep. Schuette, Chair, reported

House Bill No. 4642, entitled

A bill to amend 1976 PA 388, entitled “Michigan campaign finance act,” by amending section 15 (MCL 169.215), as amended by 2015 PA 269.

Without amendment and with the recommendation that the bill then pass.

The bill was referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Schuette, Aragona, Wendzel, Martin, Posthumus, DeBoer, Witwer, Liberati and Herzberg

Nays: None

The Committee on Rules, by Rep. Schuette, Chair, reported

House Bill No. 4823, entitled

A bill to amend 1998 PA 58, entitled “Michigan liquor control code of 1998,” by amending sections 105, 303, 526, 607, 609b, and 1025 (MCL 436.1105, 436.1303, 436.1526, 436.1607, 436.1609b, and 436.2025), section 105 as amended by 2022 PA 226, section 303 as amended by 2018 PA 154, section 526 as amended by 2020 PA 111, section 607 as amended by 2018 PA 417, section 609b as added by 2016 PA 81, and section 1025 as amended by 2019 PA 131, and by adding section 412.

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Schuette, Aragona, Wendzel, Martin, Posthumus, DeBoer, Witwer, Liberati and Herzberg

Nays: None

The Committee on Rules, by Rep. Schuette, Chair, reported

House Bill No. 4824, entitled

A bill to amend 1998 PA 58, entitled “Michigan liquor control code of 1998,” by amending section 105 (MCL 436.1105), as amended by 2022 PA 226, and by adding section 604.

With the recommendation that the substitute (H-3) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Schuette, Aragona, Wendzel, Martin, Posthumus, DeBoer, Witwer, Liberati and Herzberg

Nays: None

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Schuette, Chair, of the Committee on Rules, was received and read:

Meeting held on: Thursday, September 25, 2025

Present: Reps. Schuette, Aragona, Wendzel, Martin, Posthumus, DeBoer, Witwer, Liberati and Herzberg

By unanimous consent the House returned to the order of

Motions and Resolutions

Reps. Glanville, Breen, Fitzgerald, Fox, Kelly, Mentzer, Miller, Paiz, Pohutsky and Witwer offered the following resolution:

House Resolution No. 178.

A resolution to declare September 20–27, 2025, as Michigan Trails Week in the state of Michigan.

Whereas, Michigan is home to one of the nation's most extensive and diverse trail systems, encompassing more than 13,000 miles of state-designated trails for hiking, biking, horseback riding, snowmobiling, off-road vehicles, and water routes; and

Whereas, Trails contribute significantly to Michigan's economy by promoting tourism, supporting local businesses, and encouraging outdoor recreation that attracts millions of residents and visitors each year; and

Whereas, Michigan's trail system enhances the health and well-being of our residents by providing safe, accessible opportunities for exercise, nature appreciation, and stress reduction, while also fostering family-friendly and intergenerational outdoor activities; and

Whereas, Trails play a vital role in environmental conservation by connecting communities to forests, lakes, rivers, and natural resources while promoting stewardship and awareness of Michigan's rich natural heritage; and

Whereas, Michigan Trails Week is a time to celebrate the progress made in expanding and maintaining our trail network, to recognize the efforts of volunteers, nonprofit organizations, and governmental agencies, and to encourage greater public participation in outdoor recreation; and

Whereas, During Michigan Trails Week, residents and visitors are encouraged to explore, enjoy, and help maintain the state's trail system, whether through recreational use, volunteer service, or advocacy for continued investment in these community assets; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body declare September 20–27, 2025, as Michigan Trails Week in the state of Michigan; and be it further

Resolved, That copies of this resolution be transmitted to the Michigan Department of Natural Resources and the Michigan Trails and Greenways Alliance.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Paiz, McKinney, Jaime Greene, MacDonell, Rheingans, Byrnes, Mentzer, Tsernoglou, Myers-Phillips, Morgan, Price, Pohutsky, Dievendorf, Miller, Xiong, Wegela, Rogers, Puri, Farhat, McFall, Hope, Slagh, Breen, Fitzgerald, Fox, Kelly and Witwer offered the following resolution:

House Resolution No. 179.

A resolution to declare September 15-October 15, 2025, as Hispanic Heritage Month in the state of Michigan.

Whereas, Each year from September 15 to October 15, Hispanic and Latino Americans in North America and the United States of America celebrate the anniversary of independence for Chile, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, and Nicaragua; and

Whereas, This observation began in 1968 as Hispanic Heritage Week, which was approved by President Lyndon Johnson, and, in 1988, Hispanic Heritage Week was later expanded by President Ronald Reagan to encompass a 30-day period from the dates September 15 through October 15, and Hispanic Heritage Month was enacted into law on August 17, 1988, as Public Law 100-402; and

Whereas, Each year from September 15 to October 15, Americans observe National Hispanic Heritage Month by celebrating the histories, cultures, and contributions of American citizens whose ancestors came from Spain, Mexico, the Caribbean, and Central and South America; and

Whereas, The citizens of the United States annually recognize National Hispanic Heritage Month and celebrate the histories, cultures, and contributions of our citizens whose ancestors are from throughout Latin America and Spain; and

Whereas, Hispanic Heritage Month is the period of time in the United States when people recognize the contributions of Hispanic and Latino Americans to the United States and celebrate their varied heritage, background, and culture; and

Whereas, During this month, Michigan’s Hispanic-American community celebrates through a series of special events featuring Hispanic history, food, dance, and art; and

Whereas, Hispanic Americans have consistently helped make our country strong and prosperous and embody the best of our American values, including commitment to faith, family, and country; and

Whereas, Hispanic Americans have made many important advances in areas of law, religion, agriculture, art, music, education, technology, architecture, cuisine, theater, and exploration; and

Whereas, Michigan is fortunate to count among its population a large number of residents of Spanish and Latin American descent, who grow businesses, offer innovative ideas, strengthen our economy, create jobs, and positively contribute to our daily lives; now, therefore, be it

Resolved by the House of Representatives, That members of this legislative body declare September 15-October 15, 2025, as Hispanic Heritage Month in the state of Michigan.

The question being on the adoption of the resolution,
The resolution was adopted.

Announcement by the Clerk of Printing and Enrollment

The Clerk announced that the following Senate bills had been received on Thursday, September 25:

Senate Bill Nos.	109	273	382	383	418	419	420	421	540	541	542	574	575
	576	577	578	579									

Messages from the Senate

House Bill No. 4524, entitled

A bill to amend 1945 PA 200, entitled “An act to define a marketable record title to an interest in land; to require the filing of notices of claim of interest in such land in certain cases within a definite period of time and to require the recording thereof; to make invalid and of no force or effect all claims with respect to the land affected thereby where no such notices of claim of interest are filed within the required period; to provide for certain penalties for filing slanderous notices of claim of interest, and to provide certain exceptions to the applicability and operation thereof;” by amending the title and sections 1, 1a, 2, 3, 4, 5, 6, and 8 (MCL 565.101, 565.101a, 565.102, 565.103, 565.104, 565.105, 565.106, and 565.108), sections 1 and 3 as amended by 2024 PA 20, section 1a as added and section 6 as amended by 1997 PA 154, sections 2 and 5 as amended by 2018 PA 572, and section 4 as amended by 2022 PA 235, and by adding section 5a.

The Senate has passed the bill and ordered that it be given immediate effect.
The bill was referred to the Clerk for enrollment printing and presentation to the Governor.

Third Reading of Bills

House Bill No. 4042, entitled

A bill to amend 2000 PA 92, entitled “Food law,” by amending section 1107 (MCL 289.1107), as amended by 2016 PA 188.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays as follows:

oved by the MI Court of Claims.

Roll Call No. 226

Yeas—99

Alexander	Foreman	Martin	Schriver
Andrews	Fox	Martus	Schuette
Aragona	Frisbie	McFall	Skaggs
Arbit	Glanville	McKinney	Slagh
BeGole	Green, P.	Meerman	Smit
Beson	Greene, J.	Mentzer	Snyder
Bierlein	Hall	Miller	St. Germaine
Bohnak	Harris	Morgan	Steckloff
Bollin	Herzberg	Mueller	Steele
Borton	Hoadley	Neyer	Thompson
Breen	Hope	Outman	Tisdell
Brixie	Hoskins	Paiz	Tsernoglou
Bruck	Jenkins-Arno	Paquette	VanderWall
Byrnes	Johnsen	Pavlov	VanWoerkom
Carra	Kelly	Pohutsky	Wegela
Cavitt	Koleszar	Posthumus	Weiss
Coffia	Kuhn	Prestin	Wendzel
Conlin	Kunse	Price	Witwer
DeBoer	Liberati	Puri	Wooden
DeBoyer	Lightner	Rheingans	Woolford
DeSana	Linting	Rigas	Wortz
Dievendorf	Longjohn	Robinson	Wozniak
Fairbairn	MacDonell	Rogers	Xiong
Farhat	Maddock	Roth	Young
Fitzgerald	Markkanen	Schmaltz	

Nays—0

In The Chair: Smit

The House agreed to the title of the bill.
Rep. Posthumus moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

House Bill No. 4736, entitled

A bill to amend 1954 PA 116, entitled “Michigan election law,” by amending sections 194, 195, and 198 (MCL 168.194, 168.195, and 168.198), sections 195 and 198 as amended by 2012 PA 276.
Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays as follows:

Roll Call No. 227

Yeas—78

Alexander	Frisbie	Martin	Schriver
Aragona	Glanville	Martus	Schuette
Arbit	Green, P.	Meerman	Skaggs
BeGole	Greene, J.	Mentzer	Slagh
Beson	Hall	Miller	Smit
Bierlein	Harris	Mueller	St. Germaine
Bohnak	Hoadley	Neyer	Steckloff
Bollin	Hoskins	Outman	Steele

Borton	Jenkins-Arno	Paquette	Thompson
Breen	Johnsen	Pavlov	Tisdell
Bruck	Kelly	Posthumus	VanderWall
Carra	Koleszar	Prestin	VanWoerkom
Cavitt	Kuhn	Price	Wendzel
Coffia	Kunse	Rheingans	Witwer
DeBoer	Lightner	Rigas	Wooden
DeBoyer	Linting	Robinson	Woolford
DeSana	Longjohn	Rogers	Wortz
Fairbairn	MacDonell	Roth	Wozniak
Fitzgerald	Maddock	Schmaltz	Xiong
Fox	Markkanen		

Nays—21

Andrews	Foreman	McKinney	Snyder
Brixie	Herzberg	Morgan	Tsernoglou
Byrnes	Hope	Paiz	Wegela
Conlin	Liberati	Pohutsky	Weiss
Dievendorf	McFall	Puri	Young
Farhat			

In The Chair: Smit

The question being on agreeing to the title of the bill,
Rep. Posthumus moved to amend the title to read as follows:
A bill to amend 1954 PA 116, entitled “Michigan election law” by amending sections 194, 195, and 198 (MCL 168.194, 168.195, and 168.198), sections 195 and 198 as amended by 2012 PA 276, and by adding section 5.
The motion prevailed.
The House agreed to the title as amended.
Rep. Posthumus moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Young, having reserved the right to explain her protest against the passage of the bill, made the following statement:
“Mr. Speaker and members of the House:
Well intended but there is language in the bill that did not apply to Wayne County, thus causing a conflict. Hoping amendments are made in the Senate to correct conflicts.”

House Bill No. 4107, entitled
A bill to amend 1976 PA 451, entitled “The revised school code,” by amending section 1170a (MCL 380.1170a), as added by 2016 PA 388.
Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays as follows:

Roll Call No. 228

Yeas—96

Alexander	Foreman	Martin	Schmaltz
Andrews	Fox	Martus	Schrivier

Aragona	Frisbie	McFall	Schuette
Arbit	Glanville	McKinney	Skaggs
BeGole	Green, P.	Meerman	Slagh
Beson	Hall	Mentzer	Smit
Bierlein	Harris	Miller	Snyder
Bohnak	Herzberg	Morgan	St. Germaine
Bollin	Hoadley	Mueller	Steckloff
Borton	Hope	Neyer	Thompson
Breen	Hoskins	Outman	Tisdell
Brixie	Jenkins-Arno	Paiz	Tsernoglou
Bruck	Johnsen	Paquette	VanderWall
Byrnes	Kelly	Pavlov	VanWoerkom
Cavitt	Koleszar	Pohutsky	Wegela
Coffia	Kuhn	Posthumus	Weiss
Conlin	Kunse	Prestin	Wendzel
DeBoer	Liberati	Price	Witwer
DeBoyer	Lightner	Puri	Wooden
DeSana	Linting	Rheingans	Woolford
Dievendorf	Longjohn	Rigas	Wortz
Fairbairn	MacDonell	Robinson	Wozniak
Farhat	Maddock	Rogers	Xiong
Fitzgerald	Markkanen	Roth	Young

Nays—3

Carra	Greene, J.	Steele
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In The Chair: Smit

The House agreed to the title of the bill.
Rep. Posthumus moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

By unanimous consent the House returned to the order of
Motions and Resolutions

Rep. Posthumus moved that Rule 41 be suspended.
The motion prevailed, 3/5 of the members present voting therefor.

