

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:

2019-72 LR

Title of proposed rule set:

Marihuana Sale or Transfer

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=16

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 Manufacturers Association
 Michigan Cannabis Industry Association
 Lion Labs, Ltd
 Cannabis Business Association of Michigan
 Choice Laboratories
 Michigan Coalition of Independent Cannabis Testing Laboratories
 PSI Labs

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:

	Name & Organization	Comments made at public hearing	Written Comments	Agency Rationale for change	Rule number & citation changed
1	Dykema Gossett, PLLC		Section should be changed from “holding a license” to “selling a marihuana product”.	The agency agrees that this subrule applies to sale and this change is beneficial to the clarity of the rule set.	420.505(1)(e)

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2	Dykema Gossett, PLLC		The phrase “under the medical marihuana facilities licensing act” should be moved to increase clarity.	The agency agrees that the change should be made for clarity.	420.507(6)
3	Dykema Gossett, PLLC		The phrase “under the medical marihuana facilities licensing act” should be moved to increase clarity.	The agency agrees that the change should be made for clarity. The agency has determined that to maintain parity and improve clarity the same changes should be made in this section by moving the phrase “under the Michigan regulation and taxation of marihuana act”.	420.507(7) 420.507(8) 420.507(9)
4	Dykema Gossett, PLLC		"For products being sold by a licensee under the medical marihuana facilities licensing act that exceed maximum THC levels allowed for products sold under MRTMA, “For use by individuals 21 years of age or older only. Keep out of reach of children.”	The agency agrees that this should be modified to provide for labelling of medical marihuana product only.	420.504(1)(k) (iii)

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5	Dykema Gossett, PLLC		For all other products being sold by a licensee, “For use by individuals 21 years of age or older or registered qualifying patients only. Keep out of reach of children.	The agency agrees that this will change will decrease the burden on licensees of labeling product.	420.504(1)(k)(iv)
6	Michigan Cannabis Manufacturers Association		What does it mean to keep results? This should be clarified.	The agency agrees that this provision is unclear, and further indicates that it is unnecessary and therefore has been removed.	420.509(4)
7	Dykema Gossett, PLLC		Listing all required testing information is cumbersome.	The agency agrees that the test batch number is unnecessary information.	420.504(1)(i)
8	Michigan Cannabis Industry Association		The current limit is too stringent and does not account for the size of the operation or the number of employees.	The agency agrees with this comment.	420.509(5)
9	Lion Labs, Ltd.		There are multiple types of products that need to be sampled for research and development. The current limits do not take that into account. This should be unlimited.	The agency agrees with this comment.	420.510(2)

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10	Lion Labs, Ltd.		There are multiple types of products that need to be sampled for research and development. The current limits do not take that into account. This should be unlimited.	The agency agrees with this comment.	420.510(3)
11	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.	420.501(h)
12	Lion Labs, Ltd.		The limit is not enough to effectively be sampled. Additionally, it does not account for types of products, differences in populations, etc.	The agency agrees with this comment.	420.509(6)
13	Cannabis Business Association of Michigan		The current rule does not allow for variability due to the precision of testing.	The agency agrees with this comment.	420.504(g)
14	Dykema Gossett, PLLC		The current rule does not allow for variability due to the precision of testing.	The agency agrees with this comment.	420.504(g)
15	Choice Laboratories		The rule needs to allow for variance.	The agency agrees with this comment.	420.504(g)

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16	Michigan Coalition of Independent Cannabis Testing Laboratories		The rule should allow for a variance in potency of 10%.	The agency agrees with this comment.	420.504(g)
17	PSI Labs		The rule should allow for a variance in potency of 10%.	The agency agrees with this comment.	420.504(g)

13.Date report completed:

3/24/2020