

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

~~MARIJUANA~~CANNABIS REGULATORY AGENCY

MARIHUANA ~~LICENSES~~RULES

Filed with the secretary of state on

~~These rules become effective immediately after filing with the secretary of state unless adopted under section 33, 44, or 45a(9) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the secretary of state.~~ **Except for R 420.218a, R 420.705, R 420.806d, and R 420.807, these rules become effective 180 days after filing with the secretary of state. R 420.218a, R 420.705, R 420.806d, and R 420.807 take effect immediately upon filing with the secretary of state.**

(By authority conferred on the executive director of the ~~marijuana~~cannabis regulatory agency by section 206 of the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27206, sections 7 and 8 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27957 and 333.27958, and Executive Reorganization Order No. 2019-2, MCL 333.27001)

R 420.1, R 420.2, R 420.3, R 420.4, R 420.5, R 420.6, R 420.7, R 420.8, R 420.10, R 420.11, R 420.12, R 420.13, R 420.14, R 420.15, R 420.16, R 420.17, R 420.18, R 420.19, R 420.20, R 420.21, R 420.22, R 420.23, R 420.24, R 420.101, R 420.102, R 420.103, R 420.104, R 420.105, R 420.106, R 420.107, R 420.108, R 420.109, R 420.110, R 420.201, R 420.202, R 420.203, R 420.204, R 420.205, R 420.206, R 420.207, R 420.208, R 420.209, R 420.210, R 420.211, R 420.212, R 420.213, R 420.214, R 420.215, R 420.301, R 420.302, R 420.303, R 420.304, R 420.305, R 420.306, R 420.307, R 420.308, R 420.401, R 420.402, R 420.403, R 420.404, R 420.405, R 420.501, R 420.502, R 420.503, R 420.504, R 420.505, R 420.506, R 420.507, R 420.508, R 420.602, R 420.603, R 420.702, R 420.703, R 420.704, R 420.704a, R 420.705, R 420.706, R 420.707, R 420.708, R 420.709, R 420.801, R 420.802, R 420.803, R 420.804, R 420.805, R 420.806, R 420.807, R 420.808, R 420.1001, R 420.1002, R 420.1003, and R 420.1004 of the Michigan Administrative Code are amended, R 420.2a, R 420.2b, R 420.4a, R 420.8a, R 420.9, R 420.19a, R 420.201a, R 420.201b, R 420.201c, R 420.203a, R 420.205a, R 420.216, R 420.217, R 420.218, R 420.218a, R 420.219, R 420.220, R 420.221, R 420.306a, R 420.306b, R 420.306c, R 420.306d, R 420.306e, R 420.309, R 420.310, R 420.311, R 420.311a, R 420.312, R 420.313, R 420.314, R 420.402a, R 420.402b, R 420.402c, R 420.403a, R 420.405a, R 420.405b, R 420.405c, R 420.406, R 420.407, R 420.408, R 420.409, R 420.604, R 420.806a, R 420.806b, R 420.806c, and R 420.806d are added, and R 420.11a, R 420.25, R 420.26, R 420.27, R 420.27a, R 420.27b, R 420.28, R 420.29, R 420.105a, R 420.111, R 420.112, R 420.112a, R 420.113, R 420.206a, R 420.207a, R 420.214a, R 420.214b, R 420.214c, R 420.303a, R 420.305a, R 420.305b, R 420.503a, R 420.509, R 420.510, R 420.511, R 420.601, R 420.602a, R 420.701, R 420.808a, R 420.809, R 420.821, R 420.822, and R 420.823 are rescinded, as follows:

May 6, 2026

PART 1. GENERAL PROVISIONS

R 420.1 Definitions.

Rule 1. (1) As used in these rules:

(a) "Acts" refers to the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, and the Michigan Regulation and Taxation of Marijuana Act, 2018 IL 1, MCL 333.27951 to 333.27967, ~~when applicable.~~

(b) "Administrative procedures act" means the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

~~(bc)~~ "Agency" means the ~~marijuana~~ **cannabis** regulatory agency.

(d) "Another party" or "other party" means a person with whom a licensee enters a licensing, management, or manufacturing agreement.

~~(ee)~~ "Applicant" means a person ~~whothat~~ applies for a marijuana license, subject to ~~paragraphs~~ **subparagraphs** (i) and (ii) of this subdivision:

(i) For purposes of this definition, an applicant includes a managerial employee of the applicant, a person holding a direct or indirect ownership interest of more than 10% in the applicant, and the following for each type of applicant:

(A) For an individual or sole proprietorship: the proprietor and spouse.

(B) For a partnership and limited liability partnership: all partners and their spouses.

(C) For a limited partnership and limited liability limited partnership: all general and limited partners, not including a limited partner holding a direct or indirect ownership interest of 10% or less who does not exercise control over or participate in the management of the partnership, and their spouses.

(D) For a limited liability company: all members and managers, not including a member holding a direct or indirect ownership interest of 10% or less who does not exercise control over or participate in the management of the company, and their spouses.

(E) For a privately held corporation: all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, all stockholders, not including those holding a direct or indirect ownership interest of 10% or less, and their spouses.

(F) For a publicly held corporation: all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, all stockholders, not including those holding a direct or indirect ownership interest of 10% or less, and their spouses.

(G) For a multilevel ownership enterprise: ~~anyan~~ entity or person that receives or has the right to receive more than 10% of the gross or net profit from the enterprise during ~~anya~~ full or partial calendar or fiscal year.

(H) For a nonprofit corporation: all individuals and entities with membership or shareholder rights in accordance with the articles of incorporation or the bylaws and their spouses.

(I) For a trust: trustees, ~~anyan~~ individual or body able to control and direct the affairs of the trust, and ~~anya~~ beneficiary ~~whothat~~ receives or has the right to receive more than 10% of the gross or net profit of the trust during ~~anya~~ full or partial calendar or fiscal year and their spouses.

(ii) For purposes of this definition, an applicant does not include:

(A) A person ~~whothat~~ provides financing to an applicant or licensee under a bona fide financing agreement at a reasonable interest rate unless the person exercises control over or participates in the management of the marijuana business.

(B) A franchisor ~~whothat~~ grants a franchise to an applicant, if the franchisor does not have the right to receive royalties based ~~upon~~ the sale of marijuana or marijuana-infused products by the

applicant ~~whothat~~ is a franchisee. Nothing in this subrule shall be construed to preclude a franchisor from charging an applicant ~~whothat~~ is a franchisee a fixed fee. As used in this definition, the terms “franchise,” “franchisor,” and “franchisee” have the meanings set forth in section 2 of the franchise investment law, 1974 PA 269, MCL 445.1502.

(C) A person receiving reasonable payment for rent on a fixed basis under a bona fide lease or rental obligation unless the person exercises control over or participates in the management of the marihuana business.

(D) A person receiving reasonable payment under a licensing agreement or contract approved by the agency concerning the licensing of intellectual property, including, but not limited to, brands and recipes.

(E) A person ~~whothat~~ receives a percentage of profits as an employee if the employee does not meet the definition of “managerial employee” and the employee does not receive more than 10% of the gross or net profit from the licensee during ~~anya~~ full or partial calendar or fiscal year.

(F) ~~A person~~ **An individual** who receives a bonus as an employee if the employee is on a fixed wage or salary and the bonus is not more than 25% of the employee’s pre-bonus annual compensation or if the bonus is based ~~upon~~ a written incentive ~~or~~ bonus program that is not out of the ordinary for the services rendered.

(f) “Batch” means all marihuana of the same variety that is processed together and exposed to substantially similar conditions throughout processing.

(g) “Brand” means a unique design, symbol, or word, or any combination of designs, symbols, or words used to identify a product and differentiate it from other products for the purposes of marketing or selling the product. Brand does not include the legal name or assumed name of a marihuana business.

(h) “Building” means a combination of materials forming a structure affording facility, establishment, or shelter for use or occupancy by individuals or property. Building includes a part or parts of the building and all equipment in the building. A building does not include a building incidental to the use for agricultural purposes of the land on which the building is located.

(i) “Bureau of fire services” or “BFS” means the bureau of fire services in the department ~~of licensing and regulatory affairs.~~

(j) “Class A marihuana microbusiness” means a person licensed under R 420.110.

(k) “Clone” means a replication of a single parent plant through vegetative propagation.

~~(f) “Common ownership” means 2 or more state licenses or 2 or more equivalent licenses held by one person under the Michigan Regulation and Taxation of Marihuana Act.~~

(l) “Complete application” means an application that includes all of the information required in R 420.2 to R 420.5 and R 420.7 to R 420.10 ~~R 420.3 to R 420.8.~~

(m) “Contested case hearing” means an administrative hearing conducted by an administrative law judge within MOAHR on behalf of the agency in accordance with the acts and these rules.

(n) “Cultivar” means a cultivated variety of a plant species selected for desired traits when propagated by division, root and stem cuttings, offsets, grafting, tissue culture, or carefully controlled seed production to retain those traits.

(o) “Cultivator” means a grower under the MMFLA or a marihuana grower under the MRTMA, or both.

(p) “Department” means the department of licensing and regulatory affairs.

(q) “Designated consumption establishment” means a commercial space that is licensed by the agency and authorized to ~~permit~~ allow adults 21 years of age and older to consume marihuana

products at the location indicated on the state license issued under the ~~Michigan Regulation and Taxation of Marihuana Act~~ **MRTMA**.

~~(j) “Director” means the director of the department of licensing and regulatory affairs or his or her designee.~~

(r) “Edible marihuana product” means a marihuana-infused product that is intended for human consumption in a manner other than inhalation. Edible marihuana product does not include a marihuana-infused product that is intended for topical application.

~~(ks) “Employee” means a person an individual performing work or service for compensation. “Employee” does not include individuals providing trade or professional services who are not normally engaged in the operation of a marihuana business.~~

~~(lt) “Equivalent licenses” means any of the following held by a person:~~

~~(i) A marihuana grower license of any class issued under the Michigan Regulation and Taxation of Marihuana Act~~ **MRTMA** and a grower license, of ~~any~~ **the same** class, issued under the ~~medical marihuana facilities licensing act~~ **MMFLA**.

~~(ii) A marihuana processor license issued under the Michigan Regulation and Taxation of Marihuana Act~~ **MRTMA** and a processor license issued under the ~~medical marihuana facilities licensing act~~ **MMFLA**.

~~(iii) A marihuana retailer license issued under the Michigan Regulation and Taxation of Marihuana Act~~ **MRTMA** and a provisioning center license issued under the ~~medical marihuana facilities licensing act~~ **MMFLA**.

~~(iv) A marihuana secure transporter license issued under the Michigan Regulation and Taxation of Marihuana Act~~ **MRTMA** and a secure transporter license issued under the ~~medical marihuana facilities licensing act~~ **MMFLA**.

~~(v) A marihuana safety compliance facility license issued under the Michigan Regulation and Taxation of Marihuana Act~~ **MRTMA** and a safety compliance facility license issued under the ~~medical marihuana facilities licensing act~~ **MMFLA**.

~~(mu) “Excess marihuana grower” means a license issued to a person holding 5 class C marihuana grower licenses and licensed to cultivate marihuana and sell or otherwise transfer marihuana to marihuana establishments~~ **person licensed under R 420.103.**

(v) “Executive director” means the executive director of the agency.

(w) “Final form” means the form marihuana is in when it is available for sale by a marihuana sales location, not including final consumer packaging. For marihuana intended for inhalation, final form means the marihuana concentrate in an e-cigarette or vaping device.

(x) “Full compliance testing” means the full panel of tests in R 420.306 that marihuana must pass before it can be sold or transferred.

(y) “Good agricultural collection practices” or “GACP” means the World Health Organization’s or the American herbal products association's guidelines regarding the safety, efficacy, and sustainability of medicinal plant material used in herbal medicines.

(z) “Harvest batch” means a designated quantity of dried marihuana flower or trim, leaves, and other marihuana plant material that is a uniform cultivar, harvested in whole or in part at the same time, and cultivated using the same pesticides or other agricultural chemicals.

~~(naa) “Immature plant” means a nonflowering marihuana plant that is no taller than 8 inches from the growing or cultivating medium and no wider than 8 inches, and is produced from a cutting, clipping, tissue culture, or seedling that is in a growing or cultivating medium or in a growing or cultivating container.~~

(bb) “Immature plant batch” means a designated quantity of immature plants.

(cc) “Inactive ingredients” means any of the following:

(i) Binding materials, dyes, preservatives, flavoring agents, and other ingredients not derived from the plant Cannabis sativa L. Inactive ingredients does not mean traditional food additives.

(ii) Ingredients that appear in the Inactive Ingredient Database maintained by the United States Food and Drug Administration (FDA).

(iii) Ingredients for which the licensee can provide toxicological support or evidence that the FDA considers the substance safe for the intended use.

(dd) “Industrial hemp research and development act” means the industrial hemp research and development act, 2014 PA 547, MCL 286.841 to 286.859.

(ee) “Intellectual property” means all original data, findings, or other products of the mind or intellect commonly associated with claims, interests, and rights that are protected under trade secret, patent, trademark, copyright, or unfair competition law and includes brands or recipes.

(ff) “Internal product sample” means a sample of marihuana that a cultivator, producer, or marihuana sales location transfers directly to an employee for the purpose of ensuring the quality of the marihuana or making determinations about whether to sell or transfer the marihuana.

(gg) “Licensing agreement” means an understanding or contract concerning the licensing of intellectual property related to marihuana between a licensee and another party.

(hh) “Limited-access area” means a building, room, or other contiguous area of a marihuana business where marihuana is grown, cultivated, stored, weighed, packaged, sold, or processed for sale and that is under the control of the licensee processed, packaged, or tested.

(ii) “Management agreement” means an understanding or contract between a licensee and another party for the provision of management or other services, but does not include an agreement for the reasonable payment of rent under a bona fide lease or rental obligation unless the other party exercises control over or participates in the management of the marihuana business.

(jj) “Managerial employee” means those employees who have an employee who has the ability to control and/or direct the affairs of the marihuana business or have has the ability to make policy concerning the marihuana business, or both.

(kk) “Manufacturing agreement” means an understanding or contract between a licensee and another party whereby the licensee agrees to provide marihuana manufacturing or production services for the other party for an agreed on fee, which may be a set price, a price to be determined during or after manufacturing, based on a split of the marihuana, or other terms as agreed upon by the parties.

(2) As used in these rules:

(ea) “Marihuana business” means a marihuana facility under the ~~medical marihuana facilities licensing act~~MMFLA, or a marihuana establishment under the ~~Michigan Regulation and Taxation of Marihuana Act~~MRTMA, or both.

~~—(r) “Marihuana business location plan” means a marihuana facility plan under the medical marihuana facilities licensing act, or a marihuana establishment plan under the Michigan Regulation and Taxation of Marihuana Act, or both.~~

~~—(s) “Marihuana establishment” means a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter,~~

~~or any other type of marihuana-related business licensed by the agency under the Michigan Regulation and Taxation of Marihuana Act.~~

(b) “Marihuana customer” means a registered qualifying patient or registered primary caregiver under the MMFLA, or an individual 21 years of age or older under the MRTMA, or both.

~~(tc) “Marihuana event organizer” means a person licensed to apply for a temporary marihuana event license under these rules under R 420.104 to organize and hold temporary marihuana events.~~

~~(u) “Marihuana facility” means a location at which a licensee is licensed to operate under the medical marihuana facilities licensing act.~~

~~(vd) “Marihuana license” means a state operating license issued under the medical marihuana facilities licensing act MMFLA, or a state license issued under the Michigan Regulation and Taxation of Marihuana Act MRTMA, or both.~~

(e) “Marihuana plant waste” means a root, stalk, leaf, stem, or root ball of a marihuana plant and associated soil or organic potting media.

(f) “Marihuana pre-roll” means marihuana that in final form consists of a combination of marihuana bud, shake, trim, or kief that is wrapped and sealed in rolling paper and is intended for inhalation in that form.

~~(w) “Marihuana product” means marihuana or a marihuana infused product, or both, as those terms are defined in the acts unless otherwise provided for in these rules.~~

(g) “Marihuana sales location” means a provisioning center under the MMFLA or a marihuana microbusiness, class A marihuana microbusiness, or marihuana retailer under the MRTMA, or both.

(h) “Marihuana testing laboratory” means a safety compliance facility under the MMFLA or a marihuana safety compliance facility under the MRTMA, or both.

(xi) “Marihuana tracking act” means the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.

~~(yj) “Marihuana transporter” means a secure transporter under the medical marihuana facilities licensing act MMFLA or a marihuana secure transporter under the Michigan Regulation and Taxation of Marihuana Act MRTMA, or both.~~

(k) “Marihuana waste” means waste that is, or contains, marihuana. Marihuana waste does not include marihuana plant waste.

(l) “Mature plant” means a flowering or nonflowering marihuana plant that has taken root and is taller than 8 inches from the growing or cultivating medium or wider than 8 inches, produced from a cutting, clipping, tissue culture, or seedling, and is in a growing or cultivating medium or in a growing or cultivating container.

(zm) “Medical marihuana facilities licensing act” or “MMFLA” means the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.

(aan) “Michigan Medical Marihuana Act” means the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.

~~(bo) “Michigan Regulation and Taxation of Marihuana Act” or “MRTMA” means the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.~~

(p) “MOAHR” means the Michigan office of administrative hearings and rules within the department.

(q) “MOAHR administrative hearing rules” means R 792.10101 to R 792.11903.

(r) **“Other agreement”** means an understanding or contract between a licensee and another party that is not a licensing agreement, management agreement, or manufacturing agreement that would allow the other party to do either of the following

(i) Exercise control over or participate in the management of the licensee.

(ii) Receive more than a reasonable payment from the licensee during a full or partial calendar or fiscal year.

(s) **“Package tag”** means a tag supplied through the statewide monitoring system for the purpose of identifying a package containing marihuana.

(t) **“Parties”** means a licensee and another party pursuant to a licensing, management, manufacturing, or other agreement.

(u) **“Plant tag”** means a tag supplied through the statewide monitoring system for the purpose of identifying an individual marihuana plant.

(v) **“Producer”** means a processor under the MMFLA or a marihuana processor under the MRTMA, or both.

(w) **“Production batch”** means a designated quantity of marihuana that is created from a processing job in the statewide monitoring system during which the marihuana undergoes extraction or the incorporation of other ingredients.

~~(xx) “Proposed marihuana business” means a proposed marihuana establishment under the Michigan Regulation and Taxation of Marihuana ActMRTMA or a proposed marihuana facility under the medical marihuana facilities licensing actMMFLA, or both.~~

(y) **“Public investigative hearing”** means a hearing in which an applicant or licensee has an opportunity to present testimony and evidence to establish eligibility and suitability for a marihuana license.

(z) **“Raw plant material”** means marihuana plants, flower, shake, trim, and trichomes, including kief, which have not been processed. For purposes of this definition, processing does not include harvesting, trimming, or curing.

(aa) **“Reasonable payment”** means payment of 10% or less of the total on a licensee’s trial balance sheet during a full or partial calendar or fiscal year.

(bb) **“Records of formulation”** means all of the following for a marihuana-infused product:

(i) The list of ingredients and their certificates of analysis.

(ii) The recipe.

(iii) A description of the process in which ingredients are combined to produce marihuana in final form.

~~(dd) “Restricted access area” means a designated and secure area at a marihuana business where marihuana products are sold, possessed for sale, or displayed for sale.~~

(cc) **“Solvent-based concentrate”** means a cannabis extract created using a solvent to separate cannabinoids, terpenes, or both, from plant material and includes, but is not limited to, shatter, badder, sauce, and sugars.

(dd) **“Solventless concentrate”** means a cannabis extract created using mechanical extraction methods like sifting, pressing, or ice water separation, but not the use of chemical solvents, to separate cannabinoids, terpenes, or both, from plant material and includes, but is not limited to, hash and rosin.

(ee) **“Tag”** means the unique identification number or radio frequency identification issued to a licensee by the statewide monitoring system for identifying and tracking marihuana in the statewide monitoring system.

(ff) “Temporary marihuana event license” means a state license issued under part 3 of these rules to a marihuana event organizer for the onsite sale or transfer of marihuana by a marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness to a marihuana customer at a location other than the location of a marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness.

~~(egg) “These rules” means the administrative rules promulgated by the agency under the authority of the ~~medical marihuana facilities licensing act~~MMFLA, the marihuana tracking act, the Michigan Regulation and Taxation of Marihuana ActMRTMA, and Executive Reorganization Order No. 2019-2, MCL 333.27001.~~

~~—(ff) “Same location” means separate marihuana licenses that are issued to multiple marihuana businesses that are authorized to operate at a single property but with separate business suites, partitions, or addresses.~~

~~(gg) “Special license” means a state license as described under section 8 of the Michigan Regulation and Taxation of Marihuana Act, MCL 333.27958, and issued pursuant to section 9 of that act, MCL 333.27959.~~

~~—(hh) “Stacked license” means more than 1 marihuana license issued to a single licensee to operate as a class C grower as specified in each license at a marihuana business under the medical marihuana facilities licensing act, or under the Michigan Regulation and Taxation of Marihuana Act, or both.~~

~~(ii) “Tag” or “RFID tag” means the unique identification number or Radio Frequency Identification (RFID) issued to a licensee by the statewide monitoring system for tracking, identifying, and verifying marihuana plants, marihuana products, and packages of marihuana product in the statewide monitoring system.~~

~~(jj) “Temporary marihuana event license” means a state license held by a marihuana event organizer under the Michigan regulation and taxation of marihuana act, for an event where the onsite sale or consumption of marihuana products, or both, are authorized at the location indicated on the state license.~~

(hh) “Trade sample” means a sample of marihuana that a cultivator or producer provides to another marihuana business for the purpose of the marihuana business determining whether to purchase the marihuana.

(ii) “Traditional food additives” means any of the following:

(i) Additives that appear in the Substances Added to Food or GRAS Notice databases maintained by the FDA.

(ii) Additives for which the marihuana business can provide toxicological support or evidence that the FDA considers the substance safe in traditional foods for the intended use.

(23) Terms defined in the acts have the same meanings when used in these rules unless otherwise indicated.

~~R 420.2-Licensure; application; background investigation; consent to inspections, investigations, and audits; disclosure of confidential records; interest in other state license; fee; additional costs.~~
Adoption by reference.

~~Rule 2.—(1) A person may apply to the agency for marihuana licenses and special licenses as provided in the acts and these rules.~~

~~—(2) The agency shall use information provided on the application as a basis to conduct a thorough background investigation on the applicant. The agency shall notify the applicant of a deficiency~~

and provide instructions for submitting a complete application. The applicant shall timely respond to the notice of the deficiency in accordance with R. 420.5.

~~–(3) An applicant must provide written consent to investigations of compliance, regular inspections, examinations, searches, seizures, and auditing of books and records and to disclosure to the agency and its agents of otherwise confidential records, including tax records held by any federal, state, or local agency, or credit bureau or financial institution, while applying for or holding a marijuana license as authorized under the acts and these rules.~~

~~–(4) An applicant must certify that the applicant does not have any interest in any other marijuana license that is prohibited under the acts.~~

~~–(5) A nonrefundable application fee must be paid at the time of filing to defray the costs associated with the background investigation conducted by the agency. The agency shall set the amount of the application fee for each category and class of license by rule. If the costs of the investigation and processing the application exceed the application fee, the applicant shall pay the additional amount to the agency. All information, records, interviews, reports, statements, memoranda, or other data supplied to or used by the agency in the course of its review or investigation of an application for a marijuana license under the acts shall be disclosed only in accordance with the acts. (1) The following codes, standards, and regulations that have been adopted by nationally recognized organizations or associations or an agency of the United States are adopted by reference in these rules:~~

(a) National fire protection association (NFPA) standard 1, 2021 edition, entitled, “Fire Code.” Copies of the adopted provisions are available for inspection and distribution from the National Fire Protection Association, 1 Batterymarch Park, P.O. Box 9101, Quincy, Massachusetts, 02169, telephone number 1-800-344-3555, for the price of \$171.00.

(b) National fire protection association (NFPA) standard 58, 2020 edition, entitled, “Liquified Petroleum Gas Code.” Copies of the adopted provisions are available for inspection and distribution from the National Fire Protection Association, 1 Batterymarch Park, P.O. Box 9101, Quincy, Massachusetts, 02169, telephone number 1-800-344-3555, for the price of \$165.00.

(c) AOAC International “Official Methods of Analysis”, 22nd edition. Copies of the adopted provisions are available for inspection and distribution from the Association of Official Analytical Collaboration (AOAC) International, 2275 Research Boulevard, Suite 300, Rockville, Maryland, 20850, telephone number 1-800-379-2622, for the price of \$950.00.

(d) International Organization for Standardization (ISO), ISO/IEC 17025:2017, General Requirements for the Competence of Testing and Calibration Laboratories, available at: <https://webstore.ansi.org/RecordDetail.aspx?sku=ISO%2fIEC+17025%3a2017>, for the price of \$162.00.

(e) International Organization for Standards (ISO), ISO/IEC 17065:2012, Conformity Assessment – Requirements for Bodies Certifying Products, Processes and Services, available at: <https://webstore.ansi.org/Standards/ISO/ISOIEC170652012>, for the price of \$175.00.

(f) International Organization for Standards (ISO), ISO/IEC 17043:2023, Conformity Assessment – General Requirements for Proficiency Testing, available at: <https://webstore.ansi.org/Standards/ISO/ISOIEC170432010>, for the price of \$200.00.

(g) The provisions of 21 CFR part 117, “Current Good Manufacturing Practice, Hazard Analysis, and Risk-Based Preventive Controls for Human Food,” revised July 29, 2016, available at no charge from the Office of the Federal Register at www.ecfr.gov.

(h) The provisions of 40 CFR part 136, “Guidelines Establishing Test Procedures for the Analysis of Pollutants,” revised August 15, 2024, available at no charge from the Office of the Federal Register at www.ecfr.gov.

(i) The provisions of 40 CFR part 160, “Good Laboratory Practice Standards,” revised December 12, 2008, available at no charge from the Office of the Federal Register at www.ecfr.gov.

(2) The standards adopted in subrule (1)(a) to (f) of this rule are available for inspection and distribution at the agency, located at 2407 North Grand River Avenue, Lansing, Michigan, 48906. Copies of these standards may be obtained from the agency at the cost indicated in subrule (1)(a) to (f) of this rule, plus shipping and handling.

R 420.2a Other applicable statutes.

Rule 2a. (1) A licensee shall comply with the requirements of applicable statutes in the Michigan compiled laws and is responsible for knowing the applicability of those laws to the licensee’s business. Applicable laws include, but are not limited to, all of the following:

(a) The weights and measures act, 1964 PA 283, MCL 290.601 to 290.635.

(b) The natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106.

(c) The Michigan occupational safety and health act, 1974 PA 154, MCL 408.1001 to 408.1094.

(d) The General Sales Tax Act, 1933 PA 167, MCL 205.51 to 205.78.

(e) The income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.847.

(f) The general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(g) The Michigan limited liability company act, 1993 PA 23, MCL 450.4101 to 450.5200.

(h) The business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098.

(i) 1907 PA 101, MCL 445.1 to 445.5.

(j) The Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

R 420.2b Severability.

Rule 2b. If a rule or subrule of these rules, in whole or in part, is found to be invalid by a court of competent jurisdiction, this decision will not affect the validity of the remaining portion of these rules.

PART 2. APPLICATIONS AND LICENSING

R 420.3—Application procedure; requirements **Prequalification; application process.**

Rule 3. (1) A person shall apply for a marijuana license on the form created by the agency and pay a nonrefundable application fee at the time the application is submitted. The applicant shall answer each question on the application, under oath, in its entirety. All attestations, disclosures, and information requested and required by the agency, the acts, and these rules must be submitted

in the application. Failure to comply with these rules and the application requirements in the acts is grounds for denial of the application.

~~-(2) A person may submit a partial application under these rules on the condition that it is to prequalify to complete the remaining application requirements. This application has a pending status until all application requirements in these rules are completed, or the agency denies the partial or complete application. The agency shall not issue a marihuana license at this stage of the application process. The finding of prequalification status for a pending application is valid for 2 years after the agency issues a notice of prequalification status. After 2 years has expired, the applicant may be required to submit a new application and pay a new nonrefundable application fee.~~

~~-(3) A partial application filed to obtain prequalification status may be administratively withdrawn if the application was filed and has been pending for more than 1 year. After a partial application has been administratively withdrawn, the applicant may be required to submit a new application and pay a new nonrefundable application fee.~~

~~-(4) The agency may request additional disclosures and documentation from an applicant. The applicant shall submit the information requested by the agency within 5 days pursuant to R. 420.5 or the application may be denied.~~

~~-(5) The agency may administratively withdraw an application for a marihuana license that was submitted and has been pending for more than 1 year. After an application has been administratively withdrawn, the applicant may be required to submit a new application.~~

~~-(6) The agency may administratively withdraw an amendment to any application or marihuana license if the applicant or licensee fails to respond or submit documentation to cure all deficiencies within 30 days after notice of the deficiency. (1) An applicant may apply for prequalification by submitting the information, disclosures, documents, and attestations required under R 420.4 and a nonrefundable application fee of \$3,000.00 to defray the costs associated with the background investigation conducted by the agency and processing the application.~~

(2) An applicant for prequalification shall notify the agency in a timely manner if information provided to the agency as part of the prequalification application changed after the application was submitted.

(3) Except as provided in subrule (6) of this rule, an applicant's prequalification status is valid for 2 years after the agency issues a notice of prequalification status.

(4) The agency may administratively withdraw an application for prequalification if the application was submitted and is pending for more than 1 year.

(5) If the agency identifies a deficiency in a prequalification application, the agency shall notify the applicant of the deficiency and provide instructions for correcting the deficiency in the prequalification application. The applicant shall submit the missing information or proof that the deficiency has been corrected to the agency within 5 days after the date the applicant received the deficiency notice.

(6) The agency may revoke an applicant's prequalification status if it determines that the applicant no longer meets the eligibility requirements for prequalification.

(7) Except as provided in R 420.19a, if an applicant that previously applied for prequalification submits a new application for prequalification, the applicant shall pay a new application fee.

(8) If the costs of the investigation and processing the prequalification application exceed the application fee, the applicant shall pay an additional amount sufficient to cover the additional costs.

(9) The agency shall use the information provided in the prequalification application to conduct a background investigation on the applicant.

R 420.4—Application requirements; financial and criminal background Prequalification; requirements.

Rule 4. (1) ~~Each applicant shall disclose the identity of any other person who controls, either directly or indirectly, the applicant, including, but not limited to, date of birth, government issued identification, and any other documents required by the agency.~~

~~(2) Each applicant shall disclose the financial information required in the acts and these rules on a form created by the agency, which may include the following:~~

~~(a) For an applicant seeking licensure under the MMFLA, required information may include, but is not limited to, all of the following:~~

~~(i) Financial statements regarding all of the following:~~

~~(A) A pecuniary interest.~~

~~(B) Any deposit of value of the applicant or made directly or indirectly to the applicant, or both.~~

~~(C) Financial accounts including, but not limited to, all of the following: funds, savings, checking, or other accounts including all applicable account information, such as the name of the financial institution, names of the account holders, account type, account balances, and a list of all loans types specified by the agency, amounts, securities, or lender information.~~

~~(ii) Property ownership information, including, but not limited to, deeds, leases, rental agreements, real estate trusts, or purchase agreements.~~

~~(iii) Tax information, including, but not limited to, W 2 and 1099 forms, and any other information required by the agency.~~

~~(iv) Disclosure by the applicant of the identity of any other person who meets either of the following:~~

~~(A) Controls, directly or indirectly, the applicant.~~

~~(B) Is controlled, directly or indirectly, by the applicant or by a person who controls, directly or indirectly, the applicant.~~

~~(v) The sources and total amount of the applicant's capitalization to operate and maintain the proposed marijuana facility in compliance with R 420.11.~~

~~(vi) A financial statement attested by a certified public accountant (CPA), on a form created by the agency, including a foreign attested CPA statement, or its equivalent if applicable on capitalization pursuant to R 420.11.~~

~~(vii) Information on the financial ability of the applicant to purchase and maintain adequate liability and casualty insurance in compliance with R 420.10.~~

~~(viii) Any other documents, disclosures, or attestations created or requested by the agency that are not inconsistent with the acts or these rules.~~

~~(b) For an applicant seeking licensure under the MRTMA all of the following may be required:~~

~~(i) Tax information, including, but not limited to:~~

~~(A) W 2 forms for the most recent tax year.~~

~~(B) 1099 forms for the most recent tax year.~~

~~(ii) Any other information relevant to the application for licensure required by the agency.~~

~~(3) Each applicant shall disclose the identity of every person having a 2.5% or greater ownership interest in the applicant with respect to which the license is sought.~~

- ~~—(a) If the disclosed entity is a trust, the applicant shall disclose the names and addresses of the beneficiaries.~~
- ~~—(b) If the disclosed entity is a privately held corporation, the names and addresses of all shareholders, officers, and directors.~~
- ~~—(c) If the disclosed entity is a publicly held corporation, the names and addresses of all shareholders holding a direct or indirect interest of greater than 5%, officers, and directors.~~
- ~~—(d) If the disclosed entity is a partnership or limited liability partnership, the names and addresses of all partners.~~
- ~~—(e) If the disclosed entity is a limited partnership or limited liability limited partnership, the names of all partners, both general and limited.~~
- ~~—(f) If the disclosed entity is a limited liability company, the names and addresses of all members and managers.~~
- ~~—(4) Each applicant shall disclose the applicant's business organizational documents filed with this state, any other state, local county, or foreign entity, if applicable, including proof of registration to do business in this state and certificate of good standing from this state, any other state, or foreign entity, if applicable.~~
- ~~—(5) Each applicant shall disclose to the agency criminal and financial background information and regulatory compliance as provided under the acts and these rules on a form created by the agency.~~
- ~~—(6) Each applicant shall provide written consent to a criminal and financial background investigation as authorized under the acts and these rules.~~
- ~~—(7) Each applicant shall provide an attestation acknowledging that sanctions may be imposed for violations on a licensee while licensed or after the marijuana license has expired, as provided in the acts and these rules.~~
- ~~—(8) Each applicant shall provide an attestation affirming a continuing duty to provide information requested by the agency and to cooperate in any investigation, inspection, inquiry, or hearing.~~
- ~~—(9) Each applicant shall disclose any noncompliance with any regulatory requirements, all legal judgments, lawsuits, legal proceedings, charges, or government investigations, whether initiated, pending, or concluded, against the applicant, that are related to business operations, including, but not limited to fraud, environmental, food safety, tobacco, alcohol, labor, employment, worker's compensation, discrimination, and tax laws and regulations, in this state or any other jurisdiction.~~
- ~~—(10) Each applicant shall disclose any application or issuance of any commercial license or certificate issued in this state or any other jurisdiction that meets the requirements under the acts and these rules.~~
- ~~—(11) Each applicant shall provide any other documents or attestations created by, or make any disclosures requested by, the agency that are not inconsistent with the acts or these rules.~~
- ~~—(12) An applicant shall submit in the application any information requested and required by the acts and these rules.~~
- ~~—(13) Each applicant seeking licensure under the MMFLA must submit one set of fingerprints to the department of state police in accordance with section 402 of the MMFLA, MCL 333.27402.~~
- ~~—(14) Each applicant seeking licensure under the MRTMA shall provide an attestation acknowledging that the applicant must have a physical structure for the marijuana establishment and pass the precensure inspection within 60 calendar days of submitting a complete application to the agency. Failure to pass the precensure inspection within 60 calendar days of submitting the complete application to the agency may result in the application being denied in accordance with R 420.12.~~

~~(15) An applicant shall provide an attestation signed by a representative of the department of treasury and the applicant, verifying that the applicant is not delinquent in the payment of sales, excise, or any other taxes.~~

~~(16) An applicant seeking licensure under the MRTMA shall provide a social equity plan detailing a plan to promote and encourage participation in the marihuana industry by people from communities that have been disproportionately impacted by marihuana prohibition and enforcement and to positively impact those communities. (1) An applicant for prequalification shall submit to the agency information, disclosures, documents, or attestations required by the agency regarding any of the following:~~

(a) The identity of an individual who controls, either directly or indirectly, the applicant, the individual's date of birth, and a copy of the individual's government-issued identification.

(b) The identity of a person having a 2.5% or greater ownership interest in the applicant according to any of the following:

(i) If the person is a trust, the applicant shall disclose the names and addresses of the beneficiaries of the trust.

(ii) If the person is a privately held corporation, the applicant shall disclose the names and addresses of all officers, directors, and shareholders.