Rep. Posthumus moved that the Committee on Finance be discharged from further consideration of
House Bill No. 4961.
The motion prevailed, a majority of the members serving voting therefor.
The bill was placed on the order of Second Reading of Bills.

Rep. Posthumus moved that Rule 41 be suspended.
The motion prevailed, 3/5 of the members present voting therefor.

Rep. Posthumus moved that the Committee on Appropriations be discharged from further consideration of
House Bill No. 4951.
The motion prevailed, a majority of the members serving voting therefor.
The bill was placed on the order of Second Reading of Bills.

Rep. Posthumus moved that Rule 41 be suspended.
The motion prevailed, 3/5 of the members present voting therefor.

Rep. Posthumus moved that the Committee on Appropriations be discharged from further consideration of
House Bill No. 4968.

The motion prevailed, a majority of the members serving voting therefor.
The bill was placed on the order of Second Reading of Bills.

Second Reading of Bills

House Bill No. 4961, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending sections 12, 30, 607, and 805 (MCL 206.12, 206.30, 206.607, and 206.805), sections 12, 607, and 805 as amended by 2024 PA 177 and section 30 as amended by 2023 PA 4.

The bill was read a second time.

Rep. Bollin moved to substitute (H-1) the bill.
The motion prevailed and the substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Bollin moved that the bill be placed on the order of Third Reading of Bills.
The motion prevailed.

House Bill No. 4951, entitled

A bill to provide for the imposition and collection of taxes; to provide for the establishment of procedures for the collection, administration, and enforcement of taxes; to provide for the disposition of the tax; to create the comprehensive road funding fund; to prescribe the powers and duties of certain state and local government officers and entities; and to prescribe penalties.

The bill was read a second time.

Rep. Steckloff moved to substitute (H-1) the bill.
The motion prevailed and the substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Steckloff moved that the bill be placed on the order of Third Reading of Bills.
The motion prevailed.

House Bill No. 4968, entitled

A bill to amend 2018 PA 175, entitled "Insurance provider assessment act," by amending sections 11 and 17 (MCL 550.1761 and 550.1767).

The bill was read a second time.

Rep. VanWoerkom moved to substitute (H-1) the bill.
The motion prevailed and the substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. VanWoerkom moved that the bill be placed on the order of Third Reading of Bills.
The motion prevailed.

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 4108, entitled

A bill to amend 1963 PA 17, entitled "An act to relieve certain persons from civil liability when rendering emergency care, when rendering care to persons involved in competitive sports under certain circumstances, or when participating in a mass immunization program approved by the department of public health," (MCL 691.1501 to 691.1507) by adding section 8.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays as follows:

Roll Call No. 229

Yeas—98

Alexander	Foreman	Martin	Schmaltz
Andrews	Fox	Martus	Schriver
Aragona	Frisbie	McFall	Schuette
Arbit	Glanville	McKinney	Slagh
BeGole	Green, P.	Meerman	Smit
Beson	Greene, J.	Mentzer	Snyder
Bierlein	Hall	Miller	St. Germaine
Bohnak	Harris	Morgan	Steckloff
Bollin	Herzberg	Mueller	Steele
Borton	Hoadley	Neyer	Thompson
Breen	Hope	Outman	Tisdell
Brixie	Hoskins	Paiz	Tsernoglou
Bruck	Jenkins-Arno	Paquette	VanderWall
Byrnes	Johnsen	Pavlov	VanWoerkom
Carra	Kelly	Pohutsky	Wegela
Cavitt	Koleszar	Posthumus	Weiss
Coffia	Kuhn	Prestin	Wendzel
Conlin	Kunse	Price	Witwer
DeBoer	Liberati	Puri	Wooden
DeBoyer	Lightner	Rheingans	Woolford
DeSana	Linting	Rigas	Wortz
Dievendorf	Longjohn	Robinson	Wozniak
Fairbairn	MacDonell	Rogers	Xiong
Farhat	Maddock	Roth	Young
Fitzgerald	Markkanen		

Nays—1

Skaggs

In The Chair: Smit

Rep. Posthumus moved to reconsider the vote by which the House passed the bill.
The motion prevailed, a majority of the members serving voting therefor.
The question being on the passage of the bill,
The bill was then passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 230

Yeas—99

Alexander	Foreman	Martin	Schriver
Andrews	Fox	Martus	Schuette
Aragona	Frisbie	McFall	Skaggs
Arbit	Glanville	McKinney	Slagh
BeGole	Green, P.	Meerman	Smit
Beson	Greene, J.	Mentzer	Snyder
Bierlein	Hall	Miller	St. Germaine
Bohnak	Harris	Morgan	Steckloff
Bollin	Herzberg	Mueller	Steele
Borton	Hoadley	Neyer	Thompson
Breen	Hope	Outman	Tisdell

Brixie	Hoskins	Paiz	Tsernoglou
Bruck	Jenkins-Arno	Paquette	VanderWall
Byrnes	Johnsen	Pavlov	VanWoerkom
Carra	Kelly	Pohutsky	Wegela
Cavitt	Koleszar	Posthumus	Weiss
Coffia	Kuhn	Prestin	Wendzel
Conlin	Kunse	Price	Witwer
DeBoer	Liberati	Puri	Wooden
DeBoyer	Lightner	Rheingans	Woolford
DeSana	Linting	Rigas	Wortz
Dievendorf	Longjohn	Robinson	Wozniak
Fairbairn	MacDonell	Rogers	Xiong
Farhat	Maddock	Roth	Young
Fitzgerald	Markkanen	Schmaltz	

Nays—0

In The Chair: Smit

The House agreed to the title of the bill.
Rep. Posthumus moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

House Bill No. 4847, entitled

A bill to amend 2006 PA 23, entitled “An act to regulate certain health clubs with respect to potential medical emergencies; and to provide for civil sanctions,” by amending section 3 (MCL 333.26313).

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays as follows:

Roll Call No. 231

Yeas—99

Alexander	Foreman	Martin	Schriver
Andrews	Fox	Martus	Schuette
Aragona	Frisbie	McFall	Skaggs
Arbit	Glanville	McKinney	Slagh
BeGole	Green, P.	Meerman	Smit
Beson	Greene, J.	Mentzer	Snyder
Bierlein	Hall	Miller	St. Germaine
Bohnak	Harris	Morgan	Steckloff
Bollin	Herzberg	Mueller	Steele
Borton	Hoadley	Neyer	Thompson
Breen	Hope	Outman	Tisdell
Brixie	Hoskins	Paiz	Tsernoglou
Bruck	Jenkins-Arno	Paquette	VanderWall
Byrnes	Johnsen	Pavlov	VanWoerkom
Carra	Kelly	Pohutsky	Wegela
Cavitt	Koleszar	Posthumus	Weiss
Coffia	Kuhn	Prestin	Wendzel
Conlin	Kunse	Price	Witwer
DeBoer	Liberati	Puri	Wooden
DeBoyer	Lightner	Rheingans	Woolford
DeSana	Linting	Rigas	Wortz
Dievendorf	Longjohn	Robinson	Wozniak

Fairbairn	MacDonell	Rogers	Xiong
Farhat	Maddock	Roth	Young
Fitzgerald	Markkanen	Schmaltz	

Nays—0

In The Chair: Smit

The House agreed to the title of the bill.
Rep. Posthumus moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Posthumus moved that **House Bill No. 4968** be placed on its immediate passage.
The motion prevailed, a majority of the members serving voting therefor.

House Bill No. 4968, entitled

A bill to amend 2018 PA 175, entitled “Insurance provider assessment act,” by amending sections 11 and 17 (MCL 550.1761 and 550.1767).

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays as follows:

Roll Call No. 232

Yeas—95

Alexander	Fox	Martus	Schuette
Andrews	Frisbie	McFall	Skaggs
Aragona	Glanville	McKinney	Slagh
Arbit	Green, P.	Meerman	Smit
BeGole	Hall	Mentzer	Snyder
Beson	Harris	Miller	St. Germaine
Bierlein	Herzberg	Morgan	Steckloff
Bohnak	Hoadley	Mueller	Steele
Bollin	Hope	Neyer	Thompson
Borton	Hoskins	Outman	Tisdell
Breen	Jenkins-Arno	Paiz	Tsernoglou
Brixie	Johnsen	Pavlov	VanderWall
Bruck	Kelly	Pohutsky	VanWoerkom
Byrnes	Koleszar	Posthumus	Wegela
Cavitt	Kuhn	Prestin	Weiss
Coffia	Kunse	Price	Wendzel
Conlin	Liberati	Puri	Witwer
DeBoer	Lightner	Rheingans	Wooden
DeBoyer	Linting	Rigas	Woelford
Dievendorf	Longjohn	Robinson	Wortz
Fairbairn	MacDonell	Rogers	Wozniak
Farhat	Maddock	Roth	Xiong
Fitzgerald	Markkanen	Schmaltz	Young
Foreman	Martin	Schriver	

Nays—4

Carra	DeSana	Greene, J.	Paquette
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In The Chair: Smit

The question being on agreeing to the title of the bill,
Rep. Posthumus moved to amend the title to read as follows:
A bill to amend 2018 PA 175, entitled “Insurance provider assessment act” by amending sections 7, 11, and 17 (MCL 550.1757, 550.1761, and 550.1767).
The motion prevailed.
The House agreed to the title as amended.
Rep. Posthumus moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Jaime Greene, having reserved the right to explain her protest against the passage of the bill, made the following statement:
“Mr. Speaker and members of the House:
I voted NO on this bill because it is tie-barred to House Bills 4951 and 4961, which together create new taxes and redirect revenue in ways I cannot support.”

Rep. Posthumus moved that **House Bill No. 4961** be placed on its immediate passage.
The motion prevailed, a majority of the members serving voting therefor.

House Bill No. 4961, entitled
A bill to amend 1967 PA 281, entitled “Income tax act of 1967,” by amending sections 12, 30, 607, and 805 (MCL 206.12, 206.30, 206.607, and 206.805), sections 12, 607, and 805 as amended by 2024 PA 177 and section 30 as amended by 2023 PA 4.
The bill was read a third time.
The question being on the passage of the bill,

Rep. Bollin moved to amend the bill as follows:
1. Amend page 22, line 29, by striking out “**Through the 2025 tax year,**” and inserting “**For tax years that begin on and after January 1, 2026 and before January 1, 2029,**”.
2. Amend page 23, line 4, by striking out “**Through the 2025 tax year,**” and inserting “**For tax years that begin on and after January 1, 2026 and before January 1, 2029,**”.
3. Amend page 23, line 8, after “liability.” by striking out the balance of the line through “year,” on line 9 and inserting “**For tax years that begin on and after January 1, 2026 and before January 1, 2029,**”.
The motion was seconded and the amendments were adopted, a majority of the members serving voting therefor.
The question being on the passage of the bill,
The bill was then passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 233

Yeas—95

Alexander	Fox	McFall	Schuette
Andrews	Frisbie	McKinney	Skaggs
Aragona	Glanville	Meerman	Slagh
Arbit	Hall	Mentzer	Smit
BeGole	Harris	Miller	Snyder
Beson	Herzberg	Morgan	St. Germaine
Bierlein	Hoadley	Mueller	Steckloff
Bohnak	Hope	Neyer	Steele
Bollin	Hoskins	Outman	Thompson
Borton	Jenkins-Arno	Paiz	Tisdell
Breen	Johnsen	Paquette	Tsernoglou
Brixie	Kelly	Pavlov	VanderWall
Bruck	Koleszar	Pohutsky	VanWoerkom

Byrnes	Kuhn	Posthumus	Wegela
Cavitt	Kunse	Prestin	Weiss
Coffia	Liberati	Price	Wendzel
Conlin	Lightner	Puri	Witwer
DeBoer	Linting	Rheingans	Wooden
DeBoyer	Longjohn	Rigas	Woolford
Dievendorf	MacDonell	Robinson	Wortz
Fairbairn	Maddock	Rogers	Wozniak
Farhat	Markkanen	Roth	Xiong
Fitzgerald	Martin	Schmaltz	Young
Foreman	Martus	Schriver	

Nays—4

Carra	DeSana	Green, P.	Greene, J.
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In The Chair: Smit

The question being on agreeing to the title of the bill,
Rep. Posthumus moved to amend the title to read as follows:
A bill to amend 1967 PA 281, entitled “Income tax act of 1967” by amending sections 12, 30, 36, 607, 695, and 805 (MCL 206.12, 206.30, 206.36, 206.607, 206.695, and 206.805), sections 12, 607, and 805 as amended by 2024 PA 177, sections 30 and 695 as amended by 2023 PA 4, and section 36 as amended by 2011 PA 38; and to repeal acts and parts of acts.
The motion prevailed.
The House agreed to the title as amended.
Rep. Posthumus moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Jaime Greene, having reserved the right to explain her protest against the passage of the bill, made the following statement:
“Mr. Speaker and members of the House:
HB 4961 takes over a billion dollars annually from the Corporate Income Tax and earmarks it into roads, reducing General Fund flexibility and threatening local revenue sharing, potentially schools, and direct public safety funding.”

