

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:

Marijuana 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:

2020-117 LR

Title of proposed rule set:

Marihuana Disciplinary Proceedings

3. Purpose for the proposed rules and background:

To update the existing rules to set standards for the exclusion of individuals from marihuana business and employees from employment at marihuana businesses.

4. Summary of proposed rules:

The rule changes are designed to update and refine the disciplinary proceeding process used by the agency when licensees are not in compliance with the statutes or the rules

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

The Flint Journal – September 7, 2021

The Grand Rapids Press – September 7, 2021

The Mining Journal – September 7, 2021

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

9/1/2021

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

9/27/2021 09:30 AM at Williams Building, 1st Floor 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://ARS.apps.lara.state.mi.us/Transaction/RFRTransaction?TransactionID=1243>

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

Andrew Brisbo – Executive Director

Jessica S. Fox – Departmental Analyst, Scientific & Legal Section

Kelly Kronner – Departmental Analyst, PR Section

10. Persons submitting comments of support:

MICIA

NORML

Bob Hendricks

11. Persons submitting comments of opposition:

Gage Cannabis

Dickinson Wright

MICIA

Cresco Labs

NORML

My TCBD

Benjamin Joffe

42 Degrees

MCMA

Cannabis Attorneys of Michigan

Terrapin

Cannabis Law Section – Special Committee on Rules

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

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	Name & Organization	Comments made at public hearing	Written Comments	Agency Rationale for change	Rule number & citation changed
1	Weedmaps		Public comment was received on the Licensees Rule Set that a licensing agreement as defined was too broad and could encompass unintended contracts.	Definition updated to match definition in other rule set where feedback was incorporated under R 420.101 (1)(l).	R 420.801(1)(i)
2	Benjamin D. Joffe		Cannot possibly report an order prior to its issuance, could report a proceeding that may lead to an order.	The agency agrees with this comment. This provision was removed and notification required within 10 days under R 420.802(8).	R 420.802(3)(g)
3	Cresco Labs		Change from 1 business day to 3 business days.	The agency agrees with this comment.	R 420.802(4)
4	MICIA		Remove or narrow this language.	The agency agrees with this comment. The rule was narrowed to remove the provisions regarding alleged violations and only in the circumstances of actual violation.	R 420.802(4)(c)
5	MCMA		Include clarity of who "another party" is based upon definitions included previously.	The agency agrees with this comment. The rule number for the definition wasn't added because the term is defined elsewhere.	R 420.802(4)(c)

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6	Bob Hendricks		Refer to 420.801 (1)(j) for definition.	The agency agrees with this comment. The rule number for the definition wasn't added because the term is defined elsewhere.	R 420.802(7)
7	Gage Cannabis		Should only apply to management agreements that cause a material change to the marijuana business.	The agency agrees with this comment.	R 420.802(7)
8	MCMA		Accused/not convicted is too far, "negatively impact public health, safety and welfare" is too broad.	The agency agrees with this comment. This rule was modified to include only actual, not accused violations of the rules statutes and actual convictions.	R 420.808a
9	MCMA		Fix the cross reference to 420.705 to 420.704a.	The agency agrees with this comment.	R 420.808a (3)

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10	Cannabis Law Section – Special Committee on Rules		Too ambiguous why someone can be excluded.	The agency agrees with this comment. The provisions leading to possible exclusion were reduced from 6 to 3. The provisions were also narrowed to conduct while employed at a marijuana business, exclusion in another jurisdiction and conviction for distribution to a minor.	R 420.808a (1)
11	MICIA		Include factual statement for exclusion.	The agency agrees with this comment. The rule was revised to require a factual statement be included.	R 420.808a (2)(b)
12	MICIA		Include who the filing is served on and how in the rule.	The agency agrees with this comment and has added a provision regarding service of the Notice.	R 420.808a (4)
13	MICIA		Name should only go on the list after a hearing. Rule says your name goes on the list and if you don't request a hearing it stays there.	The agency agrees with this comment and has revised the rule to state that the individual's name will be placed on the list if a hearing is not requested.	R 420.808a (5)

13.Date report completed:

12/3/2021