(iii) If the person is a publicly held corporation, the applicant shall disclose the names and addresses of all officers, directors, and shareholders holding a direct or indirect interest of greater than 5%.

(iv) If the person is a partnership or limited liability partnership, the applicant shall disclose the names and addresses of all partners.

(v) If the person is a limited partnership or limited liability limited partnership, the applicant shall disclose the names and addresses of all partners, both general and limited.

(vi) If the person is a limited liability company, the applicant shall disclose the names and addresses of all members and managers.

(c) The applicant's criminal history.

(d) The applicant's financial information.

(e) The applicant's noncompliance with regulatory requirements.

(f) Legal judgments, lawsuits, legal proceedings, charges, or government investigations, whether initiated, pending, or concluded, against the applicant, that are related to the applicant's business operations, including, but not limited to, fraud, environmental safety, food safety, tobacco, alcohol, labor, employment, worker's compensation, discrimination, and tax laws and regulations, in this state or another jurisdiction.

(g) An application for or issuance of a license or certificate issued in this state, or another jurisdiction related to activities regulated under the acts and these rules.

(h) Consent to a criminal and financial background investigation.

(i) Consent to investigations of compliance, regular inspections, examinations, searches, seizures, and auditing of books and records.

(j) Consent to disclosure to the agency of otherwise confidential records, including tax records held by a federal, state, or local agency, or credit bureau or financial institution.

(k) Certification that the applicant does not have an interest in another marihuana license that is prohibited under the acts.

(l) Business organizational documents filed with this state, another state, a local county, or a foreign entity, if applicable, including, but not limited to, proof of registration to do

business in this state and certificate of good standing from this state, another state, or a foreign entity.

(m) Acknowledgement that sanctions may be imposed for violations of the acts or these rules against a licensee while the licensee is licensed or after the licensee's marihuana license is closed.

(n) Affirmation of a continuing duty to provide information requested by the agency and to cooperate in an investigation, inspection, inquiry, or hearing.

(o) Verification that the applicant is not delinquent in the payment of sales, excise, or other taxes.

(p) Tax information, including, but not limited to, W-2 and 1099 forms.

(q) Other information, records, documents, disclosures, attestations, interviews, reports, statements, memoranda, or data required by the agency that are not inconsistent with the acts or these rules.

(2) In addition to the requirements under subrule (1) of this rule, an applicant for a state license under the MRTMA shall submit a social equity plan detailing the applicant's efforts to promote and encourage participation in the marihuana industry by people from communities that have been disproportionately impacted by marihuana prohibition and enforcement and to positively impact those communities.

R 420.4a Prequalification under the MMFLA; financial information; capitalization; fingerprints.

Rule 4a. (1) In addition to the requirements under R 420.4, an applicant for prequalification under the MMFLA shall submit to the agency information, disclosures, documents, or attestations required by the agency regarding any of the following:

(a) Financial statements regarding all of the following:

(i) A pecuniary interest.

(ii) A deposit of value of the applicant or made directly or indirectly to the applicant, or both.

(iii) Financial accounts, including, but not limited to, all of the following: funds, savings, checking, or other accounts, including all applicable account information, such as the name of the financial institution, names of the account holders, account type, account balances, and a list of all loan types specified by the agency, amounts, securities, or lender information.

(b) Property ownership.

(c) The total amounts of capitalization based on the type of marihuana facility specified in the application for a state operating license, as follows:

(i) Grower - Class A: \$150,000.00.

(ii) Grower - Class B: \$300,000.00.

(iii) Grower - Class C: \$500,000.00.

(iv) Processor: \$300,000.00.

(v) Provisioning Center: \$300,000.00.

(vi) Secure Transporter: \$200,000.00.

(vii) Safety Compliance Facility: \$200,000.00.

(d) Proof to the agency of the capitalization amounts specified in subparagraphs (i) to (vii) of subdivision (c) of this subrule from both of the following sources:

(i) Not less than 25% in cash or assets easily convertible to cash, including, but not limited to, certificates of deposit, 401(k) plans, stocks, and bonds to cover the initial expenses of operating and maintaining the proposed marihuana facility, as specified in the application.

(ii) The remaining capitalization to cover the initial expenses of operating and maintaining the proposed marihuana facility including, but not limited to, additional assets as described in subdivision (a) of this subrule or equity in real property, supplies, equipment, fixtures, or another nonliquid asset.

(e) Proof that there is no lien or encumbrance, except for a mortgage encumbering the real property, on the asset provided as a source of capitalization. For purposes of this subdivision, if the encumbrance is a mortgage on the real property, the applicant shall disclose the value of the equity of the real property less a mortgage.

(2) The capitalization amounts and sources must be validated by financial statements attested to by a certified public accountant (CPA). The applicant shall disclose if any of the capitalization sources are foreign. A foreign CPA or its equivalent and a domestic CPA shall attest to the foreign validation.

(3) An applicant for prequalification under the MMFLA shall submit 1 set of fingerprints to the department of state police for a criminal history check in accordance with section 402 of the MMFLA, MCL 333.27402.

~~R- 420.5—Application requirements; complete application~~ **Marihuana license; application process.**

~~Rule 5. (1) A complete application for a marihuana license must include all the information required in R 420.2 to R 420.4, R 420.7 to R 420.10, and all of the following:~~

~~—(a) A description of the type of marihuana business that includes all of the following:~~

~~—(i) An estimate or actual number of employees.~~

~~—(ii) A business plan.~~

~~—(iii) The proposed location of the marihuana business.~~

~~—(iv) A security plan, as required under the acts and these rules.~~

~~—(b) A copy of the proposed marihuana business location plan as required under R 420.8.~~

~~—(c) The disclosure of both of the following persons:~~

~~—(i) For an applicant seeking licensure under the MMFLA, persons that have a beneficial interest as required in section 303(1)(g) of the MMFLA, MCL 333.27303.~~

~~—(ii) For an applicant seeking licensure under the MRTMA, persons who have a direct or indirect ownership interest in the marihuana establishment.~~

~~—(d) For an applicant seeking licensure under the MMFLA, confirmation of municipal compliance on an attestation form provided by the agency that contains includes all of the following:~~

~~—(i) Written affirmation that the municipality has adopted an ordinance under section 205 of the MMFLA, MCL 333.27205, including, if applicable, a description of any limitations on the number of each type of marihuana facility.~~

~~—(ii) A description of any regulations within the municipality that apply to the proposed marihuana business.~~

~~—(iii) The date and signature of the clerk of the municipality or his or her designee on the attestation form attesting that the information stated in the document is correct.~~

~~—(iv) The date and signature of the applicant.~~

~~—(v) The name and address of the proposed marihuana business facility name and address.~~

- ~~—(vi) The license type of the proposed marihuana facility.~~
- ~~—(vii) Attestation that the applicant will report any changes that occur with municipal ordinances or zoning regulations that relate to the proposed marihuana facility, any municipal facility approvals, or any violations of a municipal or zoning regulation.~~
- ~~—(e) For an applicant seeking licensure under the MRTMA, confirmation of municipal compliance on an attestation form provided by the agency that includes all of the following:~~
 - ~~—(i) The name and address of the proposed marihuana establishment.~~
 - ~~—(ii) The license type of the proposed marihuana establishment.~~
 - ~~—(iii) The municipality where the proposed marihuana establishment is located.~~
 - ~~—(iv) The contact information for the municipality including the following at a minimum:~~
 - ~~—(A) The name of the clerk of the municipality or his or her designee.~~
 - ~~—(B) The telephone number of the clerk of the municipality or his or her designee.~~
 - ~~—(C) The email address of the clerk of the municipality or his or her designee.~~
 - ~~—(D) The mailing address of the clerk of the municipality or his or her designee.~~
 - ~~—(v) Confirmation that the municipality has not adopted an ordinance prohibiting the proposed marihuana establishment.~~
 - ~~—(vi) Confirmation that the applicant is in compliance with any ordinance the municipality has adopted relating to marihuana establishments within its jurisdiction, including zoning regulations.~~
 - ~~—(vii) Attestation that the applicant will report any changes that occur with municipal ordinances or zoning regulations that relate to the proposed marihuana establishment, any municipal establishment approvals, or any violations of a municipal or zoning regulation.~~
 - ~~—(viii) The date and signature of the applicant.~~
- ~~—(2) Each applicant shall provide any additional information and documents requested by the agency not inconsistent with the acts and these rules.~~
- ~~—(3) Each applicant shall provide any other documents, disclosures, or attestations created or requested by the agency that are not inconsistent with the acts and these rules.~~
- ~~—(4) If the agency identifies a deficiency in an application, the agency shall notify the applicant and the applicant shall submit the missing information or proof that the deficiency has been corrected to the agency within 5 days of the date the applicant received the deficiency notice.~~
- ~~—(5) The failure of an applicant to correct a deficiency within 5 days of notification by the agency may result in the denial of the application. An applicant denied under this subrule is not barred from reapplying by submitting a new application and application fee. (1) An applicant that is prequalified under R 420.3 may apply for a marihuana license in a manner prescribed by the agency and shall submit all of the following:~~
 - (a) An application described in R 420.6.**
 - (b) Proof of financial responsibility described in R 420.7 accompanied by an attestation of compliance signed by an officer of the licensed insurance company or licensed captive insurance policy that issued the insurance policy required in R 420.7(2). The attestation shall be made on a form prescribed by the agency.**
 - (c) A marihuana business location plan described in R 420.8.**
 - (d) A certificate of use and occupancy required under section 13 of the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1513, and R 420.210. If this certificate is not available, the agency may accept alternative documentation from the building authority.**
 - (e) Proof of a completed fire safety inspection described in R 420.8a, if applicable.**

(2) In addition to the requirements under subrule (1) of this rule, an applicant shall provide other information, records, documents, disclosures, attestations, interviews, reports, statements, memoranda, or data required by the agency that are not inconsistent with the acts or these rules.

(3) An applicant for a marihuana license shall notify the agency in a timely manner if information provided to the agency as part of the application changed after the application was submitted.

(4) The agency may administratively withdraw an application for a marihuana license if the application was submitted and is pending for more than 1 year.

(5) If the agency identifies a deficiency in an application, the agency shall notify the applicant of the deficiency and provide instructions for correcting the deficiency in the application. The applicant shall submit the missing information or proof that the deficiency has been corrected to the agency within 5 days after the date the applicant received the deficiency notice. The failure of an applicant to correct a deficiency within 5 days after notification by the agency may result in the denial of the application.

(6) A marihuana license is issued for a 1-year period and is renewable annually.

(7) No information, records, documents, disclosures, attestations, interviews, reports, statements, memoranda, or data provided to or used by the agency during its review or investigation of an application for a marihuana license shall be disclosed except as allowed or required by law.

(8) The agency may determine that a requirement listed in this part of these rules is not applicable to a specific license type and is therefore not required for that license type.

(9) The agency shall not issue a marihuana license until all of the following have been met:

(a) An applicant complies with the requirements of R 420.3 to R 420.8a.

(b) The agency determines that the applicant is qualified to receive a marihuana license.

(c) The applicant pays the fee required under R 420.9.

~~R 420.6 State license under the Michigan regulation and taxation of marihuana act; issuance; qualifications; ineligibility~~ **Marihuana license; application requirements.**

~~Rule 6. (1) The agency shall not issue a state license under the MRTMA until a complete application is submitted, the fees required under these rules are paid, and the agency determines that the applicant is qualified to receive a state license under the acts and these rules. An applicant under MRTMA must pay initial licensure fees within 10 calendar days of approval of the state license or within 90 calendar days of submitting a complete application, whichever date is first. Failure to pay the fees required under R 420.7 may be grounds for the denial of state license.~~

~~(2) An applicant is ineligible to receive a state license if any of the following circumstances exist:~~

~~(a) The applicant has a prior conviction that involved distribution of a controlled substance to a minor.~~

~~(b) The applicant has knowingly submitted an application for a state license under the MRTMA that contains false information.~~

~~(c) The applicant is an employee, advisor, or consultant of the agency involved in the implementation, administration, or enforcement of the MRTMA or these rules pursuant to section 7 of the MRTMA, MCL 333.27957.~~

~~(d) The applicant holds an elective office of a governmental unit of this state, another state, or the federal government; is a member of or employed by a regulatory body of a governmental unit~~

in this state, another state, or the federal government, or is employed by a governmental unit of this state. This subdivision does not apply to any of the following:

- ~~—(i) An elected officer or employee of a federally recognized Indian tribe.~~
 - ~~—(ii) An elected precinct delegate.~~
 - ~~—(iii) The spouse of a person who applies for a state license unless the spouse's position creates a conflict of interest or is within any of the following:~~
 - ~~—(A) The marijuana regulatory agency.~~
 - ~~—(B) A regulatory body of a governmental unit in this state, another state, or the federal government that makes decisions regarding adult-use marijuana.~~
 - ~~—(e) The agency determines the municipality in which the applicant's proposed marijuana establishment will operate has adopted an ordinance that prohibits marijuana establishments or that the proposed establishment is noncompliant with an ordinance consistent with section 6 of the MRTMA, MCL 333.27956.~~
 - ~~—(f) The applicant will hold an ownership interest in both a marijuana safety compliance facility or in a marijuana secure transporter and in a marijuana grower, a marijuana processor, a marijuana retailer, or a marijuana microbusiness, or a class A marijuana microbusiness in violation of section 9 of the MRTMA, MCL 333.27959.~~
 - ~~—(g) The applicant will hold an ownership interest in both a marijuana microbusiness or a class A marijuana microbusiness and in a marijuana grower, a marijuana processor, a marijuana retailer, a marijuana safety compliance facility, or a marijuana secure transporter, in violation of section 9 of the MRTMA, MCL 333.27959.~~
 - ~~—(h) The applicant will hold an ownership interest in more than 5 marijuana growers or in more than 1 marijuana microbusiness or class A marijuana microbusiness, in violation of section 9 of the MRTMA, MCL 333.27959.~~
 - ~~—(i) The applicant fails to meet other criteria established in these rules.~~
- ~~(3) In determining whether to grant a state license to an applicant, the agency may also consider all of the following:~~
- ~~—(a) Whether the applicant or anyone meeting the definition of applicant has a pattern of convictions involving dishonesty, theft, or fraud that indicate the proposed marijuana establishment is unlikely to be operated with honesty and integrity.~~
 - ~~—(b) Whether the applicant has been served with a complaint or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years.~~
 - ~~—(c) Whether the applicant has a history of noncompliance with any regulatory requirements, all legal judgments, lawsuits, legal proceedings, charges, or government investigations, whether initiated, pending, or concluded, against the applicant, that are related to business operations, including, but not limited to, fraud, environmental, food safety, labor, employment, worker's compensation, discrimination, and tax laws and regulations, in this state or any other jurisdiction.~~
 - ~~—(d) Whether the applicant meets other standards in rules applicable to the state license category.~~
- ~~(4) The agency shall review all applications for state licenses and inform each applicant of the agency's decision.~~
- ~~(5) An applicant or licensee has a continuing duty to provide information requested by the agency and to cooperate in any investigation, inquiry, or hearing conducted by the agency.~~
- ~~(6) A marijuana license is a revocable privilege granted by the agency and is not a property right. Granting a marijuana license does not create or vest any right, title, franchise, or other property interest. A licensee or any other person shall not lease, pledge, borrow, or loan money against a~~

~~marihuana license.~~ (1) An applicant shall submit an application that includes all of the following:

- (a) A description of the marihuana business that includes all of the following:
 - (i) The legal entity name.
 - (ii) The name under which business is to be transacted at the licensed location, if different from the legal entity name.
 - (iii) The type of marihuana license for which the applicant is applying.
 - (iv) A business plan.
 - (v) The proposed location of the marihuana business.
 - (vi) Trademarks, service marks, or brands to be used by the licensee, if known at the time of application.
- (b) For an applicant seeking licensure under the MMFLA, confirmation of municipal compliance on an attestation form provided by the agency that includes all of the following:
 - (i) Written affirmation that the municipality has adopted an ordinance under section 205 of the MMFLA, MCL 333.27205, including, if applicable, a description of limitations on the number of each type of marihuana facility.
 - (ii) A description of regulations within the municipality that apply to the proposed marihuana business.
 - (iii) The date and signature of the clerk of the municipality or the clerk's designee on the attestation form attesting that the information stated in the document is correct.
 - (iv) The date and signature of the applicant.
 - (v) The name and address of the proposed marihuana facility.
 - (vi) The license type of the proposed marihuana facility.
 - (vii) Attestation that the applicant will report changes that occur with municipal ordinances or zoning regulations that relate to the proposed marihuana facility, municipal facility approvals, or violations of a municipal or zoning regulation.
- (c) For an applicant seeking licensure under the MRTMA, confirmation of municipal compliance on an attestation form provided by the agency that includes all of the following:
 - (i) The name and address of the proposed marihuana establishment.
 - (ii) The license type of the proposed marihuana establishment.
 - (iii) The municipality where the proposed marihuana establishment is located.
 - (iv) The contact information for the municipality, including, at a minimum, all of the following:
 - (A) The name of the clerk of the municipality or the clerk's designee.
 - (B) The telephone number of the clerk of the municipality or the clerk's designee.
 - (C) The email address of the clerk of the municipality or the clerk's designee.
 - (D) The mailing address of the clerk of the municipality or the clerk's designee.
 - (v) Confirmation that the municipality has not adopted an ordinance prohibiting the proposed marihuana establishment.
 - (vi) Confirmation that the applicant is in compliance with ordinances the municipality has adopted relating to marihuana establishments within its jurisdiction, including zoning regulations.
 - (vii) Attestation that the applicant will report changes that occur with municipal ordinances or zoning regulations that relate to the proposed marihuana establishment, municipal establishment approvals, or violations of a municipal or zoning regulation.
 - (viii) The date and signature of the applicant.

(d) If the applicant is a producer, class A marihuana microbusiness, or microbusiness, which processing activities the applicant intends to perform.

(2) An applicant seeking licensure under the MRTMA shall provide an attestation acknowledging that the applicant shall have a physical structure for the marihuana establishment and pass the prelicensure inspection within 60 days after submitting a complete application to the agency. Failure to pass the prelicensure inspection within 60 days after submitting the complete application to the agency may result in the application being denied under R 420.11.

R 420.7—Application; fees; assessment **Proof of financial responsibility; insurance.**

Rule 7. (1) ~~At the beginning of each state fiscal year, the agency may increase the fees collected under the MRTMA by 10% in order to pay for implementation, administration, and enforcement of that act and these rules.~~

~~(2) An applicant for a marihuana license shall submit an application that is accompanied by the nonrefundable application fee of \$3,000.~~

~~(3) If the costs of the investigation and processing the application exceed the application fee, the applicant shall pay the additional amount.~~

~~(4) Additional fees for state licenses under MRTMA are listed in table 1:~~

TABLE 1

State License Type	Initial Licensure and Renewal Fees
Class A Marihuana Grower	\$1,200
Class B Marihuana Grower	\$6,000
Class C Marihuana Grower	\$24,000
Designated Consumption Establishment	\$1,000
Excess Marihuana Grower	\$24,000
Marihuana Event Organizer	\$1,000
Marihuana Microbusiness	\$8,300
Class A Marihuana Microbusiness	\$18,600
Marihuana Processor	\$24,000
Marihuana Retailer	\$15,000
Marihuana Safety Compliance Facility	\$15,000
Marihuana Secure Transporter	\$15,000
Temporary Marihuana Event	See R 420.26
Marihuana Educational Research	N/A

~~(5) The agency shall establish and publish annually the regulatory assessment for licensees under the MMFLA pursuant to section 603 of the MMFLA, MCL 333.27603.~~

~~(6) An applicant shall pay the initial licensure fees or regulatory assessment, if applicable, on or before the date the licensee begins operating and the renewal fee annually thereafter, pursuant to these rules.~~

~~(7) The agency shall not issue a marihuana license until a complete application is submitted, the fees required under these rules are paid, and the agency determines that the applicant is qualified~~

~~to receive a marihuana license under the acts and these rules. An applicant under the MRTMA must pay initial licensure fees within 10 calendar days of approval of the marihuana license or within 90 calendar days of submitting a complete application, whichever date is first. An applicant under the MMFLA must pay initial licensure fees within 10 calendar days of approval of the marihuana license. An applicant must pay renewal fees upon submission of the application for renewal. Failure to pay the required fee may be grounds for the denial of a marihuana license in accordance with R 420.12.~~ **(1) Before a marihuana license is issued or renewed, the applicant or licensee shall file a proof of financial responsibility for liability for bodily injury to lawful users resulting from the manufacture, distribution, transportation, or sale of adulterated marihuana or adulterated marihuana-infused products on the form prescribed by the agency for an amount not less than \$100,000.00.**

(2) The proof required in subrule (1) of this rule must be an insurance policy that meets all of the following requirements:

(a) Is issued by a licensed insurance company or licensed captive insurance company in this state.

(b) Does not include a condition, provision, stipulation, or limitation contained in the policy, or any other endorsement, that relieves the insurer from liability for the payment of any claim for which the insured may be held liable under the acts.

(c) Covers bodily injuries to a marihuana customer including injuries that are caused by the intentional conduct of the licensee or its employee or agent. The insurance policy is not required to cover bodily injuries to marihuana customers caused by the licensee or its employee or agent if the licensee or its employee or agent acted with the intent to harm.

(d) Includes the licensee as the insured person.

(3) In addition to the requirements in subrule (1) of this rule, a marihuana transporter shall provide all of the following for each vehicle that is used to transport marihuana:

(a) Proof of auto insurance.

(b) A copy of the vehicle registration.

(c) Proof that the vehicle is registered as a commercial motor vehicle.

(4) An applicant for a marihuana event organizer license under the MRTMA is not required to provide the proof of financial responsibility for liability for bodily injury required under subrule (1) of this rule. A marihuana event organizer shall submit a proof of financial responsibility for liability for bodily injury when applying for a temporary marihuana event license or proof that each marihuana microbusiness, class A marihuana microbusiness, and marihuana retailer participating in the temporary marihuana event has coverage for liability for bodily injury when applying for a temporary marihuana event license.

(5) In addition to the proof of financial responsibility requirements in subrule (1) of this rule, an applicant or licensee under the MMFLA shall also carry commercial general liability insurance covering premises liability for an amount not less than \$100,000.00. The applicant or licensee shall submit proof of commercial general liability insurance covering the premises liability to the agency not later than 60 days after the agency issues or renews a state operating license.

(6) In addition to the proof of financial responsibility requirements in subrule (1) of this rule, an applicant or licensee under the MRTMA shall also carry \$50,000.00 in liability insurance under section 11a of the MRTMA, MCL 333.27961a. An applicant or licensee shall provide proof that the licensee carries marihuana liability insurance by submitting the full insurance policy to the agency in a manner prescribed by the agency. The applicant or

licensee shall submit proof of the insurance required under this subrule not later than 60 days after a marihuana license is issued or renewed.

(7) If at any time a licensee fails to maintain proof of financial responsibility as required under subrule (1) of this rule, the agency shall immediately suspend the licensee's license until the licensee provides to the agency proof of financial responsibility as required under subrule (1) of this rule.

(8) As used in this rule, "adulterated marihuana" means a product sold as marihuana that contains any unintended substance or chemical or biological matter other than marihuana that causes adverse reaction after ingestion or consumption.

(9) As used in this rule, "bodily injury" does not include expected or intended effect or long-term adverse effect of smoking, ingestion, or consumption of marihuana or marihuana-infused product.

R 420.8 Marihuana business location plan.

Rule 8. (1) ~~An applicant shall submit a marihuana business location plan for the proposed marihuana business as required in these rules and upon request by the agency. Upon the request of the agency, an applicant or licensee may be required to submit a revised marihuana business location plan.~~

~~(2) The~~A marihuana business location plan must include, at a minimum, all of the following:

(a) The type of proposed marihuana ~~business~~**license for which the applicant is submitting an application;**

(b) ~~the location of the of the marihuana business, a description of the municipality address where the~~ **proposed** marihuana business will be located; **A marihuana business shall operate at only 1 address. and**

~~any~~**All of the following, if applicable:**

(i) A statement that a combination of marihuana licenses will operate as separate marihuana businesses at the same location, as provided ~~under these rules~~ **in R 420.203.**

(ii) A statement in the marihuana business location plan that the applicant has **applied** or intends to apply to stack a marihuana license at the proposed marihuana business as provided ~~under these rules~~ **in R 420.17.**

(iii) ~~For an applicant seeking licensure under the MRTMA, a~~**A** statement that equivalent licenses will operate at the same location.

~~(b)~~ A diagram of the **proposed** marihuana business that includes, at a minimum, all of the following:

(i) The proposed marihuana business's size and ~~dimensions~~**number of rooms.**

(ii) ~~Specifications of the marihuana business~~**Dimensions of the proposed marihuana business, including dimensions of interior rooms and exterior areas.**

~~(iii) Physical address.~~

~~(iv)~~**(iii)** Locations of ~~common entryways,~~**entrances, exits,** doorways, and passageways.

~~(v) Public entries and exits.~~

~~(vi)~~**(iv)** Locations of ~~limited-access areas, and restricted access areas~~**including entrances, exists, doorways, and passageways to or from the limited-access areas.**

(v) Locations of dividing structures and fire walls.

(vi) Locations of storage areas and an indication of the maximum storage capacity of the storage areas.

(vii) Locations where hazardous materials are stored.

~~(viii) An indication~~ **Locations** of the distinct areas or structures for separate marihuana businesses **operating** at the same location ~~as provided in these rules~~, **if applicable**.

~~(ix) If the proposed marihuana business is a marihuana sales location,~~ **Areas** designated for contactless and limited contact transactions, ~~if the marihuana business is a marihuana sales location.~~

(x) If the proposed marihuana business is a designated consumption establishment, all of the following:

(A) Locations of areas designated for the consumption of marihuana.

(B) Locations of smoke-free areas that are physically separated from areas designated for consumption.

(C) A ventilation system that directs air from the marihuana consumption area to the outside of the building through a filtration system sufficient to remove visible smoke, consistent with all applicable building codes and ordinances, and adequate to eliminate odor at the property line, if consumption by inhalation is allowed.

~~(e) A detailed floor plan and layout that includes, at a minimum, all of the following:~~

~~—(i) Dimensions of the marihuana business including interior and exterior rooms.~~

~~—(ii) Maximum storage capabilities.~~

~~—(iii) Number of rooms.~~

~~—(iv) Dividing structures.~~

~~—(v) Fire walls.~~

~~—(vi) Entrances and exits.~~

~~—(vii) Locations of hazardous material storage.~~

~~(viii) The expected quantities and daily consumption of hazardous materials, such as chemicals, and flammable or combustible liquids and gases, and the expected daily consumption of the hazardous materials at the proposed marihuana business.~~

~~(f) Means of egress, including, but not limited to, delivery and transfer points.~~

~~(g) Construction details for structures and fire-rated construction for required walls.~~

~~(h) Building structure information, including, but not limited to, new, pre-existing, freestanding, or fixed.~~

~~(i) Building type information, including, but not limited to, commercial, warehouse, industrial, retail, converted property, house, mercantile building, pole barn, greenhouse, laboratory, or center.~~

~~(j) Zoning classification and zoning information.~~

~~(k) Whether the proposed marihuana business is in a location building that contains multiple tenants. and~~

~~(l) any applicable Applicable occupancy restrictions.~~

~~(m) A proposed security plan that demonstrates the proposed marihuana business meets the security requirements specified in these rules in R 420.209.~~

~~(n) Any other Other information required by the agency if not inconsistent with the acts and these rules.~~

~~(32) Any changes Changes or modifications to the marihuana business location plan under this rule must be reported to the agency and may require preapproval by the agency.~~

(3) On request of the agency, an applicant or licensee shall submit a revised marihuana business location plan.

(4) The agency may provide a copy of the marihuana business location plan to the BFS, local fire department, Michigan state police, local law enforcement, and building officials for use in review and planning.

(5) The agency may reinspect the marihuana business to verify **compliance with the marihuana business location plan** at any time during the business's hours of operation and may require that the plan be resubmitted upon renewal.

R 420.8a Prelicensure inspections.

Rule 8a. (1) An applicant for a marihuana license shall submit to and pass a prelicensure inspection of the applicant's proposed marihuana business to verify the accuracy of the marihuana business location plan and that the proposed marihuana business meets the requirements of the acts and these rules.

(2) An applicant for a marihuana license shall submit to and pass a prelicensure fire safety inspection of the applicant's proposed marihuana business by the BFS to verify that the proposed marihuana business meets the requirements of NFPA standard 1 and NFPA standard 58 and the requirements of R 420.210.

R 420.9 Rescinded. License fees; regulatory assessments; renewal fees.

Rule 9. (1) License fees for state licenses issued under the MRTMA are listed in table 1:

TABLE 1

State license type	Initial licensure and renewal fees
Class A marihuana grower	\$1,200.00
Class B marihuana grower	\$6,000.00
Class C marihuana grower	\$24,000.00
Designated consumption establishment	\$1,000.00
Excess marihuana grower*	\$24,000.00
Marihuana event organizer	\$1,000.00
Marihuana microbusiness	\$8,300.00
Class A marihuana microbusiness	\$18,600.00
Marihuana processor	\$24,000.00
Marihuana retailer	\$15,000.00
Marihuana safety compliance facility	\$15,000.00
Marihuana secure transporter	\$15,000.00
Temporary marihuana event	See R 420.105
Marihuana educational research	Not applicable

* The fee for an excess marihuana grower is a renewal fee only.

(2) The agency shall establish and publish annually the regulatory assessment for licensees under the MMFLA under section 603 of the MMFLA, MCL 333.27603.

(3) An applicant for a state operating license shall pay the regulatory assessment within 10 days after the agency determines the applicant meets all the requirements for a state operating license.

(4) An applicant for a state license shall pay the initial licensure fee by whichever of the following dates comes first:

(a) Within 10 days after the agency determines the applicant meets all requirements for a state license.

(b) Within 90 days after submitting a complete application.

(5) A licensee shall pay a renewal fee annually, on or before the date the licensee's marihuana license expires.

(6) At the beginning of each state fiscal year, the agency may increase the fees collected under the MRTMA by 10% to pay for implementation, administration, and enforcement of the MRTMA and these rules.

R 420.10–Proof of financial responsibility; insurance Amendments; requirements.

~~Rule 10. (1) Before a marihuana license is issued or renewed, the licensee or renewal applicant shall file a proof of financial responsibility for liability for bodily injury to lawful users resulting from the manufacture, distribution, transportation, or sale of adulterated marihuana or adulterated marihuana infused products on the form prescribed by the agency, for an amount not less than \$100,000.00. If the proof required in this subrule is a bond, the bond must be in a format acceptable to the agency.~~

~~–(2) In addition to the requirements in subrule (1) of this rule, a marihuana transporter shall show proof of auto insurance, vehicle registration, and registration as a commercial motor vehicle, as applicable, for any vehicles used to transport marihuana product as required by the acts and these rules.~~

~~–(3) For an applicant seeking licensure for a marihuana event organizer license under the MRTMA, proof of financial responsibility for liability for bodily injury is not required. A marihuana event organizer licensee shall file a proof of financial responsibility for liability for bodily injury when applying for a temporary marihuana event license or proof that each marihuana microbusiness, class A marihuana microbusiness, and marihuana retailer participating in the temporary marihuana event has coverage for liability for bodily injury when applying for a temporary marihuana event license.~~

~~–(4) In addition to the proof of financial responsibility requirements contained in subrule (1) of this rule, a renewal applicant or licensee holding a license under the MMFLA shall also carry commercial general liability insurance covering premises liability for an amount not less than \$100,000.00. An applicant shall provide proof of commercial general liability insurance covering the premises liability to the agency no later than 60 days after a state operating license is issued or renewed.~~

(1) A person may submit an amendment request in a manner prescribed by the agency and shall submit all of the following:

(a) An amendment application.

(b) Information, records, documents, disclosures, attestations, interviews, reports, statements, memoranda, or data required by the agency that are not inconsistent with the acts or these rules.

(2) A person submitting an amendment request shall answer each question on the amendment application in its entirety.

(3) After an amendment request is submitted, the agency may request additional information, records, documents, disclosures, attestations, interviews, reports, statements, memoranda, or data necessary to determine if the amendment application should be approved. An applicant or licensee shall submit information requested under this subrule within 5 days.

(4) The agency may administratively withdraw an amendment request for either of the following reasons:

(a) If the applicant or licensee is sent a notice of deficiency and fails to submit required documentation within 30 days after the notice is sent.

(b) If the person submits an amendment request and the person has disciplinary action pending. A person whose amendment request is withdrawn under this subdivision may submit a new request after the pending disciplinary action is resolved.

(5) If an owner, officer, member, director, or managerial employee gets married, the spouse is an applicant under R 420.1(e) and the licensee must submit an amendment not later than 14 days after the marriage becomes official. If the spouse does not meet the eligibility requirements for licensure, the owner, officer, member, director, or managerial employee no longer meets the eligibility requirements for a license.

~~R 420.11-Capitalization requirements; medical marihuana facilities licensing act~~ **Denial of a marihuana license; additional reasons.**

~~Rule 11. (1) An applicant for initial licensure under the medical marihuana facilities licensing act shall disclose the sources and total amount of capitalization to operate and maintain a proposed marihuana facility.~~

~~(2) The total amounts of capitalization based on the type of marihuana facility specified in the application for a state operating license are as follows:~~

~~—(a) Grower—Class A: \$150,000.00.~~

~~—(b) Grower—Class B: \$300,000.00.~~

~~—(c) Grower—Class C: \$500,000.00.~~

~~—(d) Processor: \$300,000.00.~~

~~—(e) Provisioning Center: \$300,000.00.~~

~~—(f) Secure Transporter: \$200,000.00.~~

~~—(g) Safety Compliance Facility: \$200,000.00.~~

~~(3) An applicant under the MMFLA shall provide proof to the agency of the capitalization amounts specified in subrule (2)(a) to (g) of this rule from both of the following sources:~~

~~—(a) Not less than 25% is in liquid assets to cover the initial expenses of operating and maintaining the proposed marihuana facility, as specified in the application. As used in this subdivision, "liquid assets" include assets easily convertible to cash, including, but not limited to, cash, certificates of deposit, 401(k) plans, stocks, and bonds.~~

~~—(b) Proof of the remaining capitalization to cover the initial expenses of operating and maintaining the proposed marihuana facility may include, but is not limited to, additional liquid assets as described in subdivision (a) of this subrule or equity in real property, supplies, equipment, fixtures, or any other nonliquid asset.~~

~~(4) The applicant shall provide proof that there is no lien or encumbrance, except for a mortgage encumbering the real property, on the asset provided as a source of capitalization. For purposes~~

of this subrule, if the encumbrance is a mortgage on the real property then the applicant shall disclose the value of the equity of the real property less any mortgage.

~~–(5) The capitalization amounts and sources must be validated by Certified Public Accountant (CPA) attested financial statements. The applicant shall disclose any of the capitalization sources that are foreign and a foreign CPA or its equivalent shall attest to the validation, and a domestic CPA shall attest to that foreign validation. In addition to the reasons for denial under the acts, the agency may deny an application for prequalification or a marihuana license for any of the following reasons:~~

(a) The applicant submitted an application that contains a material misrepresentation or false information.

(b) The applicant failed to notify the agency in a timely manner that information provided to the agency as part of the application changed after the application was submitted.

(c) The applicant failed to correct a deficiency within 5 days after notification by the agency.

(d) The applicant meets 1 of the following:

(i) Holds an elective office of a governmental unit of this state, another state, or the federal government.

(ii) Is a member of or employed by a regulatory body of a governmental unit in this state, another state, or the federal government.

(iii) Is employed by a governmental unit of this state.

(e) Subdivision (d) of this subrule does not apply to any of the following:

(i) An elected officer of or employee of a federally recognized Indian tribe.

(ii) An elected precinct delegate.

(iii) The spouse of a person who applies for a state license unless the spouse's position creates a conflict of interest or is within any of the following:

(A) The agency.

(B) A regulatory body of a governmental unit in this state, another state, or the federal government that makes decisions regarding adult-use marihuana.

(f) The applicant has engaged in activities for which a marihuana license is required under the MMFLA or MRTMA without a marihuana license.

(g) The applicant has been served with a complaint or other notice filed with a public body that payment of a tax required under federal, state, or local law has been delinquent for 1 or more years.

(h) The applicant has been convicted of a crime involving dishonesty, theft, or fraud that indicates the proposed marihuana business is unlikely to be operated with honesty and integrity.