Rep. Posthumus moved that **House Bill No. 4951** be placed on its immediate passage.
The motion prevailed, a majority of the members serving voting therefor.

House Bill No. 4951, entitled

A bill to provide for the imposition and collection of taxes; to provide for the establishment of procedures for the collection, administration, and enforcement of taxes; to provide for the disposition of the tax; to create the comprehensive road funding fund; to prescribe the powers and duties of certain state and local government officers and entities; and to prescribe penalties.
Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays as follows:

Roll Call No. 234 Yeas—78

Aragona	Hall	Martus	Schuette
BeGole	Harris	Meerman	Slagh

Bierlein	Herzberg	Mentzer	Smit
Bohnak	Hoadley	Morgan	Snyder
Bollin	Hope	Mueller	St. Germaine
Borton	Hoskins	Neyer	Steckloff
Breen	Jenkins-Arno	Outman	Tisdell
Brixie	Johnsen	Paiz	Tsernoglou
Bruck	Kelly	Pavlov	VanderWall
Byrnes	Koleszar	Pohutsky	VanWoerkom
Cavitt	Kuhn	Prestin	Wegela
DeBoer	Kunse	Price	Weiss
DeBoyer	Liberati	Puri	Wendzel
Fairbairn	Lightner	Rheingans	Witwer
Farhat	Linting	Robinson	Wooden
Fitzgerald	Longjohn	Rogers	Woelford
Foreman	MacDonell	Roth	Wortz
Fox	Maddock	Schmaltz	Wozniak
Frisbie	Markkanen	Schrivier	Young
Green, P.	Martin		

Nays—21

Alexander	Conlin	McFall	Rigas
Andrews	DeSana	McKinney	Skaggs
Arbit	Dievendorf	Miller	Steele
Beson	Glanville	Paquette	Thompson
Carra	Greene, J.	Posthumus	Xiong
Coffia			

In The Chair: Smit

The question being on agreeing to the title of the bill,

Rep. Posthumus moved to amend the title to read as follows:

A bill to provide for the imposition and collection of excise taxes on certain sales of marihuana; to provide for the establishment of procedures for the collection, administration, and enforcement of those taxes; to provide for the disposition of the taxes; to provide for the promulgation of rules; to create the comprehensive road funding fund; and to prescribe the powers and duties of certain state governmental officers and entities.

The motion prevailed.

The House agreed to the title as amended.

Rep. Posthumus moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Jaime Greene, having reserved the right to explain her protest against the passage of the bill, made the following statement:

“Mr. Speaker and members of the House:

HB 4951 imposes a new 24% marijuana excise tax and diverts all of that revenue away from local governments that voters were promised under MRTMA. Instead, locks the dollars into road funds and carves out a new bureaucracy fund.”

By unanimous consent the House returned to the order of

Motions and Resolutions

Rep. Posthumus moved that when the House adjourns today it stand adjourned until Friday, September 26, at 10:00 a.m.

The motion prevailed.

Rep. Posthumus moved that when the House adjourns Friday, September 26 it stand adjourned until Monday, September 29, at 10:00 a.m.

The motion prevailed.

Rep. Posthumus moved that when the House adjourns Monday, September 29 it stand adjourned until Tuesday, September 30, at 10:00 a.m.

The motion prevailed.

Rep. Kunse moved that the House adjourn.

The motion prevailed, the time being 7:20 p.m.

The Speaker Pro Tempore declared the House adjourned until Friday, September 26, at 10:00 a.m.

SCOTT E. STARR

Clerk of the House of Representatives

Exhibit E

No. 88

STATE OF MICHIGAN

Journal of the Senate

103rd Legislature

REGULAR SESSION OF 2025

Senate Chamber, Lansing, Friday, October 3, 2025.

12:05 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator John Cherry.

The roll was called by the Secretary of the Senate, who announced that a quorum was present.

Albert—present	Hauck—present	Moss—present
Anthony—present	Hertel—present	Nesbitt—present
Bayer—present	Hoitenga—present	Outman—excused
Bellino—present	Huizenga—present	Polehanki—present
Brinks—present	Irwin—present	Runestad—present
Bumstead—present	Johnson—present	Santana—present
Camilleri—present	Klinefelt—present	Shink—present
Cavanagh—present	Lauwers—present	Singh—present
Chang—present	Lindsey—present	Theis—present
Cherry—present	McBroom—present	Victory—present
Daley—present	McCann—present	Webber—present
Damoose—present	McMorrow—present	Wojno—present
Geiss—present		

Senator Sarah Anthony of the 21st District offered the following invocation:
Dear God, help us pass this budget. Amen.

The Assistant President pro tempore, Senator Cherry, led the members of the Senate in recital of the *Pledge of Allegiance*.

Senator McCann entered the Senate Chamber.

Motions and Communications

Senator Lauwers moved that Senator Outman be excused from today’s session.
The motion prevailed.

Senator Singh moved that Senators Brinks and Moss be temporarily excused from today’s session.
The motion prevailed.

Recess

Senator Singh moved that the Senate recess subject to the call of the Chair.
The motion prevailed, the time being 12:07 a.m.

12:50 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator Cherry.

During the recess, Senators Moss and Brinks entered the Senate Chamber.

By unanimous consent the Senate proceeded to the order of
Conference Reports

Recess

Senator Singh moved that the Senate recess subject to the call of the Chair.
The motion prevailed, the time being 12:51 a.m.

1:04 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator Cherry.

Senator Singh moved that Joint Rule 9 be suspended to permit immediate consideration of the conference reports relative to the following bills:

Senate Bill No. 166

House Bill No. 4706

The motion prevailed, a majority of the members serving voting therefor.

Senator Anthony submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning
Senate Bill No. 166, entitled

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending sections 6, 11, 11a, 11j, 11k, 11m, 11s, 11x, 11z, 12d, 15, 20, 20d, 21f, 21h, 22a, 22b, 22c, 22d, 22k, 22l, 22m, 22p, 24, 24a, 25f, 25g, 26a, 26b, 26c, 26d, 27a, 27c, 27g, 27k, 27p, 27r, 28, 29, 30d, 31a, 31d, 31f, 31j, 31n, 31aa, 32d, 32n, 32p, 32t, 33, 35a, 35d, 35m, 39, 39a, 41, 41b, 51a, 51c, 51d, 51e, 51g, 53a, 54, 54b, 54d, 55, 56, 61a, 61b, 61d, 61j, 62, 65, 67, 67a, 67d, 67f, 74, 81, 94, 94a, 94d, 97a, 97g, 97k, 98, 98d, 99, 99c, 99h, 99i, 99s, 99x, 99aa, 99ee, 99ff, 99hh, 99ii, 99jj, 101, 104, 104b, 104h, 107, 111, 147, 147a, 147c, 147e, 147g, 152a, and 161a (MCL 388.1606, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611s, 388.1611x, 388.1611z, 388.1612d, 388.1615, 388.1620, 388.1620d, 388.1621f, 388.1621h, 388.1622a, 388.1622b, 388.1622c, 388.1622d, 388.1622k, 388.1622l, 388.1622m, 388.1622p, 388.1624, 388.1624a, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1626d, 388.1627a, 388.1627c, 388.1627g, 388.1627k, 388.1627p, 388.1627r, 388.1628, 388.1629, 388.1630d, 388.1631a, 388.1631d, 388.1631f, 388.1631j, 388.1631n, 388.1631aa, 388.1632d, 388.1632n, 388.1632p, 388.1632t, 388.1633, 388.1635a, 388.1635d, 388.1635m, 388.1639, 388.1639a, 388.1641, 388.1641b, 388.1651a, 388.1651c, 388.1651d, 388.1651e, 388.1651g, 388.1653a, 388.1654, 388.1654b, 388.1654d, 388.1655, 388.1661a, 388.1661b, 388.1661d, 388.1661j, 388.1662, 388.1665, 388.1667, 388.1667a, 388.1667d, 388.1667f, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1694d, 388.1697a, 388.1697g, 388.1697k, 388.1698, 388.1698d, 388.1699, 388.1699c, 388.1699h, 388.1699i, 388.1699s, 388.1699x, 388.1699aa, 388.1699ee, 388.1699ff, 388.1699hh, 388.1699ii, 388.1699jj, 388.1701, 388.1704, 388.1704b, 388.1704h, 388.1707, 388.1711, 388.1747, 388.1747a, 388.1747c, 388.1747e, 388.1747g, 388.1752a, and 388.1761a), sections 6, 97g, and 99ii as amended by 2023 PA 320, sections 11 and 31aa as amended by 2024 PA 148, sections 11a, 11j, 11k, 11m, 11s, 11z, 15, 20, 20d, 21h, 22a, 22b, 22c, 22d, 22l, 22m, 22p, 24, 24a, 25f, 25g, 26a, 26b, 26c, 26d, 27a, 27c, 27g, 27k, 27p, 28, 29, 30d, 31a, 31d, 31f, 31j, 31n, 32d, 32n, 32p, 33, 35a, 35d, 39, 39a, 41, 41b, 51a, 51c, 51d, 51e, 51g, 53a, 54, 54b, 54d, 56, 61a, 61b, 61d, 61j, 62, 65, 67, 67f, 74, 81, 94, 94a, 97a, 97k, 98, 98d, 99h, 99s, 99x, 99aa, 99ee, 99ff, 99hh, 99jj, 104, 104h, 107, 147, 147a, 147c, 147e, and 152a as amended and sections 12d, 27r, 35m, 55, 67a, 67d, 94d, 99, 99c, 99i, and 147g as added by 2024 PA 120, sections 11x, 21f, 32t, and 101 as amended and section 22k as added by 2023 PA 103, section 104b as amended by 2018 PA 265, section 111 as amended by 1997 PA 93, and section 161a as amended by 2006 PA 342, and by adding sections 12e, 12f, 18d, 31c, 32y, 35e, 35f, 61v, 97n, 99o, 99p, 99q, and 99mm; and to repeal acts and parts of acts.

Recommendations:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the House and Senate agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

INSERT SB 166 CONFERENCE REPORT BILL TEXT

Third: That the House and Senate agree to the title of the bill to read as follows:

A bill to amend 1979 PA 94, entitled “An act to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts,” by amending sections 3, 6, 11, 11a, 11j, 11k, 11m, 11s, 11x, 12d, 15, 18, 19, 20, 20d, 21f, 21h, 22a, 22b, 22d, 22k, 22l, 22m, 22p, 24, 24a, 25f, 25g, 26a, 26b, 26c, 26d, 27a, 27b, 27c, 27h, 27l, 27p, 27r, 28, 29, 30d, 31a, 31d, 31f, 31n, 31aa, 32d, 32n, 32t, 33, 35a, 35m, 39, 39a, 41, 41b, 51a, 51c, 51d, 51e, 51g, 53a, 54, 54d, 55, 56, 61a, 61b, 61d, 61j, 62, 65, 67, 67f, 74, 81, 94, 94a, 94e, 97g, 97k, 98, 99, 99h, 99ee, 101, 104, 104b, 104h, 107, 111, 147, 147a, 147c, 147e, 152a, 152b, 161a, 201, 201f, 206, 207a, 207b, 207c, 210, 210b, 210d, 212, 216e, 217a, 217b, 217c, 222, 229a, 230, 236, 236c, 236d, 236j, 241, 241a, 241b, 241c, 241e, 244, 247, 248, 251, 252, 254, 256, 260, 263, 263b, 264, 268, 269, 270, 270c, 275k, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, and 286 (MCL 388.1603, 388.1606, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611s, 388.1611x, 388.1612d, 388.1615, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1621f, 388.1621h, 388.1622a, 388.1622b, 388.1622d, 388.1622k, 388.1622l, 388.1622m, 388.1622p, 388.1624, 388.1624a, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1626d, 388.1627a, 388.1627b, 388.1627c, 388.1627h, 388.1627l, 388.1627p, 388.1627r, 388.1628, 388.1629, 388.1630d, 388.1631a, 388.1631d, 388.1631f, 388.1631n, 388.1631aa, 388.1632d, 388.1632n, 388.1632t, 388.1633, 388.1635a, 388.1635m, 388.1639, 388.1639a, 388.1641, 388.1641b, 388.1651a, 388.1651c, 388.1651d, 388.1651e, 388.1651g, 388.1653a, 388.1654, 388.1654d, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1661d, 388.1661j, 388.1662, 388.1665, 388.1667, 388.1667f, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1694e, 388.1697g, 388.1697k, 388.1698, 388.1699, 388.1699h, 388.1699ee, 388.1701, 388.1704, 388.1704b, 388.1704h, 388.1707, 388.1711, 388.1747, 388.1747a,

