

**Michigan Office of Administrative Hearings and Rules**  
**Administrative Rules Division (ARD)**

MOAHR-Rules@michigan.gov

**REQUEST FOR RULEMAKING (RFR)**

**1. Department:**

Licensing and Regulatory Affairs

**2. Bureau:**

Cannabis Regulatory Agency

**3. Promulgation type:**

Full Process

**4. Title of proposed rule set:**

Marihuana Rules

**5. Rule numbers or rule set range of numbers:**

R 420.1 to R 420.1004

**6. Estimated time frame:**

12 months

**Name of person filling out RFR:**

Derek Sova

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**7. Describe the general purpose of these rules, including any problems the changes are intended to address.**

To make various updates and revisions to the existing Marihuana Rules, including updating, revising, and clarifying requirements pertaining to applicants for licenses and licensees, the social equity program, the operation of marijuana businesses, production of marijuana products, transporting and delivering products, advertising and labeling, sampling and testing, using the statewide monitoring system, annual financial statements, and more.

**8. Please cite the specific promulgation authority for the rules (i.e. department director, commission, board, etc.).**

The Executive Director of the Agency is authorized to promulgate these rules.

**A. Please list all applicable statutory references (MCLs, Executive Orders, etc.).**

The Executive Director of the Agency is authorized to promulgate these rules under section 206 of the Medical Marihuana Facilities Licensing Act (MMFLA), 2016 PA 281, MCL 333.27206; sections 7 and 8 of the Michigan Regulation and Taxation of Marihuana Act (MRTMA), 2018 IL 1, MCL 333.27957 and 333.27958; section 3 of the Marihuana Tracking Act, 2016 PA 282, MCL 333.27903; and Executive Reorganization Order No. 2019-2, MCL 333.27001.

**B. Are the rules mandated by any applicable constitutional or statutory provision? If so, please explain.**

MCL 333.27206 requires the agency to promulgate rules as necessary to implement, administer, and enforce the MMFLA. MCL 333.27958 requires the agency to promulgate rules to implement and administer the MRTMA.

**9. Please describe the extent to which the rules conflict with or duplicate similar rules, compliance requirements, or other standards adopted at the state, regional, or federal level.**

The rules do not conflict with or duplicate similar rules, compliance requirements, or other standards adopted at the state, regional, or federal level. There are no other regulations governing the cultivation, production, transportation, testing, or sales of commercial marijuana in Michigan apart from these Marihuana Rules.

**10. Is the subject matter of the rules currently contained in any guideline, handbook, manual, instructional bulletin, form with instructions, or operational memoranda?**

The subject matter of some of the proposed rule revisions are currently contained in bulletins published by the Agency.

**11. Are the rules listed on the department's annual regulatory plan as rules to be processed for the current year?**

The annual regulatory plan lists proposed revisions to eight of the previous eleven separate marijuana rule sets (see question #15). This request for rulemaking to revise the Marihuana Rules will cover all eleven of the former rule sets that now make up the Marihuana Rules.

**12. Will the proposed rules be promulgated under Section 44 of the Administrative Procedures Act, 1969 PA 306, MCL 24.244, or under the full rulemaking process?**

Full Process

**13. Please describe the extent to which the rules exceed similar regulations, compliance requirements, or other standards adopted at the state, regional, or federal level.**

The rules do not exceed similar regulations, compliance requirements, or other standards adopted at the state, regional, or federal level. There are no other regulations governing the cultivation, production, transportation, testing, or sales of commercial marijuana in Michigan apart from these Marihuana Rules.

**14. Do the rules incorporate the recommendations received from the public regarding any complaints or comments regarding the rules? If yes, please explain.**

Yes, Agency personnel regularly meet with many stakeholder groups and actively solicit feedback on ways to improve Michigan's regulatory environment. Some of the specific changes that will be made to the Marihuana Rules are the result of feedback received from those conversations.

**15. If amending an existing rule set, please provide the date of the last evaluation of the rules and the degree, if any, to which technology, economic conditions, or other factors have changed the regulatory activity covered by the rules since the last evaluation.**

The Marihuana Rules is a new rule set that was created in February 2023 by combining eleven existing separate rule sets. No substantive changes were made to individual rules at that time. The eleven former rule sets were last revised in March 2022. Since March 2022, the still young regulated marijuana industry has continued to evolve, simultaneously affecting and responding to economic conditions within the market. The total number of licensees has continued to increase, prices have decreased, and market participants continue to shift toward adult-use marijuana production and consumption and away from medical marijuana.

**16. Are there any changes or developments since implementation that demonstrate there is no continued need for the rules, or any portion of the rules?**

Yes. When the eleven former rule sets were combined it resulted in redundant rules being included. Those redundant rules will be rescinded. Additionally, some existing rules were first promulgated during the early existence of the commercial marijuana market and have since proven unnecessary. Those rules will be rescinded or revised.

**17. Is there an applicable decision record (as defined in MCL 24.203(6) and required by MCL 24.239(2))? If so, please attach the decision record.**

No

**Based on the information provided in this RFR, MOAHR concludes that there are sufficient policy and legal bases for approving the RFR. The RFR satisfies the requirements of the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 to 24.328, and Executive Order No. 2019-6.**