(i) The applicant has a history of regulatory noncompliance with a municipal, state, or federal regulatory body.

(j) The applicant is a licensee or managerial employee for a license type that conflicts with the license type for which the applicant applied. As used in this subdivision, license types that conflict are those licenses described in section 9 of the MRTMA, MCL 333.27959.

(k) The applicant is seeking licensure under the MRTMA, for either of the following:

(i) The applicant holds a state operating license under the MMFLA and has failed to file or is delinquent in the payment of the sales tax required under the General Sales Tax Act, 1933 PA 167, MCL 205.51 to 205.78, or the excise tax required under section 601 of the MMFLA, MCL 333.27601.

(ii) The applicant holds a state license under the MRTMA and has failed to file or is delinquent in the payment of the sales tax required under the General Sales Tax Act, 1933 PA 167, MCL 205.51 to 205.78, or the excise tax required under section 13 of the MRTMA, MCL 333.27963.

~~R 420.11 a Prelicensure investigation; proposed marihuana business inspection. Rescinded.~~

~~Rule 11a. (1) An applicant for a marihuana license shall submit to and pass a prelicensure physical inspection of a proposed marihuana business, prior to licensure, as determined by the agency.~~

~~(2) The agency shall establish an inspection process to confirm that the applicants and proposed marihuana businesses meet the requirements of the acts and these rules.~~

~~(3) The agency shall investigate an applicant pursuant to the acts and these rules.~~

~~(4) The agency, through its investigators, agents, auditors, or the state police shall conduct inspections and examinations of an applicant and a proposed marihuana business pursuant to the acts and these rules.~~

~~(5) An applicant shall submit to the agency proof of both of the following:~~

~~(a) A certificate of use and occupancy as required pursuant to section 13 of the Stille DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1513, and these rules. If this certificate is not available, the agency may accept alternative documentation from the building authority. The requirement of this subrule is not applicable to temporary marihuana event applicants.~~

~~(b) If applicable, a fire safety inspection as specified in these rules.~~

~~R 420.12 Denial of a marihuana license; additional reasons Denial of an amendment.~~

~~Rule 12. (1) The agency may deny a license if an applicant fails to comply with the applicable act or these rules.~~

~~(2) In addition to the reasons for denial in the acts, the agency may deny a marihuana license for the following reasons:~~

~~(a) The applicant's marihuana business location plan does not fully comply with the acts or these rules.~~

~~(b) The applicant's proposed marihuana business or marihuana business is substantially different from the marihuana business location plan pursuant to R 420.8 and these rules.~~

~~(c) The agency is unable to access the proposed marihuana business for prelicensure agency inspection or the applicant denied the agency access to the proposed marihuana business.~~

~~(d) The applicant made a material misrepresentation on the application.~~

~~(e) The applicant failed to correct a deficiency within 5 days of notification by the agency in accordance with the acts and these rules.~~

~~(f) The applicant failed to provide confirmation of municipal compliance as required under R 420.5(1)(d) or (e).~~

~~(g) The applicant's proposed marihuana establishment is in a municipality that has adopted an ordinance prohibiting marihuana establishments or the proposed marihuana establishment does not comply with an ordinance consistent with section 6 of the MRTMA, MCL 333.27956.~~

~~(h) The applicant is operating or was operating a proposed marihuana business without a marihuana license.~~

~~(i) The applicant has knowingly submitted an application containing false information.~~

- ~~—(j) The applicant has failed to pay required fees pursuant to these rules.~~
- ~~—(k) The applicant has failed to comply with these rules and the application requirements pursuant to these rules.~~
- ~~—(l) The applicant has been delinquent with the payment of taxes required under federal, state, or local law for 1 or more years.~~
- ~~—(m) The applicant fails to provide notifications or reports to the agency pursuant to these rules.~~
- ~~—(n) The applicant or anyone meeting the definition of applicant has a pattern of convictions involving dishonesty, theft, or fraud that indicate the proposed marihuana business is unlikely to be operated with honesty and integrity.~~
- ~~—(o) For an applicant seeking licensure under the MRTMA, the applicant failed a prelicensure inspection within 60 days of submitting a complete application to the agency.~~
- ~~—(p) For an applicant seeking licensure under the MRTMA, the applicant or anyone meeting the definition of applicant has a conviction involving distribution of a controlled substance to a minor pursuant to section 8 of the MRTMA, MCL 333.27958.~~
- ~~—(q) For an applicant seeking licensure under the MRTMA, the applicant holds a state operating license under the MMFLA and has failed to file or is delinquent in the payment of the sales tax required under the General Sales Tax Act, 1933 PA 167, MCL 205.51 to 205.78, or the excise tax required under section 601 of the MMFLA, MCL 333.27601.~~
- ~~—(r) For an applicant seeking licensure under the MRTMA, the applicant holds a state license and has failed to file or is delinquent in the payment of the sales tax required under the General Sales Tax Act, 1933 PA 167, MCL 205.51 to 205.78, or the excise tax required under section 13 of the MRTMA, MCL 333.27963.~~
- ~~—(s) The applicant failed to pass the prelicensure inspection required under R 420.11a.~~
- ~~—(t) The applicant or licensee has filed an amendment to the application for a marihuana license seeking to add an individual or entity to the application or license that is not eligible or suitable for licensure, or the amendment is not eligible for licensure as it fails to comply with the acts and these rules.~~
- ~~—(u) The applicant or licensee was previously required to file an annual financial statement under the MMFLA and these rules and failed to file the annual financial statement. (1) The agency may deny an amendment request for any of the following reasons:~~
 - ~~(a) The requested amendment would violate the requirements for prequalification prescribed in the acts or this part of these rules.~~
 - ~~(b) The requested amendment would violate the requirements for licensure prescribed in the acts or this part of these rules.~~
 - ~~(c) The requested amendment would violate another provision of the acts or these rules.~~
- ~~(2) If the agency denies an amendment request, the person that submitted the request may request a hearing under part 9 of these rules.~~
- ~~(3) If the person does not request a hearing in writing within 21 days after the agency denies the request, the denial becomes the final order of the agency.~~

R 420.13 Renewal of a marihuana license.

Rule 13. ~~(1) A marihuana license is issued for a 1-year period and is renewable annually. A licensee shall~~**may** apply to renew a marihuana license ~~on a form established in a manner prescribed by the agency; and shall submit all of the following:~~ The licensee shall pay the required fee upon submission of the application for renewal. ~~The marihuana license may be~~

~~renewed no more than 90 calendar days before the expiration of the marihuana license, if the licensee has submitted the renewal form required by the agency and, if applicable, the licensee has paid any additional background investigation charge assessed by the agency under these rules. The applicant shall include on the renewal form, a statement requesting renewal of the marihuana license and all of the following information:~~

~~(a) A renewal application that includes all of the following:~~

~~(i) The legal name and address of the marihuana business.~~

~~(ii) The municipality where the marihuana business is located.~~

~~(iii) The license number of the marihuana business.~~

~~(iv) To the extent that information has changed or not been previously reported to the agency, updated personal, business, and financial information, as the agency may require, related to the eligibility, **qualification, and suitability** of the licensee to continue to hold the marihuana license for which renewal is requested under the acts and these rules. For a licensee seeking renewal under the MMFLA, required information may also be related to the business probity; financial ability and experience; and responsibility or means to operate or maintain a marihuana facility of the licensee and each person required to be qualified for renewal of the license under the MMFLA. To the extent that the information has changed or has not been previously reported, updated information on the marihuana business is required.~~

~~(v) The licensee's current organizational structure.~~

~~(vi) Brands produced by the licensee, if applicable.~~

~~(b)-(vii) An statement under oath attestation by the licensee that all of the following are true:~~

~~(A) The information provided in the licensee's annual renewal form application is current, complete, true, and accurate, and that~~

~~(B) The licensee has fulfilled its their obligation under the acts and these rules to notify the agency of any a change in information provided in its the licensee's original marihuana license application and subsequent annual renewal form or forms application or applications previously filed, if applicable.~~

~~(C) The licensee's renewal application provides all information and documentation required by the agency to establish that the licensee is eligible, qualified, and suitable to have their marihuana license renewed.~~

~~(eb) For an applicant a licensee seeking renewal of a license under the MMFLA, all of the following:~~

~~(i) To the extent that information has changed or not been previously reported to the agency, information related to the business probity, financial ability, and experience, and responsibility or means to operate or maintain a marihuana facility of the licensee and each person required to be qualified for renewal of the license under the MMFLA.~~

~~(ii) eConfirmation of municipal compliance on an attestation form provided by the agency that includes all of the following:~~

~~(i)(A) A description of any a violation of an ordinance or a zoning regulation adopted pursuant to under section 205 of the MMFLA, MCL 333.27205, committed by the licensee, if applicable, but only if the violation relates to activities licensed under the acts or these rules.~~

~~(ii)(B) Whether there has been a change to an ordinance or a zoning regulation adopted pursuant to under section 205 of the MMFLA, MCL 333.27205, since the marihuana license was issued to the licensee and a description of the change.~~

~~(iii)(C) The date and signature of the clerk of the municipality or his or her the clerk's designee.~~

~~(iv)(D) The date and signature of the applicant licensee.~~

~~—(v) The name and address of the marijuana facility.~~

~~—(vi) The license type of the marijuana facility.~~

(dc) For an applicant a licensee seeking renewal of a license under the MRTMA, all of the following:

(i) eConfirmation of municipal compliance on an attestation form provided by the agency that includes all of the following:

~~(i)(A)~~ **(A)** A description of any violation, ~~if applicable,~~ of an ordinance or a zoning regulation consistent with section 6 of the MRTMA, MCL 333.27956, committed by the licensee, **if applicable,** but only if the violation relates to activities licensed under the act or these rules.

~~(ii)(B)~~ **(B)** Whether there has been a change to an ordinance or a zoning regulation consistent with section 6 of the MRTMA, MCL 333.27956, since the marijuana license was issued to the licensee and a description of the change.

~~(iii)(C) The following information for the municipality where the marijuana establishment is located, including, at a minimum, all of the following:~~

~~—(A) The name and address of the marijuana establishment.~~

~~—(B) The license type of the marijuana establishment.~~

~~—(C) The municipality where the marijuana establishment is located.~~

~~—(D) The contact information for the municipality, including, at a minimum, all of the following:~~

~~(I) The name of the clerk of the municipality or his or her the clerk's designee.~~

~~(II) The telephone number of the clerk of the municipality or his or her the clerk's designee.~~

~~(III) The email address of the clerk of the municipality or his or her the clerk's designee.~~

~~(IV) The mailing address of the clerk of the municipality or his or her the clerk's designee.~~

~~(ivii) Confirmation that the municipality has not adopted an ordinance prohibiting the proposed marijuana establishment.~~

~~(viii) Confirmation that the applicant licensee is in compliance with any ordinance ordinances the municipality has adopted relating to marijuana establishments within its jurisdiction, including zoning regulations.~~

~~(viiiv) An A~~ attestation that the applicant licensee will report any changes that occur with municipal ordinances or zoning regulations that relate to the marijuana establishment, any municipal establishment approvals, or any violations of a municipal or zoning regulation.

~~(vii) The date and signature of the applicant licensee.~~

(d) A renewal fee described in R 420.9.

~~(e) An attestation by the licensee that the licensee's annual renewal form provides all information and documentation required by the agency to establish that the licensee is eligible, qualified, and suitable to have its marijuana license renewed and is ready and able to continue conducting its marijuana business in compliance with the acts and these rules throughout the new 1-year time period for which the license is to be renewed. In addition to the requirements under subdivisions (a) to (d) of this subrule, other information, records, documents, disclosures, attestations, interviews, reports, statements, memoranda, or data required by the agency that are not inconsistent with the acts or these rules.~~

~~(f) Other relevant information and documentation that the agency may require to determine the licensee's eligibility to have its marijuana license renewed under the licensing standards of the acts and these rules.~~

~~(2) Failure to comply with any of the provisions of the acts and these rules may result in the nonrenewal of a marijuana license. The agency shall not renew a marijuana license unless the agency determines, as part of the license renewal, that each person required by the acts and these~~

rules to meet licensing standards is eligible, qualified, and suitable under the relevant licensing standards.

~~–(3) The licensee shall meet the requirements of the acts and any other renewal requirements set forth in these rules.~~

~~–(4) The agency may refuse to renew a marihuana license and issue a notice of nonrenewal if the licensee fails to apply for renewal in accordance with section 402 of the MMFLA, MCL 333.27402, as applicable, and this rule. In addition, the agency may refuse to renew a marihuana license and issue a notice of nonrenewal if the agency determines, after reviewing the licensee’s annual renewal form, that the marihuana license should not be renewed because the licensee’s annual renewal form does not provide the information and documentation required by the agency to determine that the licensee is eligible, qualified, and suitable to continue to be licensed and ready and able to continue conducting its marihuana business in compliance with the acts and these rules.~~

~~–(5) The agency may refuse to renew a marihuana license and issue a notice of nonrenewal if the licensee has failed to submit an annual financial statement required under the acts and these rules for the marihuana license it is renewing or for a previously held marihuana license.~~

~~–(6) If a license renewal application for a license under the MMFLA is not submitted by the license expiration date, the license may be renewed within 60 days after its expiration date upon submission of the required application, payment of the required fees, and satisfaction of any renewal requirements. The licensee may continue to operate during the 60 calendar days after the license expiration date if the licensee submits the renewal application to the agency and complies with the other requirements for renewal.~~

~~(7) The agency shall send a renewal notice to the last known address of a licensee on file with the agency. The failure of a licensee to notify the agency of a change of address does not extend the expiration date of a license and may result in disciplinary action.~~

~~(8) A marihuana licensee who is served with a notice of nonrenewal may request a hearing pursuant to these rules.~~

~~–(9) If the licensee does not request a hearing in writing within 21 calendar days after service of the notice of nonrenewal, the notice of nonrenewal becomes the final order of the agency.~~

~~–(10) A person who has not applied for marihuana license renewal for any and all licenses that are due for renewal shall cease and desist operation and is subject to any sanctions or fines, or both, pursuant to the acts and these rules.~~

(4) A marihuana license may be renewed no more than 90 days before the expiration of the marihuana license, if the licensee has submitted the renewal form required by the agency and, if applicable, the licensee has paid an additional background investigation charge assessed by the agency under these rules.

(5) Except as provided in subrule (2) of this rule, if a licensee does not apply to renew a marihuana license, the marihuana business for which the license was not renewed shall cease and desist operations when the marihuana license expires.

R 420.14 Notification and reporting Nonrenewal of a marihuana license.

~~Rule 14. (1) Applicants have a continuing duty to provide the agency with up-to-date contact information and shall notify the agency in writing of any changes to the mailing addresses, phone numbers, electronic mail addresses, and other contact information they provide the agency.~~

- ~~–(2) Applicants shall report to the agency any changes to the marihuana business operations that are required in the acts and these rules, as applicable.~~
- ~~–(3) Applicants shall report to the agency any proposed material changes to the marihuana business before making a material change. Material changes include, at a minimum, the following:~~
 - ~~–(a) Change in owners, officers, members, or managers.~~
 - ~~–(b) Change of processing machinery or equipment.~~
 - ~~–(c) The addition or removal of persons named in the application or disclosed.~~
 - ~~–(d) Change in entity name.~~
 - ~~–(e) Any attempted transfer, sale, or conveyance of an interest in a marihuana license.~~
 - ~~–(f) Any change or modification to the marihuana business before or after licensure that was not preinspected, inspected, or part of the marihuana business location plan or final inspection including, at a minimum, all of the following:~~
 - ~~–(i) Operational or method changes requiring inspection under these rules.~~
 - ~~–(ii) Additions or reductions in equipment or processes at a marihuana business.~~
 - ~~–(iii) Increase or decrease in the size or capacity of the marihuana business.~~
 - ~~–(iv) Alterations of ingress or egress.~~
 - ~~–(v) Changes that impact security, fire safety, and building safety.~~
- ~~–(4) An applicant shall notify the agency within 3 business days of becoming aware of or within 3 business days of when the applicant should have been aware of any of the following:~~
 - ~~–(a) Criminal convictions, charges, or civil judgments against an applicant in this state or any other state, federal, or foreign jurisdiction.~~
 - ~~–(b) Disciplinary action taken against an applicant by this state or any other state, federal, or foreign jurisdiction, including any pending action.~~
- ~~–(5) The applicant shall notify the agency within 10 calendar days of the initiation or conclusion of any new judgments, lawsuits, legal proceedings, charges, or government investigations, whether initiated, pending, or concluded, that involve the applicant.~~
- ~~–(6) The applicant shall notify the agency within 10 calendar days of receiving notification of an alleged violation of an ordinance or a zoning regulation adopted pursuant to section 205 of the MMFLA, MCL 333.27205, or section 6 of the MRTMA, MCL 333.27956, committed by the applicant, but only if the violation relates to activities licensed under the acts, the Michigan Medical Marihuana Act, and these rules.~~
- ~~–(7) The applicant shall notify the agency and the BFS within 1 business day following the occurrence of an unwanted fire.~~
- ~~–(8) The licensee shall notify the agency within 10 business days of the appointment of a court-appointed personal representative, guardian, conservator, receiver, or trustee of the licensee.~~
- ~~–(9) Failure to provide notifications or reports to the agency pursuant to this rule may result in sanctions or fines, or both.~~ **(1) The agency shall not renew a marihuana license unless the agency determines, as part of the license renewal, that each person required by the acts and these rules to meet licensing standards is eligible, qualified, and suitable under the relevant licensing standards.**
 - (2) The agency may refuse to renew a marihuana license for any of the following:**
 - (a) The reasons for denial of a marihuana license in R 420.11.**
 - (b) The licensee fails to apply for renewal as required in R 420.13.**
 - (c) The agency determines, after reviewing the licensee’s renewal application, that the marihuana license should not be renewed because the licensee’s renewal application does not provide the information and documentation required by the agency to determine that the**

licensee is eligible, qualified, and suitable to continue to be licensed and ready and able to continue conducting its marihuana business in compliance with the acts and these rules.

(d) The licensee has failed to submit an annual financial statement required under the acts and these rules for the marihuana license it is renewing or for another marihuana license currently or previously held by the licensee.

(e) The licensee has failed to comply with the provisions of the acts or these rules.

(3) A marihuana licensee that is served with a notice of nonrenewal may request a hearing under part 9 of these rules.

(4) If the licensee does not request a hearing in writing within 21 days after service of the notice of nonrenewal, the notice of nonrenewal becomes the final order of the agency.

~~R 420.15 Notifications of diversion, theft, loss, or criminal activity~~ **Notification and reporting.**

~~Rule 15. (1) Applicants shall notify the agency and local law enforcement authorities within 24 hours of becoming aware of or within 24 hours of when the applicant should have been aware of the theft or loss of any marihuana product or criminal activity at the marihuana business.~~

~~(2) Failure to notify as required under subrule (1) of this rule may result in sanctions or fines, or both.~~ (1) A licensee has a continuing duty to provide the agency with up-to-date contact information, including all of the following:

(a) The individual, or individuals, who are the authorized contact for the licensee. At least 1 individual under this division shall be a licensee, supplemental applicant, or managerial employee of the marihuana business.

(b) A mailing address.

(c) A phone number, electronic mail addresses, or other contact information required by the agency.

(2) A licensee shall notify the agency in writing within 10 days after changes to the contact information required in subrule (1) of this rule or the operations of the marihuana business that are required in the acts and these rules, as applicable.

(3) A licensee shall immediately notify the agency if the licensee becomes aware that both of the following circumstances exist:

(a) Any of the following circumstances pertaining to a marihuana product occurred:

(i) The product has been adulterated or contaminated.

(ii) The product has not passed full compliance testing.

(iii) The product was not tested in compliance with the requirements for testing in part 5 of these rules.

(iv) The product has been mislabeled.

(b) The product is currently available for sale or has already been sold to a marihuana customer.

(4) A licensee shall notify the agency and local law enforcement within 24 hours after becoming aware of, or within 24 hours after the licensee should have been aware of, the theft or loss of marihuana or criminal activity at the marihuana business.

(5) A licensee shall notify the agency and the BFS within 24 hours after the occurrence of an uncontrolled fire.

(6) A licensee shall notify the agency within 24 hours after becoming aware of, or within 24 hours after the licensee should have been aware of, adverse reactions to marihuana sold or transferred by the licensee.

(7) A licensee shall notify the agency within 5 days after becoming aware of, or within 5 days after the licensee should have been aware of, any of the following:

(a) Criminal convictions, charges, or civil judgments against a licensee in this state or another state, federal, or foreign jurisdiction.

(b) Disciplinary action taken against a licensee by this state or another state, federal, or foreign jurisdiction, including pending action.

(8) A licensee shall notify the agency within 10 days after any of the following:

(a) The initiation of lawsuits, legal proceedings, charges, or government investigations that involve the licensee.

(b) The conclusion of any lawsuits, legal proceedings, charges, or government investigations that involved the licensee.

(c) A judgment entered against the licensee.

(d) Receiving notification of an alleged violation of an ordinance or a zoning regulation adopted under section 205 of the MMFLA, MCL 333.27205, or section 6 of the MRTMA, MCL 333.27956, committed by the applicant, but only if the violation relates to activities licensed under the acts, the Michigan Medical Marihuana Act, and these rules.

(e) A change or modification of a lease that results in changes in payment terms, rent being waived, or changes to the initial parties to the lease.

(f) The landlord made improvement to the property valued at \$5,000.00 or greater that were not paid for or reimbursed by the licensee.

(g) A change or modification of a deed or insurance policy.

(h) A notice of delinquency, forfeiture, foreclosure, or the equivalent of a tax liability has been entered against the licensee by this state or another state, federal, or foreign jurisdiction.

(i) A notice of eviction against the licensee in this state or another state, federal, or foreign jurisdiction.

(9) A licensee shall notify the agency within 14 days after either of the following:

(a) The appointment of a court-appointed personal representative, guardian, conservator, receiver, or trustee of the licensee.

(b) A change in the spouse of an owner, officer, member, director, or managerial employee.

(10) A notification or report submitted to the agency under this rule must be submitted in the manner prescribed by the agency for submitting the notification or report.

R 420.16-~~Inspection; investigation~~ **Removing restrictions on ownership interests.**

Rule 16. (1) ~~The agency shall do all of the following with respect to inspections and investigations of applicants, licensees, proposed marihuana businesses, and marihuana business operations:~~

~~—(a) Oversee and conduct inspections through its investigators, agents, auditors, or the state police of proposed marihuana businesses and marihuana businesses to ensure compliance with the acts and these rules.~~

~~—(b) Inspect and examine marihuana businesses and proposed marihuana businesses.~~

~~—(c) Inspect, examine, and audit records of the licensee.~~

~~(2) The agency may investigate individuals employed by proposed marihuana businesses and marihuana businesses.~~

- ~~–(3) As authorized by the acts, a licensee may not refuse the agency access to the marihuana business during the hours of operation. The agency may access the marihuana business without a warrant and without notice to the licensee during the marihuana business's hours of operation.~~
- ~~–(4) The agency may place an administrative hold on a marihuana product and order that no sales or transfers occur during an investigation for an alleged violation or violation of the acts or these rules.~~
- ~~–(5) The agency may inspect, examine, and audit relevant records of the licensee. If a licensee fails to cooperate with an investigation, the agency may impound, seize, assume physical control of, or summarily remove records from a proposed marihuana business or marihuana business as authorized under the acts and these rules.~~
- ~~–(6) The agency may eject or exclude, or authorize the ejection or exclusion of, an individual from a proposed marihuana business or marihuana business if that individual violates the acts, a final order, or these rules.~~
- ~~–(7) The agency may take any reasonable or appropriate action to enforce the acts and these rules.~~
- ~~–(8) This rule does not limit the application of any other remedies or sanctions that are available through local, state, and federal laws, the acts, and these rules.~~
- ~~–(9) As used in this rule, “record” means books, ledgers, documents, writings, photocopies, correspondence, electronic storage media, electronically stored records, money receptacles, equipment in which records are stored, including data or information in the statewide monitoring system, or any other document that is used for recording information. **Beginning on the effective date of this rule, a person may hold an ownership interest in more than 5 marihuana growers or more than 1 marihuana microbusiness.**~~

R 420.17 Stacked license.

Rule 17. (1) A licensee holding **more than 1** license as a **class C marihuana** grower under the ~~medical marihuana facilities licensing act~~**MMFLA**, or a **class C marihuana** grower under the Michigan regulation and taxation of marihuana act**MRTMA**, or both, may apply to ~~stack class C licenses at a marihuana business specified in the marihuana license application~~**operate under stacked licenses at the marihuana business location of a single cultivator.**

(2) A licensee shall not operate under stacked licenses until approved by the agency.

(3) The A licensee shall pay a ~~separate initial licensure fee~~**license fees**, or regulatory assessment**assessments, and renewal fees**, as applicable, for each marihuana license issued and stacked and may be subject to additional fees under these rules**grower under the MMFLA and marihuana grower under the MRTMA operating under the stacked licenses.**

~~–(2) A licensee that has been issued stacked licenses is subject to all the requirements of the acts and these rules.~~

R 420.18 Changes to licensed a marihuana business.

Rule 18. (1) ~~Any change or modification to the marihuana business after licensure is governed by the standards and procedures set forth in these rules and any regulations adopted pursuant to the acts. Any material change or modification to the marihuana business must be approved by the agency before the change or modification is made.~~

~~(2) Any change of a location of a marihuana business after licensure requires notification to the agency prior to the change of location, must be approved by the agency, requires a new marihuana license application under these rules, and may include, but is not limited to, all of the following:~~

~~(a) Additional application fees.~~

~~(b) Additional inspections by the agency or BFS.~~

~~(c) Initial licensure fees or regulatory assessment, as applicable, or both.~~ **(1) A licensee shall not make a material change to a marihuana business unless the licensee submits a request to make a material change and the agency approves the change.**

(2) A material change is a change to personal, business, or financial information or to the licensed premises and its operations that could be reviewed at prequalification, licensure, or renewal to confirm the eligibility, qualifications, and suitability of the licensee to hold and operate a marihuana license, including, but not limited to, any of the following:

(a) Changes in owners, officers, members, directors, or managerial employees.

(b) The addition or removal of persons named or disclosed in the application.

(c) Changes to the name of the legal entity and any assumed names used by the marihuana business.

(d) Changes to the licensed entity's business organizational structure.

(e) Changes to brands used by the licensee if the change is a result of entering into a licensing, manufacturing, management, or other agreement with another party.

(f) A transfer, sale, or conveyance of an ownership interest in a marihuana license.

(g) A change or modification to the marihuana business before or after licensure that was not inspected during a prelicensure inspection or other inspection, or part of the marihuana business location plan or final inspection, including, at a minimum, all of the following:

(i) Changes to operations, processes, or methods requiring inspection under these rules.

(ii) Additions or reductions in processing machinery or equipment.

(iii) An increase or decrease in the size or capacity of the marihuana business.

(iv) Alterations to the means of ingress or egress.

(v) Changes that impact security, fire safety, or building safety.

(3) A licensee shall not change the location of a marihuana business unless the licensee submits a new marihuana license application and receives approval from the agency. A new application may include, but is not limited to, all of the following:

(a) Additional application fees.

(b) Additional inspections by the agency or the BFS.

(c) Initial license fees or regulatory assessment, or both, as applicable.

R 420.19 Communities disproportionately impacted by marihuana prohibition.

Rule 19. (1) ~~Pursuant to~~ **Under** section 8(1)(j) of the MRTMA, MCL 333.27958, the agency shall establish a plan that promotes and encourages participation in the marihuana industry by people from communities that have been disproportionately impacted by marihuana prohibition and enforcement and to positively impact those communities.

(2) The agency shall publish all of the following information about the plan:

(a) The criteria used to select communities that have been disproportionately impacted by marihuana prohibition and enforcement.

(b) Based on the selection criteria, a list of the communities that have been disproportionately impacted by marihuana prohibition and enforcement.

(c) The requirements persons in those communities must meet to utilize services and resources offered through the plan.

(d) The services and resources that are available to those communities and qualifying persons residing in and planning to operate a marihuana establishment in those communities selected in subdivision (b) of this subrule.

(e) Specific goals and objectives for the plan.

(3) The agency shall collect data to measure its progress towards achieving the specific goals and objectives outlined in subrule (2)(e) of this rule.

(4) The agency shall publish a list of services and resources offered through the plan, which must include, but is not ~~be~~ limited to, all of the following:

(a) Education and outreach to the communities and potential applicants from the community.

(b) The waiver or reduction of fees for qualified applicants from the communities.

(c) Increased assistance with the application process for applicants from these communities.

(d) Coordination of communities', applicants', and licensees' utilization of resources that ~~will~~ allow participation in the marihuana industry.

Rule 420.19a Social equity program.

Rule 19a. (1) An applicant or licensee may submit a request to participate in the social equity program created by the agency under section 8(1)(j) of the MRTMA, MCL 333.27958, in a form and manner prescribed by the agency.

(2) To participate in the social equity program, an applicant or licensee must meet at least 1 of the following conditions:

(a) Has resided in a community or communities listed under R 420.19(2)(b) for not less than 5 years.

(b) Except as provided in subrule (3) of this rule, has been convicted of a misdemeanor or felony marihuana-related offense.

(c) Has been a registered primary caregiver under the Michigan Medical Marihuana Act for not less than 3 years during the 5-year period immediately before the person's request to participate in the social equity program.

(3) A person convicted of distributing a controlled substance to a minor is not eligible to participate in the social equity program under subrule (2)(b) of this rule.

(4) Initial participation in the social equity program is for a period of 2 years. A participant may renew their participation after the initial 2-year period and annually after the first renewal by submitting a renewal request in a manner prescribed by the agency.

(5) A participant that fails to submit a renewal request will be removed from the social equity program. An applicant or licensee that is removed from the program may submit a new request to participate in the program. A person that submits a request under this subrule shall submit a renewal request after a period of 1 year.

(6) Subject to subrule (7) of this rule, the agency shall reduce the fees paid by a social equity program participant by a percentage not to exceed 75% as follows:

(a) For a participant that is eligible under subrule (2)(a) of this rule, by 25%.

(b) For a participant that is eligible under subrule (2)(b) of this rule, by the greater of the following, as applicable:

(i) For a participant convicted of a misdemeanor marihuana-related offense, by 25%.

(ii) For a participant convicted of a felony marihuana-related offense, by 40%.

- (c) For a participant that is eligible under subrule (2)(c) of this rule, by 10%.
- (7) If a social equity program participant operates a marihuana establishment in a community not listed under R 420.19(2)(b), the fee reductions in subrule (6) of this rule apply to that establishment for 2 years after the date the license for the establishment was issued.
- (8) A person that meets the requirements for participation in the social equity program that obtained prequalification status under part 2 of these rules and whose prequalification status has expired is not required to pay another application fee if the person submits a new prequalification application.
- (9) A social equity program participant may apply for additional fee reductions by submitting a request in a manner prescribed by the agency.
- (10) Fee reductions for which a social equity program participant is approved do not apply to fees that were assessed before the agency’s approval of the fee reductions.

R 420.20 Financial statements.

Rule 20. (1) **Every 3 years, or a shorter time as determined by the agency, Each** licensee under the MRTMA shall transmit to the agency **complete** financial statements of the licensee’s total operations.

(2) **A certified public accountant shall review the** ~~The financial statements shall be reviewed by a certified public accountant in a manner and form prescribed by the agency. The certified public accountant must be licensed in this state under article 7 of the occupational code, 1980 PA 299, MCL 339.720 to 339.736. The compensation for the certified public accountant must be paid directly by the licensee to the certified public accountant. The agency shall issue an advisory bulletin to instruct licensees on the time and manner in which to submit the financial statements. Financial statements must be prepared so they include all required information for each license held by the licensee.~~

~~(2) A marihuana educational research licensee is not required to file an annual financial statement.~~

(3) **If the agency identifies a deficiency in the financial statements or requires further information, the agency shall notify the licensee and the licensee shall submit the missing information or proof that the deficiency has been corrected to the agency within 5 days after the date the licensee received the deficiency notice.**

(4) **If a licensee fails to submit a required financial statement by the due date or fails to correct a deficiency or provide required information within 5 days after notification by the agency, the agency may do both of the following:**

(a) **Require the licensee to submit financial statements more frequently than every 3 years for a period of time determined by the agency.**

(b) **Impose a penalty under part 10 of these rules.**

(5) **The agency shall assign a licensee to a 3-year reporting cycle that is maintained throughout the licensee’s period of licensure, unless the reporting cycle is shortened as provided in subrule (4) of this rule.**

(6) **The agency shall assign a licensee to a reporting period and due date described in table 1.**

TABLE 1

Reporting period	Financial report due date
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January 1 to December 31	June 30 immediately after the end of the reporting period
April 1 to March 31	September 30 immediately after the end of the reporting period
July 1 to June 30	December 31 immediately after the end of the reporting period
October 1 to September 30	March 31 immediately after the end of the reporting period

(7) A licensee that is issued any of the following license types is not required to file a financial statement for that license:

- (a) Marihuana educational research license.**
- (b) Marihuana event organizer license.**
- (c) Designated consumption establishment license.**

~~PART 2. SPECIAL LICENSES UNDER THE MICHIGAN REGULATION AND TAXATION
OF MARIHUANA ACT~~

~~R 420.21 —Special licenses; eligibility~~ **Licensing, management, manufacturing, other agreements.**

~~Rule 21. (1) A person may apply to the agency for a special license as described under section 8 of the MRTMA, MCL 333.27958, and issued pursuant to section 9 of the act, MCL 333.27959, and these rules. A person may apply to the agency for a special license in any of the following categories:~~

- ~~—(a) Designated consumption establishment license. A designated consumption establishment license is valid for 1 year.~~
- ~~—(b) Excess marihuana grower license. An excess marihuana grower license is valid for 1 year.~~
- ~~—(c) Marihuana event organizer license. A marihuana event organizer license is valid for 1 year.~~
- ~~—(d) Temporary marihuana event license. A temporary marihuana event license is valid for a minimum of 1 day and ends on the date specified on the state license.~~
- ~~—(e) Marihuana educational research license. A marihuana educational research license is valid for 1 year.~~
- ~~—(f) A class A marihuana microbusiness license. A class A marihuana microbusiness license is valid for 1 year.~~

~~—(2) An applicant shall meet the requirements of the MRTMA and these rules to be eligible for a special license.~~

~~—(3) A person who allows consumption of marihuana products on the premises of a non-residential location and charges a fee for entry, sells goods or services while individuals are consuming on the premises, or requires membership for entry shall acquire a designated consumption establishment or temporary marihuana event license. (1) A licensee may enter into a licensing agreement, management agreement, manufacturing agreement, or other agreement. An agreement under this subrule must be in writing.~~

(2) If an agreement under subrule (1) of this rule is a licensing agreement, management agreement, or would allow the other party to do either of the following, the licensee shall submit the agreement to the agency for approval:

(a) Exercise control over or participate in the management of the licensee.

(b) Receive more than a reasonable payment from the licensee during a full or partial calendar or fiscal year.

(3) If an agreement meets a condition of subrule (2) of this rule, a licensee shall submit a complete, unredacted, signed copy of the agreement to the agency for review and approval before the terms of the agreement take effect.

(4) An agreement under this rule must include, but is not limited to, all of the following:

(a) The legal name of each party.

(b) All price and payment terms between the parties. If the cost for a product or service is undefined, the method by which the cost will be calculated must be included.

(c) A requirement that all payments made to the other party pursuant to the agreement must be made by the licensee that is the party to the agreement.

(d) Terms specifically naming and clearly defining a service to be performed pursuant to the agreement.

(e) Terms specifically requiring that all operations related to the production, sales, invoicing, and payment for marijuana sold pursuant to an agreement must be performed by the licensee.

(f) A statement indicating that the agreement contains the entire agreement of the parties.

(g) If the agreement includes trademarked items, all trademark documentation, including registration certificates, filed with this state or the United States Patent and Trademark Office, or both.

(5) The agency shall not approve an agreement under this rule if the terms of the agreement would violate a requirement of the acts or these rules.

(6) A term or condition that would allow the licensee to use an assumed name or doing business as in the operation of the licensee is not operative unless the licensee has complied with the requirements of 1907 PA 101, MCL 445.1 to 445.5.

(7) A licensee shall provide other information requested by the agency pertaining to an agreement that is not inconsistent with the acts and these rules.

~~R 420.22-Designated consumption establishment license~~ Licensee records.

