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Memorandum

VIA E-MAIL

DATE: April 1, 2020

TO: Senator Peter Lucido, Chairperson, JCAR
Representative Matt Maddock, Alternate Chairperson, JCAR
Evan Keimach, Senate Majority Policy Office
Jimmy Biehl, House Republican Policy Office
Tim Reeves, Counsel, JCAR
Elizabeth Edberg, Counsel, JCAR

FROM: Marlon I. Brown, Director of Policy and Legislative Affairs *MB*

SUBJECT: Joint Committee on Administrative Rules (JCAR) Briefing Memo for Rule Set 2019-69 LR Marihuana Operations

Rules Primer

The general purpose of the proposed rules is to provide standardized requirements for the operations of marihuana businesses.

Summary of the Final Proposed Rule

The proposed rules outline the standards required for a marihuana business licensed to operate under the Medical Marihuana Facilities Licensing Act (MMFLA) and the Michigan Regulation and Taxation of Marihuana Act (MRTMA).

Stakeholder Engagement

There was no specific engagement of stakeholders in the drafting of the pre-public hearing draft of the proposed rules.

Public Engagement and Public Hearing / Comment / Information

The public comment period began on February 2, 2020 and ended on February 17, 2020. The notice of public comment period, in addition to being posted in various newspapers as required, was distributed via email to interested parties signed up to receive such notices. The public hearing was held at the Marijuana Regulatory Agency, Jupiter Conference Room on February 12, 2020. There were no comments made in support or opposition to the proposed rules. There were numerous comments requesting modifications to the proposed rules.

Modifications Made Due to Public Comment

Modifications were made to the active and inactive ingredient provisions. A period of 6 months was allotted for marijuana businesses to come into compliance with new requirements issued by the agency. Modifications were made to the security recording requirements to assist the licensees and the agency in reviewing surveillance video footage. Good Agricultural Collection Practices was adopted for growers as a corollary for Good Manufacturing Processes for manufacturers. The provisions referred to by commenters as “forced sales” were removed from this rule set. The provisions required vertically integrated businesses to provide product to non-vertically integrated provisioning centers and retailers. The provisions also allowed the agency to order such sales and take disciplinary action for non-compliance with an order.

Significant Issues Not Incorporated in the Final Proposed Rules

The provisions referred to by commenters as “forced sales” were removed from this rule set. The provisions required vertically integrated businesses to provide product to non-vertically integrated provisioning centers and retailers. The provisions also allowed the agency to order such sales and take disciplinary action for non-compliance with an order.

cc/att: Kim Gaedeke, Chief Deputy Director, LARA
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