388.1747c, 388.1747e, 388.1752a, 388.1752b, 388.1761a, 388.1801, 388.1801f, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1810, 388.1810b, 388.1810d, 388.1812, 388.1816e, 388.1817a, 388.1817b, 388.1817c, 388.1822, 388.1829a, 388.1830, 388.1836, 388.1836c, 388.1836d, 388.1836j, 388.1841, 388.1841a, 388.1841b, 388.1841c, 388.1841e, 388.1844, 388.1847, 388.1848, 388.1851, 388.1852, 388.1854, 388.1856, 388.1860, 388.1863, 388.1863b, 388.1864, 388.1868, 388.1869, 388.1870, 388.1870c, 388.1875k, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, 388.1885, and 388.1886), sections 3, 11x, 19, 21f, 27b, 32t, and 283 as amended and sections 22k, 27h, 217a, and 241b as added by 2023 PA 103, sections 6 and 97g as amended by 2023 PA 320, sections 11 and 31aa as amended by 2024 PA 148, sections 11a, 11j, 11k, 11m, 11s, 15, 20, 20d, 21h, 22a, 22b, 22d, 22l, 22m, 22p, 24, 24a, 25f, 25g, 26a, 26b, 26c, 26d, 27a, 27c, 27l, 27p, 28, 29, 30d, 31a, 31d, 31f, 31n, 32d, 32n, 33, 35a, 39, 39a, 41, 41b, 51a, 51c, 51d, 51e, 51g, 53a, 54, 54d, 56, 61a, 61b, 61d, 61j, 62, 65, 67, 67f, 74, 81, 94, 94a, 97k, 98, 99h, 99ee, 104, 104h, 107, 147, 147a, 147c, 147e, 152a, 152b, 201, 206, 207a, 207b, 207c, 217b, 222, 229a, 230, 236, 236c, 236j, 241, 241a, 241c, 244, 248, 251, 252, 254, 256, 260, 263, 263b, 264, 268, 269, 270c, 275k, 276, 277, 278, 279, 280, 281, and 282 as amended and sections 12d, 27r, 35m, 55, 94e, 99, 201f, 216e, 217c, 236d, 241e, 247, and 270 as added by 2024 PA 120, section 18 as amended by 2022 PA 144, section 101 as amended by 2025 PA 5, section 104b as amended by 2018 PA 265, section 111 as amended by 1997 PA 93, section 161a as amended by 2006 PA 342, section 210 as amended and section 210d as added by 2015 PA 85, sections 210b, 285, and 286 as amended by 2021 PA 86, section 212 as amended by 2016 PA 249, and section 284 as amended by 2017 PA 108, and by adding sections 12e, 18d, 22r, 22s, 31c, 32y, 35e, 61v, 97n, 99mm, 164k, 164l, 201i, 217f, 236e, 236s, and 241h; and to repeal acts and parts of acts.

Darrin Camilleri	Ann Bollin
Sarah E. Anthony	Tim Kelly
Jon Bumstead	Carol Glanville
Conferees for the Senate	Conferees for the House

The question being on the adoption of the conference report,
The first conference report was adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 257

Yeas—31

Anthony	Daley	Johnson	Santana
Bayer	Damoose	Klinefelt	Shink
Brinks	Geiss	Lauwers	Singh
Bumstead	Hauck	McBroom	Theis
Camilleri	Hertel	McCann	Victory
Cavanagh	Hoitenga	McMorrow	Webber
Chang	Huizenga	Moss	Wojno
Cherry	Irwin	Polehanki	

Nays—5

Albert Bellino	Lindsey	Nesbitt	Runestad
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Excused—1

Outman

Not Voting—0

In The Chair: Cherry

Senator Singh moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

House Bill No. 4706, entitled

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal years ending September 30, 2025 and September 30, 2026; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

The House of Representatives has adopted the report of the Committee of Conference.
The Conference Report was read as follows:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning
House Bill No. 4706, entitled

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal year ending September 30, 2026; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

Recommends:

First: That the Senate recede from the Substitute of the Senate as passed by the Senate.

Second: That the House and Senate agree to the Substitute of the House as passed by the House, amended to read as follows:

INSERT HB 4706 CONFERENCE REPORT BILL TEXT

Third: That the House and Senate agree to the title of the bill to read as follows:

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal years ending September 30, 2025 and September 30, 2026; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

Ann Bollin
Matt Maddock
Alabas Farhat
Conferees for the House

Sarah Anthony
Sean McCann
Jon Bumstead
Conferees for the Senate

The question being on the adoption of the conference report,
The first conference report was adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 258

Yeas—31

Anthony	Daley	Johnson	Santana
Bayer	Damoose	Klinefelt	Shink
Brinks	Geiss	Lauwers	Singh
Bumstead	Hauck	McBroom	Theis
Camilleri	Hertel	McCann	Victory
Cavanagh	Hoitenga	McMorrow	Webber
Chang	Huizenga	Moss	Wojno
Cherry	Irwin	Polehanki	

Nays—5

Albert	Lindsey	Nesbitt	Runestad
Bellino			

Excused—1

Outman

Not Voting—0

In The Chair: Cherry

Senator Singh moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

Third Reading of Bills

Senator Singh moved that the Senate proceed to consideration of the following bill:
House Bill No. 4392
The motion prevailed.

The following bill was read a third time:
House Bill No. 4392, entitled

A bill to make, supplement, and adjust appropriations for certain capital outlay projects and the department of natural resources for the fiscal year ending September 30, 2025; to provide for expenditure of the appropriations; and to prescribe certain conditions for the appropriations.
The question being on the passage of the bill,
The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 259

Yeas—35

Albert	Cherry	Johnson	Runestad
Anthony	Daley	Klinefelt	Santana
Bayer	Damoose	Lauwers	Shink
Bellino	Geiss	Lindsey	Singh
Brinks	Hauck	McCann	Theis
Bumstead	Hertel	McMorrow	Victory
Camilleri	Hoitenga	Moss	Webber
Cavanagh	Huizenga	Nesbitt	Wojno
Chang	Irwin	Polehanki	

Nays—1

McBroom

Excused—1

Outman

Not Voting—0

In The Chair: Cherry

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The Senate agreed to the title of the bill.

Protest

Senator McBroom, under his constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 4392 and moved that the statement he made during the discussion of the bill be printed as his reasons for voting “no.”

The motion prevailed.

Senator McBroom’s statement is as follows:

This bill, like so many I’ve seen before, is once again utilizing our trust fund to purchase enormous amounts of land across this state. And particularly, again, a large amount of land in the Upper Peninsula of Michigan. While many of these lands are certainly worthy of protection and worthy of the opportunity to be kept away from development, the truth of the matter is for more than ten years now, the state of Michigan has had a requirement placed on it to enact a comprehensive land management strategy, a strategy which the department has failed to enact. While they have certainly offered us several opportunities to adopt a very broad and sweeping generalization of what they’d like to do, where we basically say they can do whatever they want, they have not actually provided us a comprehensive land management plan that has been approved by the Legislature as the law requires.

Until that time happens, I cannot stand idly by and allow the department to just continue to purchase more and more land. Where does it end? When will it end? How much land is enough for them to have, and while many of you come here from areas of the state where you openly say, I’d love to have more state land, and, My people would love to have more state land, you got one member here who’s got all of it and can’t seem to get any consideration. Certainly be nice if we could just include freedom for the U.P. and go away and leave you all alone. You can have all the state land you want down here. Meanwhile, we just keep buying more land in the U.P. and telling the people of the U.P., well, there goes your tax base. There goes your opportunity for more growth. There goes more places for you to live.

This is a really ridiculous ongoing battle that nobody seems to care about, and certainly our Department of Natural Resources seems to care the least about, and that’s why I’ll vote “no” today and recommend everyone else do so as well.

Senators Irwin and McBroom asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Irwin’s first statement is as follows:

I just want to alert my fellow members that this legislation unfortunately has been amended to add politically-motivated boilerplate. This is a bad idea. The Michigan Natural Resources Trust Fund has long been an asset for our state that operates without political interference from the Legislature. What happened in the House was that a political line opposing wind and solar energy development was added into the legislation and regardless of whether that idea has majority support in this Legislature today, I want to warn my colleagues that this is a dangerous precedent. What’s next? Are we going to start interfering in which properties get bought? Where is that going to become an annual fight here in the Legislature? Are we going to start second guessing the land management decisions of the DNR here in the Legislature when the Constitution has already set up the Natural Resources Commission and the structure for that to happen? Are we going to start adding other political boilerplate and demands to the Michigan Natural Resources Trust Fund going forward? How would folks say—right now on our public lands that they’re not currently being used for wind and solar development, but they are being used for other energy development. We’ve got thousands of acres that have oil and gas development on them. We’ve got mining operations that are happening on public lands. We’re logging a million cords of lumber from our public lands every day. Is that

going to be an issue that now comes to the Legislature every time we want to have this previously nonpolitical process of the Michigan Natural Resources Trust Fund move forward? I hope not.

I'm going to be voting for this measure. I think it's important that we continue to enjoy the benefits of the Michigan Natural Resources Trust Fund, but I want to warn my colleagues that this is a dangerous road to make this process more and more and more political. We've seen how that can slow things down, how that can drag this Legislature to a halt on things that we should be able to agree on, and I'm scared that we're adding that into the process now on the Michigan Natural Resources Trust Fund, when this is something that has been nonpolitical and bipartisan, and without interference from legislators trying to score political points for the entire time I've been in this Legislature—really for the entire time I've been alive. So let's try to clean this up. Let's try to do right by the citizens and not play political games with the trust fund.

Senator McBroom's statement is as follows:

I would simply like to clarify that this is political and it's full of political projects. It's full of opportunities for members to go home and trumpet how wonderful it is that they got some sort of project. It's been political from the day it started, and to pretend that somehow it's not been political simply because some board that's politically appointed that has political people on it is making those decisions, I think it's just very much not in line with what's actually happening. It's a very political process, and it's always been a political process, and certainly us being involved doesn't help it be any less political, but it's never not been political.

Senator Irwin's second statement is as follows:

It should be an uncomplicated point that everything we do is political and it reminds me of when folks are saying, Well, government shouldn't pick winners and losers. That's what we do. Let's grow up. We're picking winners and losers here. Everything we do is political. But that doesn't mean that things can be more or less political. That doesn't change the point I'm trying to make here today, which is that as soon as the Legislature starts monkeying around with these on the floor and in committees, picking one industry over another, it's polluting a process with politics more than it needs to be—and that's why I think it's wrong.

Recess

Senator Singh moved that the Senate recess subject to the call of the Chair.
The motion prevailed, the time being 1:19 a.m.

1:36 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator Cherry.

Senator Singh moved that the Senate proceed to consideration of the following bill:

House Bill No. 4961

The motion prevailed.

The following bill was read a third time:

House Bill No. 4961, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending sections 12, 30, 36, 607, 695, and 805 (MCL 206.12, 206.30, 206.36, 206.607, 206.695, and 206.805), sections 12, 607, and 805 as amended by 2024 PA 177, sections 30 and 695 as amended by 2023 PA 4, and section 36 as amended by 2011 PA 38; and to repeal acts and parts of acts.

The question being on the passage of the bill,

Senator Lindsey offered the following amendments:

1. Amend page 15, line 19, after "(f)" by striking out the balance of the subparagraph and inserting "**Section 168(n) of the internal revenue code was not in effect.**"
2. Amend page 16, line 1, by striking out all of subdivision (gg) and inserting: "**(gg) For tax years beginning after December 31, 2024, to the extent deducted in determining adjusted gross income and the deduction under section 174A of the internal revenue code on the taxpayer's federal income tax return for the same tax year exceeds \$1,000,000.00, add back an amount equal to that excess.**"

3. Amend page 27, line 18, after “(j)” by striking out the balance of the subparagraph and inserting **“Section 168(n) of the internal revenue code was not in effect.”**

4. Amend page 27, line 29, by striking out all of subdivision (i) and inserting:

“(i) For tax years beginning after December 31, 2024, to the extent deducted in determining federal taxable income and the deduction under section 174A of the internal revenue code on the taxpayer’s federal income tax return for the same tax year exceeds \$1,000,000.00, add back an amount equal to that excess.”

5. Amend page 29, line 19, after “168(k)” by striking out the comma and “168(n), and 174A” and inserting **“and 168(n)”**.

6. Amend page 29, line 29, by striking out all of subdivision (c).

7. Amend page 33, following line 19, by inserting:

“Sec. 623. (1) Except as otherwise provided in this part, there is levied and imposed a corporate income tax on every taxpayer with business activity within this state or ownership interest or beneficial interest in a flow-through entity that has business activity in this state unless prohibited by 15 USC 381 to 384. The corporate income tax is imposed on the corporate income tax base, after allocation or apportionment to this state, at the rate of 6.0%.

(2) The corporate income tax base means a taxpayer’s business income subject to the following adjustments, before allocation or apportionment, and the adjustment in subsection (4) after allocation or apportionment:

(a) Add interest income and dividends derived from obligations or securities of states other than this state, in the same amount that was excluded from federal taxable income, less the related portion of expenses not deducted in computing federal taxable income because of sections 265 and 291 of the internal revenue code.

(b) Add all taxes on or measured by net income including the tax imposed under this part to the extent that the taxes were deducted in arriving at federal taxable income including any direct or indirect allocated share of taxes paid by a flow-through entity under part 4.

(c) Add any carryback or carryover of a net operating loss to the extent deducted in arriving at federal taxable income.

(d) To the extent included in federal taxable income, deduct dividends and royalties received from persons other than United States persons and foreign operating entities, including, but not limited to, amounts determined under section 78 of the internal revenue code or sections 951 to 965 of the internal revenue code.