~~Rule 22. (1) An applicant for a designated consumption establishment license is subject to and shall meet the requirements of the Michigan regulation and taxation of marijuana act and these rules.~~

~~(2) A person may apply for a designated consumption establishment license on the form created by the agency accompanied by the nonrefundable application fee as prescribed in these rules. An application for a designated consumption establishment license must be made under oath on a form provided by the agency. A complete application for a designated consumption establishment license must contain the information required in these rules and information regarding the designated consumption establishment including, but not limited to, all of the following:~~

~~(a) A designated consumption establishment plan for the proposed consumption establishment. Upon the request of the agency, an applicant or licensee may be required to submit a revised~~

~~designated consumption establishment plan. The plan must include a diagram of the designated consumption establishment including, but not limited to, all of the following:~~

- ~~—(i) The proposed establishment's size and dimensions.~~
 - ~~—(ii) Specifications of the designated consumption establishment.~~
 - ~~—(iii) Physical address.~~
 - ~~—(iv) Location of common entryways, doorways, or passageways.~~
 - ~~—(v) Means of public entry or exit.~~
 - ~~—(vi) An indication of the distinct areas or structures for separate marihuana establishments at the same location as provided in these rules.~~
 - ~~—(b) A detailed floor plan and layout that includes all of the following:~~
 - ~~—(i) Dimensions of the consumption establishment including interior and exterior rooms.~~
 - ~~—(ii) Number of rooms.~~
 - ~~—(iii) Dividing structures.~~
 - ~~—(iv) Fire walls.~~
 - ~~—(v) Entrances and exits.~~
 - ~~—(vi) Locations of hazardous material storage, if applicable.~~
 - ~~—(vii) Means of egress.~~
 - ~~—(c) Construction details for structures and fire-rated construction for required walls.~~
 - ~~—(d) Building structure information, including but not limited to, new, pre-existing, freestanding, or fixed.~~
 - ~~—(e) Building type information, including, but not limited to, commercial, warehouse, industrial, retail, converted property, house, building, mercantile building, pole barn, greenhouse, laboratory, or center.~~
 - ~~—(f) Zoning classification and zoning information.~~
 - ~~—(g) If the proposed designated consumption establishment is in a location that contains multiple tenants, any applicable occupancy restrictions.~~
 - ~~—(h) A business plan that includes a description of the proposed hours of operation.~~
 - ~~—(i) Proof of possession of the premises where the proposed designated consumption establishment will be located and, if the premises are leased, written permission from the owner of the premises approving the applicant's use of the designated consumption establishment for marihuana consumption.~~
 - ~~—(j) A responsible operations plan that includes a detailed explanation of how employees will monitor and prevent over-intoxication, underage access to the designated consumption establishment, the illegal sale or distribution of marihuana or marihuana products within the consumption establishment, and any other potential criminal activity on the premises.~~
 - ~~—(k) A documented employee training that addresses all components of the responsible operations plan.~~
 - ~~—(l) A marihuana product destruction and waste management plan that meets the requirements of these rules, as applicable, for destroying and disposing of marihuana waste left at the marihuana establishment.~~
 - ~~—(m) Any other information required by the agency if not inconsistent with the Michigan regulation and taxation of marihuana act and these rules.~~
- ~~—(3) The agency may provide a copy of the marihuana establishment plan to the BFS, local fire department, building officials, the Michigan state police, and local law enforcement for use in pre-incident review and planning.~~
- ~~—(4) An applicant shall pay the fees required under these rules.~~

~~—(5) An applicant is subject to the prelicensure investigation and proposed establishment inspection required under these rules.~~

~~—(6) An applicant is subject to the proof of financial responsibility and insurance requirements under these rules.~~

~~—(7) A designated consumption establishment shall have the following characteristics:~~

~~—(a) A smoke-free area for employees to monitor the marijuana consumption area.~~

~~—(b) A ventilation system that directs air from the marijuana consumption area to the outside of the building through a filtration system sufficient to remove visible smoke, consistent with all applicable building codes and ordinances, and adequate to eliminate odor at the property line, if consumption by inhalation is permitted.~~

~~—(c) A location physically separated from areas where smoking is prohibited and where smoke does not infiltrate into nonsmoking areas or buildings.~~

~~—(8) The agency may determine an applicant is ineligible or deny an application for the reasons specified in these rules, as applicable. (1) A licensee shall maintain records that are required to be maintained under the acts or these rules on site at the marijuana business or in a way that the records can be accessed electronically on site and made available for review by the agency during business hours. If the agency requests to inspect a licensee's records, the agency may prescribe a deadline by which a licensee must make the records available for inspection.~~

(2) A licensee shall utilize a general ledger software and standard double entry bookkeeping system.

(3) A licensee shall maintain accurate and comprehensive financial records for each license that clearly document the licensee's income and expenses, including, but not limited to, all of the following:

(a) Cash logs.

(b) Bank statements.

(c) Sales records.

(d) Inventory purchase records.

(e) Invoices.

(f) Receipts.

(g) Deposit slips.

(h) Cancelled checks.

(i) Employee compensation records.

(j) Tax records.

(k) General ledger.

(4) Bulk financial deposits or transactions must be traceable to the individual transactions that comprise the bulk deposit or transaction.

(5) Licensee records must be maintained for not less than 4 years, unless the agency requires a record to be maintained for a longer period of time. If the agency requires a licensee to maintain a record for longer than 4 years, the licensee shall not dispose of the record until the agency approves disposal of the record.

(6) A licensee that holds a license as a cultivator, producer, or marijuana sales location shall perform, document, and maintain as an internal record, monthly reconciliations of its statewide monitoring system revenue to its general ledger revenue and, if applicable, point-of-sale revenue. The licensee shall document all discrepancies and maintain all relevant original documentation that contains the details of licensee transactions.

(7) A licensee shall maintain records in a way that allows the licensee to identify and reconcile revenue and expenses related to marihuana operations separate from revenue or expenses related to industrial hemp operations.

(8) A licensee conducting business under a licensing agreement, management services agreement, manufacturing agreement, or other agreement shall maintain records documenting all marihuana and money transferred pursuant to the agreement.

R 420.23—~~Excess marihuana grower license~~ **Marihuana business websites; public representations; ownership.**

Rule 23. (1) ~~An applicant for an excess marihuana grower license is subject to and shall meet the requirements of the MRTMA and these rules.~~

~~—(2) An excess marihuana grower license authorizes sale of marihuana, other than seeds, seedlings, tissue cultures, immature plants, and cuttings, to a marihuana processor or marihuana retailer.~~

~~—(3) An excess marihuana grower license may be issued only to a person who holds 5 stacked class C marihuana grower licenses issued by the agency under the MRTMA and at least 2 grower class C licenses issued by the agency under the MMFLA.~~

~~—(4) A person may apply for an excess marihuana grower license on the form created by the agency accompanied by the nonrefundable application fee as prescribed in these rules. An application for an excess marihuana grower license must be made under oath on a form provided by the agency and must contain information as prescribed by the agency.~~

~~—(5) An applicant for an excess marihuana grower license shall pay applicable fees required under these rules.~~

~~—(6) The agency may determine an applicant is ineligible or deny an application for the reasons specified in these rules.~~

~~—(7) The agency shall set the total marihuana plant count for an excess marihuana grower license in increments of 2,000 marihuana plants not in excess of the total marihuana plants permitted under grower class C licenses held under the MMFLA.~~

~~—(8) Payment of the initial licensure fee must be received prior to issuance of the state license. In determining the initial licensure fee for an excess marihuana grower license, the initial licensure fee of a class C marihuana grower license is assessed on the excess marihuana grower license at every 2,000 marihuana plant increment authorized by the state license.~~

~~—(9) An excess marihuana grower licensee is subject to all requirements for a marihuana grower as provided for in the MRTMA and these rules, as applicable.~~

~~—(10) An applicant shall pay the initial licensure fee for an excess grower license within 10 calendar days of approval or within 90 calendar days of submitting a complete application, whichever date is first.~~

~~—(11) An applicant for an excess grower license is not required to pay the application fee under these rules.~~ **A licensee shall not publicly represent ownership or ownership structures that differ from the ownership information provided to the agency, including, but not limited to, on a website or social media page or social media profile owned or controlled by the licensee.**

R 420.24 ~~Marihuana event organizer license~~ **Court-appointed individuals.**

Rule 24. (1) ~~A marihuana event organizer is not authorized to engage in the operations of a marihuana establishment licensee without first obtaining the appropriate licenses.~~

~~—(2) A person may apply for a marihuana event organizer license on the form created by the agency accompanied by the application fee as prescribed in these rules. An application for a marihuana event organizer license shall be made under oath on a form provided by the agency and shall contain information as prescribed by the agency.~~

~~—(3) An applicant for a marihuana event organizer license is subject to and shall meet the requirements of these rules, as applicable.~~

~~—(4) An applicant for a marihuana event organizer license shall pay the nonrefundable application fee and any other fees required under these rules.~~

~~—(5) The agency may determine an applicant is ineligible or deny an application for the reasons specified in these rules, as applicable. **If a court-appointed receiver, trustee, personal representative, guardian, or another individual is appointed to operate a marihuana business, the receiver, trustee, personal representative, guardian, or other individual shall ensure that the marihuana business complies with all the requirements in the acts and these rules for which the licensee would otherwise be responsible.**~~

R 420.25 ~~Temporary marihuana event license; application; operations.~~ **Rescinded.**

Rule 25. ~~(1) A temporary marihuana event license may be issued only to a person who holds a marihuana event organizer license issued by the agency.~~

~~—(2) Violations of the requirements applicable to temporary marihuana events may result in disciplinary action against the marihuana event organizer license or any other licenses held by a licensee participating in the temporary marihuana event and responsible for a violation of the MRTMA or these rules.~~

~~—(3) A temporary marihuana event license may be issued only for a single day or up to 7 consecutive days. A temporary marihuana event license may not be issued for more than 7 days.~~

~~—(4) An application for a temporary marihuana event license must be submitted to the agency not less than 90 calendar days before the first day of the temporary marihuana event.~~

~~—(5) A temporary marihuana event may be held only at a venue expressly approved by a municipality for the purpose of holding a temporary marihuana event.~~

~~—(6) A temporary marihuana event may be held only if the applicant is expressly approved by a municipality to hold a temporary marihuana event where sales to, or consumption of marihuana by, persons 21 years of age or older will occur.~~

~~—(7) An application for a temporary marihuana event license must be made under oath on a form provided by the agency and must contain information as prescribed by the agency, including, at a minimum, all of the following:~~

~~—(a) The name of the applicant. Applicants who are individuals shall provide both the first and last name of the individual. Applicants that are business entities shall provide the legal business name of the applicant.~~

~~—(b) The marihuana event organizer license number and license number of any other marihuana establishment license held by the applicant.~~

~~—(c) The address of the location where the temporary marihuana event will be held.~~

~~—(d) The name of the temporary marihuana event.~~

~~—(e) A diagram of the physical layout of the temporary marihuana event that clearly indicates each of the following:~~

~~—(i) Where the temporary marihuana event will take place on the location grounds.~~

~~—(ii) All entrances and exits that will be used by participants during the event.~~

- ~~—(iii) All marihuana consumption areas.~~
- ~~—(iv) All marihuana retail areas where marihuana products will be sold.~~
- ~~—(v) All areas where marihuana waste will be stored.~~
- ~~—(vi) All areas where marihuana products will be stored.~~
- ~~—(vii) The specific location of each marihuana retailer or marihuana microbusiness or class A marihuana microbusiness licensee who will be participating in the event. Each marihuana retailer or marihuana microbusiness or class A marihuana microbusiness licensee participating in the event must be identified with an assigned temporary marihuana event location number.~~
- ~~—(f) The dates and hours of operation for the proposed temporary marihuana event. A temporary marihuana event license is required for any date in which the applicant engages in onsite marihuana product sales or allows onsite marihuana product consumption.~~
- ~~—(g) Contact information for the designated primary contact person for the temporary marihuana event license, including the individual's name, title, address, phone number, and email address.~~
- ~~—(h) Contact information for the designated contact person or persons who must be onsite at the event, and reachable by telephone at all times that the event is occurring.~~
- ~~—(i) For an applicant seeking licensure for a temporary marihuana event, confirmation of municipal compliance on an attestation form provided by the agency that includes all of the following:~~
 - ~~—(i) The name and address of the proposed temporary marihuana event.~~
 - ~~—(ii) The municipality where the proposed temporary marihuana event is located.~~
 - ~~—(iii) The contact information for the municipality including, at a minimum, all of the following:~~
 - ~~—(A) The name of the clerk of the municipality or his or her designee.~~
 - ~~—(B) The telephone number of the clerk of the municipality or his or her designee.~~
 - ~~—(C) The email address of the clerk of the municipality or his or her designee.~~
 - ~~—(D) The mailing address of the clerk of the municipality or his or her designee.~~
 - ~~—(iv) Confirmation that the municipality has not adopted an ordinance prohibiting the proposed temporary marihuana event.~~
 - ~~—(v) Confirmation that the applicant is in compliance with any ordinance the municipality has adopted relating to marihuana establishments within its jurisdiction, including zoning regulations.~~
 - ~~—(vi) Attestation that the applicant will report any changes that occur with municipal ordinances or zoning regulations that relate to the proposed temporary marihuana event, any municipal approvals, or any violations of a municipal or zoning regulation.~~
 - ~~—(vii) Attestation by the applicant describing if the applicant will engage in onsite marihuana sales to, and allow onsite consumption by, person 21 years of age or older at the temporary marihuana event.~~
 - ~~—(viii) The date and signature of the applicant.~~
- ~~—(j) A list of all licensees and employees who will be providing onsite sales of marihuana products at the temporary marihuana event. If the list of licensees and employees participating in the temporary marihuana event changes after the application is submitted or after the temporary marihuana event license is issued, the applicant shall submit an updated list and an updated diagram to the agency not less than 72 hours before the event. Licensees not on the list submitted to the agency may not participate in the temporary marihuana event.~~
- ~~—(k) A responsible operations plan that includes a detailed explanation of how employees will monitor and prevent over intoxication, underage access to the designated consumption establishment, the illegal sale or distribution of marihuana or marihuana products within the consumption establishment, and any other potential criminal activity on the premises.~~

- ~~–(8) An applicant for a temporary marihuana event shall pay all required fees before the agency issues a temporary marihuana event license.~~
- ~~–(9) The licensed marihuana event organizer shall hire or contract for licensed security personnel to provide security services at the licensed temporary marihuana event. All security personnel hired or contracted for by the licensee shall be at least 21 years of age, and be present on the licensed event premises at all times marihuana products are available for sale or marihuana consumption is allowed on the licensed event premises. The security personnel shall not engage in the consumption of marihuana products before or during the event.~~
- ~~–(10) A licensed marihuana event organizer shall maintain a clearly legible sign, not less than 7 by 11 inches in size reading, “No Persons Under 21 Allowed” at or near each public entrance to any area where the sale or consumption of marihuana products is allowed. The lettering of the sign shall be not less than 1 inch in height.~~
- ~~–(11) The marihuana event organizer licensee shall ensure that access to the event is restricted to persons 21 years of age or older and ensure that marihuana sales or consumption is not visible from any public place or non-age restricted area.~~
- ~~–(12) The marihuana event organizer licensee, who holds the temporary marihuana event license, is responsible for ensuring that all rules and requirements for the onsite consumption of marihuana products are followed.~~
- ~~–(13) The marihuana event organizer licensee shall ensure that all marihuana waste generated at a temporary marihuana event is collected and disposed of in accordance with the requirements of these rules, as applicable.~~
- ~~–(14) A licensed marihuana event organizer and all other licensees participating in a temporary marihuana event are required to comply with all other applicable requirements in the MRTMA and these rules and any municipal ordinances.~~
- ~~–(15) The agency may require the marihuana event organizer and all participants to cease operations without delay if in the opinion of the agency or law enforcement it is necessary to protect the immediate public health and safety of the people of this state. Upon notification from the agency that the event is to cease operations, the marihuana event organizer shall immediately stop the event and all participants must be removed from the premises within the time frame provided by the agency.~~
- ~~–(16) Upon notification from the agency, the marihuana event organizer shall immediately expel from the event any person selling marihuana products without a marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness license issued by the agency. The marihuana event organizer or his or her representative shall remain with the person being expelled from the premises at all times until he or she vacates the premises. If the person does not vacate the premises, the agency may inform the marihuana event organizer that the event must cease operations. Upon notification from the agency that the event is to cease operations, the marihuana event organizer shall immediately stop the event and all participants must be removed from the premises within the time frame provided by the agency.~~

R 420.26 Temporary marihuana event fee. Rescinded.

~~Rule 26. (1) Each marihuana event organizer licensed to hold a temporary marihuana event in this state shall pay an initial licensure fee that consists of both of the following:~~

- ~~–(a) For temporary marihuana events that do not include the sale of marihuana products, a \$500.00 fee for each day of the scheduled event to cover the agency’s enforcement and compliance costs.~~

- ~~—(b) For temporary marihuana events that include the sale of marihuana products:~~
- ~~—(i) A \$500.00 fee for each licensee authorized to sell marihuana product at the event to cover the agency's enforcement and compliance costs.~~
- ~~—(ii) A \$500.00 fee for each day of the temporary marihuana event to cover the agency's enforcement and compliance costs.~~
- ~~—(2) If a licensee scheduled to attend an event withdraws from the event prior to the first day of the event, the marihuana event organizer may request a refund for that portion of the fees paid to the agency to cover the enforcement and compliance costs for that licensee.~~
- ~~—(3) A marihuana event organizer applicant is not required to pay an application fee.~~

R 420.27 Temporary marihuana event sales. Rescinded.

- ~~—Rule 27. (1) A marihuana event organizer licensee shall ensure that access to the area where marihuana sales are allowed is restricted to persons 21 years of age or older.~~
- ~~—(2) Only persons 21 years of age or older may purchase and consume marihuana products at a temporary marihuana event. Prior to selling marihuana products to a customer, the licensee making the sale shall confirm, using valid identification as specified in the MRTMA and these rules, the age and identity of the customer.~~
- ~~—(3) All sales of marihuana products at a temporary marihuana event shall occur in a retail area as designated in the premises diagram required in these rules.~~
- ~~—(4) Each sale at a temporary marihuana event must be performed by a licensed marihuana retailer, a marihuana microbusiness, or a class A marihuana microbusiness that is authorized to sell marihuana products to customers. The marihuana event organizer may also sell marihuana products at the temporary marihuana event if the marihuana event organizer holds a separate state license as a marihuana retailer, a marihuana microbusiness, or a class A marihuana microbusiness.~~
- ~~—(5) Licensed marihuana retailers, marihuana microbusinesses, or class A marihuana microbusinesses shall conduct sales activities only within their specifically assigned area, identified in the diagram of the physical layout of the temporary marihuana event.~~
- ~~—(6) Mobile sales activities via wagon, cart, or similar means are prohibited at the temporary marihuana event site.~~
- ~~—(7) Licensed marihuana retailers, marihuana microbusinesses, or class A marihuana microbusinesses shall prominently display their temporary marihuana event location number and state license number within plain sight of the public.~~
- ~~—(8) All sales at a temporary marihuana event must occur on the dates stated on the state license and must occur at the location stated on the state license. All onsite sales of marihuana products must comply with the hours of operation requirements in these rules.~~
- ~~—(9) The marihuana products sold onsite at a temporary marihuana event must be transported to the site of the temporary marihuana event by a licensed secure transporter in compliance with the Michigan regulation and taxation of marihuana act and these rules. A licensed transporter is not required if less than 15 ounces of marihuana or 60 grams of concentrate is transported at 1 time.~~
- ~~—(10) Except small amounts of products used for display, all marihuana products for sale at a temporary marihuana event must be stored in a secure, locked container that is not accessible to the public. Marihuana products stored by a licensee at a temporary marihuana event must not be left unattended.~~

~~(11) All marihuana products made available for sale at a temporary marihuana event by a licensee must comply with all requirements of the MRTMA and these rules for the sale and tracking of marihuana products. This includes, at a minimum, all of the following:~~

~~—(a) Identifying marihuana product from licensees' inventory at the marihuana establishment that will be transported for sale at the event using a marihuana secure transporter or an agent of the licensee to the temporary marihuana event.~~

~~—(b) Tracking in the statewide monitoring system any sales of marihuana product at the event in accordance with the requirements of these rules.~~

~~—(c) Tracking in the statewide monitoring system any marihuana product that is not sold at the event and is returned to the marihuana establishment's inventory at its permanent location. If more than 15 ounces of marihuana or 60 grams of concentrate is transported at 1 time, it must be transported using a marihuana secure transporter.~~

R 420.27a Marihuana educational research license. Rescinded.

~~Rule 27a. (1) A marihuana educational research license authorizes a licensee to do all of the following:~~

~~Obtain marihuana from a marihuana establishment.~~

~~Produce marihuana products.~~

~~Perform research on marihuana and marihuana products.~~

~~Dispose of marihuana and marihuana products.~~

~~(2) A licensee holding a marihuana educational research license shall apply for the necessary registration from the United States Drug Enforcement Administration (DEA). A licensee must provide proof of registration to the agency before engaging in any licensed activity.~~

~~(3) An application for a marihuana educational research license must be made under oath on a form provided by the agency. A complete application for a marihuana educational research license must contain the information required in these rules and information regarding the marihuana educational research license including, at a minimum, all of the following:~~

~~—(a) A research plan including, at a minimum, all of the following:~~

~~—(i) A written plan for documenting all individuals who will have access to the location and marihuana or marihuana products.~~

~~—(ii) Detailed description and documentation of affiliation with a degree or certificate program offered by an institution of higher learning accredited by the Higher Learning Commission.~~

~~—(iii) A brief description of the research that will be conducted.~~

~~—(iv) A written plan to ensure secure delivery and receipt of marihuana at the licensed location.~~

~~—(v) A written plan to ensure the safe storage of marihuana at the licensed location.~~

~~—(vi) A written plan for the tracking of marihuana quantities at the licensed location.~~

~~—(vii) A written plan for the disposal of marihuana after research.~~

~~—(viii) A floor plan of the location.~~

~~(b) For an applicant seeking licensure for a marihuana educational research license, confirmation of municipal compliance on an attestation form provided by the agency that includes all of the following:~~

~~—(i) The name and address of the proposed marihuana educational research licensee.~~

~~—(ii) The municipality where the proposed marihuana educational research license is located.~~

~~—(iii) The contact information for the municipality including, at a minimum, all of the following:~~

~~—(A) The name of the clerk of the municipality or his or her designee.~~

- ~~—(B) The telephone number of the clerk of the municipality or his or her designee.~~
- ~~—(C) The email address of the clerk of the municipality or his or her designee.~~
- ~~—(D) The mailing address of the clerk of the municipality or his or her designee.~~
- ~~—(iv) Confirmation that the municipality has not adopted an ordinance prohibiting the proposed marihuana educational research license.~~
- ~~—(v) Confirmation that the applicant is in compliance with any ordinance the municipality has adopted relating to marihuana establishments within its jurisdiction, including zoning regulations.~~
- ~~—(vi) Attestation that the applicant will report any changes that occur with municipal ordinances or zoning regulations that relate to the proposed marihuana educational research license, any municipal approvals, or any violations of a municipal or zoning regulation.~~
- ~~—(vii) The date and signature of the applicant.~~
- ~~—(c) A certificate of use and occupancy pursuant to R 420.208 in which the authorized activities of the marihuana educational research license are to be conducted.~~
- ~~—(d) Any other documents required by the agency that are not inconsistent with the acts and these rules.~~
- ~~—(4) An applicant for a marihuana educational research license shall provide notification and report to the agency in writing within 24 hours when he or she became aware of or should have become aware of all of the following:~~
 - ~~—(a) Loss of institutional affiliation.~~
 - ~~—(b) Loss of institutional accreditation.~~
 - ~~—(c) Loss or restriction of DEA registration.~~
 - ~~—(d) Theft, loss, diversion, or criminal activity at the licensed location.~~
- ~~—(5) A marihuana educational research licensee shall maintain and provide upon request of the agency a written schedule for disposal of marihuana and marihuana products after it has concluded research on that item.~~
- ~~—(6) A marihuana educational research licensee shall accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required by the agency.~~
- ~~—(7) A marihuana educational research licensee shall not sell or transfer marihuana or marihuana products to a marihuana establishment or to a marihuana customer.~~
- ~~—(8) A marihuana educational research licensee shall designate and enter into the statewide monitoring system administrative users pursuant to R 420.602(2)(b) and (c) as required by the agency.~~
- ~~—(9) A marihuana educational research licensee shall prohibit marihuana or marihuana products grown, produced, or obtained under the license to be consumed or sampled on the licensed premises unless the licensee is approved to engage in a research study under R 420.510(11) or the licensee obtains express written permission from the agency.~~

R 420.27b -Class A marihuana microbusiness. Rescinded.

- ~~Rule 27b. (1) An applicant for a class A marihuana microbusiness license is subject to and shall meet the requirements of the MRTMA and these rules.~~
- ~~—(2) An application for a class A marihuana microbusiness license must be made under oath on a form provided by the agency and must contain information as prescribed by the agency.~~
 - ~~—(3) An applicant for a class A marihuana microbusiness license shall pay applicable fees as required under these rules.~~

- ~~–(4) The agency may determine that an applicant is ineligible for a license or may deny an application for the reasons specified in these rules, as applicable.~~
- ~~–(5) Payment of the initial licensure fee must be received prior to issuance of the state license.~~
- ~~–(6) A class A marihuana microbusiness licensee is subject to all requirements for a marihuana microbusiness as provided for in the MRTMA and these rules, unless modified in these rules.~~
- ~~–(7) An applicant shall pay the initial licensure fee for a class A marihuana microbusiness license within 10 calendar days of approval or within 90 calendar days of submitting a complete application, whichever date is first.~~

R 420.28 Renewal; notifications; inspections and investigations; penalties; sanctions; fines; sale or transfer. Rescinded.

~~Rule 28. (1) A designated consumption establishment, class A marihuana microbusiness, marihuana educational research license, and marihuana event organizer license are issued for a 1-year period and may be renewed. An applicant for renewal must meet the requirements, as applicable, and apply in the manner prescribed in these rules.~~

~~–(2) A designated consumption establishment, class A marihuana microbusiness, marihuana educational research license, and marihuana event organizer applicant or licensee are subject to the notification and reporting requirements specified in these rules, as applicable.~~

~~–(3) A designated consumption establishment, class A marihuana microbusiness, marihuana educational research license, or marihuana event organizer licensee or licensee participating in a temporary marihuana event shall comply with the notification requirements for theft, loss, or criminal activity pertaining to marihuana product under these rules, as applicable.~~

~~–(4) An applicant for or a licensed designated consumption establishment, class A marihuana microbusiness, marihuana educational research license, or marihuana event organizer are subject to the inspections and investigations specified in these rules, as applicable.~~

~~–(5) An applicant for or a licensed designated consumption establishment, class A marihuana microbusiness, marihuana educational research license, or marihuana event organizer are subject to these rules regarding violations, sanctions, and fines.~~

~~–(6) A licensee selling marihuana products at a temporary marihuana event shall comply with the requirements of these rules regarding the sale or transfer of marihuana.~~

~~–(7) A licensee selling marihuana products at a temporary marihuana event shall comply with the requirements of these rules regarding purchasing limits in a single transaction.~~

R 420.29 Severability. Rescinded.

~~Rule 29. If any rule or subrule of these rules, in whole or in part, is found to be invalid by a court of competent jurisdiction, such decision will not affect the validity of the remaining portion of these rules.~~

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

MARIJUANA REGULATORY AGENCY

MARIHUANA LICENSEES

~~(By authority conferred on the executive director of the marijuana regulatory agency by section 206 of the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27206, sections 7 and 8 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27957 and 333.27958, and Executive Reorganization Order No. 2019-2, MCL 333.27001)~~

PART 3. ADDITIONAL MARIHUANA LICENSE TYPES

R 420.101 Definitions Additional license types.

~~Rule 4101. (1) As used in these rules:~~

~~—(a) “Acts” refers to the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, and the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967, when applicable.~~

~~—(b) “Agency” means the marijuana regulatory agency.~~

~~—(c) “Another party” or “other party” means an individual or company with which a licensee contracts to use the individual’s or company’s intellectual property or to utilize management or other services provided by the individual or company.~~

~~—(d) “Applicant” means a person who applies for a marijuana license, subject to paragraphs (i) and (ii) of this subdivision:~~

~~—(i) For purposes of this definition, an applicant includes a managerial employee of the applicant, a person holding a direct or indirect ownership interest of more than 10% in the applicant, and the following for each type of applicant:~~

~~—(A) For an individual or sole proprietorship: the proprietor and spouse.~~

~~—(B) For a partnership and limited liability partnership: all partners and their spouses.~~

~~—(C) For a limited partnership and limited liability limited partnership: all general and limited partners, not including a limited partner holding a direct or indirect ownership interest of 10% or less who does not exercise control over or participate in the management of the partnership, and their spouses.~~

~~—(D) For a limited liability company: all members and managers, not including a member holding a direct or indirect ownership interest of 10% or less who does not exercise control over or participate in the management of the company, and their spouses.~~

~~—(E) For a privately held corporation: all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, all stockholders, not including those holding a direct or indirect ownership interest of 10% or less, and their spouses.~~

~~—(F) For a publicly held corporation: all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, all stockholders, not including those holding a direct or indirect ownership interest of 10% or less, and their spouses.~~

~~—(G) For a multilevel ownership enterprise: any entity or person that receives or has the right to receive more than 10% of the gross or net profit from the enterprise during any full or partial calendar or fiscal year.~~

~~—(H) For a nonprofit corporation: all individuals and entities with membership or shareholder rights in accordance with the articles of incorporation or the bylaws and their spouses.~~

~~—(I) For a trust: trustees, any individual or body able to control and direct the affairs of the trust, and any beneficiary who receives or has the right to receive more than 10% of the gross or net profit of the trust during any full or partial calendar or fiscal year and their spouses.~~

~~—(ii) For purposes of this definition, an applicant does not include:~~

- (A) A person who provides financing to an applicant or licensee under a bona fide financing agreement at a reasonable interest rate unless the person exercises control over or participates in the management of the marihuana business.
- (B) A franchisor who grants a franchise to an applicant, if the franchisor does not have the right to receive royalties based upon the sale of marihuana or marihuana-infused products by the applicant who is a franchisee. Nothing in this subrule shall be construed to preclude a franchisor from charging an applicant who is a franchisee a fixed fee. As used in this definition, the terms “franchise,” “franchisor,” and “franchisee” have the meanings set forth in section 2 of the franchise investment law, 1974 PA 269, MCL 445.1502.
- (C) A person receiving reasonable payment for rent on a fixed basis under a bona fide lease or rental obligation unless the person exercises control over or participates in the management of the marihuana business.
- (D) A person receiving reasonable payment under a licensing agreement or contract approved by the agency concerning the licensing of intellectual property including, but not limited to, brands and recipes.
- (E) A person who receives a percentage of profits as an employee if the employee does not meet the definition of “managerial employee” and the employee does not receive more than 10% of the gross or net profit from the licensee during any full or partial calendar or fiscal year.
- (F) A person who receives a bonus as an employee if the employee is on a fixed wage or salary and the bonus is not more than 25% of the employee’s pre-bonus annual compensation or if the bonus is based upon a written incentive/bonus program that is not out of the ordinary for the services rendered.
- (e) “Clone” means a replication of a single parent plant through vegetative propagation.
- (f) “Common ownership” means 2 or more state licenses or 2 or more equivalent licenses held by 1 person under the Michigan Regulation and Taxation of Marihuana Act.
- (g) “Employee” means a person performing work or service for compensation. “Employee” does not include individuals providing trade or professional services who are not normally engaged in the operation of a marihuana business.
- (h) “Immature plant” means a nonflowering marihuana plant that is no taller than 8 inches from the growing or cultivating medium and no wider than 8 inches, produced from a cutting, clipping, tissue culture, or seedling, and that is in a growing or cultivating medium or in a growing or cultivating container.
- (i) “Industrial hemp” means that term as defined in section 3 of the Michigan regulation and taxation of marihuana act, 2018 IL 1, MCL 333.27953.
- (j) “Industrial hemp research and development act” means the industrial hemp research and development act, 2014 PA 547, MCL 286.841 to 286.859.
- (k) “Intellectual property” means all original data, findings, or other products of the mind or intellect commonly associated with claims, interests, and rights that are protected under trade secret, patent, trademark, copyright, or unfair competition law and includes brands or recipes.
- (l) “Licensing agreement” means any understanding or contract concerning the licensing of intellectual property related to marihuana products between a licensee and another party.
- (m) “Management agreement” means any understanding or contract between a licensee and another party for the provision of management or other services that would allow the other party to exercise control over or participate in the management of the licensee or to receive more than 10% of the gross or net profit from the licensee during any full or partial calendar or fiscal year. A management agreement does not include an agreement for the reasonable payment of rent on a

fixed basis under a bona fide lease or rental obligation unless the person exercises control over or participates in the management of the marihuana business.

—(n) “Managerial employee” means those employees who have the ability to control and direct the affairs of the marihuana business or have the ability to make policy concerning the marihuana business, or both.

—(o) “Marihuana business” means a marihuana facility under the medical marihuana facilities licensing act, or a marihuana establishment under the Michigan Regulation and Taxation of Marihuana Act, or both.

—(p) “Marihuana establishment” means a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter, or any other type of marihuana-related business licensed by the agency under the Michigan Regulation and Taxation of Marihuana Act.

—(q) “Marihuana facility” means a location at which a licensee is licensed to operate under the medical marihuana facilities licensing act.

—(r) “Marihuana license” means a state operating license issued under the medical marihuana facilities licensing act, or a state license issued under the Michigan Regulation and Taxation of Marihuana Act, or both.

—(s) “Marihuana product” means marihuana or a marihuana infused product, or both, as those terms are defined in the applicable act unless otherwise provided for in these rules.

—(t) “Mature plant” means a flowering or nonflowering marihuana plant that has taken root and is taller than 8 inches from the growing or cultivating medium or wider than 8 inches, produced from a cutting, clipping, tissue culture, or seedling, and that is in a growing or cultivating medium or in a growing or cultivating container.

—(u) “Medical marihuana facilities licensing act” or “MMFLA” means the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.

—(v) “Michigan Regulation and Taxation of Marihuana Act” or “MRTMA” means the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.

—(w) “Marihuana tracking act” means the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.

—(x) “Parties” means a licensee and another party pursuant to a licensing or management agreement.

—(y) “These rules” means the administrative rules promulgated by the agency under the authority of the medical marihuana facilities licensing act, the marihuana tracking act, the Michigan Regulation and Taxation of Marihuana Act, and Executive Reorganization Order No. 2019-2, MCL 333.27001.

—(z) “Same location” means separate marihuana licenses that are issued to multiple marihuana businesses that are authorized to operate at a single property but with separate business suites, partitions, or addresses.

—(2) Terms defined in the acts have the same meanings when used in these rules unless otherwise indicated. **(1) The following additional licenses are created under section 8(2)(a) of the MRTMA, MCL 333.27958:**

- (a) Designated consumption establishment license.**
- (b) Excess marihuana grower license.**
- (c) Marihuana event organizer license.**
- (d) Temporary marihuana event license.**
- (e) Marihuana educational research license.**

(f) Class A marihuana microbusiness license.

(2) Except for a temporary marihuana event license, a special license is issued for a 1-year period and is renewable annually.

(3) A person may apply for a license listed under subrule (1) of this rule as provided in part 2 of these rules.

PART 1. LICENSEES UNDER THE MICHIGAN REGULATION AND TAXATION OF MARIHUANA ACT

R 420.102 ~~Marihuana grower license~~ Designated consumption establishment license.

