

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:

2019-67 LR

Title of proposed rule set:

Marihuana Licenses

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)

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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=11

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
 Michigan Cannabis Industry Association
 Northwest Confections Michigan, LLC
 Kelly Young of My TCBD, Inc.
 Roma Thurin
 Michigan Cannabis Manufacturers Association
 Richard LeBlanc
 Michigan Association of Chiefs of Police
 Tuscola County Prosecuting Attorney
 Great Lakes Cannabis Chamber of Commerce
 Pollicella Tompkins
 Thomas J. Weichel, Alcona County Prosecuting Attorney
 United Food and Commercial Workers International Union
 Benjamin D. Joffe, PLLC

11. Persons submitting comments of opposition:

Weedmaps
 Jason Palomba

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

	Name & Organization	Comments made at public hearing	Written Comments	Agency Rationale for change	Rule number & citation changed
1	Dykema Gossett, PLLC		The definition of employee does not include professional services and should.	The agency agrees and makes this change for consistency with this change in other sections.	420.1(1)

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2	Dykema Gossett, PLLC		Prequalification status should be extended beyond 1 year due to municipal restrictions, etc.	The agency agrees that this time period should be extended.	420.3(2)
3	Michigan Cannabis Industry Association		Prequalification status should be extended from 1 year to 2 years due to construction and other issues beyond the applicants' control.	The agency agrees that this time period should be extended.	420.3(2)
4	Northwest Confections Michigan, LLC		Prequalification status deadline should be extended.	The agency agrees that this time period should be extended.	420.3(2)
5	Kelly Young My TCBD, Inc.		Prequalification status deadline should be extended.	The agency agrees that this time period should be extended.	420.3(2)
6	Roma Thurin		Prequalification status deadline should be extended.	The agency agrees that this time period should be extended.	420.3(2)
7	Michigan Cannabis Industry Association	Delivery is better regulated and tracked as part of a sales location.		The agency agrees and has removed this license type.	420.27
8	Weedmaps		This license type creates less of a challenge for customers to get product where there is no retail store doing delivery.	The agency understands this position but agrees with the other comments that this license type should be removed.	420.27

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9	Michigan Cannabis Manufacturers Association		This license type is not needed in light of home delivery. It is untenable to keep track of sales, custody of product, verification of sales requirements, etc.	The agency agrees and has removed this license type.	420.27
10	Richard LeBlanc		This business type would be very challenging to oversee and nearly impossible to regulate.	The agency agrees and has removed this license type.	420.27
11	Michigan Association of Chiefs of Police	There are unintended public safety consequences to this license type		The agency agrees and has removed this license type.	420.27
12	Tuscola County Prosecuting Attorney		This license type creates significant and unnecessary public safety issues, municipal issues and adversely impacts licensed sales businesses.	The agency agrees and has removed this license type.	420.27
13	Great Lakes Cannabis Chamber of Commerce		This license is not affiliated with a sales location, there is a lack of control and integrity.	The agency agrees and has removed this license type.	420.27
14	Dykema Gossett, PLLC		This license type has too much risk associated with it.	The agency agrees and has removed this license type.	420.27
15	Pollicella Tompkins		This license type is unmanageable and an unenforceable vehicle for the black market.	The agency agrees and has removed this license type.	420.27

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16	Thomas J. Weichel, Alcona County Prosecuting Attorney		This license type is a public safety issue including delivery of unsafe product, diversion from retail businesses; black market drivers, tax issues, etc.	The agency agrees and has removed this license type.	420.27
17	Paul Samways	MMFLA says "reviewed financial statements" department has come out with a list of different things.		The agency agrees with this comment and has added a clarifying provision on financial statements.	420.20
18	United Food and Commercial Workers International Union		The labor peace agreement attestation should be signed by the bona fide labor union.	The agency agrees with this comment.	420.13(e)
19	Dykema Gossett, PLLC		"all loan" language covers unnecessary information should be changed to "all loan types specified by the agency".	The agency agrees with this comment.	420.4(2)(a)(i)(C)
20	Benjamin D. Joffe, PLLC		The definition of applicant does not include anyone under a trust.	The agency agrees and has made this modification.	420.1(c)(i)(I)
21	Dykema Gossett, PLLC		Disclosure of persons for SEC purposes is not correct, should be 5%.	The agency agrees with this comment.	420.4(2)(a)(v)

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22	Dykema Gossett, PLLC		Disclosure of persons for SEC purposes is not correct, should be 5%.	The agency agrees with this comment.	420.4(3)
23	Steve Linder, Michigan Cannabis Manufacturers Association	We don't believe that it's the role of the Department to use licensure as a hammer to force independent businesses into forming relationships with labor unions which will unalterably change and distort their workplaces.		The agency agrees with this comment.	420.1(d)
24	Steve Linder, Michigan Cannabis Manufacturers Association	We don't believe that it's the role of the Department to use licensure as a hammer to force independent businesses into forming relationships with labor unions which will unalterably change and distort their workplaces.		The agency agrees with this comment.	420.1(p)
25	Steve Linder, Michigan Cannabis Manufacturers Association	We don't believe that it's the role of the Department to use licensure as a hammer to force independent businesses into forming relationships with labor unions which will unalterably change and distort their workplaces.		The agency agrees with this comment.	420.5(6)

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26	Steve Linder, Michigan Cannabis Manufacturers Association	We don't believe that it's the role of the Department to use licensure as a hammer to force independent businesses into forming relationships with labor unions which will unalterably change and distort their workplaces.		The agency agrees with this comment.	420.13(e)
27	Steve Linder, Michigan Cannabis Manufacturers Association	We don't believe that it's the role of the Department to use licensure as a hammer to force independent businesses into forming relationships with labor unions which will unalterably change and distort their workplaces.		The agency agrees with this comment.	420.14(3)(h)
28	Steve Linder, Michigan Cannabis Manufacturers Association	We don't believe that it's the role of the Department to use licensure as a hammer to force independent businesses into forming relationships with labor unions which will unalterably change and distort their workplaces.		The agency agrees with this comment.	420.21/22(2)(m)
29	Jason Palomba	In support of labor peace agreements. Gives the option for workers to join a union if they choose so.		The agency agrees with the comments received in opposition to this matter.	See above.

13.Date report completed:

3/23/2020