(e) Except as otherwise provided under this subdivision, to the extent deducted in arriving at federal taxable income, add any royalty, interest, or other expense paid to a person related to the taxpayer by ownership or control for the use of an intangible asset if the person is not included in the taxpayer’s unitary business group. The addition of any royalty, interest, or other expense described under this subdivision is not required to be added if the taxpayer can demonstrate that the transaction has a nontax business purpose, is conducted with arm’s-length pricing and rates and terms as applied in accordance with sections 482 and 1274(d) of the internal revenue code, and 1 of the following is true:

(i) The transaction is a pass through of another transaction between a third party and the related person with comparable rates and terms.

(ii) An addition would result in double taxation. For purposes of this subparagraph, double taxation exists if the transaction is subject to tax in another jurisdiction.

(iii) An addition would be unreasonable as determined by the state treasurer.

(iv) The related person recipient of the transaction is organized under the laws of a foreign nation which has in force a comprehensive income tax treaty with the United States.

(f) To the extent included in federal taxable income, deduct interest income derived from United States obligations.

(g) Eliminate all of the following:

(i) Income from producing oil and gas to the extent included in federal taxable income.

(ii) Expenses of producing oil and gas to the extent deducted in arriving at federal taxable income.

(h) For a qualified taxpayer, eliminate all of the following:

(i) Income derived from a mineral to the extent included in federal taxable income.

(ii) Expenses related to the income deductible under subparagraph (i) to the extent deducted in arriving at federal taxable income.

(i) For tax years beginning after December 31, 2024, to the extent deducted in determining federal taxable income and the deduction under section 174A of the internal revenue code on the taxpayer’s federal income tax return for the same tax year exceeds \$1,000,000.00, add back an amount equal to that excess.

(3) For purposes of subsection (2), the business income of a unitary business group is the sum of the business income of each person included in the unitary business group less any items of income and related

deductions arising from transactions including dividends between persons included in the unitary business group.

(4) Deduct any available business loss incurred after December 31, 2011. As used in this subsection, “business loss” means a negative business income taxable amount after allocation or apportionment. For purposes of this subsection, a taxpayer that acquires the assets of another corporation in a transaction described under section 381(a)(1) or (2) of the internal revenue code may deduct any business loss attributable to that distributor or transferor corporation. The business loss shall be carried forward to the year immediately succeeding the loss year as an offset to the allocated or apportioned corporate income tax base, then successively to the next 9 taxable years following the loss year or until the loss is used up, whichever occurs first.

(5) As used in this section, “oil and gas” means oil and gas that is subject to severance tax under 1929 PA 48, MCL 205.301 to 205.317.”

8. Amend page 38, line 2, by striking out all of subdivision (a) and relettering the remaining subdivisions.

9. Amend page 38, line 10, after “(f)” by striking out the balance of the subparagraph and inserting **“Section 168(n) of the internal revenue code was not in effect.”**.

10. Amend page 39, following line 13, by inserting:

“Sec. 815. (1) Subject to section 847, beginning January 1, 2021 and each tax year after 2021, there is levied and imposed a flow-through entity tax on every taxpayer with business activity in this state unless prohibited by 15 USC 381 to 384. Except as otherwise provided under subsection (5), the flow-through entity tax is imposed on the positive business income tax base, after allocation or apportionment to this state, at the same rate levied and imposed under section 51 for that same tax year. A negative business income tax base of a flow-through entity, after allocation or apportionment to this state, is includible in the business income tax base of each member of the flow-through entity and is not available as an offset to the allocated or apportioned business income tax base of the flow-through entity in any other tax year for which an election is made under section 813.

(2) The business income tax base means a taxpayer’s business income subject to the following adjustments, before allocation or apportionment, and the adjustment in subsection (4) after allocation or apportionment:

(a) Add interest income and dividends derived from obligations or securities of states other than this state, in the same amount that was excluded from federal taxable income, less the related portion of expenses not deducted in computing federal taxable income because of sections 265 and 291 of the internal revenue code.

(b) Add losses on the sale or exchange of obligations of the United States government, the income of which this state is prohibited from subjecting to a net income tax, to the extent that the loss has been deducted in arriving at federal taxable income.

(c) Deduct, to the extent included in federal taxable income, income derived from obligations, or the sale or exchange of obligations, of the United States government that this state is prohibited by law from subjecting to a net income tax, reduced by any interest on indebtedness incurred in carrying the obligations and by any expenses incurred in the production of that income to the extent that the expenses, including amortizable bond premiums, were deducted in arriving at federal taxable income.

(d) Add charitable contributions to the extent deducted in arriving at federal taxable income.

(e) Add all taxes on or measured by net income including the tax imposed under this part to the extent that the taxes were deducted in arriving at federal taxable income.

(f) Deduct guaranteed payments for services rendered by a member who is an individual to the extent that those guaranteed payments were included in federal taxable income.

(g) Deduct, to the extent included in federal taxable income, all of the following:

(i) The amount of a refund received in the tax year based on taxes paid under this part.

(ii) The amount of a refund received in the tax year based on taxes paid under the city income tax act, 1964 PA 284, MCL 141.501 to 141.787.

(h) Deduct business income received as a member of another flow-through entity to the extent that the business income increased federal taxable income.

(i) Eliminate all of the following:

(i) Income from producing oil and gas to the extent included in federal taxable income.

(ii) Expenses of producing oil and gas to the extent deducted in arriving at federal taxable income.

(iii) Income derived from a mineral to the extent included in federal taxable income of a qualified taxpayer.

(iv) Expenses related to the income deductible under subparagraph (iii) to the extent deducted in arriving at federal taxable income.

(j) For tax years beginning after December 31, 2024, to the extent deducted in determining federal taxable income and the deduction under section 174A of the internal revenue code on the taxpayer’s federal income tax return for the same tax year exceeds \$1,000,000.00, add back an amount equal to that excess.

(3) For a taxpayer that has a direct, or indirect through 1 or more other flow-through entities, ownership or beneficial interest in a flow-through entity for which an election was made under section 813 and that reported positive business income in a tax year ending on or within the taxpayer’s tax year, the adjustments in subsection (2) shall not include the taxpayer’s share of the electing flow-through entities adjustments under subsection (2).

(4) For a taxpayer that has a direct, or indirect through 1 or more other flow-through entities, ownership or beneficial interest in a flow-through entity for which an election was not made under section 813, add the taxpayer’s share of the non-electing flow-through entity’s positive business income as determined under section 817(2).

(5) In computing the tax due under this part, the taxpayer shall pay the tax due only on the business income tax base allocable to those members who are individuals, flow-through entities, estates, or trusts and exclude the business income tax base allocable to those members that are corporations, insurance companies, or financial institutions. The department may require the taxpayer to disclose identifying information for all members of the taxpayer and the allocable share of business income for each member.

(6) As used in this section:

(a) “Mineral” means that term as defined in section 2 of the nonferrous metallic minerals extraction severance tax act, 2012 PA 410, MCL 211.782.

(b) “Oil and gas” means oil and gas that is subject to severance tax under 1929 PA 48, MCL 205.301 to 205.317.

(c) “Qualified taxpayer” means a taxpayer subject to the minerals severance tax levied under the nonferrous metallic minerals extraction severance tax act, 2012 PA 410, MCL 211.781 to 211.791.”.

The amendments were not adopted, a majority of the members serving not voting therefor.

Senator Lindsey offered the following amendments:

- 1. Amend page 15, line 15, by striking out all of subdivisions (ff) and (gg).
- 2. Amend page 26, line 12, by removing section 36 from the bill.
- 3. Amend page 29, line 10, after “calculated” by striking out the balance of the subsection and inserting “as if section 168(k) and section 199 of the internal revenue code were not in effect.”.
- 4. Amend page 37, line 29, after “code” by striking out the balance of the page through “(c)” on line 21 of page 38 and inserting a period.

The question being on the adoption of the amendments,

Senator Lauwers requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendments were not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 260

Yeas—18

Albert	Hauck	Lauwers	Runestad
Bellino	Hertel	Lindsey	Theis
Bumstead	Hoitenga	McBroom	Victory
Daley	Huizenga	Nesbitt	Webber
Damoose	Johnson		

Nays—18

Anthony	Chang	McCann	Santana
Bayer	Cherry	McMorrow	Shink
Brinks	Geiss	Moss	Singh
Camilleri	Irwin	Polehanki	Wojno
Cavanagh	Klinefelt		

Excused—1

Outman

Not Voting—0

In The Chair: Cherry

Senator Nesbitt offered the following amendments:

- 1. Amend page 15, line 21, after “168(k),” by striking out “174, and 179” and inserting “and 174”.
 - 2. Amend page 27, line 20, after “168(k),” by striking out “174, and 179” and inserting “and 174”.
 - 3. Amend page 29, line 21, after “163(j)” by striking out the comma and “174, and 179” and inserting “and 174”.
 - 4. Amend page 38, line 12, after “168(k),” by striking out “174, and 179” and inserting “and 174”.
- The amendments were not adopted, a majority of the members serving not voting therefor.

Senator Nesbitt offered the following amendments:

- 1. Amend page 15, line 15, after “2024” by inserting “and before January 1, 2028”.
- 2. Amend page 27, line 14, after “2024” by inserting “and before January 1, 2028”.
- 3. Amend page 29, line 12, after “2025” by inserting “and after December 31, 2027”.
- 4. Amend page 29, line 15, after “2024” by inserting “and before January 1, 2028”.
- 5. Amend page 38, line 7, after “2024” by inserting “and before January 1, 2028”.

The question being on the adoption of the amendments,

Senator Lauwers requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The amendments were not adopted, a majority of the members serving not voting therefor, as follows:

Roll Call No. 261

Yeas—17

Albert	Hauck	Lauwers	Runestad
Bellino	Hoitenga	Lindsey	Theis
Bumstead	Huizenga	McBroom	Victory
Daley	Johnson	Nesbitt	Webber
Damoose			

Nays—19

Anthony	Chang	Klinefelt	Santana
Bayer	Cherry	McCann	Shink
Brinks	Geiss	McMorrow	Singh
Camilleri	Hertel	Moss	Wojno
Cavanagh	Irwin	Polehanki	

Excused—1

Outman

Not Voting—0

In The Chair: Cherry

The question being on the passage of the bill,
The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 262

Yeas—22

Anthony	Cherry	McBroom	Santana
Bayer	Geiss	McCann	Shink
Brinks	Hertel	McMorrow	Singh
Camilleri	Huizenga	Moss	Webber
Cavanagh	Irwin	Polehanki	Wojno
Chang	Klinefelt		

Nays—14

Albert	Damoose	Lauwers	Runestad
Bellino	Hauck	Lindsey	Theis
Bumstead	Hoitenga	Nesbitt	Victory
Daley	Johnson		

Excused—1

Outman

Not Voting—0

In The Chair: Cherry

Senator Singh moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.
Pursuant to Joint Rule 20, the bill title of the act shall be inserted to read as follows,
“An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement by lien and otherwise of taxes on or measured by net income and on certain commercial, business, and financial activities; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, rebates, and refunds of the taxes; to create certain funds; to provide for the expenditure of certain funds; to impose certain duties and requirements on certain officials, departments, and authorities of this state; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal acts and parts of acts;”
The Senate agreed to the full title.

Senator Lindsey asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.
The motion prevailed.
Senator Lindsey’s statement is as follows:
Right now in Michigan, our businesses are set to see an incredible opportunity to have some of their business taxes cut. This is because of work that President Trump and the Republicans in Congress did to

achieve historic tax cuts all across the nation, including some that we could inherit in Michigan. Unfortunately, the legislation in front of us would prevent businesses in Michigan from taking full advantage of those tax cuts. I think that’s an unwise thing to do, especially in an environment where Michigan can’t afford to become a less tax-competitive state.

My amendment would remove this unfavorable treatment towards those businesses and make sure that they would be able to take full advantage of all the tax cuts that are in front of them. I hope you’ll vote “yes.”

The following bill was read a third time:

House Bill No. 4968, entitled

A bill to amend 2018 PA 175, entitled “Insurance provider assessment act,” by amending sections 7, 11, and 17 (MCL 550.1757, 550.1761, and 550.1767).

The question being on the passage of the bill,

Senator Lindsey offered the following amendment:

1. Amend page 3, line 19, after “**year.**” by striking out the balance of the subsection and inserting “**If a tax structure is approved as described in this subsection, the tax structure does not apply 1 year after the tax structure is approved.**”.

The amendment was not adopted, a majority of the members serving not voting therefor.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 263

Yeas—22

Anthony	Cherry	McBroom	Santana
Bayer	Geiss	McCann	Shink
Brinks	Hertel	McMorrow	Singh
Camilleri	Huizenga	Moss	Webber
Cavanagh	Irwin	Polehanki	Wojno
Chang	Klinefelt		

Nays—14

Albert	Damoose	Lauwers	Runestad
Bellino	Hauck	Lindsey	Theis
Bumstead	Hoitenga	Nesbitt	Victory
Daley	Johnson		

Excused—1

Outman

Not Voting—0

In The Chair: Cherry

Senator Singh moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the bill title of the act shall be inserted to read as follows,

“An act to impose an assessment on certain insurance providers; to impose certain duties and obligations on certain insurance providers, state departments, agencies, and officials; to create certain funds; to authorize certain expenditures; and to impose certain remedies and penalties,”

The Senate agreed to the full title.