~~Rule 2102. (1) A marihuana grower license authorizes the marihuana grower to cultivate not more than the following number of marihuana plants under the indicated license class for each marihuana grower license the marihuana grower holds in that class:~~

- ~~—(a) Class A—100 marihuana plants.~~
- ~~—(b) Class B—500 marihuana plants.~~
- ~~—(c) Class C—2,000 marihuana plants.~~

~~(2) For the purposes of this rule, only mature marihuana plants are included in the plant count in subrule (1) of this rule.~~

~~(3) Except as otherwise provided in the MRTMA and these rules, a marihuana grower license authorizes sale of marihuana and marihuana plants to a marihuana grower only by means of a marihuana secure transporter. A marihuana grower license authorizes the sale or transfer of seeds, seedlings, tissue cultures, or immature plants to a marihuana grower from another marihuana grower without using a marihuana secure transporter.~~

~~(4) A marihuana grower license authorizes a marihuana grower to transfer marihuana without using a marihuana secure transporter to a marihuana processor or marihuana retailer if both of the following are met:~~

- ~~—(a) The marihuana processor or marihuana retailer occupies the same location as the marihuana grower and the marihuana is transferred using only private real property without accessing public roadways.~~
- ~~—(b) The marihuana grower enters each transfer into the statewide monitoring system.~~

~~(5) A marihuana grower license authorizes sale of marihuana, other than seeds, seedlings, tissue cultures, immature plants, and cuttings, to a marihuana processor or marihuana retailer.~~

~~(6) Except as otherwise provided in the MRTMA, subrules (3) and (4) of this rule, and R 420.304, a marihuana grower license authorizes the marihuana grower to transfer marihuana only by means of a marihuana secure transporter.~~

~~(7) A marihuana grower must accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.~~

~~(8) A marihuana grower license does not authorize the marihuana grower to operate in an area unless the area is zoned for industrial or agricultural uses or otherwise meets the requirements established in section 9(3)(c) of the MRTMA, MCL 333.27959(e).~~

~~(9) A marihuana grower may purchase or accept the transfer of marihuana seeds, tissue cultures, and clones that do not meet the definition of marihuana plant in these rules at any time from another grower licensed under the acts.~~

~~–(10) A class A marihuana grower may accept the transfer of marihuana plants only once upon licensure from a registered primary caregiver if the registered primary caregiver was an applicant for that class A marihuana grower license.~~

~~–(11) A marihuana grower licensee is required to comply with the requirements of the MRTMA and these rules.~~

~~–(12) A marihuana grower may not purchase or accept the transfer of a mature plant from an individual, registered qualifying patient, or registered primary caregiver. (1) A person that allows consumption of marihuana on the premises of a non-residential location and does any of the following for longer than 7 consecutive days shall obtain a designated consumption establishment license:~~

~~(a) Charges a fee for entry.~~

~~(b) Sells goods or services while individuals are consuming on the premises.~~

~~(c) Requires membership for entry.~~

~~(2) In addition to the requirements in part 2 of these rules, a person that applies for a designated consumption establishment license shall submit all of the following:~~

~~(a) Proof that the applicant owns the location or, if the location is leased, written permission from the owner of the location approving the applicant's use of the location for the on-site consumption of marihuana.~~

~~(b) A responsible operations plan that includes a detailed explanation of how employees will monitor and prevent any of the following on the premises:~~

~~(i) Over-intoxication.~~

~~(ii) Underage access to the designated consumption establishment.~~

~~(iii) The illegal sale or distribution of marihuana within the consumption establishment.~~

~~(iv) Any other criminal activity.~~

~~(c) A documented employee training that addresses all components of the responsible operations plan.~~

~~(d) A waste management plan that meets the requirements of R 420.211 for disposing of marihuana waste left at the marihuana establishment.~~

~~(3) A designated consumption establishment may be co-located with a non-marihuana business.~~

~~(4) If a non-marihuana business requires a federal, state, or local license or other authorization to operate, the designated consumption establishment shall not be co-located with the non-marihuana business until the non-marihuana business obtains permission to be co-located with a designated consumption establishment from the federal, state, or local authority that grants the license or other authorization.~~

~~(5) A designated consumption establishment shall not be co-located with the licensed premises of a liquor license issued under the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303, and shall not allow the sale, serving, or consumption of alcohol onsite.~~

~~(6) A designated consumption establishment shall do both of the following:~~

~~(a) Dispose of marihuana waste or marihuana plant waste left at the establishment.~~

~~(b) Maintain a log of marihuana waste and marihuana plant waste, which must include a description of the waste and the amount and the manner in which it was disposed.~~

~~Rule 3103. (1) A marihuana processor license authorizes the marihuana processor to purchase or transfer of marihuana or marihuana-infused products from only a licensed marihuana establishment and sell or transfer of marihuana-infused products or marihuana to only a licensed marihuana establishment.~~

~~(2) Except as otherwise provided in these rules and the MRTMA, a marihuana processor license authorizes a marihuana processor to transfer marihuana only by means of a marihuana secure transporter. A marihuana processor license authorizes a marihuana processor to transfer marihuana without using a marihuana secure transporter to a marihuana grower, marihuana processor, or marihuana retailer if both of the following are met:~~

~~(a) The marihuana grower, marihuana processor, or marihuana retailer occupies the same location as the marihuana processor and the marihuana is transferred using only private real property without accessing public roadways.~~

~~(b) The marihuana processor enters each transfer into the statewide monitoring system.~~

~~(3) A marihuana processor must accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules. (1) An excess marihuana grower may engage in any activity in which a class C marihuana grower may engage.~~

(2) An excess marihuana grower shall comply with all requirements with which a class C marihuana grower must comply.

(3) The agency shall not issue an initial excess marihuana grower license but shall renew the excess marihuana grower license of a licensee that meets the requirements for renewal under part 2 of these rules. The requirements to renew an excess marihuana grower license are the same as the requirements to renew a class C marihuana grower license.

R 420.104: ~~Marihuana retailer license~~ **Marihuana event organizer license.**

~~Rule 4104. (1) A marihuana retailer license authorizes the marihuana retailer to purchase or transfer of marihuana or marihuana-infused products from only a licensed marihuana establishment and sell or transfer to only a licensed marihuana establishment or an individual 21 years of age or older. Except as otherwise provided in these rules, and the MRTMA, all transfers of marihuana to a marihuana retailer from a separate marihuana establishment must be by means of a marihuana secure transporter. A transfer of marihuana to a marihuana retailer from a marihuana establishment that occupies the same location as the marihuana retailer does not require a marihuana secure transporter if the marihuana is transferred to the marihuana retailer using only private real property without accessing public roadways.~~

~~(2) A marihuana retailer license authorizes the marihuana retailer to transfer marihuana to or from a marihuana safety compliance facility for testing by means of a marihuana secure transporter or as provided in these rules.~~

~~(3) A marihuana retailer shall comply with all of the following:~~

~~(a) Sell or transfer marihuana to an individual 21 years of age or older only after it has been tested in accordance with these rules and bears the label required for retail sale.~~

~~(b) Accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.~~

~~(c) Before selling or transferring marihuana to an individual 21 years of age or older, verify the individual appears to be 21 years of age or older by means of government issued photographic identification containing a date of birth and that the sale or transfer will not exceed the single~~

transaction limit in these rules. A person shall not organize or host a temporary marihuana event unless the person is issued a marihuana event organizer license.

R 420.105 ~~Marihuana microbusiness license~~ **Temporary marihuana event license; application.**

Rule 5105. ~~(1) A marihuana microbusiness license authorizes the marihuana microbusiness to do all of the following:~~

~~—(a) Cultivate not more than 150 plants. Only mature marihuana plants are included in the plant count in this subdivision.~~

~~—(b) Process and package marihuana.~~

~~—(c) Sell or transfer marihuana to an individual 21 years of age or older only.~~

~~—(d) Transfer marihuana to a marihuana safety compliance facility for testing.~~

~~(2) Except as otherwise provided in R 420.304, this rule, and the MRTMA, a marihuana microbusiness license authorizes a marihuana microbusiness to transfer marihuana from the marihuana grower area to the marihuana processor and marihuana retailer areas of the marihuana microbusiness and from the marihuana processor area to marihuana grower and marihuana retailer areas of the marihuana microbusiness without using a marihuana secure transporter if all areas of the marihuana microbusiness enter each transfer between different areas of the marihuana microbusiness into the statewide monitoring system.~~

~~(3) A marihuana microbusiness shall not operate at multiple locations.~~

~~(4) A marihuana microbusiness must accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.~~

~~(5) A marihuana microbusiness may purchase or accept the transfer of marihuana seeds, tissue cultures, and clones that do not meet the definition of marihuana plant in these rules at any time from another grower licensed under the acts, these rules, or both. A marihuana microbusiness shall not sell or transfer marihuana seeds, tissue cultures, or clones received under this subrule.~~

~~(6) A marihuana microbusiness may accept the transfer of marihuana plants only once upon licensure from a registered primary caregiver if the registered primary caregiver was an applicant for that marihuana microbusiness license. (1) A temporary marihuana event license may be issued only to a marihuana event organizer.~~

~~(2) A temporary marihuana event license is valid for a period of at least 1 day and not more than 7 days, which must be consecutive. The agency shall indicate on a temporary marihuana event license how long the license is valid.~~

~~(3) An application for a temporary marihuana event license must be submitted to the agency not less than 90 days before the first day of the temporary marihuana event.~~

~~(4) A temporary marihuana event may be held only if the applicant is expressly approved by a municipality to hold a temporary marihuana event at the proposed location of the event.~~

~~(5) A marihuana event organizer who applies for a temporary marihuana event license shall apply in a manner prescribed by the agency and provide all of the following:~~

~~—(a) One of the following:~~

~~—(i) If the marihuana event organizer is an individual, the first and last name of the individual.~~

~~—(ii) If the marihuana event organizer is a business entity, the legal name of the business entity.~~

~~—(b) The marihuana event organizer license number and license number of any other marihuana establishment license held by the applicant.~~

~~—(c) The address of the location where the temporary marihuana event will be held.~~

~~—(d) The name of the temporary marihuana event.~~

- ~~—(e) A diagram of the physical layout of the temporary marihuana event that clearly indicates each of the following:~~
 - ~~—(i) Where the temporary marihuana event will take place on the location grounds.~~
 - ~~—(ii) Entrances and exits that will be used by participants during the event.~~
 - ~~—(iii) Areas designated for the consumption of marihuana.~~
 - ~~—(iv) Areas where marihuana will be sold.~~
 - ~~—(v) Areas where marihuana will be stored.~~
 - ~~—(vi) Areas where marihuana waste will be stored.~~
 - ~~—(vii) The specific location of each marihuana retailer, marihuana microbusiness or class A marihuana microbusiness who will be participating in the event.~~
- ~~—(f) The dates and hours of operation of the temporary marihuana event.~~
- ~~—(g) Contact information for the designated primary contact person for the temporary marihuana event license, including the individual's name, title, address, phone number, and email address.~~
- ~~—(h) Contact information for a designated contact person or persons who will be onsite at the event, and reachable by telephone during the dates and hours of operation of the temporary marihuana event.~~
- ~~—(i) Confirmation of municipal compliance on an attestation form provided by the agency that includes all of the following:~~
 - ~~—(i) The name and address of the proposed temporary marihuana event.~~
 - ~~—(ii) The municipality where the proposed temporary marihuana event is located.~~
 - ~~—(iii) The contact information for the municipality including, at a minimum, all of the following:~~
 - ~~—(A) The name of the clerk of the municipality or his or her designee.~~
 - ~~—(B) The telephone number of the clerk of the municipality or his or her designee.~~
 - ~~—(C) The email address of the clerk of the municipality or his or her designee.~~
 - ~~—(D) The mailing address of the clerk of the municipality or his or her designee.~~
 - ~~—(iv) Confirmation that the municipality has not adopted an ordinance prohibiting the proposed temporary marihuana event.~~
 - ~~—(v) Confirmation that the applicant is in compliance with any ordinance the municipality has adopted relating to marihuana establishments within its jurisdiction, including zoning regulations.~~
 - ~~—(vi) Attestation that the applicant will report any changes that occur with municipal ordinances or zoning regulations that relate to the proposed temporary marihuana event, any municipal approvals, or any violations of a municipal or zoning regulation.~~
 - ~~—(vii) The date and signature of the applicant.~~
- ~~—(j) A list of all marihuana retailers, marihuana microbusinesses, class A marihuana microbusinesses, and employees who will be selling marihuana at the temporary marihuana event. If the list of licensees and employees participating in the temporary marihuana event changes after the application is submitted or after the temporary marihuana event license is issued, the applicant shall submit an updated list and an updated diagram to the agency not less than 72 hours before the event. Licensees not on the list submitted to the agency may not participate in the temporary marihuana event.~~
- ~~—(k) A responsible operations plan that includes a detailed explanation of how employees will monitor and prevent over-intoxication, underage access to the temporary marihuana event, the illegal sale or distribution of marihuana at the temporary marihuana event, and any other potential criminal activity at the temporary marihuana event.~~
- ~~—(6) The agency or BFS may inspect the location of a proposed temporary marihuana event.~~

~~(7) A marihuana microbusiness license is subject to all applicable provisions in the MRTMA and these rules related to a marihuana grower, marihuana retailer, and marihuana processor license except for R 420.102(8).~~

~~(8) A marihuana microbusiness may not purchase or accept a mature plant from an individual, registered qualifying patient, or registered primary caregiver.~~ (1) A temporary marihuana event license shall be issued only to a marihuana event organizer.

(2) A temporary marihuana event license is valid for a period of at least 1 day and not more than 7 days, which must be consecutive. The agency shall indicate on a temporary marihuana event license how long the license is valid.

(3) An application for a temporary marihuana event license must be submitted to the agency not less than 90 days before the first day of the temporary marihuana event.

(4) A temporary marihuana event may be held only if the applicant is expressly approved by a municipality to hold a temporary marihuana event at the proposed location of the event.

(5) A marihuana event organizer that applies for a temporary marihuana event license shall apply in a manner prescribed by the agency and provide all of the following:

(a) One of the following:

(i) If the marihuana event organizer is an individual, the first and last name of the individual.

(ii) If the marihuana event organizer is a business entity, the legal name of the business entity.

(b) The marihuana event organizer license number and license number of other marihuana establishment licenses held by the applicant, if applicable.

(c) The address of the location where the temporary marihuana event will be held.

(d) The name of the temporary marihuana event.

(e) A diagram of the physical layout of the temporary marihuana event that clearly indicates all of the following:

(i) Where the temporary marihuana event will take place on the location grounds.

(ii) Entrances and exits that will be used by participants during the event.

(iii) Areas designated for the consumption of marihuana.

(iv) Areas where marihuana will be sold.

(v) Areas where marihuana will be stored.

(vi) Areas where marihuana waste will be stored.

(vii) The specific location of each marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness that will be participating in the event.

(f) The dates and hours of operation of the temporary marihuana event.

(g) Contact information for the designated primary contact person for the temporary marihuana event license, including the individual's name, title, address, phone number, and email address.

(h) Contact information for a designated contact person or persons who will be onsite at the event and reachable by telephone during the dates and hours of operation of the temporary marihuana event.

(i) Confirmation of municipal compliance on an attestation form provided by the agency that includes all of the following:

(i) The name and address of the proposed temporary marihuana event.

(ii) The municipality where the proposed temporary marihuana event is located.

(iii) The contact information for the municipality, including, at a minimum, all of the following:

- (A) The name of the clerk of the municipality or the clerk's designee.
- (B) The telephone number of the clerk of the municipality or the clerk's designee.
- (C) The email address of the clerk of the municipality or the clerk's designee.
- (D) The mailing address of the clerk of the municipality or the clerk's designee.

(iv) Confirmation that the municipality has not adopted an ordinance prohibiting the proposed temporary marihuana event.

(v) Confirmation that the applicant is in compliance with an ordinance the municipality has adopted relating to marihuana establishments within its jurisdiction, including zoning regulations.

(vi) Attestation that the applicant will report changes that occur with municipal ordinances or zoning regulations that relate to the proposed temporary marihuana event, municipal approvals, or violations of a municipal or zoning regulation.

(vii) The date and signature of the applicant.

(j) A list of all marihuana retailers, marihuana microbusinesses, class A marihuana microbusinesses, and employees that will be selling marihuana at the temporary marihuana event. If the list of licensees and employees participating in the temporary marihuana event changes after the application is submitted or after the temporary marihuana event license is issued, the applicant shall submit an updated list and an updated diagram to the agency not less than 72 hours before the event. Licensees not on the list submitted to the agency shall not participate in the temporary marihuana event.

(k) A responsible operations plan that includes a detailed explanation of how employees will monitor and prevent over-intoxication, underage access to the temporary marihuana event, the illegal sale or distribution of marihuana at the temporary marihuana event, and any other potential criminal activity at the temporary marihuana event.

(6) The agency or the BFS may inspect the location of a proposed temporary marihuana event.

(7) A temporary marihuana event shall not occur on the licensed premises of a liquor license issued under the Michigan liquor control code of 1998, 58 PA 1998, MCL 436.1101 to 436.2303, unless 1 of the following occurs:

(a) The liquor license is placed into escrow for the duration of the temporary marihuana event.

(b) The Michigan liquor control commission has approved a request by the liquor licensee to drop the space from its licensed premises that will be used for the temporary marihuana event for the duration of the temporary marihuana event.

R 420.105a -Class A marihuana microbusiness license. Rescinded.

~~Rule 5a. (1) A class A marihuana microbusiness license authorizes the class A marihuana microbusiness to do all of the following:~~

~~—(a) Cultivate not more than 300 plants. Only mature marihuana plants are included in the plant count in this subdivision.~~

~~—(b) Package marihuana.~~

~~—(c) Purchase marihuana concentrate and marihuana-infused products from a licensed marihuana processor.~~

- ~~—(d) Sell or transfer marihuana and marihuana products to an individual 21 years of age or older only.~~
- ~~—(e) Transfer marihuana to a marihuana safety compliance facility for testing.~~
- ~~—(2) Except as otherwise provided in R 420.304, this rule, and the MRTMA, a class A marihuana microbusiness license authorizes a class A marihuana microbusiness to transfer marihuana only from the marihuana grower area to the marihuana retailer area of the class A marihuana microbusiness without using a marihuana secure transporter if all areas of the class A marihuana microbusiness enter each transfer between different areas of the class A marihuana microbusiness into the statewide monitoring system.~~
- ~~—(3) A class A marihuana microbusiness shall not operate at multiple locations.~~
- ~~—(4) A class A marihuana microbusiness shall accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.~~
- ~~—(5) A class A marihuana microbusiness may purchase or accept the transfer of marihuana seeds, tissue cultures, clones, or marihuana plants at any time from another grower licensed under the acts, these rules, or both. A class A marihuana microbusiness shall not sell or transfer marihuana seeds, tissue cultures, or clones received under this subrule.~~
- ~~—(6) A class A marihuana microbusiness shall not purchase or receive marihuana from a licensed marihuana processor.~~
- ~~—(7) A class A marihuana microbusiness license is subject to all applicable provisions in the MRTMA and these rules related to a marihuana grower and marihuana retailer license except for R 420.102(8).~~
- ~~—(8) A class A marihuana microbusiness may accept the transfer of marihuana plants only once upon licensure from a registered primary caregiver if the registered primary caregiver was an applicant for that class A marihuana microbusiness license.~~
- ~~—(9) A class A marihuana microbusiness may not purchase or accept a mature plant from an individual, registered qualifying patient, or registered primary caregiver, except as authorized under subdivision (5) and subdivision (8) of this rule.~~

R 420.106 ~~Marihuana secure transporter license~~ **Temporary marihuana event license; fee.**

- Rule ~~6106~~. ~~(1) A marihuana secure transporter license authorizes the licensee to store and transport marihuana and money associated with the purchase or sale of marihuana between marihuana establishments for a fee upon request of a person with legal custody of that marihuana or money. It does not authorize transport to a registered qualifying patient or registered primary caregiver. If a marihuana secure transporter has its primary place of business in a municipality that has not adopted an ordinance under section 6 of the MRTMA, MCL 333.27956, prohibiting marihuana establishments, the marihuana secure transporter may travel through any municipality.~~
- ~~—(2) A marihuana secure transporter shall accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.~~
 - ~~—(3) A marihuana secure transporter shall comply with all of the following:~~
 - ~~—(a) Each driver transporting marihuana must have a chauffeur's license issued by this state.~~
 - ~~—(b) Each vehicle must be operated with a 2-person crew, with at least 1 individual remaining with the vehicle at all times during the transportation of marihuana.~~
 - ~~—(c) A route plan and manifest must be entered into the statewide monitoring system, and a copy must be carried in the transporting vehicle and presented to a law enforcement officer upon request.~~

~~—(d) The marihuana must be transported in 1 or more sealed containers and not be accessible while in transit.~~

~~—(e) A secure transporting vehicle may not bear markings or other indication that it is carrying marihuana or a marihuana-infused product.~~

~~—(f) A secure transport vehicle may be stored at a location that is not the primary place of business of the secure transporter if the vehicle does not contain marihuana products and the address of storage is reported to the agency.~~

~~—(4) A marihuana secure transporter is subject to administrative inspection by a law enforcement officer at any point during the transportation of marihuana to determine compliance with the MRTMA and these rules.~~

~~—(5) A marihuana secure transporter may transfer marihuana and marihuana product to another marihuana secure transporter for the purpose of completing a transfer between marihuana establishments as long as all of the following are complied with:~~

~~—(a) The transfer of marihuana or marihuana product takes place at a location that is licensed as a marihuana secure transporter.~~

~~—(b) The transfer of product between marihuana secure transporters is on the manifest in the statewide monitoring system.~~

~~—(c) The transfer of product between marihuana secure transporters occurs as a result of a request by the marihuana establishment that has sent the product to another marihuana establishment. (1) A marihuana event organizer that applies for a temporary marihuana event license shall submit a license fee that consists of both of the following:~~

~~(a) A \$500.00 fee for each marihuana retailer, marihuana microbusiness, and class A marihuana microbusiness authorized to sell marihuana at the event.~~

~~(b) A \$500.00 fee for each day of the temporary marihuana event.~~

~~(2) If a marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness scheduled to participate in a temporary marihuana event withdraws from the event before the first day of the event, the marihuana event organizer may request a refund of the fee paid under subrule (1)(a) of this rule for that licensee.~~

~~(3) The agency shall not issue a temporary marihuana event license until all of the following have been met:~~

~~(a) An applicant meets the requirements of R 420.105.~~

~~(b) The agency determines that the applicant is qualified to receive a temporary marihuana event license.~~

~~(c) The applicant pays the fee required under this rule.~~

~~R 420.107 —Marihuana safety compliance facility license~~ **Temporary marihuana event; operations.**

~~Rule 7107. (1) A marihuana safety compliance facility license authorizes the marihuana safety compliance facility to do all of the following without using a marihuana secure transporter:~~

~~—(a) Take marihuana from, test marihuana for, and return marihuana to only a licensed marihuana establishment.~~

~~—(b) Collect a random sample of marihuana at the marihuana establishment of a marihuana grower, marihuana processor, marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness for testing.~~

~~—(c) Receive marihuana from and test marihuana for an individual 21 years of age or older. The marihuana safety compliance facility shall keep documentation for proof of age.~~

~~—(2) A marihuana safety compliance facility must be accredited by an entity approved by the agency within 1 year after the date the marihuana safety compliance facility license is issued or have previously provided drug testing services to this state, or this state's court system, and be a vendor in good standing in regard to those services. The agency may grant a variance from this requirement upon a finding that the variance is necessary to protect and preserve the public health, safety, or welfare.~~

~~—(3) A marihuana safety compliance facility that has not achieved accreditation as required under subrule (2) of this rule may not perform safety compliance testing or research and development testing for a licensed marihuana establishment and may not charge or collect any fee for testing performed until compliance with subrule (2) of this rule is demonstrated to the agency.~~

~~—(4) A marihuana safety compliance facility shall comply with all of the following:~~

~~—(a) Perform safety tests to certify that marihuana is reasonably free of known contaminants in compliance with the standards established by the agency.~~

~~—(b) Use validated test methods to perform all safety tests and to determine tetrahydrocannabinol (THC), tetrahydrocannabinol acid (THC-A), cannabidiol (CBD), and cannabidiol acid (CBD-A) concentrations.~~

~~—(c) Perform other tests necessary to determine compliance with good manufacturing practices as prescribed in these rules.~~

~~—(d) Accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.~~

~~—(e) Have a secured laboratory space that cannot be accessed by the general public.~~

~~—(f) Retain and employ at least 1 laboratory manager with a relevant advanced degree in a medical or laboratory science. A laboratory manager is responsible for the following duties, including, but not limited to:~~

~~—(i) Ensure tests are conducted in accordance with R 420.305.~~

~~—(ii) Ensure test results are accurate and valid.~~

~~—(iii) Oversee day-to-day operations.~~

~~—(iv) Validate reporting requirements in the statewide monitoring system. (1) A marihuana event organizer that is issued a temporary marihuana event license shall do all of the following for the temporary marihuana event:~~

(a) Hire or contract for security personnel licensed as private security guards under the private security business and security alarm act, 1968 PA 330, MCL 338.1051 to 338.1092, to provide security services at the temporary marihuana event. All security personnel hired or contracted for by the marihuana event organizer shall be 21 years of age or older and present during the dates and hours of operation of the temporary marihuana event. The security personnel shall not engage in the consumption of marihuana before or during the event.

(b) Post a legible sign, not less than 8-½ by 11 inches in size reading, “No Persons Under 21 Allowed” at or near each public entrance to an area where the sale or consumption of marihuana is allowed. The lettering of the sign must be not less than 1 inch in height.

(c) Ensure that access to the event is restricted to individuals 21 years of age or older.

(d) Ensure that marihuana sales or consumption is not visible from a public place outside the secured location of the temporary marihuana event.

(e) Ensure that all rules and requirements for the onsite sale of marihuana are followed.

(f) Ensure that marihuana waste remaining at the location of a temporary marihuana event after the conclusion of the event is collected and disposed of in accordance with the requirements of R 420.211.

(g) Ensure that alcohol is not sold, served, or consumed onsite.

(2) The agency may require the marihuana event organizer and all participants to cease operations if in the opinion of the agency or law enforcement the event poses an imminent threat to the public health, safety, and welfare, or if the agency provides notification under subrule (3) of this rule. On notification from the agency that the event must cease operations, the marihuana event organizer shall immediately stop the event and all participants must be removed from the premises.

(3) On notification from the agency, the marihuana event organizer shall immediately expel from the event a person selling marihuana without a marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness license. The marihuana event organizer or their representative shall remain with the person being expelled from the premises until the person vacates the premises. If the person does not vacate the premises, the agency may inform the marihuana event organizer that the event must cease operations.

~~PART 2. LICENSEES UNDER THE MEDICAL MARIHUANA FACILITIES LICENSING ACT~~

R 420.108 ~~Grower license~~ **Temporary marihuana event sales.**

Rule ~~8108~~. ~~(1) A grower license authorizes the grower to grow not more than the following number of marihuana plants under the indicated license class for each license the grower holds in that class:~~

~~—(a) Class A—500 marihuana plants.~~

~~—(b) Class B—1,000 marihuana plants.~~

~~—(c) Class C—1,500 marihuana plants.~~

~~(2) For the purposes of this rule, a marihuana plant that meets the definition of a plant in the MMFLA is included in the plant count in subrule (1) of this rule.~~

~~(3) Except as otherwise provided in this subrule, a grower license authorizes sale of marihuana and marihuana plants to a grower only by means of a secure transporter. A grower license authorizes the sale or transfer of seeds, seedlings, or tissue cultures to a grower from a registered primary caregiver or another grower without using a secure transporter.~~

~~(4) A grower license authorizes a grower to transfer marihuana without using a secure transporter to a processor or provisioning center if both of the following are met:~~

~~—(a) The processor or provisioning center occupies the same location as the grower and the marihuana is transferred using only private real property without accessing public roadways.~~

~~—(b) The grower enters each transfer into the statewide monitoring system.~~

~~(5) A grower license authorizes sale of marihuana, other than seeds, seedlings, tissue cultures, and cuttings, to a processor or a provisioning center.~~

~~(6) Except as otherwise provided in subrules (2) and (3) of this rule and section 505 of the MMFLA, MCL 333.27505, a grower license authorizes the grower to transfer marihuana only by means of a secure transporter.~~

~~-(7) To be eligible for a grower license, the applicant and each investor in the grower must not have an interest in a secure transporter or safety compliance facility.~~

~~-(8) A grower shall accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in the MMFLA, these rules, and the marihuana tracking act.~~

~~-(89) A grower license does not authorize the grower to operate in an area unless the area is zoned for industrial or agricultural uses or is unzoned and otherwise meets the requirements established in section 205(1) of the medical marihuana facilities licensing act, MCL 333.27205.~~

~~-(10) A grower may not purchase or accept a mature plant from an individual, registered qualifying patient, or registered primary caregiver.~~

~~-(11) A grower may not accept marihuana or marihuana product back from a processor or provisioning center once it has been received into the processor or provisioning center's inventory in the statewide monitoring system, without obtaining written approval from the agency. (1) A person shall not sell marihuana at a temporary marihuana event unless the person is a marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness.~~

(2) A marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness selling or transferring marihuana at a temporary marihuana event shall verify the identity and age of the marihuana customer in compliance with R 420.501.

(3) A marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness shall sell marihuana only within their specifically assigned area identified in the diagram required in R 420.105(5)(e).

(4) A marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness shall prominently display their state license number within plain sight of the public.

(5) All sales at a temporary marihuana event must occur at the location and during the dates and times of the temporary marihuana event.

(6) Except for small amounts of marihuana used for display, all marihuana for sale at a temporary marihuana event must be stored in a secure, locked container that is not accessible to the public. A marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness shall not leave marihuana unattended within their specifically assigned area.

(7) A marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness shall not transport more than 15 ounces of marihuana or 60 grams of marihuana concentrate at 1 time to or from a temporary marihuana event. A marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness shall use a marihuana secure transporter to transport more marihuana than is allowed under this subrule.

(8) In addition to complying with all other requirements in the MRTMA and these rules for the sale and tracking of marihuana, a licensee selling marihuana at a temporary marihuana event shall comply with both of the following:

(a) Identify marihuana from the licensee's inventory at the marihuana establishment that will be transported for sale at the event using a marihuana secure transporter or an agent of the licensee to the temporary marihuana event.

(b) Dispose of marihuana waste and marihuana plant waste in the possession of the licensee or in the licensee's specifically assigned area at the conclusion of the temporary marihuana event.

R 420.109 Processor license **Marihuana educational research license.**

~~Rule 9109. (1) A processor license authorizes the processor to purchase marihuana only from a grower and sell marihuana-infused products or marihuana only to a provisioning center or another processor.~~

~~(2) Except as otherwise provided in section 505 of the medical marihuana facilities licensing act, MCL 333.27505, and this subrule, a processor license authorizes the processor to transfer marihuana only by means of a secure transporter. A processor license authorizes a processor to transfer marihuana without using a secure transporter to a grower or provisioning center if both of the following are met:~~

~~(a) The grower or provisioning center occupies the same location as the processor and the marihuana is transferred using only private real property without accessing public roadways.~~

~~(b) The processor accurately enters each transfer into the statewide monitoring system.~~

~~(3) To be eligible for a processor license, the applicant and each investor in the processor may not have an interest in a secure transporter or safety compliance facility.~~

~~(4) A processor shall enter all transactions, current inventory, and other information into the statewide monitoring system as required in the MMFLA, these rules, and the marihuana tracking act.~~

~~(5) A processor may not accept marihuana or marihuana product back from a provisioning center once it has been received into the provisioning center's inventory in the statewide monitoring system, without obtaining written approval from the agency.~~ **(1) A person that holds a marihuana educational research license may do all of the following:**

(a) Obtain marihuana from a marihuana establishment.

(b) Process marihuana.

(c) Perform research on marihuana.

(d) Dispose of marihuana.

(e) Other research activity allowed by the United States Drug Enforcement Administration (DEA) that does not conflict with the MRTMA or these rules.

(2) A person that holds a marihuana educational research license shall apply for the necessary registration from the DEA. A licensee shall provide proof of registration to the agency before engaging in licensed activity.

(3) An application for a marihuana educational research license must be made in a manner prescribed by the agency. A complete application for a marihuana educational research license must contain the information required in these rules and information regarding the marihuana educational research license, including, at a minimum, all of the following:

(a) A research plan, including, at a minimum, all of the following:

(i) A written plan for documenting all individuals who will have access to the location and marihuana.

(ii) A detailed description and documentation of affiliation with a degree or certificate program offered by an institution of higher learning accredited by the higher learning commission, which is an institutional accreditor recognized by the United States Department of Education and the council for higher education accreditation to accredit degree-granting colleges and universities.

(iii) A brief description of the research that will be conducted.

(iv) A written plan to ensure secure delivery and receipt of marihuana at the licensed location.

(v) A written plan to ensure the safe storage of marihuana at the licensed location.

- (vi) A written plan for the tracking of marihuana quantities at the licensed location.
- (vii) A written plan for the disposal of marihuana.
- (viii) A floor plan of the location.
- (b) Confirmation of municipal compliance on an attestation form provided by the agency that includes all of the following:
 - (i) The name and address of the proposed marihuana educational research license.
 - (ii) The municipality where the proposed marihuana educational research license is located.
 - (iii) The contact information for the municipality, including, at a minimum, all of the following:
 - (A) The name of the clerk of the municipality or the clerk's designee.
 - (B) The telephone number of the clerk of the municipality or the clerk's designee.
 - (C) The email address of the clerk of the municipality or the clerk's designee.
 - (D) The mailing address of the clerk of the municipality or the clerk's designee.
 - (iv) Confirmation that the municipality has not adopted an ordinance prohibiting the proposed marihuana educational research license.
 - (v) Confirmation that the applicant is in compliance with an ordinance the municipality has adopted relating to marihuana establishments within its jurisdiction, including zoning regulations.
 - (vi) Attestation that the applicant will report changes that occur with municipal ordinances or zoning regulations that relate to the proposed marihuana educational research license, municipal approvals, or violations of a municipal or zoning regulation.
 - (vii) The date and signature of the applicant.
- (c) A certificate of use and occupancy under R 420.210 in which the authorized activities of the marihuana educational research license are to be conducted.
- (d) Other documents required by the agency that are not inconsistent with the acts and these rules.
- (4) An applicant for a marihuana educational research license shall provide notification and report to the agency in writing within 24 hours of when the applicant became aware of, or should have become aware of, all of the following:
 - (a) Loss of institutional affiliation.
 - (b) Loss of institutional accreditation.
 - (c) Loss or restriction of DEA registration.
 - (d) Theft, loss, diversion, or criminal activity at the licensed location.
- (5) A marihuana educational research licensee shall not sell or transfer marihuana to a marihuana establishment or to a marihuana customer.
- (6) A marihuana educational research licensee shall not allow marihuana to be consumed or sampled on the licensed premises unless the licensee is approved to engage in a research study under R 420.407(8) or the licensee obtains express written permission from the agency.

R 420.110 -Secure transporter license Class A marihuana microbusiness.

~~Rule 40110. (1) A secure transporter license authorizes the licensee to store and transport marihuana and money associated with the purchase or sale of marihuana between marihuana facilities for a fee upon request of a person with legal custody of that marihuana or money. It does not authorize transport of marihuana products to a registered qualifying patient or registered~~

primary caregiver. If a secure transporter has its primary place of business in a municipality that has adopted an ordinance under section 205 of the MMFLA, MCL 333.27205, authorizing the marihuana facility, the secure transporter may travel through any municipality.

