

**Michigan Office of Administrative Hearings and Rules**

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**AGENCY REPORT TO THE  
JOINT COMMITTEE ON ADMINISTRATIVE RULES (JCAR)**

**1. Agency Information**

**Agency name:**

Licensing and Regulatory Affairs

**Division/Bureau/Office:**

Marihuana Regulatory Agency

**Name of person completing this form:**

Jessica Fox

**Phone number of person completing this form:**

517-284-9294

**E-mail of person completing this form:**

FOXJ12@michigan.gov

**Name of Department Regulatory Affairs Officer reviewing this form:**

Elizabeth Arasim

**2. Rule Set Information**

**MOAHR assigned rule set number:**

2019-69 LR

**Title of proposed rule set:**

Marihuana Operations

**3. Purpose for the proposed rules and background:**

To provide one, cohesive set of rules for regulating marihuana licenses for both adult use and medical marihuana in the State of Michigan.

**4. Summary of proposed rules:**

The proposed topic-based rule sets are intended to provide clarity/consistency to those working in both the medical and adult use markets. The rule sets provide for the implementation of a program to license medical/adult use marihuana businesses. The rule sets implement, administer, and enforce appropriate standards for marihuana businesses and associated equipment and establish regulations ensuring the safety, security, and integrity of the operation of marihuana businesses.

**5. List names of newspapers in which the notice of public hearing was published and publication dates:**

The Flint Journal (Pub: 1/28/20), The Grand Rapids Press (Pub: 1/28/20), The Mining Journal (Pub: 1/16/20)

**6. Date of publication of rules and notice of public hearing in Michigan Register:**

2/1/2020

**7. Date, time, and location of public hearing:**

2/12/2020 09:30 AM at Auditorium , 525 West Ottawa Street, Lansing, Michigan

**8. Provide the link the agency used to post the regulatory impact statement and cost-benefit analysis on its website:**

[https://dtmb.state.mi.us/ARS\\_Public/Transaction/RFRTransaction?TransactionID=13](https://dtmb.state.mi.us/ARS_Public/Transaction/RFRTransaction?TransactionID=13)

**9. List of the name and title of agency representative(s) attending public hearing:**

Executive Director Andrew Brisbo, Legal Analyst Kelly Kronner, Legal Analyst Jessica Fox, Legal Analyst Joshua Galicki

**10. Persons submitting comments of support:**

Dykema Gossett, PLLC  
Choice Laboratories  
Michigan Coalition of Independent Cannabis Testing Laboratories  
PSI Labs  
Michigan Cannabis Manufacturers Association  
Benjamin D. Joffe, PLLC  
Cherry Health  
Michigan Alcohol Policy Promoting  
Roma Thurin  
Cannabis Business Association of Michigan  
Red Arrow Farms  
Terrapin Michigan

**11. Persons submitting comments of opposition:**

None.

**12. Identify any changes made to the proposed rules based on comments received during the public comment period:**

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	<b>Name &amp; Organization</b>	<b>Comments made at public hearing</b>	<b>Written Comments</b>	<b>Agency Rationale for change</b>	<b>Rule number &amp; citation changed</b>
1	Dykema Gossett, PLLC		The language refers to employees who meet the requirements of 420.602, but not the definition of employee under 420.601. This reference should be added.	The agency agrees with this comment that the reference should be included.	420.207(4)(c)
2	Choice Laboratories		“active ingredient” excludes industrial hemp and only determines active based upon THC level.	The agency agrees with this comment and has modified this section accordingly.	420.201(a)
3	Michigan Coalition of Independent Cannabis Testing Laboratories		We should allow for botanical terpenes.	The agency allows this by written guidance and are now codifying this in rules.	420.6(11)
4	PSI Labs, LLC		We should allow for botanical terpenes.	The agency allows this by written guidance and are now codifying this in rules.	420.6(11)
5	PSI Labs, LLC		The definition of final package is unclear.	The agency agrees that the definition needs clarification.	420.201(n)
6	Michigan Coalition of Independent Cannabis Testing Laboratories		The definition of final package is unclear.	The agency agrees that the definition needs clarification.	420.201(n)

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7	Michigan Cannabis Manufacturers Association		A 60-day timeline is not reasonable for cultivators; it should be at least 6 months	The agency agrees.	420.206(14)
8	Dykema Gossett, PLLC		A 60-day timeline is not reasonable for cultivators; it should be at least 6 months	The agency agrees.	420.206(14)
9	Craig DeRoche		Requiring a permanent Certificate of Occupancy does not account for improvements to facilities, etc.	The agency agrees.	420.208(3)
10	Dykema Gossett, PLLC		Electronic access should also be allowed and will increase security	The agency agrees.	420.209(3)
11	Michigan Cannabis Manufacturers Association		Electronic access should also be allowed and will increase security	The agency agrees.	420.209(3)
12	Benjamin D. Joffe, PLLC		The definition of applicant does not include anyone under a trust	The agency agrees and has made this modification	420.201(d/e) (i)(I)
13	Cherry Health		Alcohol should be dealt with individually	The agency agrees with this comment	420.203(2)(b) (i)
14	Michigan Alcohol Policy Promoting Health & Safety		Alcohol should be dealt with individually	The agency agrees with this comment	420.203(2)(b) (i)
15	Roma Thurin		The requirement for separate entrances and exits should be removed, one point of access is safer	The agency agrees with this comment	420.204(2)(d) (iii)

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16	Dykema Gossett, PLLC		Contiguous is not enforced that way and same parcel should be allowed	The agency agrees with this comment	420.204(2)(d)(ii)
17	Cannabis Business Association of Michigan		It is not reasonable to require visibility to be blocked for all outdoor grows	The agency agrees with this comment	420.206(b)(i)
18	Roma Thurin		Current requirements make it difficult to find video segments with activity, should be motion detection	The agency agrees with this comment	420.209(9)
19	Red Arrow Farm		Current requirements make it difficult to find video segments with activity, should be motion detection	The agency agrees with this comment	420.209(9)
20	Terrapin Michigan		Current requirements make it difficult to find video segments with activity, should be motion detection	The agency agrees with this comment	420.209(9)
21	Michigan Cannabis Manufacturers Association		Allow the transfer of Adult Use products to the Medical Market to ensure supply	The agency agrees with this comment	420.214
22	Michigan Cannabis Manufacturers Association		GMP does not apply to cultivators, GACP does	The agency agrees with this comment	420.206(2)

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23	Michigan Cannabis Manufacturers Association		This provision is not authorized and does not efficiently serve its stated purpose. There is no standard	The agency agrees with this comment	420.206(16)
24	Dykema Gossett, PLLC		There is no statutory authority to force sales to a third party	The agency agrees with this comment.	420.206(16)

**13.Date report completed:**

3/24/2020