Senator Lindsey asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator Lindsey’s statement is as follows:

The bill in front of us is an admirable attempt to solve a very real problem. We’re facing a situation where the state of Michigan could go out of compliance with some new or updated federal standards, and that could deprive our state of certain dollars that go into health care. The bill is remedying that both by asking for a waiver from the federal government, but also setting out a structure that allows the Department of Health and Human Services—if that waiver is not granted or if we’re out of compliance in the future—to take action to remedy that. But the current language allows that department to entirely rewrite a tax structure, and I think that’s a terrible amount of power to give to the department.

What’s even worse is that currently it gives them that power in perpetuity. So my amendment would still allow the waiver process, it would still even allow the department to set that tax structure, but that tax structure could only exist for one year, which would then force the Legislature into what I think would be the appropriate thing to do: come together and figure out, legislatively, what the tax structure should be. This is a way to make sure that we’re not handing over too much power to arbitrarily write tax code to the department forever, so I hope I could earn the support of my colleagues here in making sure the Legislature plays an essential role in that process.

Recess

Senator Singh moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 1:51 a.m.

2:57 a.m.

The Senate was called to order by the Assistant President pro tempore, Senator Cherry.

Senator Singh moved that the Senate return to consideration of the following bill:

House Bill No. 4951

The motion prevailed.

The following bill was read a third time:

House Bill No. 4951, entitled

A bill to provide for the imposition and collection of excise taxes on certain sales of marihuana; to provide for the establishment of procedures for the collection, administration, and enforcement of those taxes; to provide for the disposition of the taxes; to provide for the promulgation of rules; to create the comprehensive road funding fund; and to prescribe the powers and duties of certain state governmental officers and entities.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 264

Yeas—19

Anthony	Chang	Lauwers	Polehanki
Bayer	Cherry	McBroom	Singh
Brinks	Daley	McCann	Victory
Camilleri	Geiss	McMorrow	Wojno

Cavanagh

Klinefelt

Moss

Nays—17

Albert
Bellino
Bumstead
Damoose
Hauck

Hertel
Hoitenga
Huizenga
Irwin

Johnson
Lindsey
Nesbitt
Runestad

Santana
Shink
Theis
Webber

Excused—1

Outman

Not Voting—0

In The Chair: Cherry

The Senate agreed to the title of the bill.

Protests

Senators Irwin, Bellino, Lindsey and Runestad, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 4951.

Senators Irwin and Lindsey moved that the statements they made during the discussion of the bill be printed as their reasons for voting “no.”

The motion prevailed.

Senator Irwin’s statement, in which Senator Bellino concurred, is as follows:

This is truly a great day for illegal drug dealers and criminal gangs in Michigan. That’s because, right now, Michigan has the most functional and successful cannabis market in the United States. We’ve done it right, and because of how we’ve done it right, here in Michigan, three out of four cannabis sales happen in the legal market, while out west, in high-tax states like California and Colorado, only one-in-three sales happen in the legal market. Because we have the most successful, functional cannabis market in the state of Michigan, there have been 40,000 jobs created in our state in this market because of how we’ve designed it.

When Michigan legalized cannabis, we had the benefit of learning from states out west that foolishly set high taxes that drove people into the black market, and we learned also that if you set taxes at a level that is reasonable, if you set taxes at a level that makes it rational for consumers and producers to meet in the legal market, they will do so. That’s why, in 2018, the citizens spoke and adopted Proposal 1, and they set an excise tax of 10 percent—plus our 6 percent sales tax—for cannabis sales. Now, today, this Legislature is trying to do an end-run around the will of the people and massively increase the tax on cannabis. This is going to drive Michigan customers out of the legal market. This is telling customers from other states, Stop bringing your money to Michigan. Customers from other states right now are bringing about \$1 billion per year to our state, paying taxes in our state, growing businesses in our state, and employing people in our state, because we have the most functional cannabis market in the nation that, today, we have a proposal on the board to destroy.

This Legislature is not only trying to do an end-run around the will of the people by increasing this cannabis tax that was set at the ballot, but this bill also does an end-run around the distribution model that the residents voted for. When the residents legalized cannabis in our state, they said there should be extra taxes on cannabis, and that money should go to schools, to roads, and to local communities, but this legislation cuts out local communities, cuts out schools, and gives all the additional revenue to roads, contrary to the will of

the voters whom we are here to serve. When we drive customers out of the legal market, not only are we costing Michigan jobs, not only are we costing local communities revenue from the businesses that will close, but we're also reducing that excise tax revenue that currently goes to support roads, schools, and local communities.

This bill adopts California's failed taxation model and as a result, if it passes today, businesses will close, employees will lose their jobs, local communities will lose revenue and gain blight and crime. The big winners here on this bill are illegal drug dealers, criminal cartels, and our neighboring states that will no longer be funneling their money into our state to grow our businesses, fund our schools, and pave our roads.

Senator Lindsey's statement, in which Senator Runestad concurred, is as follows:

It's just after 3 a.m. in the morning. And in good form, we're still working as a legislature to pass a budget. I'm sure the people of Michigan will be happy to know when they wake up that we finally got the job done. We couldn't do it during the day where they could see what we were doing and follow along, but, in particular, you know some of the people who did come out over the last few days to engage their legislature—and what I think is a healthy civic engagement on this particular bill—I think a lot of them are not able to be here at 3 a.m. in the morning.

I didn't originally intend to rise, but I do want to make a few comments about them and a few comments about us, because over the last week, I've heard more from people I serve with—speaking in gleeful terms about how we're going to pass legislation that's going to crush people's jobs, their businesses, and their livelihoods—than I've ever heard before. It's incredible, I mean, I think that there are also interesting arguments about the value of placing this tax to raise revenue for roads. I'll talk about that in a little bit. But, I'd like everybody to take a step back first and think about this other topic, of how awful is it for members who serve in a public body like this, to talk in gleeful terms about how we're going to crush an industry. I had people that I said, Well, you know, if you raise this tax this high, you know, 24 percent tax, there's no way it's going to work and raise the amount of revenue that you think it's going to, you know crush a lot of those businesses, and I had people directly tell me, Yeah, that's great, that's what I want. I want it to stop. OK, and I understand there's a root cause to that, that people have an issue with marijuana. I personally am not a huge fan of that drug. But I think that's entirely separate from, if you took the time over the last few days to have conversations with people who showed up that have small businesses in our communities, that some of them invested everything they had to build it. They decided this was a legal thing. This is a course that Michigan took, and they were going to invest in it. They hired people—a lot of them.

You know, I was talking to the gentleman upstairs who was just absolutely heartbroken. He said, This is probably going to be the end for us if you do this, and I don't know what's next. So again, you know, I can understand the arguments about the practicality of the state believes that it needs more money, so we've got to tax something and this seemed like an easy target, but I hope that everybody will at least reflect after we do this—that no matter how you feel about marijuana, no matter how we feel about marijuana, it should never be the role of anybody serving in state government to look for opportunities to be joyful about crushing businesses in our communities.

And then the other point I wanted to make about this is that I think it's a bad bill because it's not going to accomplish what it's meant to accomplish in the first place. We're estimating that if we put this tax on that, that it's going to raise \$420 million in revenue that's going to go help us fund roads. I've been a big fan of the effort to get more funding into roads, especially local roads, but I think this tax in particular—there's a body of economic literature out there that any of us could have drawn on at any point and time to come to a very quick conclusion that this is unlikely to raise anywhere near that level of revenue. It baffles me a little bit that this is the one we landed on, that we think this is going to be the answer to funding our roads going forward.

Then, the other component of why I don't think it's something that works is, Michigan is trying to dig our way out of what is a negative trajectory on our economy in general. Part of the reason we're probably going to see smaller budgets going forward is because our economy is going to continue to constrict, because we're not a particularly competitive state. I don't know how to balance this, personally. I don't think the pillar of Michigan's economy should be that we're the most competitive state in the country in selling marijuana, but there is a fact out there that we are very competitive in that we draw a ton of money from other states into our state. And so, instead of trying to find some sort of off ramp where we said, Hey, maybe we don't think marijuana is the best place for us to focus all of our competitive energy and figure out how to simultaneously leverage what benefit that is bringing in terms of existing revenue to our state, and then look for other ways to grow our economy. Instead, it seems to me that we're just going to cut that leg of the stool off. Just be satisfied that we don't really have any answer about, What are we doing to make Michigan more competitive? I mean, just a little while ago, we voted to make our state less competitive in terms of tax rates for our businesses compared to our neighbors more broadly. You know, I think that will also impact the marijuana industry, but it'll impact everybody.

So again, I think you know probably the most frustrating thing to me about this bill is not even in the content—it's back to what I said at the beginning, that I hope all of us will reconsider the way people are looking at this and have a little bit more empathy to the people, the business owners, the workers, and the people who are part of this economy. But I also think that we should be realistic about what's likely to happen when we pass this, and that's that I don't think it's going to raise the amount of revenue that we hope to, which is going to create a problem for our road funding. Also, it's just not going to help in the overall solution of, How do we get Michigan's economy going again? So, I'll be voting "no."

Senator McBroom asked and was granted unanimous consent to make a statement and moved that the statement be printed in the Journal.

The motion prevailed.

Senator McBroom's statement is as follows:

Mr. President, I rise to support this legislation. There's, I think, you know, a lot of passion and concern that my colleague from Ann Arbor raised, but one of his points is, What about the benefits that we're receiving? I want to share with you that, in my opinion, and from what I see representing 15 counties of the U.P., these benefits that we receive are blight, they are crime, they're loss of investment. I have communities in the U.P. that are overrun with stores, overrun with dispensaries. To the extent that people are leaving these communities, that the communities are abandoned, homes are left vacant, developments have ceased or been moved to other locations. Crime is up. Where are the benefits? I'm told, Well, this is going to stop cross-border traffic into my communities. Well, tell me another reason to vote "yes." Because these folks drive in, back up into the streets for miles, hundreds of cars, don't stop at a single store, restaurant, gas station, or wayside in my communities, and drive out again with their product. And the community dollars that come in, what are we using them for except to address the very downside that I've already detailed for you? Will illegal sales increase? I suppose that might be possible. But if I'm not having out-of-state folks come here because it's too expensive to do business here, they might as well stick with their illegal markets where they live. Why would they drive hundreds of miles to the U.P. to do an illegal sale rather than sticking around with their own state? Especially when so many of them already get busted at the border driving back into Wisconsin.

We have an industry that is out of control, is too large, and is failing to deliver the promises they gave to us when they said they'd come to our state. Where is the massive prosperity? Where is the community revitalization? Where are the thriving restaurants and businesses that should have come along with it? They're not there. Instead, we have blight and crime and loss of investment in my communities along the border. Hopefully this taxation might even do some right-sizing to this, because certainly the opportunity for this product to be used in medicinal purpose is justified, and I'd love to see our federal government get off of its butt and do the right thing and allow these sales to be legalized for medical purposes and to be regulated effectively so that the products are safe and reliable. But until then, we're stuck with this mess that we've created through this act.

Fortunately, the Medical Marihuana Act will still be available to those who need these services. Many of you know that I'd probably vote for a higher tax increase if we would do it because I'm so disappointed with the results, like so many other industries that promise big results for our communities and don't deliver. Meanwhile, I find it very interesting that suddenly we are having a massive turnaround that taxes are bad for business from people who otherwise have always supported every possible tax increase that we could offer and said those businesses can afford it. What have we seen out here on the lawn in the last several days with businesses that can easily afford it? They don't seem to mind blasting music at us for hours long, letting us know they have enough money to pay for it.

This is a great opportunity to add to our revenues and I want to address the particular issue with, Is this an end around? Well, I thought at first it was, but when you read the initiated law from 2018, you see that it specifically references other taxes, specifically, therefore, those who wrote this acknowledged that there are other taxes that can be charged and levied, and it doesn't say that it can only be those that were in place at the time of passage. And it's not the first product or item or property in this state where it is taxed under multiple acts and you have to pay tax on the same thing in multiple ways.

Members, this is a good opportunity and a great way to help increase funding for roads and I recommend a "yes" vote.