~~(2) To be eligible for a secure transporter license, the applicant and each investor with an interest in the secure transporter may not have an interest in a grower, processor, provisioning center, or safety compliance facility and may not be a registered qualifying patient or registered primary caregiver.~~

~~(3) A secure transporter shall accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in the MMFLA, these rules, and the marihuana tracking act.~~

~~(4) A secure transporter shall comply with all of the following:~~

~~(a) Each driver transporting marihuana must have a chauffeur's license issued by this state.~~

~~(b) Each employee who has custody of marihuana or money that is related to a marihuana transaction shall not have been convicted of or released from incarceration for a felony under the laws of this state, any other state, or the United States within the past 5 years or have been convicted of a misdemeanor involving a controlled substance within the past 5 years.~~

~~(c) Each vehicle must be operated with a 2-person crew with at least 1 individual remaining with the vehicle at all times during the transportation of marihuana.~~

~~(d) A route plan and manifest must be entered into the statewide monitoring system, and a copy must be carried in the transporting vehicle and presented to a law enforcement officer upon request.~~

~~(e) The marihuana must be transported in 1 or more sealed containers and not be accessible while in transit.~~

~~(f) A secure transporting vehicle may not bear markings or other indication that it is carrying marihuana or a marihuana-infused product.~~

~~(g) A secure transport vehicle may be stored at a location that is not the primary place of business of the secure transporter if the vehicle does not contain marihuana products and the address of storage is reported to the agency.~~

~~(5) A secure transporter is subject to administrative inspection by a law enforcement officer at any point during the transportation of marihuana to determine compliance with the MMFLA.~~

~~(6) A secure transporter may transfer marihuana and marihuana product to another secure transporter for the purpose of completing a transfer between medical marihuana facilities as long as all of the following are complied with:~~

~~(a) The transfer of marihuana or marihuana product takes place at a location that is licensed as a secure transporter.~~

~~(b) The transfer of product between secure transporters is on the manifest in the statewide monitoring system.~~

~~(c) The transfer of product between secure transporters occurs as a result of a request by the medical marihuana facility that has sent the product to another medical marihuana facility.~~

~~(1) A class A marihuana microbusiness may do all of the following:~~

~~(a) Cultivate not more than 300 mature plants.~~

~~(b) Process and package marihuana.~~

~~(c) Purchase marihuana concentrate and marihuana-infused products from a marihuana processor.~~

~~(d) Sell or transfer marihuana to an individual 21 years of age or older.~~

~~(e) Sell or transfer harvested marihuana flower to a marihuana grower, marihuana processor, or marihuana retailer.~~

- (f) Transfer marihuana to a marihuana safety compliance facility for testing.
- (g) Purchase or receive marihuana seeds, tissue cultures, clones, or immature plants from a marihuana grower.
- (h) Accept the transfer of marihuana plants only once, at the time of licensure, from a registered primary caregiver if the registered primary caregiver was an applicant for that class A marihuana microbusiness license.
- (i) Accept the transfer of marihuana from a marihuana microbusiness if the class A marihuana microbusiness license and marihuana microbusiness license are issued to the same person. A class A marihuana microbusiness shall only accept a transfer under this subdivision once at the time of licensure.
- (2) A class A marihuana microbusiness shall operate the cultivation, processing, and sales areas of the business in compliance with the operations requirements of a marihuana grower, marihuana processor, and marihuana retailer, except that a class A microbusiness is not required to be located in an area that is zoned for industrial or agricultural uses.
- (3) A class A marihuana microbusiness shall not do any of the following:
 - (a) Except as provided in subrule (1)(h) of this rule, purchase or receive a mature plant from a marihuana business, individual, registered qualifying patient, or registered primary caregiver.
 - (b) Sell or transfer marihuana seeds, tissue cultures, or clones received under subrule (1) of this rule.
- (4) A person that holds an ownership interest in, or is a managerial employee of, a class A marihuana microbusiness shall not hold an ownership interest in, or be a managerial employee of, another marihuana business. This subrule does not apply to a person that holds an ownership interest in, or is a managerial employee of, a class A marihuana microbusiness and holds an ownership interest in, or is a managerial employee of, another marihuana business on the date these rules are filed with the secretary of state.

R 420.111 Provisioning center license. Rescinded.

- ~~Rule 11. (1) A provisioning center license authorizes the purchase or transfer of marihuana only from a grower or processor and sale or transfer to only a registered qualifying patient or registered primary caregiver. Except as otherwise provided in section 505 of the MMFLA, MCL 333.27505, and this subrule, all transfers of marihuana to a provisioning center from a separate marihuana facility must be by means of a secure transporter. A transfer of marihuana to a provisioning center from a marihuana facility that occupies the same location as the provisioning center does not require a secure transporter if the marihuana is transferred to the provisioning center using only private real property without accessing public roadways.~~
- ~~(2) A provisioning center license authorizes the provisioning center to transfer marihuana to or from a safety compliance facility for testing by means of a secure transporter or as provided in section 505 of the MMFLA, MCL 333.27505.~~
- ~~(3) To be eligible for a provisioning center license, the applicant and each investor in the provisioning center may not have an interest in a secure transporter or safety compliance facility.~~
- ~~(4) A provisioning center shall comply with all of the following:

 - ~~(a) Sell or transfer marihuana to a registered qualifying patient or registered primary caregiver only after it has been tested and bears the label required for retail sale.~~~~

- ~~—(b) Accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in the MMFLA, these rules, and the marihuana tracking act.~~
- ~~—(c) Before selling or transferring marihuana to a registered qualifying patient or to a registered primary caregiver on behalf of a registered qualifying patient, inquire of the statewide monitoring system to determine whether the patient and, if applicable, the caregiver, hold a valid, current, unexpired, and unrevoked registry identification card and that the sale or transfer will not exceed the daily and monthly purchasing limit established by the agency under the MMFLA.~~

R 420.112 ~~Safety compliance facility license; exception for industrial hemp.~~ **Rescinded.**

~~Rule 12. (1) In addition to transfer and testing as authorized in section 203 of the MMFLA, MCL 333.27203, a safety compliance facility license authorizes the safety compliance facility to do all of the following without using a secure transporter:~~

- ~~—(a) Take marihuana from, test marihuana for, and return marihuana to only a marihuana facility.~~
- ~~—(b) Collect a random sample of marihuana at the marihuana facility of a grower, processor, or provisioning center for testing.~~
- ~~—(2) A safety compliance facility must be accredited by an entity approved by the agency by 1 year after the date the license is issued or have previously provided drug testing services to this state or this state's court system and be a vendor in good standing in regard to those services. The agency may grant a variance from this requirement upon a finding that the variance is necessary to protect and preserve the public health, safety, or welfare.~~
- ~~—(3) A safety compliance facility that has not achieved accreditation as required by subrule (2) of this rule may not perform safety compliance testing or research and development testing for a licensed marihuana facility and may not charge or collect any fee for testing performed until compliance with subrule (2) of this rule is demonstrated to the agency.~~
- ~~—(4) To be eligible for a safety compliance facility license, the applicant, and each investor with any interest in the safety compliance facility must not have an interest in a grower, secure transporter, processor, or provisioning center.~~
- ~~—(5) A safety compliance facility shall comply with all of the following:~~
 - ~~—(a) Perform tests to certify that marihuana is reasonably free from chemical residues such as fungicides and insecticides.~~
 - ~~—(b) Use validated methods for all testing required by the agency.~~
 - ~~—(c) Perform tests that determine whether marihuana complies with the standards the agency establishes.~~
 - ~~—(d) Perform additional tests necessary to determine compliance with any other good manufacturing practices as prescribed in these rules.~~
 - ~~—(e) Accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in the MMFLA, these rules, and the marihuana tracking act.~~
 - ~~—(f) Have a secured laboratory space that cannot be accessed by the general public.~~
 - ~~—(g) Retain and employ at least 1 laboratory manager with a relevant advanced degree in a medical or laboratory science. A laboratory manager shall be is responsible for the following duties, including, but not limited to:~~
 - ~~—(i) Ensure tests are conducted in accordance with R 420.305.~~
 - ~~—(ii) Ensure test results are accurate and valid.~~
 - ~~—(iii) Oversee day to day operations.~~
 - ~~—(iv) Validate reporting requirements in the statewide monitoring system.~~

~~–(6) A safety compliance facility is not prohibited from taking or receiving industrial hemp for testing purposes and testing the industrial hemp pursuant to the industrial hemp research and development act.~~

PART 3. AGREEMENTS

R 420.112a Licensing, management, or other agreements. **Rescinded.**

~~Rule 12a. (1) A licensee may contract with another party to use the other party's intellectual property or for the other party to provide management or other services necessary for the operation of the licensee pursuant to a licensing or management agreement approved by the agency.~~

~~–(2) A licensee shall submit a complete, unredacted, signed copy of the licensing, management, or other agreement to the agency for review and approval prior to performance under the agreement. Approval by the agency indicates an agency determination that it does not appear based upon the information provided that the other party meets the definition of applicant.~~

~~–(3) The agreement must include, but is not limited to, all of the following:~~

~~–(a) All payment terms between the parties. Licensing agreements must also include a requirement that all payments made to the other party pursuant to the licensing agreement must be made by the licensee and not by any other licensee purchasing the marijuana product.~~

~~–(b) Terms specifically naming and clearly defining any service to be performed pursuant to the agreement.~~

~~–(c) Terms specifically requiring all business operations related to the production, sales, invoicing, and payment for marijuana products sold pursuant to a licensing agreement must be performed by the licensee.~~

~~–(d) A statement indicating that the agreement contains the entire agreement of the parties.~~

~~–(4) Terms that may indicate the other party meets the definition of applicant and is thereby subject to application requirements, include, but are not limited to, the following:~~

~~–(a) Any term or condition that would allow the other party to exercise control over or participate in the management of the licensee. This does not include control or terms specific to a licensing agreement such as production method or packaging requirements.~~

~~–(b) Any term or condition that would allow the other party to receive more than 10% of the gross or net profit from the licensee during any full or partial calendar or fiscal year.~~

~~–(c) Any term or condition that would result in the other party obtaining an ownership interest in the marijuana business or taking possession or ownership of marijuana product owned by the marijuana business.~~

~~–(d) Any term or condition that would require the licensee to name the other party as a named insured on any insurance policy required to be maintained as a condition of a marijuana license.~~

~~–(5) Any term or condition that would allow the licensee to use an assumed name or doing business as in the operation of the licensee is not operative unless the licensee has complied with the requirements of 1907 PA 101, MCL 445.1 to 445.5.~~

~~–(6) The licensee shall provide any other information requested by the agency that is not inconsistent with the acts and these rules.~~

R 420.113 Severability. **Rescinded.**

~~Rule 13. If any rule or subrule of these rules, in whole or in part, is found to be invalid by a court of competent jurisdiction, such decision will not affect the validity of the remaining portion of these rules.~~

~~DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS~~

~~MARIJUANA REGULATORY AGENCY~~

~~MARIHUANA OPERATIONS~~

~~(By authority conferred on the executive director of the marijuana regulatory agency by section 206 of the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27206, sections 7 and 8 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27957 and 333.27958, and Executive Reorganization Order No. 2019-2, MCL 333.27001)~~

~~PART 4. MARIHUANA OPERATIONS~~

~~R 420.201 Definitions Statewide monitoring system; requirements.~~

~~Rule 1201. (1) As used in these rules:~~

~~—(a) “Acts” refers to the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, and the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967, when applicable.~~

~~—(b) “Administrative hold” means a status given to marihuana product by the agency during an investigation into alleged violations of the acts and these rules. This status includes no sale or transfer of the marihuana product until the hold is lifted.~~

~~—(c) “Agency” means the marijuana regulatory agency.~~

~~—(d) “Applicant” means a person who applies for a marihuana license, subject to paragraphs (i) and (ii) of this subdivision:~~

~~—(i) For purposes of this definition, an applicant includes a managerial employee of the applicant, a person holding a direct or indirect ownership interest of more than 10% in the applicant, and the following for each type of applicant:~~

~~—(A) For an individual or sole proprietorship: the proprietor and spouse.~~

~~—(B) For a partnership and limited liability partnership: all partners and their spouses.~~

~~—(C) For a limited partnership and limited liability limited partnership: all general and limited partners, not including a limited partner holding a direct or indirect ownership interest of 10% or less who does not exercise control over or participate in the management of the partnership, and their spouses.~~

~~—(D) For a limited liability company: all members and managers, not including a member holding a direct or indirect ownership interest of 10% or less who does not exercise control over or participate in the management of the company, and their spouses.~~

~~—(E) For a privately held corporation: all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, all stockholders, not including those holding a direct or indirect ownership interest of 10% or less, and their spouses.~~

- ~~—(F) For a publicly held corporation: all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, all stockholders, not including those holding a direct or indirect ownership interest of 10% or less, and their spouses.~~
- ~~—(G) For a multilevel ownership enterprise: any entity or person that receives or has the right to receive more than 10% of the gross or net profit from the enterprise during any full or partial calendar or fiscal year.~~
- ~~—(H) For a nonprofit corporation: all individuals and entities with membership or shareholder rights in accordance with the articles of incorporation or the bylaws and their spouses.~~
- ~~—(I) For a trust: trustees, any individual or body able to control and direct the affairs of the trust, and any beneficiary who receives or has the right to receive more than 10% of the gross or net profit of the trust during any full or partial calendar or fiscal year and their spouses.~~
- ~~—(ii) For purposes of this definition, an applicant does not include:~~
 - ~~—(A) A person who provides financing to an applicant or licensee under a bona fide financing agreement at a reasonable interest rate.~~
 - ~~—(B) A franchisor who grants a franchise to an applicant, if the franchisor does not have the right to receive royalties based upon the sale of marihuana or marihuana-infused products by the applicant who is a franchisee. Nothing in this subrule shall be construed to preclude a franchisor from charging an applicant who is a franchisee a fixed fee. As used in this definition, the terms “franchise,” “franchisor,” and “franchisee” have the meanings set forth in section 2 of the franchise investment law, 1974 PA 269, MCL 445.1502.~~
 - ~~—(C) A person receiving reasonable payment for rent on a fixed basis under a bona fide lease or rental obligation.~~
 - ~~—(D) A person receiving reasonable payment under a licensing agreement or contract approved by the agency concerning the licensing of intellectual property including, but not limited to, brands and recipes.~~
 - ~~—(e) “Batch” means all marihuana product of the same variety that has been processed together and exposed to substantially similar conditions throughout processing.~~
 - ~~—(f) “Building” means a combination of materials forming a structure affording a facility, an establishment, or shelter for use or occupancy by individuals or property. Building includes a part or parts of the building and all equipment in the building. A building does not include a building incidental to the use for agricultural purposes of the land on which the building is located.~~
 - ~~—(g) “Bureau of fire services” or “BFS” means the bureau of fire services in the department of licensing and regulatory affairs.~~
 - ~~—(h) “Common ownership” means 2 or more state licenses or 2 or more equivalent licenses held by 1 person under the Michigan Regulation and Taxation of Marihuana Act.~~
 - ~~—(i) “Cultivator” refers to both a grower under the medical marihuana facilities licensing act and a marihuana grower under the Michigan Regulation and Taxation of Marihuana Act.~~
 - ~~—(j) “Designated consumption establishment” means a commercial space that is licensed by the agency and authorized to permit adults 21 years of age and older to consume marihuana products at the location indicated on the state license.~~
 - ~~—(k) “Employee” means a person performing work or service for compensation. “Employee” does not include individuals providing trade or professional services who are not normally engaged in the operation of a marihuana business.~~
 - ~~—(l) “Equivalent licenses” means any of the following held by a person:~~

- ~~—(i) A marihuana grower license of any class issued under the Michigan Regulation and Taxation of Marihuana Act and a grower license, of any class, issued under the medical marihuana facilities licensing act.~~
- ~~—(ii) A marihuana processor license issued under the Michigan Regulation and Taxation of Marihuana Act and a processor license issued under the medical marihuana facilities licensing act.~~
- ~~—(iii) A marihuana retailer license issued under the Michigan Regulation and Taxation of Marihuana Act and a provisioning center license issued under the medical marihuana facilities licensing act.~~
- ~~—(iv) A marihuana secure transporter license issued under the Michigan Regulation and Taxation of Marihuana Act and a secure transporter license issued under the medical marihuana facilities licensing act.~~
- ~~—(v) A marihuana safety compliance facility license issued under the Michigan Regulation and Taxation of Marihuana Act and a safety compliance facility license issued under the medical marihuana facilities licensing act.~~
- ~~—(m) “Final form” means the form a marihuana product is in when it is available for sale by a marihuana sales location, not including consumer packaging. For marihuana products intended for inhalation, final form means the marihuana concentrate in an e-cigarette or a vaping device.~~
- ~~—(n) “Immature plant” means a nonflowering marihuana plant that is no taller than 8 inches from the growing or cultivating medium and no wider than 8 inches produced from a cutting, clipping, tissue culture, or seedling that is in a growing or cultivating medium or in a growing or cultivating container.~~
- ~~—(o) “Inactive ingredients” means binding materials, dyes, preservatives, flavoring agents, and any other ingredient that is not derived from the plant *Cannabis sativa L.*~~
- ~~—(p) “Laboratory” refers to both a safety compliance facility under the medical marihuana facilities licensing act and a marihuana safety compliance facility under the Michigan Regulation and Taxation of Marihuana Act.~~
- ~~—(q) “Limited access area” means a building, room, or other contiguous area of a marihuana business where marihuana is grown, cultivated, stored, weighed, packaged, sold, or processed for sale and that is under the control of the licensee.~~
- ~~—(r) “Marihuana business” refers to both a marihuana facility under the medical marihuana facilities licensing act and a marihuana establishment under the Michigan Regulation and Taxation of Marihuana Act.~~
- ~~—(s) “Marihuana business location plan” means a marihuana facility plan under the medical marihuana facilities licensing act, or a marihuana establishment plan under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~—(t) “Marihuana customer” refers to a registered qualifying patient or registered primary caregiver under the medical marihuana facilities licensing act, or an individual 21 years of age or older under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~—(u) “Marihuana establishment” means a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter, or any other type of marihuana-related business licensed by the agency under the Michigan Regulation and Taxation of Marihuana Act.~~
- ~~—(v) “Marihuana event organizer” means a person licensed to apply for a temporary marihuana event license under these rules.~~
- ~~—(w) “Marihuana facility” means a location at which a licensee is licensed to operate under the medical marihuana facilities licensing act.~~

- ~~—(x) “Marihuana license” means a state operating license issued under the medical marihuana facilities licensing act, or a state license issued under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~—(y) “Marihuana product” means marihuana or a marihuana infused product, or both, as those terms are defined in the acts unless otherwise provided for in these rules.~~
- ~~—(z) “Marihuana sales location” refers to a provisioning center under the medical marihuana facilities licensing act or a marihuana retailer, or marihuana microbusiness, or class A marihuana microbusiness under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~—(aa) “Marihuana tracking act” means the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.~~
- ~~—(bb) “Marihuana transporter” means a secure transporter under the medical marihuana facilities licensing act or a marihuana secure transporter under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~—(cc) “Medical marihuana facilities licensing act” or “MMFLA” means the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.~~
- ~~—(dd) “Michigan Medical Marihuana Act” means the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.~~
- ~~—(ee) “Michigan Regulation and Taxation of Marihuana Act” or “MRTMA” means the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.~~
- ~~—(ff) “Producer” refers to both a processor under the medical marihuana facilities licensing act and a marihuana processor under the Michigan Regulation and Taxation of Marihuana Act.~~
- ~~—(gg) “Proposed marihuana business” means a proposed marihuana establishment under the Michigan Regulation and Taxation of Marihuana Act or a proposed marihuana facility under the medical marihuana facilities licensing act, or both.~~
- ~~—(hh) “Records of formulation” means the documentation that includes at a minimum: the ingredients, recipe, processing in order to be shelf stable, Certificates of Analysis for any ingredient used, and description of the process in which all ingredients are combined to produce a final form.~~
- ~~—(ii) “Restricted access area” means a designated and secure area at a marihuana business where marihuana products are sold, possessed for sale, or displayed for sale.~~
- ~~—(jj) “These rules” means the administrative rules promulgated by the agency under the authority of the medical marihuana facilities licensing act, the marihuana tracking act, the Michigan Regulation and Taxation of Marihuana Act, and Executive Reorganization Order No. 2019-2, MCL 333.27001.~~
- ~~—(kk) “Same location” means separate marihuana licenses that are issued to multiple marihuana businesses that are authorized to operate at a single property but with separate business suites, partitions, or addresses.~~
- ~~—(ll) “Source documentation” means an original document that contains the details of a marihuana business transaction.~~
- ~~—(mm) “Stacked license” means more than 1 marihuana license issued to a single licensee to operate as a Class C grower as specified in each license at a marihuana business under the medical marihuana facilities licensing act, or under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~—(nn) “Tag” or “RFID tag” means the unique identification number or Radio Frequency Identification (RFID) issued to a licensee by the statewide monitoring system for tracking,~~

~~identifying, and verifying marihuana plants, marihuana products, and packages of marihuana product in the statewide monitoring system.~~

~~—(oo) “Temporary marihuana event license” means a state license held by a marihuana event organizer under the Michigan Regulation and Taxation of Marihuana Act, for an event where the onsite sale or consumption of marihuana products, or both, are authorized at the location indicated on the state license during the dates indicated on the state license.~~

~~—(2) Terms defined in the acts have the same meanings when used in these rules unless otherwise indicated. (1) A licensee shall enter all of the following in the statewide monitoring system:~~

(a) All sales, transactions, and transfers of marihuana from the licensee to another person, including, but not limited to, a marihuana customer, another licensee, or an employee of the licensee.

(b) All marihuana in the licensee’s inventory. A licensee shall enter marihuana into the statewide monitoring system within 24 hours of accepting a transfer of marihuana into the licensee’s inventory.

(c) If the licensee is a cultivator, producer, marihuana sales location, class A marihuana microbusiness, or a marihuana testing laboratory transferring marihuana to another marihuana testing laboratory, a route plan and manifest.

(d) All marihuana waste that is created and disposed of.

(2) A cultivator shall enter all of the following in the statewide monitoring system:

(a) Identification and tracking information for each immature plant batch, mature marihuana plant, and harvest batch located at the cultivator.

(b) Identification and tracking information for each stage of cultivation, including growth, harvest, manicure, and packaging.

(c) The room or, if the cultivator cultivates marihuana outdoors, the row where an immature plant batch, mature marihuana plant, harvest batch, waste, or package is physically located. The information entered under this subdivision must correspond to the information required under R 420.205(7).

(d) A name for an immature plant batch. The name must include the date of planting.

(e) A name for a harvest batch. The name must include the date the harvest batch is created.

(f) The actual wet weight of each plant that is harvested.

(g) The amount of marihuana plant waste generated.

(3) A cultivator operating with a stacked license may enter all information required under this rule under 1 license.

(4) A producer shall enter all of the following in the statewide monitoring system:

(a) The package tag number of marihuana that undergoes processing.

(b) The amount of marihuana used during processing.

(c) The processing method used to process the marihuana.

(d) The amount of plant material remaining after processing that is free of cannabinoids and terpenes.

(e) For a new marihuana-infused product item, all of the following:

(i) Name of the item.

(ii) Brand.

(iii) Concentration of THC and cannabidiol (CBD) in the item.

(iv) If the item is an edible marihuana product, the expiration date required in R 420.402a(2).

(f) The room or area within the marihuana business location where marihuana is physically located.

(5) A marihuana transporter shall enter all of the following in the statewide monitoring system:

(a) When the marihuana transporter takes possession of marihuana and when the marihuana transporter gives up possession of marihuana.

(b) If maintaining possession of marihuana overnight, identification and tracking information related to overnight possession.

(6) A marihuana sales location shall enter into the statewide monitoring system within 1 day of becoming aware of, or within 1 day of when the licensee should have been aware of, an adverse reaction to marihuana sold or transferred by any licensee.

(7) A licensee shall track in the statewide monitoring system marihuana plants and marihuana concentrate designated for product development and the transfer of product development inventory.

(8) A licensee participating in an approved research study under R 420.407 shall track all marihuana involved in the research study in the statewide monitoring system.

(9) All numerical values entered into the statewide monitoring system, except for test results, must be rounded to 1 decimal place. If the number in the second decimal place is 5 or greater, the number in the first decimal place must be rounded up. Test results must be recorded in compliance with the requirements in R 420.305(2)(c).

(10) A licensee shall accurately enter information in the statewide monitoring system. If a licensee enters incorrect information or needs to adjust information that was previously entered, the licensee shall do all of the following:

(a) Report the need for the correction or adjustment and document the support ticket number.

(b) Correct the error within 7 days after becoming aware or receiving notification of the error.

(c) Document and explain the correction or adjustment.

R 420.201a Statewide monitoring system; item categories; transfer categories.

Rule 201a. (1) A licensee shall categorize marihuana in the statewide monitoring system according to the following item categories:

(a) "Buds," which includes whole dried or cured buds.

(b) "Concentrate," which includes shatter, batter, sauce, and sugar.

(c) "Infused beverage," which includes beverages.

(d) "Infused edible," which includes gummies, chocolate bars, capsules, and other similar products meant to be consumed orally.

(e) "Infused liquids," which includes tinctures and drink enhancers.

(f) "Infused non-edible liquid," which includes topicals such as lotion and balm.

(g) "Infused non-edible solid," which includes patches, tampons, suppositories, and other similar products that are not consumed orally.

(h) "Inhalable compound concentrate," which includes pre-rolls with concentrate added, moon rocks, and other similar products.

(i) "Rick Simpson oil."

(j) "Vape cart," which includes any vaping product.

(k) “Wet whole plant,” which includes plant material that is frozen at harvest, including buds, shake, and trim, or a combination of buds, shake, and trim.

(2) If marijuana does not appropriately fit into 1 of the item categories in subrule (1) of this rule, a licensee may request that the agency create a new item category or revise an existing item category for the marijuana. The agency may create additional item categories or revise an existing item category if it determines marijuana does not fit into a category in subrule (1) of this rule. The agency may delete an existing item category if it adds or revises an item category that better describes a category of marijuana than the item category being deleted. The agency will publish new, revised, or deleted item categories in a bulletin and prescribe a reasonable date by which the change will take effect.

(3) A licensee shall categorize a transfer of marijuana in the statewide monitoring system according to 1 of the following transfer categories:

(a) “Adult-use affiliated transfer” for transfers between adult-use licenses held by the same licensee.

(b) “Adult-use seeds and seedlings” for adult-use cultivators to accept a transfer of seeds or seedlings from individuals 21 years of age or older.

(c) “Caregiver” for medical cultivators to accept a transfer of seeds, seedlings, tissue cultures, or cuttings from a registered caregiver.

(d) “Educational research license transfer” for transfers to an educational research license.

(e) “External cannabinoids” for acquiring cannabinoids from businesses that do not hold a marijuana license. The THC concentration of external cannabinoids must be 0.3% or less.

(f) “Grow to grow between medical and adult-use” for equivalent license transfers between cultivators.

(g) “Immature plants between medical and adult-use” for transferring immature plants between equivalent medical and adult-use licenses under the same ownership.

(h) “Infusion transfer” for transferring plant material for extraction when an upfront price has not been negotiated. This includes third party processing agreements.

(i) “Medical affiliated transfer” for transfers between medical licenses held by the same licensee.

(j) “Microbusiness transfer” for transfers of seeds, tissue cultures, and clones that do not meet the definition of a plant to a microbusiness.

(k) “PC and Retailer between Med and AU” for equivalent license transfers between sales locations.

(l) “Processor to processor between medical and adult-use” for equivalent license transfers between producers.

(m) “Product development transfer” for the transfer of product development packages.

(n) “Temporary event” to create a manifest for product going to a temporary event. This transfer must be voided after the manifest is printed.

(o) “Temporary event – return” to create a manifest for product returning from a temporary event. This transfer must be voided after the manifest is printed.

(p) “Testing transfer (to laboratories)” for transfers to marijuana testing laboratories when the marijuana testing laboratory is the transporter.

(q) “Tolling transfer” for a transfer of raw goods to another marijuana business to be processed for a fee or toll.

(r) “Trade sample transfer” for trade sample transfers to another license where the shipping facility is the transporter.

(s) “Wholesale” for transfers between licenses when the product is being sold with an upfront price negotiated. The price entered is the price paid for the product and not the rate per pound.

(4) If a transfer of marihuana does not appropriately fit into 1 of the categories in subrule (3) of this rule, a licensee may request that the agency create a new transfer category or revise an existing transfer category for the transfer. The agency may create additional transfer categories or revise an existing category if it determines a transfer does not fit into a category in subrule (3) of this rule. The agency may delete an existing transfer category if it adds or revises a transfer category that better describes a type of transfer than the transfer category being deleted. The agency will publish new, revised, or deleted transfer categories in a bulletin and prescribe a date by which the change will take effect.

(5) If a licensee is engaged in product development, product development inventory entered into the statewide monitoring system must include the words “product development” in the item name.

R 420.201b Statewide monitoring system; sampling; testing results.

Rule 201b. (1) A marihuana testing laboratory shall enter the results of a test performed under part 5 of these rules into the statewide monitoring system and upload the certificate of analysis.

(2) The marihuana testing laboratory shall enter the test results and upload the certificate of analysis within 5 days after a test is completed.

(3) A marihuana business from which a sample is collected shall enter identifying information for the sample in the statewide monitoring system.

(4) A marihuana testing laboratory shall enter identifying information for a sample of marihuana collected under R 420.302, including all of the following:

(a) The complete identification number assigned by the statewide monitoring system.

(b) The name of the product.

(c) The type of product.

(5) Marihuana is not considered to have passed testing until the requirements of subrule (1) of this rule are met.

R 420.201c Statewide monitoring system; access.

Rule 201c. (1) A licensee shall do all of the following:

(a) Obtain login information for an account in the statewide monitoring system before acquiring or possessing marihuana.

(b) Enter into the statewide monitoring system identifying information for each employee and the level of access the employee has. The licensee shall enter this information within 10 days after hiring the employee.

(c) Update information about an employee’s employment status or level of access within 10 days after a change in employment status or level of access.

(d) Remove an employee’s access to the statewide monitoring system within 10 days after the employee’s employment at the marihuana business ends.

(e) If using an application programming interface to connect to and interface with the statewide monitoring system, assign each employee using the application programming interface a unique identifier.

(f) Assign and maintain an administrator for each license.

(2) The statewide monitoring system assigns each employee a unique identification number.

R 420.202 ~~Adoption by reference~~ **Marihuana businesses; operations; general.**

Rule ~~2202~~. (1) ~~The following codes, standards, or regulations of nationally recognized organizations or associations are adopted by reference in these rules:~~

~~National fire protection association (NFPA) standard 1, 2021 edition, entitled "Fire Code," is adopted by reference as part of these rules. Copies of the adopted provisions are available for inspection and distribution from the National Fire Protection Association, 1 Batterymarch Park, P.O. Box 9101, Quincy, Massachusetts, 02169, telephone number 1-800-344-3555, for the price of \$114.50.~~

~~-(b) National fire protection association (NFPA) standard 58, 2020 edition, entitled "Liquefied Petroleum Gas Code," is adopted by reference as part of these rules. Copies of the adopted provisions are available for inspection and distribution from the National Fire Protection Association, 1 Batterymarch Park, P.O. Box 9101, Quincy, Massachusetts, 02169, telephone number 1-800-344-3555, for the price of \$70.50.~~

~~-(2) The standards adopted in subrule (1) of this rule are available for inspection and distribution at the agency, located at 2407 North Grand River Avenue, Lansing, Michigan, 48906. Copies of these standards may be obtained from the agency at the cost indicated in subrule (1)(a) and (b) of this rule, plus shipping and handling. (1) A marihuana business shall comply with all of the following:~~

~~(a) Except as provided in R 420.102, R 420.203, and R 420.1004, a marihuana business must be completely separated from other marihuana businesses or activity, other businesses, or dwellings by immovable floor-to-ceiling walls.~~

~~(b) A marihuana business shall not allow onsite or as part of the marihuana business any of the following:~~

~~(i) Except as provided in subrules (6) and (7) of this rule, the sale, consumption, or serving of food, unless the business is a designated consumption establishment or a temporary marihuana event that has obtained required authorizations from other federal, state, or local agencies.~~

~~(ii) Consumption, use, or inhalation of marihuana unless the licensee is granted a designated consumption establishment or temporary marihuana event license.~~

~~(2) Except for sales at a temporary marihuana event, a marihuana business shall not cultivate, process, store, test, or sell marihuana at a location other than the marihuana business' licensed location.~~

~~(3) A marihuana business shall prohibit anyone other than the licensee, employees of the licensee, escorted visitors, and the agency from accessing the limited-access areas.~~

~~(4) A marihuana business shall not sell or transfer marihuana by mail order or on consignment.~~

~~(5) A marihuana license must be framed under a transparent material and prominently displayed in the marihuana business.~~

(6) A marihuana business may have a designated area for the consumption of food and beverages that is separated by floor to ceiling walls and doors from areas where marihuana is present.

(7) A marihuana sales location may sell an incidental amount, such as single-serving packages, of prepackaged, non-potentially hazardous food.

R 420.203 Marihuana licenses; licensees; operations; general ~~Operating marihuana businesses at the same location.~~

~~Rule 3203. (1) A marihuana license and a stacked license as described in these rules are limited to the scope of the marihuana license issued for that type of marihuana business that is located within the municipal boundaries connected with the marihuana license.~~

~~(2) A licensee shall comply with all of the following:~~

~~(a) Except as provided in R 420.204 and R 420.205, a marihuana business must be partitioned from any other marihuana business or activity, any other business, or any dwelling.~~

~~(b) A marihuana business shall not allow onsite or as part of the marihuana business any of the following:~~

~~(i) Sale, consumption, or serving of food except as provided in these rules unless the business is a designated consumption establishment or a temporary marihuana event that has obtained any required authorizations from other federal, state, or local agencies.~~

~~(ii) Consumption, use, or inhalation of a marihuana product unless the licensee has been granted a designated consumption establishment or temporary marihuana event license under the MRTMA, and these rules.~~

~~(c) A marihuana business must have distinct and identifiable areas with designated structures that are contiguous and specific to the marihuana license.~~

~~(d) A marihuana business must have separate entrances and exits, inventory, record keeping, and point of sale operations, if applicable.~~

~~(e) Access to a marihuana business's restricted and limited access areas is restricted to the licensee, employees of the licensee, escorted visitors, and the agency. A marihuana sales location, a marihuana microbusiness, or a class A marihuana microbusiness may grant access as provided in R 420.206(9) to customers to a dedicated point of sale area.~~

~~(f) Licensee records must be maintained as follows and made available to the agency upon request:~~

~~(i) A licensee shall maintain accurate and comprehensive financial records for each license that clearly documents the licensee's income and expenses. Applicable supporting source documentation must be maintained, including, but not limited to, all of the following:~~

~~(A) Cash logs.~~

~~(B) Sales records.~~

~~(C) Purchase of inventory.~~

~~(D) Invoices.~~

~~(E) Receipts.~~

~~(F) Deposit slips.~~

~~(G) Cancelled checks.~~

~~(H) Employee compensation records.~~

~~(I) Tax records.~~

~~—(ii) Bulk financial deposits or transactions must be traceable to the individual transactions that comprise the bulk deposit or transaction.~~

~~—(iii) Licensee records must be maintained for at least 4 years, except in instances of investigation or inspection by the agency in which case the licensee shall retain the records until such time as the agency notifies the licensee that the recordings may be destroyed.~~

~~—(g) The marihuana business must be at a fixed location. Mobile marihuana businesses are prohibited. Any sales or transfers of marihuana product by mail order or on consignment are prohibited.~~

~~—(h) A marihuana license must be framed under a transparent material and prominently displayed in the marihuana business.~~

~~—(3) A marihuana business shall comply with all of the following:~~

~~—(a) The natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106. The agency may publish guidance in cooperation with the department of environment, great lakes, and energy.~~

~~—(b) Any other operational measures requested by the agency that are not inconsistent with the acts and these rules.~~ **(1) A licensee that holds licenses for more than 1 marihuana business may operate those marihuana businesses at a single property.**

(2) Except as provided in subrules (3) and (4) of this rule, all of the following apply to operating marihuana businesses under subrule (1) of this rule:

(a) Each marihuana business must be partitioned from other marihuana businesses and have a separate street address or a separate business suite.

(b) The licensee shall obtain authorization from the agency to operate marihuana businesses at the same location before operating at the same location.

(c) Operating marihuana businesses at the same location must not violate local ordinances or regulations.

(d) The licensee shall prominently display the marihuana license for each marihuana business on the wall within the premises of each marihuana business.

(3) Marihuana businesses operating at the same location may include a combined space for the following purposes:

(a) Performing internal analytical testing under R 420.215.

(b) Storage of marihuana in final form.

(c) A designated area for consumption of food and beverages under R 420.202(7).

(d) Loading and unloading marihuana.

(e) Storage of the physical media or storage device on which surveillance recordings are stored under R 420.209(10).

(4) Marihuana businesses with equivalent licenses or stacked licenses under R 420.17 operating at the same location are not required to have any of the following:

(a) Separate business suites, partitions, or addresses.

(b) Separate entrances and exits.

(c) Separate marihuana business locations.

(d) Separate point of sale areas.

(5) A marihuana retailer under the MRTMA and a marihuana provisioning center under the MMFLA operating at the same location under subrule (4) of this rule shall do both of the following:

(a) Physically separate the entire inventories and the items on display for sale so that individuals can clearly identify marihuana sold under the MRTMA from marihuana sold under the MMFLA.

(b) Not bundle a product subject to the excise tax in section 13 of the MRTMA, MCL 333.27963, in a single transaction with a product or service that is not subject to the tax imposed by that section.

Rule 420.203a Transfer of marihuana between equivalent licenses.

Rule 203a. (1) A licensee that holds equivalent licenses may transfer marihuana that has passed all testing required under part 5 of these rules between the inventory of their equivalent licenses.

(2) Marihuana plants transferred between cultivators under this rule count toward the authorized total amount of marihuana plants for the cultivator that receives the transfer.

(3) A licensee shall not transfer marihuana to an equivalent license without first obtaining agency approval if the marihuana passed total yeast and mold testing, but the total yeast and mold level was above 10,000 colony-forming units per gram (CFU/g).