By unanimous consent the Senate returned to the order of

Messages from the House

Senate Bill No. 166, entitled

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending sections 3, 6, 11, 11a, 11j, 11k, 11m, 11s, 11x, 12d, 15, 18, 19, 20, 20d, 21f, 21h, 22a, 22b, 22d, 22k, 22l, 22m, 22p, 24, 24a, 25f, 25g, 26a, 26b, 26c, 26d, 27a, 27b, 27c, 27h, 27l, 27p, 27r, 28, 29, 30d, 31a, 31d, 31f, 31n, 31aa, 32d, 32n, 32t, 33, 35a, 35m, 39, 39a, 41, 41b, 51a, 51c, 51d, 51e, 51g, 53a, 54, 54d, 55, 56, 61a, 61b, 61d, 61j, 62, 65, 67, 67f, 74, 81, 94, 94a, 94e, 97g, 97k, 98, 99, 99h, 99ee, 101, 104, 104b, 104h, 107, 111, 147, 147a, 147c, 147e, 152a, 152b, 161a, 201, 201f, 206, 207a, 207b, 207c, 210, 210b, 210d, 212, 216e, 217a, 217b, 217c, 222, 229a, 230, 236, 236c, 236d, 236j, 241, 241a, 241b, 241c, 241e, 244, 247, 248, 251, 252, 254, 256, 260, 263, 263b, 264, 268, 269, 270, 270c, 275k, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, and 286 (MCL 388.1603, 388.1606, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611s, 388.1611x, 388.1612d, 388.1615, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1621f, 388.1621h, 388.1622a, 388.1622b, 388.1622d, 388.1622k, 388.1622l, 388.1622m, 388.1622p, 388.1624, 388.1624a, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1626d, 388.1627a, 388.1627b, 388.1627c, 388.1627h, 388.1627l, 388.1627p, 388.1627r, 388.1628, 388.1629, 388.1630d, 388.1631a, 388.1631d, 388.1631f, 388.1631n, 388.1631aa, 388.1632d, 388.1632n, 388.1632t, 388.1633, 388.1635a, 388.1635m, 388.1639, 388.1639a, 388.1641, 388.1641b, 388.1651a, 388.1651c, 388.1651d, 388.1651e, 388.1651g, 388.1653a, 388.1654, 388.1654d, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1661d, 388.1661j, 388.1662, 388.1665, 388.1667, 388.1667f, 388.1674, 388.1674, 388.1674, 388.1694, 388.1694a, 388.1694e, 388.1697g, 388.1697k, 388.1698, 388.1699, 388.1699h, 388.1699ee, 388.1701, 388.1704, 388.1704b, 388.1704h, 388.1707, 388.1711, 388.1747, 388.1747a, 388.1747c, 388.1747e, 388.1752a, 388.1752b, 388.1761a, 388.1801, 388.1801f, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1810, 388.1810b, 388.1810d, 388.1812, 388.1816e, 388.1817a, 388.1817b, 388.1817c, 388.1822, 388.1829a, 388.1830, 388.1836, 388.1836c, 388.1836d, 388.1836j, 388.1841, 388.1841a, 388.1841b, 388.1841c, 388.1841e, 388.1844, 388.1847, 388.1848, 388.1851, 388.1852, 388.1854, 388.1856, 388.1860, 388.1863, 388.1863b, 388.1864, 388.1868, 388.1869, 388.1870, 388.1870c, 388.1875k, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, 388.1885, and 388.1886), sections 3, 11x, 19, 21f, 27b, 32t, and 283 as amended and sections 22k, 27h, 217a, and 241b as added by 2023 PA 103, sections 6 and 97g as amended by 2023 PA 320, sections 11 and 31aa as amended by 2024 PA 148, sections 11a, 11j, 11k, 11m, 11s, 15, 20, 20d, 21h, 22a, 22b, 22d, 22l, 22m, 22p, 24, 24a, 25f, 25g, 26a, 26b, 26c, 26d, 27a, 27c, 27l, 27p, 28, 29, 30d, 31a, 31d, 31f, 31n, 32d, 32n, 33, 35a, 39, 39a, 41, 41b, 51a, 51c, 51d, 51e, 51g, 53a, 54, 54d, 56, 61a, 61b, 61d, 61j, 62, 65, 67, 67f, 74, 81, 94, 94a, 97k, 98, 99h, 99ee, 104, 104h, 107, 147, 147a, 147c, 147e, 152a, 152b, 201, 206, 207a, 207b, 207c, 217b, 222, 229a, 230, 236, 236c, 236j, 241, 241a, 241c, 244, 248, 251, 252, 254, 256, 260, 263, 263b, 264, 268, 269, 270c, 275k, 276, 277, 278, 279, 280, 281, and 282 as amended and sections 12d, 27r, 35m, 55, 94e, 99, 201f, 216e, 217c, 236d, 241e, 247, and 270 as added by 2024 PA 120, section 18 as amended by 2022 PA 144, section 101 as amended by 2025 PA 5, section 104b as amended by 2018 PA 265, section 111 as amended by 1997 PA 93, section 161a as amended by 2006 PA 342, section 210 as amended and section 210d as added by 2015 PA 85, sections 210b, 285, and 286 as amended by 2021 PA 86, section 212 as amended by 2016 PA 249, and section 284 as amended by 2017 PA 108, and by adding sections 12e, 18d, 22r, 22s, 31c, 32y, 35e, 61v, 97n, 99mm, 164k, 164l, 201i, 217f, 236e, 236s, and 241h; and to repeal acts and parts of acts.

(For Conference Report, see p. ____.)

The House of Representatives has adopted the report of the Committee of Conference.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senate Bill No. 273, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending section 8715 (MCL 324.8715), as amended by 2021 PA 123.

The House of Representatives has substituted (H-2) the bill.

The House of Representatives has passed the bill as substituted (H-2), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Singh moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

Albert	Cherry	Klinefelt	Runestad
Anthony	Daley	Lauwers	Santana
Bayer	Damoose	Lindsey	Shink
Bellino	Geiss	McBroom	Singh
Brinks	Hauck	McCann	Theis
Bumstead	Hertel	McMorrow	Victory
Camilleri	Hoitenga	Moss	Webber
Cavanagh	Huizenga	Nesbitt	Wojno
Chang	Johnson	Polehanki	

Nays—1

Irwin

Excused—1

Outman

Not Voting—0

In The Chair: Cherry

Senator Singh moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.
The Senate agreed to the full title.
The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senate Bill No. 565, entitled

A bill to amend 2000 PA 489, entitled “Michigan trust fund act,” by amending section 3a (MCL 12.253a), as added by 2023 PA 174.

The House of Representatives has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Senator Singh moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.
The Senate agreed to the full title.
The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senate Bill No. 574, entitled

A bill to amend 2000 PA 489, entitled “Michigan trust fund act,” by amending section 7 (MCL 12.257), as amended by 2024 PA 188.

The House of Representatives has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Senator Singh moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.
The Senate agreed to the full title.
The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senate Bill No. 577, entitled

A bill to amend 1976 PA 399, entitled “Safe drinking water act,” by amending section 9 (MCL 325.1009), as amended by 2021 PA 107.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Singh moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 266

Yeas—23

Anthony	Cherry	Klinefelt	Santana
Bayer	Daley	Lauwers	Shink
Brinks	Geiss	McCann	Singh
Camilleri	Hertel	McMorrow	Webber
Cavanagh	Huizenga	Moss	Wojno
Chang	Irwin	Polehanki	

Nays—13

Albert	Hauck	Lindsey	Runestad
Bellino	Hoitenga	McBroom	Theis
Bumstead	Johnson	Nesbitt	Victory
Damoose			

Excused—1

Outman

Not Voting—0

In The Chair: Cherry

Senator Singh moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

The Senate agreed to the full title.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senate Bill No. 578, entitled

A bill to amend 1951 PA 51, entitled “An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide

for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; to investigate and study the tolling of roads, streets, highways, or bridges; and to repeal acts and parts of acts," by amending sections 10a and 11g (MCL 247.660a and 247.661g), section 10a as amended by 1992 PA 137 and section 11g as added by 2016 PA 246.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1), ordered that the bill be given immediate effect and amended the title to read as follows:

A bill to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; to investigate and study the tolling of roads, streets, highways, or bridges; and to repeal acts and parts of acts," by amending sections 10a and 11g (MCL 247.660a and 247.661g), section 10a as amended by 1992 PA 137 and section 11g as added by 2016 PA 246.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Singh moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 267

Yeas—21

Anthony	Cherry	McBroom	Santana
Bayer	Geiss	McCann	Shink
Brinks	Hertel	McMorrow	Singh
Camilleri	Klinefelt	Moss	Webber
Cavanagh	Lauwers	Polehanki	Wojno
Chang			

Nays—15

Albert	Damoose	Irwin	Runestad
Bellino	Hauck	Johnson	Theis
Bumstead	Hoitenga	Lindsey	Victory
Daley	Huizenga	Nesbitt	

Excused—1

Outman

Not Voting—0

In The Chair: Cherry

Senator Singh moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.
The Senate agreed to the title as amended.
The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senate Bill No. 579, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 3104, 3110, 3118, 3120, 4104, 11153, 30104, 30109, 32312, and 32513 (MCL 324.3104, 324.3110, 324.3118, 324.3120, 324.4104, 324.11153, 324.30104, 324.30109, 324.32312, and 324.32513), as amended by 2021 PA 91.

The House of Representatives has substituted (H-3) the bill.

The House of Representatives has passed the bill as substituted (H-3), ordered that the bill be given immediate effect and amended the title to read as follows:

A bill to amend 1994 PA 451, entitled “An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to protect the people’s right to hunt and fish; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,” by amending sections 3104, 3110, 3118, 3120, 4104, 11153, 30104, 30109, 32312, and 32513 (MCL 324.3104, 324.3110, 324.3118, 324.3120, 324.4104, 324.11153, 324.30104, 324.30109, 324.32312, and 324.32513), as amended by 2021 PA 91.

Pending the order that, under rule 3.202, the bill be laid over one day,
Senator Singh moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.
The question being on concurring in the substitute made to the bill by the House,
The substitute was concurred in, a majority of the members serving voting therefor, as follows:

Roll Call No. 268

Yeas—21

Anthony	Cherry	Lauwers	Santana
Bayer	Geiss	McCann	Shink
Brinks	Hertel	McMorrow	Singh
Camilleri	Irwin	Moss	Theis
Cavanagh	Klinefelt	Polehanki	Wojno
Chang			

Nays—15

Albert	Damoose	Johnson	Runestad
Bellino	Hauck	Lindsey	Victory
Bumstead	Hoitenga	McBroom	Webber
Daley	Huizenga	Nesbitt	

Excused—1

Outman

Not Voting—0

In The Chair: Cherry

Senator Singh moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.
The Senate agreed to the title as amended.
The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

By unanimous consent the Senate returned to the order of

Third Reading of Bills

Senator Singh moved that the Senate proceed to consideration of the following bill:

House Bill No. 4180

The motion prevailed.

The following bill was read a third time:

House Bill No. 4180, entitled

A bill to amend 1933 PA 167, entitled “General sales tax act,” by amending sections 6a and 25 (MCL 205.56a and 205.75), section 6a as amended by 2015 PA 264 and section 25 as amended by 2023 PA 20, and by adding section 4gg.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 269

Yeas—30

Anthony	Damoose	Lindsey	Runestad
Brinks	Geiss	McBroom	Santana
Bumstead	Hauck	McCann	Singh
Camilleri	Hertel	McMorrow	Theis
Cavanagh	Hoitenga	Moss	Victory
Chang	Johnson	Nesbitt	Webber
Cherry	Klinefelt	Polehanki	Wojno
Daley	Lauwers		

Nays—6

Albert	Bellino	Irwin	Sink
Bayer	Huizenga		

Excused—1

Outman

Not Voting—0

In The Chair: Cherry

Senator Singh moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.
Pursuant to Joint Rule 20, the bill title of the act shall be inserted to read as follows,
“An act to provide for the raising of additional public revenue by prescribing certain specific taxes, fees, and charges to be paid to the state for the privilege of engaging in certain business activities; to provide, incident to the enforcement thereof, for the issuance of licenses to engage in such occupations; to provide for the ascertainment, assessment and collection thereof; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act,”
The Senate agreed to the full title.

Senators Irwin and Nesbitt asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.
The motion prevailed.
Senator Irwin’s statement is as follows:
This sales tax swap has been described as a tax-neutral shift for drivers in Michigan. Unfortunately, it is not. That is simply not true. This tax shift raises fees on EV drivers and drivers of plug-in hybrids. It seeks to raise fees for EV drivers by \$100 a year, and for plug-in hybrid drivers by \$50 per year. EV drivers and plug-in hybrid drivers already pay substantial extra registration fees every year. Why? Because in 2015, the last time our gas tax was increased, the Legislature at that time—under Governor Snyder—decided to create EV fees and plug-in hybrid fees that were designed to raise as much money to fix our roads as EV drivers and hybrid drivers would otherwise pay if they were paying a gas tax. That’s why people who have EVs or plug-in hybrids in Michigan have substantial additional registration fees. But this bill, while keeping taxes the same for drivers of gas-powered vehicles, increases fees for EV drivers and plug-in drivers such that they’ll be paying more than their fair share. So I think, here in Michigan, we should be striving to build the cars of the future—not to tax the cars of the future.