(4) A licensee shall not transfer marihuana that was obtained from a primary caregiver registered under the Michigan Medical Marihuana Act.

R 420.204 ~~Operation at same location~~ Marihuana microbusiness.

~~Rule 4204. (1) A licensee that has any combination of marihuana licenses may operate separate marihuana businesses at the same location. For purposes of this rule, a stacked license is considered a single marihuana business.~~

~~(2) To operate at the same location subject to subrule (1) of this rule, a licensee shall meet all of the following requirements:~~

~~(a) The agency has authorized the proposed operation at the same location.~~

~~(b) The operation at the same location is not in violation of any local ordinances or regulations.~~

~~(c) The operation at the same location does not circumvent a municipal ordinance or zoning regulation that limits the marihuana businesses under the acts.~~

~~(d) The licensee of each marihuana business operating at the same location under this rule shall do all the following:~~

~~(i) Apply for and be granted separate marihuana licenses and pay the required fees for each marihuana license.~~

~~(ii) Have distinct and identifiable areas with designated structures that are on the same parcel or a contiguous parcel and specific to the marihuana license.~~

~~(iii) Have separate inventory, record keeping, and point of sale operations.~~

~~(iv) Post each marihuana license on the wall in its distinct area and as provided in these rules.~~

~~(v) Obtain any additional inspections and permits required for local or state building inspection, fire services, and public health standards.~~

~~(vi) Comply with the provisions in the acts and these rules.~~

~~(3) Operation of a marihuana license at the same location that includes a licensed marihuana sales location must have the entrance and exit to the licensed marihuana sales location and entire inventory physically separated from any of the other licensed marihuana businesses so that individuals can clearly identify the sales entrance and exit.~~

~~(4) Operation of marihuana licenses at the same location may include a combined space for the following purposes:~~

- ~~—(a) Complying with R 420.214a.~~
- ~~—(b) Storage of marijuana and marijuana products in final form.~~
- ~~—(c) A designated area under 420.602(5).~~
- ~~—(d) Loading and unloading marijuana product.~~
- ~~—(e) Storage of the physical media or storage device on which surveillance recordings are stored under R 420.209(10).~~

~~(5) A laboratory may be co-located with an existing accredited laboratory that is not licensed by the MRA, with agency approval, if the following criteria are met:~~

- ~~—(a) The existing laboratory performs analytical scientific testing in a laboratory environment, and the testing methods are recognized by an accrediting body.~~
- ~~—(b) Testing of marijuana product is performed separately from other materials.~~
- ~~—(c) All marijuana product is stored separately from any other materials located at the site for testing.~~

(1) A marihuana microbusiness is subject to all the provisions and requirements in these rules that apply to a marihuana grower, marihuana processor, and marihuana retailer.

(2) A marihuana microbusiness shall comply with the corresponding requirements of a marihuana grower, marihuana processor, and marihuana retailer.

(3) In addition to the activities described in section 10(1)(f) of the MRTMA, MCL 333.27960, a marihuana microbusiness may do all of the following:

(a) Purchase or accept the transfer of marihuana seeds, tissue cultures, and clones that do not meet the definition of marihuana plant from a marihuana grower licensed under the MRTMA. A marihuana microbusiness shall not sell or transfer marihuana seeds, tissue cultures, or clones received under this subrule.

(b) Accept the transfer of marihuana plants from a registered primary caregiver if the registered primary caregiver is a supplemental applicant for the marihuana microbusiness license. A marihuana microbusiness shall only accept a transfer under this subdivision once at the time of licensure.

(c) Accept the transfer of marihuana from a class A marihuana microbusiness if the marihuana microbusiness license and class A marihuana microbusiness license are issued to the same person. A marihuana microbusiness shall only accept a transfer under this subdivision once at the time of licensure.

R 420.205 Equivalent licenses; operation at same location Cultivators.

~~Rule 5205. (1) A person that holds equivalent licenses with common ownership under the acts may operate those equivalent licenses at the same location.~~

~~(2) To operate equivalent licenses at the same location, all of the following requirements must be met:~~

- ~~—(a) The agency has authorized the proposed operation at the same location.~~
- ~~—(b) The operation at the same location is not in violation of any local ordinances or regulations.~~
- ~~—(c) The operation at the same location does not circumvent a municipal ordinance or zoning regulation that limits the marihuana businesses under the acts.~~
- ~~—(d) The person operating the equivalent licenses at the same location under this rule shall do all the following:~~

~~—(i) Apply for and be granted a separate state license and a state operating license and pay the required fees for each license.~~

~~—(ii) Post each state license and state operating license on the wall in its distinct area and as provided in these rules.~~

~~—(iii) Obtain any additional inspections and permits required for local or state building inspection, fire services, and public health standards, if applicable.~~

~~—(iv) Comply with the provisions in the acts and these rules.~~

~~—(3) A licensee with common ownership of a marihuana retailer and a provisioning center and operating equivalent licenses at the same location shall physically separate the entire inventories and the items on display for sale so that individuals may clearly identify medical marihuana products from adult-use marihuana products.~~

~~—(4) A licensee with common ownership of a marihuana retailer and a provisioning center and operating the equivalent licenses at the same location shall not bundle a product subject to the excise tax in section 13 of the MRTMA, MCL 333.27963, in a single transaction with a product or service that is not subject to the tax imposed by that section.~~

~~—(5) A person who holds equivalent licenses with common ownership under the acts and operates at the same location is not required to have any of the following:~~

~~—(a) Separate business suites, partitions, or addresses.~~

~~—(b) Separate entrances and exits.~~

~~—(c) Distinct and identifiable areas with designated structures that are contiguous and specific to the state license and the state operating license.~~

~~—(d) Separate point of sale area and operations.~~ **(1) A cultivator shall conduct its operations within a building, except that cultivation may occur in an outdoor area, if both of the following conditions are met:**

(a) The outdoor area used for cultivating marihuana plants complies with all of the following:

(i) Is contiguous with the building.

(ii) Is fully enclosed by fences or barriers that ensure that the plants are not visible from a public place without the use of binoculars, aircraft, or other optical aids.

(iii) Fences are secured and comply with the applicable security measures in these rules, including, but not limited to, locked entries that are accessible only to authorized persons or emergency personnel.

(b) After the marihuana is harvested, all drying, trimming, curing, and packaging of marihuana must occur inside a building.

(2) A grower under the MMFLA shall not cultivate more plants than are allowed under section 501 of the MMFLA, MCL 333.27501, and a marihuana grower under the MRTMA shall not cultivate more plants than are allowed under section 9 of the MRTMA, MCL 333.27979. For purposes of this subrule, only mature marihuana plants are included in the plant count under the MRTMA.

(3) A cultivator that holds stacked licenses under R 420.17 may cultivate all of the marihuana plants allowed under subrule (2) of this rule under 1 license. All of the following apply to plants cultivated under this subrule:

(a) The total number of marihuana plants a class C marihuana grower under the MRTMA cultivates cannot exceed the total number of marihuana plants that could be cultivated if the plants were cultivated under each individual license.

(b) The total number of marihuana plants a class C grower under the MMFLA cultivates cannot exceed the total number of marihuana plants that could be cultivated if the plants were cultivated under each individual license.

(4) A cultivator shall assign an immature marihuana plant to an immature plant batch and identify the immature plant batch with a single batch name. An immature plant batch must not consist of more than 100 immature plants.

(5) A cultivator shall physically attach a plant tag to a marihuana plant once the plant reaches a height of 8 inches, measured from the top surface of the growing medium to the top leaf of the plant, or more than 8 inches in width, and ensure that the plant tag is always affixed to the plant throughout the growing cycle so that all plants can be easily identified and inspected.

(6) A cultivator shall separate marihuana plants as the plants go through different growth stages.

(7) If a cultivator is cultivating marihuana indoors, the cultivator shall identify and label each room used for cultivating. If a cultivator is cultivating marihuana outdoors, the cultivator shall identify and label each row in a plot. The cultivator shall use the identification information for the room or row to comply with the requirement in R 420.201(2)(c).

(8) In addition to the activities described in section 10(1)(a) of the MRTMA, MCL 333.27960, a class A marihuana grower licensed under the MRTMA may accept the transfer of marihuana plants from a registered primary caregiver if the registered primary caregiver is a supplemental applicant for the class A marihuana grower license. A class A marihuana grower shall only accept a transfer under this subdivision once at the time of licensure.

R 420.205a Harvest batch; identification and tracking; testing.

Rule 205a. (1) Once a tagged plant is harvested, it is part of a harvest batch.

(2) A cultivator shall do all of the following:

(a) Ensure that a harvest batch is easily distinguishable from other harvest batches until the batch is broken down into packages.

(b) Separate the harvest batch by product categories.

(c) Quarantine a harvest batch from all other marihuana when the harvest batch has test results pending.

(d) Destroy the individual plant tags before packaging.

(3) A cultivator shall ensure that a harvest batch is clearly traceable to the individual plant tag numbers of the constituent plants. The identification numbers associated with the plant tags shall be recorded and associated with the harvest batch in the statewide monitoring system and labeled on any table, rack, or container storing raw plant material from the harvest batch in a manner sufficient to identify the source plants of the harvest batch.

(4) If marihuana that is tracked under 1 tag is stored in multiple containers after harvest, the cultivator shall indicate the tag number on all containers containing the marihuana and the total number of containers containing marihuana tracked under that tag.

(5) Before a cultivator transfers or sells marihuana to a marihuana sales location, a sample of the harvest batch must pass testing under part 5 of these rules.

(6) A cultivator shall quarantine a harvest batch from other marihuana if samples have been collected for testing under part 5 of these rules and the harvest batch has not yet passed

full compliance testing. The quarantined marihuana may not be packaged, transferred, or sold until the marihuana passes all required testing.

(7) The maximum harvest batch is 50 pounds.

(8) A cultivator shall not do any of the following:

(a) Except as provided in R 420.401, combine harvest batches.

(b) Except as provided in R 420.401, transfer or sell marihuana to a marihuana sales location if the package contains marihuana from more than 1 harvest batch.

(c) Transfer or sell marihuana that does not have a package tag attached and is not recorded in the statewide monitoring system.

R 420.206 ~~Marihuana business; general requirements~~ **Marihuana transporters.**

Rule 6206. (1) ~~A cultivator shall not operate a marihuana business unless either of the following conditions is met:~~

~~—(a) The cultivator operations are within a building that meets the security requirements and passes the inspections in these rules and has a building permit pursuant to R 420.208 and these rules.~~

~~—(b) The cultivator operations are within a building, except that cultivation may occur in an outdoor area, if all of the following conditions are met:~~

~~—(i) The outdoor area containing the cultivation of marihuana plants is contiguous with the building, fully enclosed by fences or barriers that ensure that the plants are not visible from a public place without the use of binoculars, aircraft, or other optical aids, and the fences are secured and comply with the applicable security measures in these rules, including, but not limited to, locked entries only accessible to authorized persons or emergency personnel.~~

~~—(ii) After the marihuana is harvested, all drying, trimming, curing, or packaging of marihuana occurs inside the building meeting all the requirements under these rules.~~

~~—(iii) The building meets the security requirements and passes the inspections in these rules and has a building permit pursuant to R 420.208 and these rules.~~

~~(2) A cultivator who has obtained good agricultural collection processes certification may sell immature plants to a marihuana sales location under the allowances published by the agency.~~

~~(3) The agency shall publish a list of approved chemical residue active ingredients for cultivators to use in the cultivation and production of marihuana plants and marihuana products to be sold or transferred in accordance with the acts or these rules.~~

~~(4) The agency shall publish a list of banned chemical residue active ingredients that are prohibited from use in the cultivation and production of marihuana plants and marihuana products to be sold or transferred in accordance with the acts or these rules.~~

~~(5) A marihuana secure transporter under the MRTMA shall have a primary place of business as its marihuana business that operates in a municipality that has not adopted an ordinance prohibiting marihuana businesses from operating within its boundaries under section 6 of the MRTMA, MCL 333.27956, and these rules, and its marihuana business must comply with the requirements prescribed by the MRTMA, these rules, and any municipal ordinances that meet the requirements of section 6 of the act, MCL 333.27956.~~

~~(6) A secure transporter under the MMFLA shall have a primary place of business as its marihuana facility that operates in a municipality that has adopted an ordinance that meets the requirements of section 205 of the act, MCL 333.27205, and the rules, and its marihuana facility must comply with the requirements prescribed by the MMFLA and these rules.~~

~~—(7) A marihuana transporter shall hold a separate license for every marihuana transporter location. A marihuana transporter may travel through any municipality to transport a marihuana product. A marihuana transporter shall comply with all of the following:~~

~~—(a) The marihuana transporter may take physical custody of the marihuana or money, but legal custody belongs to the transferor or transferee.~~

~~—(b) A marihuana transporter shall not sell or purchase marihuana products.~~

~~—(c) A marihuana transporter shall transport any marihuana product in a locked, secured, and sealed container that is not accessible while in transit. The container must be secured by a locked closed lid or door, or sealed by tamper proof tape or equivalent provided the means of sealing the product would alert the receiving facility that the product had been tampered with at some point from the time it departed the shipping facility. A marihuana transporter of marihuana product from separate marihuana businesses shall not commingle the marihuana product. All marihuana products must be labeled in accordance with these rules and kept in separate compartments or containers within the main locked, secured, and sealed container. If the marihuana transporter transports money associated with the purchase or sale of marihuana product between businesses, the marihuana transporter shall lock the money in a sealed container kept separate from the marihuana product and only accessible to the licensee and its employees.~~

~~—(d) A marihuana transporter shall log and track all handling of money associated with the purchase or sale of marihuana between marihuana businesses. These records must be maintained and made available to the agency upon request.~~

~~—(e) A marihuana transporter shall have a route plan and manifest available for inspection by the agency to determine compliance with the acts and these rules. A copy of the route plan and manifest must be carried with the marihuana transporter during transport between marihuana businesses. A marihuana transporter is subject to administrative inspection by a law enforcement officer at any point during the transportation of marihuana product pursuant to these rules. A marihuana transporter shall carry a copy of a route plan and manifest in the transporting vehicle and shall present them to a law enforcement officer upon request.~~

~~—(f) A marihuana transporter shall not possess marihuana product that is not on a manifest.~~

~~—(g) A marihuana transporter shall follow the manifest.~~

~~—(h) A marihuana transporter shall store vehicles at its primary place of business. If a marihuana transporter stores a vehicle that does not contain marihuana or marihuana product at a location that is not its primary place of business, it shall indicate that in its business plan.~~

~~—(i) A marihuana transporter transferring marihuana product to a marihuana business shall remain onsite until the marihuana product is weighed and accepted or rejected before leaving the marihuana business.~~

~~—(j) A marihuana transporter shall not maintain custody of the marihuana product for more than 96 hours unless permission is otherwise sought and granted by the agency, which will be reviewed on a case-by-case basis.~~

~~—(k) A marihuana transporter shall identify and record all vehicles with the agency and have the required vehicle registration with the secretary of state as required under state law. A marihuana transporter's vehicles are subject to inspection at any time by the agency to determine compliance with the acts or these rules.~~

~~—(8) A laboratory shall comply with all of the following:~~

~~—(a) Provide written notice to the agency within 7 days of a laboratory manager no longer being employed at the facility.~~

- ~~—(b) Designate an interim laboratory manager within 7 days of the laboratory manager’s departure. The interim laboratory manager must meet either of the following requirements:~~
- ~~—(i) The interim laboratory manager must meet at least 1 of the qualifications for a laboratory manager.~~
- ~~—(ii) The interim laboratory manager must have, at minimum, a bachelor’s degree in 1 of the natural sciences and 3 years of full-time laboratory experience in a regulated laboratory environment, performing analytical scientific testing in which the testing methods were recognized by an accrediting body. A combination of education and experience may substitute for the 3 years of full-time laboratory experience.~~
- ~~—(c) Hire a permanent laboratory manager within 60 calendar days from the date of the previous laboratory manager’s departure, unless the laboratory receives a written waiver from the agency. A laboratory may submit a waiver request to the agency to receive an additional 60 calendar days to hire a permanent laboratory manager if the laboratory submits a detailed oversight plan along with the waiver request.~~
- ~~—(9) A marihuana sales location must have a separate room that is dedicated as the point of sale area for the transfer or sale of marihuana product as provided in the acts and these rules. The marihuana sales location shall keep marihuana products behind a counter or other barrier to ensure that a customer does not have direct access to the marihuana products. A marihuana sales location may also have a designated area for contactless or limited contact transactions.~~
- ~~—(10) A marihuana business shall label all marihuana products with the ingredients of the product, in descending order of predominance by weight.~~
- ~~—(11) All non-marihuana inactive ingredients must be clearly listed on the product label. Inactive ingredients, other than botanically derived flavonoids, terpenoids, and terpenes that are chemically identical to the terpenes derived from the plant *Cannabis sativa* L., must be approved by the FDA for the intended use, and the concentration must be less than the maximum concentration listed in the FDA Inactive Ingredient database for the intended use.~~
- ~~—(12) A marihuana business producing marihuana products shall maintain records of formulation and make them available to the agency upon request.~~
- ~~—(13) All ingredients containing cannabinoids, whether naturally occurring or synthetically derived, that are added to marihuana or marihuana products must be from a source licensed to grow, handle, and produce cannabinoids under a license issued by a governmental authority and entered into the statewide monitoring system.~~
- ~~—(14) When combining marihuana and marihuana product into another marihuana product, each form of marihuana and marihuana product being combined must have passing safety compliance test results in the statewide monitoring system prior to the creation of the new combined product.~~
- ~~—(15) A marihuana business shall comply with random compliance checks upon the request of the agency. The agency or its authorized agents may collect a random sample of a marihuana product from a marihuana business or designate a laboratory to collect a random sample of a marihuana product in a secure manner to test that sample for compliance.~~
- ~~—(16) The agency may update or issue new standards as necessary to protect the health, safety, and welfare of consumers and the public. A marihuana business shall comply with all new or updated standards issued by the agency within 6 months of their adoption by the agency unless there is an identifiable public health or safety risk.~~
- ~~—(17) A marihuana business transferring marihuana product to or receiving marihuana product from a marihuana transporter shall initiate the procedures to transfer or receive the marihuana product within 30 minutes of the marihuana transporter’s arrival at the marihuana business. (1) In~~

addition to the activities described in section 10(1)(c) of the MRMTA, MCL 333.27960, a marihuana secure transporter licensed under the MRTMA may also store and transport money associated with the purchase or sale of marihuana.

(2) A marihuana transporter shall do all of the following:

(a) Transport marihuana and money associated with the purchase or sale of marihuana in a motor vehicle as that term is defined in section 33 of the Michigan vehicle code, 1949 PA 300, MCL 257.33.

(b) Register all vehicles used to transport marihuana with the secretary of state as required under the Michigan vehicle code, MCL 257.1 to 257.923.

(c) Identify and record all vehicles used to transport marihuana with the agency.

(d) Ensure that each driver transporting marihuana has a chauffeur's license issued by the secretary of state.

(e) Operate each vehicle transporting marihuana with a 2-individual crew, with at least 1 individual remaining with the vehicle at all times during the transportation of marihuana.

(f) Store vehicles at its primary place of business. If a marihuana transporter stores a vehicle that does not contain marihuana at a location that is not its primary place of business, it shall indicate that in its business plan.

(g) Transport marihuana in a secured container that is not accessible while in transit. The container must be secured by a locked closed lid or door, or sealed by a tamper-proof tape that indicates if the marihuana had been tampered with during transport.

(h) Transport money associated with the purchase or sale of marihuana between businesses in a locked, secured, and sealed container maintained separate from marihuana and only accessible to the licensee and its employees.

(3) Before transporting marihuana, a marihuana transporter shall create a route plan and have a manifest. All of the following apply to the route plan and manifest:

(a) A marihuana transporter shall follow the route plan when transporting marihuana and only possess or transport marihuana that is included on the manifest.

(b) A marihuana transporter shall carry a copy of the route plan and manifest during transport between marihuana businesses and make the route plan and manifest available to the agency or law enforcement on request.

(4) A marihuana transporter may take physical custody of marihuana or money, but legal custody of the marihuana or money belongs to the person transferring or receiving the marihuana or money.

(5) A marihuana transporter shall not do any of the following:

(a) Transport marihuana to a registered qualifying patient or registered primary caregiver.

(b) Transport marihuana in a vehicle that bears markings or other indication that it is carrying marihuana.

(c) Comingle the marihuana if transporting marihuana from separate marihuana businesses.

(d) Maintain custody of the marihuana for more than 168 hours unless permission to maintain custody of marihuana for more than 168 hours is sought and granted by the agency. Requests under this subdivision will be reviewed on a case-by-case basis.

(6) A marihuana transporter may transfer marihuana to another marihuana transporter for the purpose of completing a transfer between marihuana establishments if all of the following requirements are met:

(a) The transfer of marihuana takes place at the licensed location of a marihuana transporter.

(b) The transfer of marihuana between marihuana transporters is on the manifest.

(c) The transfer of marihuana between marihuana transporters occurs as a result of a request by the marihuana establishment that has sent the product to another marihuana establishment. This subdivision does not apply if both marihuana transporter licenses are held by the same person.

R 420.206a ~~Standard operating procedures.~~ **Rescinded.**

~~Rule 6a. (1) A marihuana business must have up-to-date written standard operating procedures on site at all times.~~

~~(2) Standard operating procedures must be made available to the agency upon request.~~

~~(3) Standard operating procedures must detail the marihuana business operations and activities necessary for the marihuana business to comply with the acts and these rules.~~

~~(4) If the agency determines that any standard operating procedure contains inaccurate information or does not comply with these rules and safe food management guidelines, as applicable, the licensee may be required to correct the practice immediately and update the standard operating procedures within 1 business day.~~

R 420.207 ~~Marihuana delivery; limited circumstances~~ **Marihuana testing laboratories.**

~~Rule 7207. (1) A marihuana sales location licensee may engage in the delivery of a marihuana product for sale or transfer to marihuana customers upon approval by the agency of the licensee's delivery procedures.~~

~~(2) A marihuana sales location licensed under the MMFLA that engages in delivery shall establish procedures as specified in this rule to allow an employee of the marihuana sales location to deliver a marihuana product to a patient at the patient's residential address.~~

~~(3) A marihuana sales location licensed under the MRTMA that engages in delivery shall establish procedures as specified in this rule to allow an employee of the marihuana sales location to deliver a marihuana product to an individual 21 years of age or older at a residential address or at the address of a designated consumption establishment provided at the time the order was placed.~~

~~(4) All of the following apply to the marihuana delivery procedures established by a marihuana sales location:~~

~~(a) For the purposes of this rule only, a marihuana sales location may accept an online order request of a marihuana product and payment for the order that will be delivered only to the physical residence of the registered qualifying patient as provided in this rule, or to a residential address or the address of a designated consumption establishment provided by an individual 21 years of age or older as provided in this rule.~~

~~(b) The marihuana sales location shall create a marihuana delivery procedure that is subject to inspection and examination including, but not limited to, record keeping and tracking requirements. The agency may publish guidelines on the required procedure.~~

~~(c) All marihuana delivery employees shall meet the requirements in R 420.602 and are employees, as defined in R 420.601(1)(d), of the marihuana sales location.~~

~~(5) A marihuana sales location that has received authorization under subrule (1) of this rule shall comply with all of the following:~~

- ~~—(a) The marijuana sales location shall verify that the sale or transfer to marijuana customers is in accordance with these rules.~~
- ~~—(b) The marijuana delivery employee may take payment upon delivery and shall deliver the marijuana product.~~
- ~~—(c) The amount of marijuana product that may be delivered is limited to the daily and monthly purchase limits of the registered qualifying patient as provided in these rules; or to the single transaction purchase limits for individuals 21 years of age or older as provided in these rules.~~
- ~~—(d) The marijuana sales location shall record all transactions in the statewide monitoring system as required in the acts and these rules.~~
- ~~—(e) An employee of the marijuana sales location shall make marijuana deliveries only to 1 of the following:~~
 - ~~—(i) Subject to paragraph (ii) of this subdivision, a registered qualifying patient.~~
 - ~~—(ii) A registered primary caregiver if the registered qualifying patient is a minor. If the registered qualifying patient is a minor, delivery must be made only to his or her registered primary caregiver.~~
 - ~~—(iii) An individual 21 years of age or older.~~
- ~~—(f) A marijuana delivery employee shall verify that the person taking delivery is the registered qualifying patient or the registered primary caregiver of a registered qualifying patient who is a minor, who has been recorded in the statewide monitoring system, or the individual 21 years of age or older who placed the order.~~
- ~~—(g) The authorization granted to a marijuana sales location pursuant to subrule (1) of this rule may be denied, suspended, or withdrawn by the agency. The marijuana sales location may be subject to other sanctions and fines as provided in the acts and these rules.~~
- ~~—(6) A marijuana sales location shall maintain records of all of the following that must be made available to the agency upon request:~~
 - ~~—(a) For a marijuana sales location licensed under the MMFLA, confirmation that the marijuana customer presented his or her valid driver's license or government issued identification bearing a photographic image of the marijuana customer along with his or her marijuana registry card, or temporary marijuana registry card, to verify that he or she is the patient or, if the registered qualifying patient is a minor, the registered primary caregiver.~~
 - ~~—(b) For a marijuana sales location licensed under the MRTMA, confirmation that the marijuana customer presented his or her valid driver's license or government issued identification bearing a photographic image of the marijuana customer to verify that the marijuana customer is 21 years of age or older at the time of delivery.~~
 - ~~—(c) Validation that the address for marijuana delivery of a marijuana product is the residential address of the registered qualifying patient, or the residential address or address of a designated consumption establishment provided by the customer at the time the order for the marijuana product was placed.~~
 - ~~—(d) Maintenance of the following records for any motor vehicle used for marijuana delivery and the making of the records available to the agency upon request:~~
 - ~~—(i) Vehicle make.~~
 - ~~—(ii) Vehicle model.~~
 - ~~—(iii) Vehicle color.~~
 - ~~—(iv) Vehicle identification number.~~
 - ~~—(v) License plate number.~~
 - ~~—(vi) Vehicle registration.~~
 - ~~—(vii) Proof of vehicle insurance.~~

- ~~—(e) Documentation that the marihuana customer has consented to the marihuana delivery of the marihuana product. The consent must include an acknowledgement by the marihuana customer for the release of information necessary in fulfilling the home delivery.~~
- ~~—(f) Verification, by a licensee under the MMFLA, in the statewide monitoring system that the registered qualifying patient holds a valid, current, unexpired, and unrevoked registry identification card as required in these rules.~~
- ~~—(7) A marihuana delivery employee shall carry a physical or electronic copy of all of the following information and shall make these records available to the agency upon request:

 - ~~—(a) The employee identification number required under these rules.~~
 - ~~—(b) The marihuana sales location licensee license number.~~
 - ~~—(c) The address of the marihuana sales location licensee.~~
 - ~~—(d) Contact information of the marihuana sales location licensee.~~
 - ~~—(e) A copy of the marihuana sales location marihuana delivery log as required in subrule (13) of this rule.~~~~
- ~~—(8) A marihuana delivery employee shall have access to a secure form of communication with the marihuana sales location licensee, such as a cellular telephone, at all times in the vehicle or on his or her person.~~
- ~~—(9) A marihuana delivery employee shall comply with all the following:

 - ~~—(a) During marihuana delivery, the marihuana delivery employee shall maintain a physical or electronic copy of each marihuana delivery request and shall make the marihuana delivery request available to the agency upon request.~~
 - ~~—(b) A marihuana delivery employee shall not leave a marihuana product in an unattended motor vehicle unless the motor vehicle is locked and equipped with an active vehicle alarm system.~~
 - ~~—(c) A marihuana delivery employee's vehicle must contain a global positioning system (GPS) device for identifying the geographic location of the delivery vehicle. The device must be either permanently or temporarily affixed to the delivery vehicle while the delivery vehicle is in operation, and the device must remain active and in the possession of the delivery employee at all times during delivery. At all times, the marihuana sales location must be able to identify the geographic location of all marihuana delivery vehicles and marihuana delivery employees who are making marihuana deliveries for the marihuana sales location and shall provide that information to the agency upon request.~~
 - ~~—(d) A marihuana delivery employee shall not carry marihuana product in the delivery vehicle with a value in excess of \$5,000.00 at any time. The value of marihuana products carried in the delivery vehicle for which a delivery order was not received and processed by the licensed retailer prior to the delivery employee departing from the marihuana sales location may not exceed \$3,000.00. For the purposes of this subrule, the value of marihuana products must be determined using the current retail price of all marihuana products carried by, or within the delivery vehicle of, the marihuana delivery employee.~~
 - ~~—(e) A marihuana delivery employee of a marihuana sales location may not be employed as a marihuana delivery employee for more than 1 marihuana sales location.~~
 - ~~—(f) A marihuana delivery employee shall not leave the marihuana sales location with marihuana products without at least 1 delivery order that has already been received and processed by the marihuana sales location.~~
 - ~~—(g) Before leaving the marihuana sales location, the marihuana delivery employee must have a delivery inventory ledger, which may be maintained electronically, of all marihuana products~~~~

provided to him or her. For each marihuana product, the delivery inventory ledger must include the following:

- ~~—(i) The type of marihuana product.~~
- ~~—(ii) The brand name.~~
- ~~—(iii) The retail value.~~
- ~~—(iv) The tag number associated with the product in the statewide monitoring system.~~
- ~~—(v) The weight, volume, or other accurate measure of the marihuana product.~~
- ~~—(h) All marihuana product prepared for an order that was received and processed by the marihuana sales location prior to the marihuana delivery driver departing from the marihuana sales location must be clearly identified on the inventory ledger.~~
- ~~—(i) After each delivery, the delivery inventory ledger must be updated to reflect the current inventory in possession of the marihuana delivery employee.~~
- ~~—(j) The marihuana delivery employee shall maintain a log that includes all stops from the time he or she leaves the marihuana sales location to the time that he or she returns to the marihuana sales location, and the reason for each stop. The log must be turned in to the marihuana sales location when the marihuana delivery employee returns to the marihuana sales location. The marihuana sales location must maintain the log for a minimum of 1 year from the date of delivery and make it available upon request by the agency. The log may be maintained electronically.~~
- ~~—(k) Immediately upon request by the agency the marihuana delivery employee shall provide all of the following:~~
 - ~~—(i) All delivery inventory ledgers from the time the marihuana delivery employee left the marihuana sales location up to the time of the request.~~
 - ~~—(ii) All delivery request receipts for marihuana product carried by the driver, in the delivery vehicle, or any deliveries that have already been made to customers.~~
 - ~~—(iii) The log of all stops from the time the marihuana delivery employee left the marihuana sales location up to the time of the request.~~
- ~~—(l) If a marihuana delivery employee does not have any delivery request to be performed for a 30-minute period, the marihuana delivery employee shall not make any additional deliveries and shall return to the marihuana sales location. Upon returning to the marihuana sales location, all undelivered marihuana products must be returned to inventory and all necessary inventory and statewide monitoring system records must be updated as appropriate.~~
- ~~—(10) A marihuana retailer licensed under the MRTMA, in making deliveries, shall not transport more than 15 ounces of marihuana or more than 60 grams of marihuana concentrate at 1 time pursuant to section 11 of the MRTMA, MCL 333.27961.~~
- ~~—(11) A marihuana sales location shall ensure that marihuana deliveries are completed in a timely and efficient manner as provided on the marihuana delivery request and log. All marihuana deliveries must occur within the business hours of the marihuana sales location. Marihuana product for marihuana delivery must be stored within a secured compartment that is clearly marked and latched or locked in a manner to keep all contents secured within.~~
- ~~—(12) The process of marihuana delivery begins when the marihuana delivery employee leaves the marihuana sales location's licensed marihuana business with the marihuana product for delivery. The process of marihuana delivery ends when the delivery employee returns to the marihuana sales location's licensed marihuana business after delivering the marihuana product to the marihuana customer.~~
- ~~—(13) A marihuana sales location shall maintain a record of each delivery of a marihuana product in a marihuana delivery log, which may be a hard copy or electronic format, and make~~

~~the marihuana delivery log available to the agency upon request. For each delivery, the marihuana delivery log must record all of the following:~~

- ~~—(a) The date and time that the delivery began and ended.~~
- ~~—(b) The name of the marihuana delivery employee.~~
- ~~—(c) The amount of marihuana product allowed to be possessed for delivery.~~
- ~~—(d) The tag number of the marihuana product and the name of the strain of that marihuana product.~~
- ~~—(e) The signature of the individual who accepted delivery.~~

~~(14) A marihuana sales location shall notify the agency, state police, or local law enforcement of any theft, loss of marihuana product, or criminal activity as provided in these rules. A marihuana sales location shall report to the agency and law enforcement, if applicable, any other event occurring during marihuana delivery that violates the marihuana delivery procedure as provided in this rule, including marihuana delivery vehicle accidents and diversion of marihuana product.~~

(1) A marihuana testing laboratory shall perform sampling and testing in compliance with the requirements under part 5 of these rules.

(2) A marihuana testing laboratory shall be accredited by an entity approved by the agency not later than 1 year after the date the marihuana testing laboratory license is issued or has previously provided drug testing services to this state, or this state's court system, and be a vendor in good standing in regard to those services. The agency may grant a variance from this requirement on a finding that the variance is necessary to protect and preserve the public health, safety, or welfare.

(3) A marihuana testing laboratory shall be accredited for all required safety tests in at least 1 matrix to the international organization for standardization (ISO), ISO/IEC 17025:2017, by an international laboratory accreditation cooperation (ILAC) recognized accreditation body, or by an entity approved by the agency within 1 year after the date the marihuana testing laboratory license is issued. The marihuana testing laboratory shall request the accreditation body to send the inspections, reports, and all scope documents to the agency. The marihuana testing laboratory shall comply with the requirements of ISO/IEC 17025:2017 at all times.

(4) A marihuana testing laboratory that has not achieved accreditation as required under subrule (3) of this rule shall not perform safety compliance testing or research and development testing for a licensed marihuana establishment and shall not charge or collect a fee for testing performed until compliance with subrule (3) of this rule is demonstrated to the agency.

(5) A marihuana testing laboratory shall employ at least 1 laboratory manager with a relevant advanced degree in a medical or laboratory science who is responsible for all of the following duties:

- (a) Ensuring tests are conducted in accordance with part 5 of these rules.**
- (b) Ensuring test results are accurate and valid.**
- (c) Overseeing day-to-day operations.**
- (d) Validating information entered into the statewide monitoring system by the laboratory.**

(6) If a marihuana testing laboratory's only laboratory manager is no longer employed at the marihuana testing laboratory, the marihuana testing laboratory shall do all of the following:

- (a) Provide written notice to the agency within 7 days after the laboratory manager is no longer employed at the marihuana testing laboratory.**

(b) Designate an interim laboratory manager within 7 days after the marihuana testing laboratory manager's departure. If the interim laboratory manager does not meet the qualifications in subrule (5) of this rule, the interim laboratory manager shall have, at minimum, a bachelor's degree in 1 of the natural sciences and 3 years of full-time laboratory experience in a regulated laboratory environment, performing analytical scientific testing using testing methods that were recognized by an accrediting body. A combination of education and experience may substitute for the 3 years of full-time laboratory experience.

(c) Hire a permanent laboratory manager within 60 days after the date of the previous marihuana testing laboratory manager's departure. A marihuana testing laboratory may submit a waiver request and detailed oversight plan to the agency to receive an additional 60 days to hire a permanent laboratory manager. If the waiver request is approved, the marihuana testing laboratory has another 60 days to hire a permanent laboratory manager.

(7) A marihuana testing laboratory shall have a secured laboratory space that cannot be accessed by the general public.

(8) A marihuana testing laboratory may be co-located with an accredited analytical laboratory that is not licensed by the agency if all of the following criteria are met:

(a) The analytical laboratory performs analytical scientific testing in a laboratory environment, and the testing methods are recognized by an accrediting body.

(b) Testing of marihuana is performed separately from other materials.

(c) All marihuana is stored separately from other materials located at the site for testing.

(d) The agency approves the co-location.

(9) In addition to the activities described in section 10(1)(d) of the MRTMA, MCL 333.27960, a marihuana safety compliance facility licensed under the MRTMA may do both of the following:

(a) Receive and test industrial hemp.

(b) Receive marihuana from an individual 21 years of age or older and test the marihuana. The marihuana safety compliance facility shall verify the individual's age and retain documentation of the verification.