Furthermore, I'll point out that there is a huge problem in this package of legislation for K-12 schools and for our local governments. You've probably heard from some of your local government partners—particularly, our townships—who are concerned about losing constitutionally protected revenue-sharing dollars as a result of this shift. A promise from this Legislature for future funding to fill those holes is not worth very much to me, because I know how trustworthy this Legislature can be. Also, K-12 schools are being put in a very precarious position by this tax shift. Currently, K-12 schools are getting almost a billion dollars a year and growing in constitutionally protected revenue from the sales tax. How are we trying to protect our schools from this—from this loss of almost a billion dollars in revenue to our schools? We are backfilling that loss with a promise that future legislators will remember the deal that we made here today and they'll continue to make K-12 schools whole. Well, our K-12 schools have been through this story before. They know that the next time there's a recession, that these are the kind of dollars that are going to be targeted by this Legislature. So, today, I do not want to imperil our K-12 schools, I do not want to take funding away from our local governments, and I do not want to vote for a bill that's advertised around this place as being tax neutral when it is not, in fact, tax neutral—it's a tax increase on thousands of drivers here in our state.

Senator Nesbitt's statement is as follows:

A billion dollars a year. Every year, a billion dollars that motorists are paying at the pump are going to other uses than fixing our roads, our bridges, and our infrastructure that has been crumbling. It's about time we take that promise—to make sure every dime that hardworking taxpayers pay at the pump actually goes to fixing our roads. I ask for a "yes" vote on these bills.

The following bill was read a third time:

House Bill No. 4181, entitled

A bill to amend 2004 PA 175, entitled "Streamlined sales and use tax revenue equalization act," by amending sections 3 and 5 (MCL 205.173 and 205.175), section 3 as amended by 2015 PA 177 and section 5 as amended by 2022 PA 24.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 270

Yeas—31

Anthony	Damoose	Lindsey	Santana
Brinks	Geiss	McBroom	Shink
Bumstead	Hauck	McCann	Singh
Camilleri	Hertel	McMorrow	Theis
Cavanagh	Hoitenga	Moss	Victory
Chang	Johnson	Nesbitt	Webber
Cherry	Klinefelt	Polehanki	Wojno
Daley	Lauwers	Runestad	

Nays—5

Albert	Bellino	Huizenga	Irwin
Bayer			

Excused—1

Outman

Not Voting—0

In The Chair: Cherry

Senator Singh moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.
Pursuant to Joint Rule 20, the bill title of the act shall be inserted to read as follows,
“An act to impose taxes and create credits and refundable credits to modify and equalize the impact of changes made to the general sales tax act and use tax act necessary to bring those taxes into compliance with the streamlined sales tax agreement so this state may participate in the streamlined sales tax system and governing board; to prescribe certain powers and duties of certain state departments; and to provide for the disbursement of certain proceeds,”
The Senate agreed to the full title.

The following bill was read a third time:
House Bill No. 4182, entitled
A bill to amend 1937 PA 94, entitled “Use tax act,” by amending section 21 (MCL 205.111), as amended by 2023 PA 175, and by adding section 4gg.
The question being on the passage of the bill,
The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 271

Yeas—31

Anthony	Damoose	Lindsey	Santana
Brinks	Geiss	McBroom	Shink
Bumstead	Hauck	McCann	Singh
Camilleri	Hertel	McMorrow	Theis
Cavanagh	Hoitenga	Moss	Victory
Chang	Johnson	Nesbitt	Webber
Cherry	Klinefelt	Polehanki	Wojno
Daley	Lauwers	Runestad	

Nays—5

Albert	Bellino	Huizenga	Irwin
Bayer			

Excused—1

Outman

Not Voting—0

In The Chair: Cherry

Senator Singh moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.
Pursuant to Joint Rule 20, the bill title of the act shall be inserted to read as follows,

“An act to provide for the levy, assessment, and collection of a specific excise tax on the storage, use, or consumption in this state of tangible personal property and certain services; to appropriate the proceeds of that tax; to prescribe penalties; and to make appropriations,”
The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 4183, entitled

A bill to amend 2000 PA 403, entitled “Motor fuel tax act,” by amending section 8 (MCL 207.1008), as amended by 2015 PA 176.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 272

Yeas—24

Anthony	Cherry	McBroom	Santana
Bayer	Daley	McCann	Singh
Brinks	Damoose	McMorrow	Theis
Camilleri	Geiss	Moss	Victory
Cavanagh	Klinefelt	Nesbitt	Webber
Chang	Lauwers	Polehanki	Wojno

Nays—12

Albert	Hauck	Huizenga	Lindsey
Bellino	Hertel	Irwin	Runestad
Bumstead	Hoitenga	Johnson	Shink

Excused—1

Outman

Not Voting—0

In The Chair: Cherry

Senator Singh moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Pursuant to Joint Rule 20, the bill title of the act shall be inserted to read as follows,

“An act to prescribe a tax on the sale and use of certain types of fuel in motor vehicles on the public roads or highways of this state and on certain other types of gas; to prescribe the manner and the time of collection and payment of this tax and the duties of officials and others pertaining to the payment and collection of this tax; to provide for the licensing of persons involved in the sale, use, or transportation of motor fuel and the collection and payment of the tax imposed by this act; to prescribe fees; to prescribe certain other powers and duties of certain state agencies and other persons; to provide for exemptions and refunds and for the disposition of the proceeds of this tax; to provide for appropriations from the proceeds of this tax; to prescribe remedies and penalties for the violation of this act; and to repeal acts and parts of acts,”

The Senate agreed to the full title.

By unanimous consent the Senate proceeded to the order of

Statements

Senators Anthony and Brinks asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Anthony's statement is as follows:

This year's budget cycle was long and contentious, but each and every one of us who have served over the past few years has committed to always fighting for people here in Michigan, and the values that we share. After months of negotiation, the House, the Senate, and the Governor's office have come together to deliver a comprehensive, bipartisan budget that keeps our state government moving forward.

I want to thank each and every one of the Appropriations Committee members, as well as their staff, and our policy staff who helped to work to get this budget across the finish line with special thanks to the entire Senate Fiscal Agency team, particularly our director, Kathryn Summers, and our deputy director, Josh Sefton. Your dedication to the people of Michigan and this institution is truly admirable, and we appreciate you.

The budget bill that we passed today is a product of countless difficult conversations and compromise. In the face of drastic changes and cuts from Washington, D.C., this budget protects essential healthcare for everyday Michiganders and at-risk populations. This budget doubles down on our belief that every Michigander deserves a path to prosperity and opportunity for economic stability. This budget puts very creative solutions and approaches together to make sure we're addressing our housing crisis, food insecurity, and other critical needs for our communities. There is always much more work that we can do to set our state up for long-term success, but this budget brings us one step closer.

Today passing this budget provides stability and critical dollars to our school districts, our local governments, state departments, and critical services. But I would be remiss if I didn't mention how disappointed so many of us are. The fact that we are days past our constitutional deadline, the fact that so many of these conversations have played out in the public square, we know that we in this chamber and in this Capitol can do better. There is no reason why there was so much instability, with so many school districts left wondering whether they would be able to afford the breakfast and lunch program. There is no excuse for local governments not knowing how they should plan their next fiscal year. We should recommit ourselves to normalcy, to stability for we are not the chaos in Washington, D.C. we are the Michigan Legislature. We have done better, and we should do better, and I commit we will do better in the next fiscal year.

Thank you, colleagues, for your hard work this evening.

Senator Brinks' statement is as follows:

Colleagues, we made it. The process wasn't pretty, and you all know that I have a lot of opinions about that, but we made it. Much has been made of this moment, and so I'd like to take a minute to share what I am thinking about at this moment. For us to be reaching this place of bipartisanship in such a fraught time in our political atmosphere feels a little bit miraculous—and there's so much more for us to be proud of in what we just passed. Folks across Michigan deserve a budget that puts their tax dollars to work the right way, and I am proud of how we came together to make that happen—delivering a responsible, bipartisan budget that fixes our roads, strengthens our public schools, protects health care access, and insulates us from some of the toughest federal cuts. And to that last point, I can't emphasize enough the importance of the work that we do here in state legislatures, and how critical it is at this very tenuous moment in our nation.

As with any budget, but especially with this one, there was give and take. I'm not sure if there was one person here who is getting everything they want out of this budget, but that's OK. I might even say it's a good thing. It reflects the posture of compromise that we all have had to have this year. And while everyone has something they would change, add, or delete, I would argue that there are 10 or 20 times as many things to be proud of and excited to vote for in this budget.

My tradition is to close out this process with some well-deserved thank yous. Everyone in this institution, whether behind the scenes or in front of the mic, played a role in accomplishing this massive feat.

I want to start by thanking each Senator in this chamber—regardless of party—for treating the budget process with the attentiveness and seriousness it deserves. We voted tonight on a budget that protects the balance sheet, that delivers for our constituents, and, yes, even tightens the belt in some places because of your good work.

To my office staff and central staff: You made the best team in Lansing, and you guys—we have stopped the worst of the cuts from the federal level because of you. To the Secretary's team and to all of Session Staff, and to the folks at LSB who probably all have carpal tunnel after writing that budget language for literally days on end: I want to say thank you. Because of you, our roads are getting fixed.

To the members in the press corps who cover the budget this year and every year: Your work provides important context to everything that we do. Your investigative reporting over the years is the fuel for increased transparency measures—and hopefully there are plenty more of those to come.

Our Senate Fiscal analysts led by Kathryn Summers—a true rock star: You are truly the unsung heroes. Their brilliance is the magic that makes all of this work, and, because of you, we are doing things like saving Medicaid, which covers two out of every five children in our state.

Our subcommittee chairs have been champions for their budget areas, with remarkable expertise. Because of them, we have a quality budget that will infuse our communities with historic public safety and public transit money. And to the Appropriations chair and her staff: You guys are fighters. Chairwoman—you make this look so easy, and we both know that this one was not easy. With your partnership, we have expanded college scholarships, job training programs, and countless opportunities for people to achieve career success in industries that are critical to our state.

Lastly, to my chief of staff, Kathleen O'Reilly Farhat, and to the budget director, Lori Dey: You two are the queens of the jungle. No one can ever truly know the amount that you have sacrificed to get us to this point. I hope that tonight you go home and you give Jack, Brady, and Reinn big hugs. Because of you—their moms—no kid will go hungry at school.

I hope everyone takes time to rest, recuperate, and come back reenergized to continue the work of the people.

Committee Reports

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Senate Bill No. 166 submitted the following:

Meeting held on Thursday, October 2, 2025, at 1:15 p.m., Room 403, 4th Floor, Capitol Building

Present: Senators Camilleri (C), Anthony and Bumstead

COMMITTEE ATTENDANCE REPORT

The Conference Committee on House Bill No. 4706 submitted the following:

Meeting held on Thursday, October 2, 2025, at 1:30 p.m., Room 352, House Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Anthony, McCann and Bumstead

Senator Singh moved that the Senate adjourn.

The motion prevailed, the time being 3:55 a.m.

The Assistant President pro tempore, Senator Cherry, declared the Senate adjourned until Tuesday, October 7, 2025, at 10:00 a.m.

DANIEL OBERLIN
Secretary of the Senate

Exhibit F

STATE CONSTITUTION (EXCERPT)
CONSTITUTION OF MICHIGAN OF 1963

§ 24 Laws; object, title, amendments changing purpose.

Sec. 24.

No law shall embrace more than one object, which shall be expressed in its title. No bill shall be altered or amended on its passage through either house so as to change its original purpose as determined by its total content and not alone by its title.

History: Const. 1963, Art. IV, § 24, Eff. Jan. 1, 1964

Former Constitution: See Const. 1908, Art. V, §§ 21, 22.

Document received by the MI Court of Claims.

Exhibit G

HOUSE BILL NO. 4951

September 16, 2025, Introduced by Rep. Steckloff and referred to Committee on Appropriations.

A bill to provide for the imposition and collection of taxes; to provide for the establishment of procedures for the collection, administration, and enforcement of taxes; to provide for the disposition of the tax; to create the comprehensive road funding fund; to prescribe the powers and duties of certain state and local government officers and entities; and to prescribe penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "comprehensive road
2 funding act".

3 Sec. 3. As used in this act:

1 (a) "Department" means the state transportation department.

2 (b) "Maintenance" means that term as defined in section 10c of
3 1951 PA 51, MCL 247.660c.

4 (c) "Preservation" means that term as defined in section 10c
5 of 1951 PA 51, MCL 247.660c.

6 Sec. 5. (1) The comprehensive road funding fund is created in
7 the state treasury.

8 (2) The state treasurer shall deposit money and other assets
9 received from any source in the fund. The state treasurer shall
10 direct the investment of money in the fund and credit interest and
11 earnings from the investments to the fund.

12 (3) The department is the administrator of the fund for audits
13 of the fund.

14 (4) The department shall expend money from the fund, on
15 appropriation, only for 1 or more of the following purposes:

16 (a) To fund road construction, preservation, and maintenance
17 in this state.

18 (b) To replace revenue lost as a result of diverting or
19 reducing revenue raised to fund road construction.

Exhibit H

STATE CONSTITUTION (EXCERPT)
CONSTITUTION OF MICHIGAN OF 1963

§ 25 Revision and amendment of laws; title references, publication of entire sections.

Sec. 25.

No law shall be revised, altered or amended by reference to its title only. The section or sections of the act altered or amended shall be re-enacted and published at length.

History: Const. 1963, Art. IV, § 25, Eff. Jan. 1, 1964

Former Constitution: See Const. 1908, Art. V, § 21.

Document received by the MI Court of Claims.