R 420.207a ~~Contactless and limited contact transactions~~ **Rescinded.**

~~Rule 7a. (1) A marihuana sales location may designate an area for contactless or limited contact transactions unless prohibited by an ordinance adopted by the municipality where the marihuana sales location is located.~~

~~(2) Contactless or limited contact transaction include, but are not limited to the following:~~

~~(a) Curbside service.~~

~~(b) Drive through window service.~~

~~(3) A marihuana sales location may accept online or telephonic orders for marihuana product and payment for the order that will be picked up at the marihuana sales location.~~

~~(4) The designated area for contactless or limited contact transactions must be identified in the marihuana business location plan.~~

~~(5) A marihuana sales location operating a contactless or limited contact transaction must have a written standard operating procedure in place and be made available to the agency upon request.~~

~~(6) Contactless or limited contact transactions must be completed during normal business hours.~~

~~(7) A marihuana sales location using a designated area for contactless or limited contact transactions must have in place an anti-theft policy, procedure, or automatic capability.~~

- ~~—(8) The designated area for contactless or limited contact transactions must comply with R 420.209.~~
- ~~—(9) The contactless and limited contact transaction must comply with R 420.505 and R 420.506.~~
- ~~—(10) Marihuana being transferred during a contactless or limited contact transaction must be in an opaque bag and the contents must not be visible to the general public upon pick up.~~

R 420.208 Building and fire safety **Producers.**

Rule 8208. ~~(1) An applicant's proposed marihuana business and a licensee's marihuana business are subject to inspection by a state building code official, state fire official, or code enforcement official to confirm that no health or safety concerns are present.~~

~~—(2) A state building code official, or his or her authorized designee, may conduct precensure and post licensure inspections to ensure that applicants and licensees comply with the Stille-DeRossett Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531; the skilled trades regulation act, 2016 PA 407, MCL 339.5101 to 339.6133; 1967 PA 227, MCL 408.801 to 408.824; and 1976 PA 333, MCL 338.2151 to 338.2160.~~

~~—(3) An applicant or licensee shall not operate a marihuana business unless a permanent certificate of occupancy has been issued by the appropriate enforcing agency. A temporary certificate of occupancy may be accepted, at the discretion of the agency. Before a certificate of occupancy is issued, work must be completed in accordance with the Stille-DeRossett Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531. An applicant or licensee shall comply with both of the following:~~

~~—(a) An applicant or licensee shall obtain a building permit for any building utilized as a proposed marihuana business or marihuana business as provided in the acts and these rules. The issuance, enforcement, and inspection of building permits under the acts remains with the governmental entity having jurisdiction under the Stille-DeRossett Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.~~

~~—(b) An applicant or licensee shall obtain a building permit for a change of occupancy for an existing building to be utilized as a proposed marihuana business or marihuana business as provided in the acts and these rules.~~

~~—(4) An applicant or licensee shall not operate a marihuana business unless the proposed marihuana business or marihuana business has passed the precensure fire safety inspection by the BFS. The state fire marshal, or his or her authorized designee, may conduct precensure and post-licensure inspections of a marihuana business. An applicant or licensee shall comply with all of the following:~~

~~—(a) A BFS inspection may be conducted at any reasonable time to ensure fire safety compliance. A BFS inspection may be annual or biannual and may result in the required installation of fire suppression devices or other means necessary for adequate fire safety pursuant to state standards.~~

~~—(b) The BFS may require a marihuana business to obtain operational permits, including, but not limited to, any of the following:~~

~~—(i) Carbon dioxide systems used in beverage dispensing applications, amended for cultivation use and extraction.~~

~~—(ii) Compressed gases.~~

~~—(iii) Combustible fibers.~~

~~—(iv) Flammable and combustible liquids.~~

~~—(v) Fumigation and insecticidal fogging.~~

- ~~—(vi) Hazardous materials.~~
- ~~—(vii) High piled storage (high rack system cultivation).~~
- ~~—(viii) Liquefied petroleum (LP) gas.~~
- ~~—(c) For specific installation or systems, BFS may require marijuana businesses to obtain construction permits, including, but not limited to, any of the following:~~
 - ~~—(i) Building construction.~~
 - ~~—(ii) Electrical, mechanical, plumbing, boiler, and elevator.~~
 - ~~—(iii) Compressed gases.~~
 - ~~—(iv) Flammable and combustible liquids.~~
 - ~~—(v) Hazardous materials.~~
 - ~~—(vi) Liquefied petroleum (LP) gas.~~
 - ~~—(vii) Automatic fire extinguishing/suppression systems.~~
 - ~~—(viii) Fire alarm and detections systems.~~
 - ~~—(ix) Related equipment found during fire safety inspections.~~
- ~~(5) The state fire marshal, or their authorized designee, may conduct a BFS fire safety inspection of a marijuana business, at any reasonable time to ensure compliance with the NFPA 1, 2021 edition, entitled “Fire Code,” which is adopted by reference in R 420.202. A licensee shall comply with the NFPA 1 as adopted and the following additional requirements:~~
 - ~~—(a) Ductwork must be installed in accordance with the Michigan mechanical code, R 408.30901 to R 408.30998.~~
 - ~~—(b) Suppression systems outlined in NFPA 1 and the Michigan mechanical code, R 408.30901 to R 408.30998, must be installed if required to meet the suppression needs within a marijuana establishment.~~
 - ~~—(c) Producers, cultivators, laboratories, marijuana microbusinesses, and class A marijuana microbusinesses shall implement appropriate exhaust ventilation systems to mitigate noxious gasses or other fumes used or created as part of any production process or operations. Exhaust and ventilation equipment must be appropriate for the hazard involved and must comply with NFPA 1 and Michigan mechanical code, R 408.30901 to R 408.30998.~~
- ~~(6) In addition to meeting all the requirements in subrules (1) to (5) of this rule, cultivators, producers, marijuana microbusinesses, class A marijuana microbusinesses, and designated consumption establishments shall also comply with all of the following:~~
 - ~~—(a) Permit the agency or its authorized agents, or state fire marshal or his or her authorized designee, to enter and inspect a cultivator, producer, marijuana microbusiness, class A marijuana microbusiness, and designated consumption establishments at any reasonable time.~~
 - ~~—(b) Have a fire safety inspection conducted, in addition to any inspections required under the acts and these rules, if any of the following occur:~~
 - ~~—(i) Modifications to the grow areas, rooms and storage, extraction equipment and process rooms, or marijuana-infused product processing equipment within a marijuana business.~~
 - ~~—(ii) Changes in occupancy.~~
 - ~~—(iii) Material changes to a new or existing cultivator, producer, marijuana microbusiness, class A marijuana microbusiness, or designated consumption establishment including changes made prelicensure and post-licensure.~~
 - ~~—(iv) Changes in extraction methods and processing or grow areas and building structures.~~
 - ~~—(c) Ensure that extractions using compressed gases of varying materials including, but not limited to, butane, propane, and carbon dioxide that are used in multiple processes in cultivation or extraction meet all of the following:~~

- ~~—(i) Flammable gases of varying materials may be used in multiple processes in cultivation or extraction and must meet the requirements in NFPA 58 and the international fuel gas code.~~
- ~~—(ii) Processes that extract oil from marihuana plants and marihuana products using flammable gas or flammable liquid must have leak or gas detection measures, or both. All extraction equipment used in the marihuana business and equipment used in the detection of flammable or toxic gases, or both, must be approved by the BFS and may require construction permits.~~
- ~~—(iii) Marihuana businesses that have exhaust systems must comply with the NFPA 1 and the Michigan mechanical code, R 408.30901 to R 408.30998.~~
- ~~—(7) The requirements of this rule do not apply to a marihuana event organizer applicant or licensee under the MRTMA.~~
- ~~—(8) An applicant for a temporary marihuana event is subject to review and inspection, if applicable, by BFS, which includes, but is not limited to, all of the following:~~
 - ~~—(a) A site plan must be provided. BFS shall review the site plan in accordance with the NFPA 1.~~
 - ~~—(b) The temporary marihuana event location may be subject to a physical inspection, as determined by the agency.~~
- (1) A producer shall give marihuana a new package tag if 1 or more of the following occurs:**
 - (a) The marihuana changes form, including into an intermediary product.**
 - (b) The marihuana is incorporated into a different product.**
 - (c) An ingredient is added to the marihuana.**
- (2) Except for a marihuana pre-roll that meets the requirements of R 420.401, a producer of marihuana in its final form shall have a sample tested as required in part 5 of these rules.**
- (3) A producer shall quarantine a production batch of marihuana from other marihuana if samples have been collected for testing under part 5 of these rules and the production batch has not yet passed full compliance testing. The quarantined marihuana may not be packaged, transferred, or sold until the marihuana passes all required testing.**
- (4) A producer of an edible marihuana product shall do all the following:**
 - (a) Store potentially hazardous ingredients used to process shelf-stable edible marihuana products at or below 40 degrees Fahrenheit.**
 - (b) Maintain and adhere to records of formulation that include, at minimum, the recipe for the edible marihuana product, additional processing documentation that demonstrates the product is shelf stable, and test results for all ingredients used to create the edible marihuana product.**
 - (c) Do 1 or both of the following:**
 - (i) Provide annual employee training on safe food handling for all employees involved in producing or handling edible marihuana products. A course taken pursuant to this subparagraph must be not less than 2 hours in length and cover all of the following subjects:**
 - (A) Causes of foodborne illness, highly susceptible populations, and worker illness.**
 - (B) Personal hygiene and food handling practices.**
 - (C) Approved sources of food.**
 - (D) Potentially hazardous foods and food temperatures.**
 - (E) Sanitization and chemical use.**
 - (F) Emergency procedures, including, but not limited to, fire, flood, and sewer backup.**
 - (G) Food allergens.**
 - (ii) Ensure that all employees involved in producing or handling edible marihuana products are certified under a program described in section 2129 of the food law, 2000 PA 92, MCL 289.2129.**

(d) Have an employee on site during the producer's hours of operation who is certified as a food protection manager by the American national standards institute (ANSI) national accreditation board.

(e) Maintain proof that each employee successfully completed the training or obtained certification required under subdivisions (c) and (d) of this subrule.

(5) A producer shall maintain adequate documentation that indicates the source, quality, and safety characteristics, as applicable, of all non-marihuana ingredients used in the manufacturing of a marihuana-infused product.

(6) A producer shall package and properly label marihuana-infused products before sale or transfer as required in part 6 of these rules.

(7) A producer shall create and maintain records of formulation for all marihuana-infused products processed by the producer. Records of formulation must include, at a minimum, all of the following:

(a) The recipe for the marihuana-infused product.

(b) The amount of marihuana used in creating the marihuana product.

(c) The amount of marihuana-infused product created.

(d) Standard operating procedures detailing the process used to manufacture the marihuana-infused product.

(8) A producer shall adhere to the records of formulation when manufacturing a marihuana-infused product.

R 420.209 Security measures; required plan; video surveillance system.

Rule ~~9209~~. (1) ~~An applicant for a marihuana license to operate a proposed marihuana business shall submit a security plan that demonstrates, at a minimum, the ability to meet~~ **A licensee shall create, maintain, and implement a security plan that meets** the requirements of this rule.

(2) A licensee shall ensure that ~~an individual any person at the marihuana business, except for an employees~~ **an individual** ~~employee of the licensee, are~~ **is** escorted at all times by the licensee or an employee of the licensee when ~~the individual is in thea limited-access areasarea and restricted access areas~~ at the marihuana business.

(3) A licensee shall securely lock the marihuana business, including ~~interior rooms as required by the agency, windows, and points of entry and exits, with commercial-grade, nonresidential door locks or other electronic or keypad access~~ **entrances, exits, windows, and interior rooms other than those listed in subdivisions (a) to (c) of this subrule, with commercial-grade, nonresidential door locks or electronic locks with keypad access.** Locks on doors that are required for egress must meet the requirements of NFPA 1, local fire codes, and ~~the Michigan building code, R 408.30401 to R 408.30499a.~~ **The following rooms do not require commercial-grade, nonresidential door locks or electronic locks with keypad access if the rooms do not contain marihuana, money, video surveillance storage media, chemicals, or solvents:**

(a) Break rooms.

(b) Offices, conference rooms, storage rooms, and closets.

(c) Bathrooms and locker rooms.

(4) A licensee shall maintain an **active** alarm system at the marihuana business. ~~Upon request, a licensee shall make available to the agency all information related to the alarm system, monitoring, and alarm activity.~~

(5) A licensee shall have a video surveillance system that, at a minimum, consists of digital or network video recorders, cameras capable of meeting the recording requirements in this rule, video monitors, digital archiving devices, and a color printer capable of ~~delivering~~**printing** still photos.

(6) A licensee shall ensure the video surveillance system does all the following:

(a) Records, at a minimum, **unobstructed views of all of** the following areas:

(i) ~~Any areas~~**Areas** where marihuana products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the marihuana business **may be present**.

(ii) ~~Limited access areas and security rooms. Transfers between rooms must be recorded.~~**An area containing a surveillance system storage device. At least 1 camera must record the access points to the area where the surveillance system storage device is located.**

(iii) ~~Areas storing a surveillance system storage device with not less than 1 camera recording the access points to the secured surveillance recording area~~**Entrances to and exits from the marihuana business, including those between marihuana businesses operating at the same location, from both indoor and outdoor vantage points.**

(iv) ~~The entrances and exits to the building, which must be recorded from both indoor and outdoor vantage points~~**Entrances and exits to each room at a marihuana business where marihuana may be present.**

(v) ~~The areas of entrance and exit between marihuana businesses at the same location if applicable, including any transfers between marihuana businesses~~**Areas outside of the marihuana business location that are within 20 feet of an entry and exit.**

~~(vi) Point of sale areas where marihuana products are sold and displayed for sale.~~

~~(vii) Areas where marihuana or marihuana products are destroyed.~~

(b) Records ~~images effectively and efficiently~~**video** of the area under surveillance with a minimum of 720p resolution.

(c) **Records when motion is detected at the marihuana business.**

(d) **Records video that clearly displays the time and date the video was recorded.**

(7) A licensee shall ensure that each camera is permanently mounted ~~and~~ in a fixed location. ~~Each camera must be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the marihuana business and allows for the clear and certain identification of any person, including facial features, and activities, including sales or transfers, in all areas required to be recorded under these rules.~~

(8) A licensee shall have sufficient lighting to meet the video surveillance system requirements of this rule.

~~(9) A licensee shall have cameras that record when motion is detected at the marihuana business and record images that clearly and accurately display the time and date.~~

~~(10) A licensee shall secure the physical media or storage device on which surveillance recordings are stored in a manner to protect~~**that protects** the recording from tampering or theft.

~~(11) A licensee shall keep~~**maintain** surveillance recordings for a minimum of 30 ~~calendar~~ days, ~~except in instances of investigation or inspection by the agency~~**unless the licensee is notified by the agency that the licensee shall retain surveillance recordings for longer than 30 days**, in which case the licensee shall retain the recordings until ~~the time~~ as the agency notifies the licensee that the recordings may be destroyed.

~~(12) Surveillance recordings of the licensee are subject to inspection by the agency and must be kept in a manner that allows the agency to view and obtain copies of the recordings at the marihuana business immediately upon request. The licensee shall also send or otherwise provide copies of the recordings to the agency upon request within the time specified by the agency.~~

(11) A licensee shall maintain surveillance recordings in a manner that allows the agency to view and obtain copies of the recordings immediately on request. If the agency requires a licensee to provide the agency with surveillance recordings, and if the licensee utilizes a surveillance system that includes cloud-based access to the system or cloud-based video storage capabilities, the licensee shall provide the agency with the ability to remotely download the required recordings from the licensee's video surveillance system.

~~(12)~~ A licensee shall maintain a video surveillance system equipped with a failure notification system that provides notification to the licensee of ~~any~~**an** interruption or failure of the video surveillance system or video surveillance system storage device.

~~(13)~~ A licensee shall maintain a log of the recordings, ~~which~~**that** includes all of the following:

(a) The identity of the employee or employees responsible for monitoring the video surveillance system.

(b) The identity of the employee who removed ~~any~~**any** recording from the video surveillance system storage device and the time and date **it was** removed.

(c) The identity of the employee who destroyed ~~any~~**any** recording.

~~(14)~~ The requirements of this rule do not apply to the following license types under the MRTMA:

(a) A designated consumption establishment applicant or licensee.

(b) A marihuana event organizer applicant or licensee.

(c) A temporary marihuana event applicant or licensee.

R 420.210 ~~Prohibitions~~ **Building and fire safety.**

~~Rule 10210. (1) Except for designated consumption establishments or temporary marihuana events licensed under the MRTMA, a marihuana business must not have marihuana products that are not identified and recorded in the statewide monitoring system pursuant to these rules. A licensee shall not transfer or sell a marihuana product that is not identified in the statewide monitoring system pursuant to these rules.~~

~~(2) Except for a designated consumption establishment or temporary marihuana event licensed under the MRTMA, a marihuana business must not have any marihuana product without a batch number or identification tag or label pursuant to these rules. A licensee shall immediately tag, identify, or record as part of a batch in the statewide monitoring system any marihuana product as provided in these rules.~~

~~(3) A licensee shall not reassign or subsequently assign a tag to another package that has been associated with a package in the statewide monitoring system.~~

~~(4) A licensee shall not allow a physician to conduct a medical examination or issue a medical certification document at a marihuana business for the purpose of obtaining a registry identification card.~~

~~(5) A violation of these rules may result in sanctions or fines, or both, in accordance with the acts and these rules.~~ **(1) An applicant's proposed marihuana business and a licensee's marihuana business are subject to inspection by a state building code official, state fire official, or code enforcement official to confirm that no health or safety concerns are present.**

(2) A state building code official, or the official's authorized designee, may conduct precensure and post-licensure inspections to ensure that applicants and licensees comply with the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501

to 125.1531; the skilled trades regulation act, 2016 PA 407, MCL 339.5101 to 339.6133; 1967 PA 227, MCL 408.801 to 408.824; and 1976 PA 333, MCL 338.2151 to 338.2160.

(3) A person shall not operate a marihuana business unless a permanent certificate of use and occupancy is issued by the appropriate enforcing agency. A temporary certificate of use and occupancy may be accepted at the discretion of the agency.

(4) An applicant or licensee shall not operate a marihuana business unless the proposed marihuana business or marihuana business has passed the preclosure fire safety inspection by the BFS. The state fire marshal, or the state fire marshal's authorized designee, may conduct preclosure and post-licensure inspections of a marihuana business. An applicant or licensee shall comply with all of the following:

(a) A BFS inspection may be conducted at any reasonable time to ensure fire safety compliance. A BFS inspection may be annual or biannual and may result in the required installation of fire suppression devices or other means necessary for adequate fire safety under state standards.

(b) The BFS may require a marihuana business to obtain operational permits, including, but not limited to, any of the following:

(i) Carbon dioxide systems used in beverage dispensing applications, amended for cultivation use and extraction.

(ii) Compressed gases.

(iii) Combustible fibers.

(iv) Flammable and combustible liquids.

(v) Fumigation and insecticidal fogging.

(vi) Hazardous materials.

(vii) High piled storage or high rack system cultivation.

(viii) Liquefied petroleum (LP) gas.

(c) For specific installation or systems, the BFS may require marihuana businesses to obtain construction permits, including, but not limited to, any of the following:

(i) Building construction.

(ii) Electrical, mechanical, plumbing, boiler, and elevator.

(iii) Compressed gases.

(iv) Flammable and combustible liquids.

(v) Hazardous materials.

(vi) Liquefied petroleum (LP) gas.

(vii) Automatic fire extinguishing or suppression systems.

(viii) Fire alarm and detections systems.

(ix) Related equipment found during fire safety inspections.

(5) The BFS may conduct a fire safety inspection of a marihuana business at any reasonable time to ensure compliance with the NFPA 1, 2021 edition, entitled "Fire Code," which is adopted by reference in R 420.2.

(6) Producers, cultivators, marihuana testing laboratories, marihuana microbusinesses, and class A marihuana microbusinesses shall install exhaust ventilation systems to mitigate noxious gasses or other fumes used or created as part of a production process or operations. Exhaust and ventilation equipment must be appropriate for the hazard involved and comply with NFPA 1 and R 408.30901 to R 408.30998.

(7) In addition to meeting all the requirements in subrules (1) to (6) of this rule, cultivators, producers, marihuana testing laboratories, marihuana microbusinesses, class A marihuana

microbusinesses, and designated consumption establishments shall also comply with both of the following:

(a) Allow the agency or its authorized agents, or the state fire marshal or the state fire marshal's authorized designee, to enter and inspect a cultivator, producer, marihuana testing laboratory, marihuana microbusiness, class A marihuana microbusiness, or designated consumption establishment at any reasonable time.

(b) Have a fire safety inspection conducted, in addition to inspections required under the acts and these rules, if any of the following occur:

(i) Modifications to the grow areas, rooms and storage, extraction equipment and process rooms, or marihuana-infused product processing equipment within a marihuana business.

(ii) Changes in occupancy.

(iii) Material changes to a new or existing cultivator, producer, marihuana microbusiness, class A marihuana microbusiness, or designated consumption establishment, including changes made prelicensure and post-licensure.

(iv) Changes in extraction methods and processing or grow areas and building structures.

(8) The requirements of this rule do not apply to a marihuana event organizer applicant or marihuana event organizer licensee.

R 420.211 Marihuana ~~product destruction~~ **disposal** and waste management.

Rule ~~420.211~~ (1) ~~A marihuana product~~ **Marihuana waste** that is to be destroyed or is considered waste must be rendered into an unusable and unrecognizable form through grinding or another method as determined by the agency that ~~incorporates~~ **combines** the marihuana ~~product~~ waste with 1 or more of the following types of non-consumable solid waste so that the resulting mixture is not ~~less~~ **more** than 50% ~~non-marihuana product~~ **marihuana** waste:

(a) Paper waste.

(b) Plastic waste.

(c) Cardboard waste.

(d) Food waste.

(e) Grease or other compostable oil waste.

(f) Fermented organic matter or other compost activators.

(g) Soil.

(h) Other waste approved in writing by the agency.

~~(2) Marihuana plant waste, including roots, stalks, leaves, and stems that have not been processed with a solvent must be rendered into an unusable and unrecognizable form through grinding or another method as determined by the agency that incorporates the marihuana plant waste with 1 or more of the following types of compostable waste so that the resulting mixture is not less than 50% non-marihuana plant waste:~~

~~(a) Food waste.~~

~~(b) Yard waste.~~

~~(c) Vegetable based grease or oils.~~

~~(d) Other compostable wastes approved by the agency.~~

~~(3) A~~ **(2) Notwithstanding other provisions in this rule, a licensee shall manage handle and dispose of all waste that is hazardous waste pursuant to** under part 111 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11101 to 324.11153.

~~(4) A marihuana product rendered unusable and unrecognizable and, therefore, considered waste, and marihuana plant waste must be recorded in the statewide monitoring system.~~

~~(53) A licensee shall not sell marihuana waste, or marihuana plant waste, or marihuana products that are to be destroyed, or that the agency orders destroyed to anyone other than a person that owns or operates a method of disposal under subrule (5) of this rule.~~

(4) Except as provided in subrule (6) of this rule, a licensee shall dispose of marihuana waste and marihuana plant waste in a secured waste receptacle. If the waste receptacle is located outside a building, doors, hatches, or lids that provide access to the contents of the waste receptacle must be secured with a lock at all times, except when the licensee or an employee of the licensee is placing waste in the waste receptacle. If the waste receptacle is located inside a building, doors, hatches, or lids that provide access to the contents of the waste receptacle must be secured with a lock at the end of the business day.

~~(65) Except as provided in subrule (6) of this rule, A licensee shall dispose of marihuana product waste and marihuana plant waste in a secured waste receptacle using 1 or more of the following methods that complies with applicable state and local laws and regulations:~~

~~(a) A licensed municipal solid waste landfill.~~

~~(b) A registered composting facility that has specific approval under part 115 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11501 to 324.11554~~**11587**, to accept the material.

~~(c) An anaerobic digester that has specific approval under part 115 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11501 to 324.11554~~**11587**, to accept the material.

~~(d) An in-state municipal solid waste or hazardous waste incinerator that has been permitted~~**allowed** under part 55 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5501 to 324.5542.

(6) A grower, with agency approval, may dispose of marihuana plant waste as compost feedstock or using another organic waste disposal method at their marihuana business location in compliance with part 111 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11101 to 324.11153.

(7) A licensee shall dispose of all marihuana waste and marihuana plant waste within 90 days after generating the marihuana waste or marihuana plant waste.

~~(7) A licensee shall dispose of wastewater generated during the cultivation of marihuana and the processing of marihuana products in a manner that complies with applicable state and local laws and regulations.~~

~~(8) A licensee shall maintain accurate and comprehensive records regarding marihuana product waste, and marihuana plant waste that accounts for, reconciles, and evidences all waste activity related to the disposal of marihuana waste and marihuana plant waste. The agency may publish guidance on marihuana product waste management.~~

~~(9) As used in this rule, "unrecognizable" means marihuana product rendered indistinguishable from any other plant material. A licensee may receive used vape cartridges and recycle the cartridges if the licensee disposes of perceptible marihuana waste inside the cartridges before recycling the cartridges. A licensee shall not reuse a used vape cartridge and shall only transfer a used vape cartridge for the purpose of disposing of the cartridge. Once a licensee disposes of perceptible marihuana waste inside the cartridge, the cartridge is no longer marihuana and is not subject to these rules.~~

~~(10) Under the MRMTA, a licensed marihuana microbusiness, class A marihuana microbusiness, or marihuana retailer who participates in a temporary marihuana event shall destroy and dispose of any marihuana product that is considered waste, and any marihuana plant waste, resulting from the licensee's activities during the event according to the applicable provisions in this rule.~~

~~(11) Except for the marihuana product waste specified in subrule (10) of this rule, a marihuana event organizer who holds a temporary marihuana event under the MRTMA is responsible for destroying and disposing of any marihuana product waste and marihuana plant waste that results from the event. All marihuana waste must be rendered unusable and unrecognizable and disposed of in accordance with this rule and in compliance with all applicable state and local laws and regulations.~~

~~(12) Under the MRMTA, a licensed designated consumption establishment shall destroy and dispose of any marihuana product left at the establishment that is considered waste and any marihuana plant waste, in accordance with this rule and in compliance with all applicable state and local laws and regulations. The designated consumption establishment shall maintain a log of any marihuana product that is considered waste, and marihuana plant waste, which must include a description of the waste and the amount and the manner in which it was disposed. The designated consumption establishment licensee shall make the log available to the agency upon request.~~

~~(13) Nothing in these rules prohibits a grower, with agency approval, from disposing of marihuana plant waste as compost feedstock or in another organic waste method at their marihuana business in compliance with part 111 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11101 to 324.11153.~~

R 420.212 Storage of marihuana product.

~~Rule 42212. (1) Except as provided in subrule (5) of this rule, All marihuana products at a marihuana business must be stored at a marihuana business in a secured-limited-access area or restricted access area and must be identified and tracked consistently in the statewide monitoring system under these rules.~~

~~(2) All containers used to store marihuana products for transfer or sale between marihuana businesses must be clearly marked, labeled, or tagged, if applicable, and enclosed on all sides in secured containers. The secured containers must be latched or locked in a manner to keep all contents secured within. Each secured container must be identified and tracked in accordance with the acts and these rules. The container must be secured by a locked closed lid or door, or sealed by a tamper-proof tape that indicates if the marihuana had been tampered with during transport.~~

~~(3) All chemicals, or solvents, and toxic or flammable materials must be maintained in closed containers and stored separately in separate storage areas from marihuana or materials used in direct contact with marihuana products and kept in a closed container in locked storage areas.~~

~~(4) Marihuana infused products, edible marihuana products, or materials used in direct contact with the marihuana infused products or edible marihuana products, must have separate storage areas from toxic or flammable materials.~~

~~(54) Marihuana products not in final packaging must be stored separately from other types of marihuana product in compliance with these rules.~~

~~(65) A marihuana sales location shall store all marihuana products for transfer or sale that is displayed for sale behind a counter or other barrier separated from stock rooms.~~

(6) All marihuana stored at a marihuana business must be identified and tracked in the statewide monitoring system.

~~-(7) A laboratory shall establish an adequate chain of custody and instructions for sample and storage requirements.~~

~~-(8) A licensee shall ensure that any stock or storage room meets the security requirements of these rules and any other applicable requirements in the acts and these rules.~~

R 420.213 ~~Marihuana microbusiness and class A marihuana microbusiness operation~~ Standard operating procedures.

~~Rule 13213. As applicable, a marihuana microbusiness and class A marihuana microbusiness licensee shall operate the corresponding areas of a marihuana microbusiness or class A marihuana microbusiness in compliance with the operation requirements of a marihuana retailer, a marihuana grower, or a marihuana processor as provided for in MRTMA and these rules. A marihuana microbusiness and class A marihuana microbusiness, if engaging in delivery, shall operate in accordance with R 420.207.~~ **(1) A licensee shall have up-to-date, written standard operating procedures on site at all times and follow the standard operating procedures when engaging in the operations and activities of the marihuana business.**

(2) Standard operating procedures must detail a marihuana business' operations and activities necessary for the marihuana business to comply with the acts and these rules.

(3) If the agency determines that a standard operating procedure contains inaccurate information or does not comply with these rules and safe food management guidelines, if applicable, the licensee may be required to correct the practice and update the standard operating procedures within a time frame directed by the agency.

(4) A licensee is responsible for creating and maintaining documentation that is sufficient to demonstrate that the licensee's operations and activities follow the licensee's standard operating procedures.

R 420.214 ~~Transfer of marihuana between equivalent licenses~~ Closed licenses.

~~Rule 14214. (1) The agency may authorize licensees who hold equivalent licenses under the MRTMA with common ownership to transfer marihuana product between the inventory of their marihuana facility and the inventory of their marihuana establishment.~~

~~-(2) The following licensees who hold the following equivalent licenses with common ownership may accept the transfer of medical marihuana product under subrule (1) of this rule:~~

~~-(a) Class A marihuana growers.~~

~~-(b) Class B marihuana growers.~~

~~-(c) Class C marihuana growers.~~

~~-(d) Marihuana processors.~~

~~-(e) Marihuana retailers.~~

~~-(3) The agency shall publish a specific start date, end date, and other requirements for the transfer of marihuana product between equivalent licenses.~~

~~-(4) A licensee shall transfer marihuana product between equivalent licenses with common ownership in accordance with these rules and any requirements published by the agency.~~

~~-(5) A licensee shall track the transfer of product between equivalent licenses with common ownership in the statewide monitoring system in accordance with these rules and any requirements~~

~~published by the agency. Marihuana plants transferred pursuant to this rule count towards the authorized total amount of marihuana plants for a licensed cultivator.~~

~~–(6) Marihuana product transferred to an equivalent license with common ownership may only be sold or transferred in accordance with the acts and these rules.~~

~~–(7) A licensee in receipt of transferred marihuana product shall track the marihuana product sold or transferred in accordance with these rules. A marihuana business shall ensure that no marihuana remains at the location of the marihuana business at the time the marihuana business' license is closed by doing 1 or both of the following:~~

~~(a) Transfer marihuana in the possession of the marihuana business to another marihuana business.~~

~~(b) Dispose of marihuana in the possession of the marihuana business and provide the agency with proof of disposal.~~

R 420.214a Internal analytical testing. Rescinded.

~~Rule 14a. (1) A licensee may designate a space to perform internal analytical testing on marihuana or a marihuana product grown or produced by the marihuana business, if all of the following are met:~~

~~–(a) The designated internal analytical testing space is fully partitioned from all other licensed activities at the marihuana business.~~

~~–(b) The designated internal analytical testing space complies with all of the requirements of R 420.209.~~

~~–(c) If a licensee with a designated space for internal analytical testing is co-located with another licensee, product from only 1 license may be in the designated space at a time.~~

~~–(d) Internal analytical testing may be performed only on a product grown, harvested, or processed by licensees under common ownership.~~

~~–(2) All marihuana or a marihuana product used for internal analytical testing must be identified, recorded, and tracked consistently in the statewide monitoring system.~~

~~–(3) All marihuana or a marihuana product used for internal analytical testing must have a batch number or an identification tag or label as assigned by the statewide monitoring system affixed to it.~~

~~–(4) No marihuana or marihuana product other than samples for testing may be stored in the internal analytical testing space.~~

~~–(5) Marihuana or a marihuana product that has undergone internal analytical testing must be disposed of in compliance with R 420.211.~~

~~–(6) Results of internal analytical testing may not be entered into the statewide monitoring system.~~

~~–(7) Any batch of marihuana or a marihuana product that has undergone internal analytical testing must undergo full safety compliance testing, with passing test results entered into the statewide monitoring system, prior to being sold or transferred.~~

~~–(8) Any batch of marihuana or a marihuana product that has undergone internal analytical testing must undergo full safety compliance testing, with failing test results entered into the statewide monitoring system, prior to making a request for remediation.~~

~~–(9) The results of internal analytical testing may not be used to label a product under R 420.504.~~

R 420.214b Adverse reactions. Rescinded.

~~Rule 14b. (1) A licensee shall notify the agency within 1 business day of becoming aware or within 1 business day of when the licensee should have been aware of any adverse reactions to a marihuana product sold or transferred by any licensee.~~

~~(2) A licensee shall enter into the statewide monitoring system within 1 business day of becoming aware of or within 1 business day of when the licensee should have been aware of any adverse reactions to a marihuana product sold or transferred by any licensee.~~

R 420.214c Product returns. Rescinded.

~~Rule 14c. (1) A marihuana sales location may accept the return of marihuana product that is reported to have caused an adverse reaction or is determined to be defective.~~

~~(2) A marihuana sales location must have a written policy for the return of marihuana product that contains, at a minimum, the following:~~

~~(a) Product returned to a marihuana sales location must be tracked consistently in the statewide monitoring system as waste in compliance with R 420.211.~~

~~(b) Product returned to a marihuana sales location must be destroyed in compliance with R 420.211 within 90 calendar days of when the marihuana business became aware of the fact that the product must be destroyed.~~

~~(c) Product returned to a marihuana sales location cannot be re-sold, re-packaged, or otherwise transferred to a customer or another marihuana business.~~

~~(d) Product returned to a marihuana sales location is prohibited from being returned to the marihuana sales location by way of a delivery driver.~~

~~(e) A marihuana sales location that does not comply with these rules may be subject to disciplinary proceedings.~~

~~(f) A marihuana retailer may return a marihuana product that is past its expiration date to the marihuana processor who produced the marihuana product for destruction instead of destroying the marihuana product.~~

R 420.215 Severability Internal analytical testing.

~~Rule 15215. If any rule or subrule of these rules, in whole or in part, is found to be invalid by a court of competent jurisdiction, such decision will not affect the validity of the remaining portion of these rules. (1) A marihuana business may perform internal analytical testing on marihuana grown or processed by that marihuana business.~~

(2) A marihuana business shall perform analytical testing under subrule (1) of this rule in a designated internal analytical testing space that meets all of the following requirements:

(a) The designated internal analytical testing space must be fully partitioned from all other licensed activities at the marihuana business.

(b) If a marihuana business with a designated space for internal analytical testing is operating at the same location as another marihuana business, marihuana from only 1 marihuana business must be in the designated internal analytical testing space at 1 time.

(c) No marihuana other than samples for testing may be stored in the internal analytical testing space.

(3) All marihuana used for internal analytical testing must have a batch number or tag affixed to it.

- (4) Marihuana that has undergone internal analytical testing must be disposed of in compliance with R 420.211.
- (5) Marihuana that has undergone internal analytical testing must pass full safety compliance testing before it can be sold or transferred.
- (6) Marihuana that has undergone internal analytical testing must undergo full safety compliance testing before making a request for remediation.
- (7) The results of internal analytical testing must not be included on the label required under R 420.405.

R 420.216 Transferring and transporting marihuana.

Rule 216. (1) A licensee shall use a marihuana transporter to transfer marihuana to another licensee, unless 1 of the following applies:

- (a) A cultivator is transferring seeds, seedlings, tissue cultures, or immature plants to another cultivator.
- (b) The licensee occupies the same location as the other licensee and the marihuana is transferred using only private real property without accessing public roadways.
- (c) The licensee is a marihuana testing laboratory and is collecting and transporting marihuana to or from another licensee for testing under part 5 of these rules.
- (d) The licensee is transferring trade samples to another licensee, if the total amount of the trade samples being transported does not exceed 15 ounces of marihuana. Of the 15 ounces, not more than 60 grams may be marihuana concentrate.

(2) A licensee licensed under the MRTMA shall use a marihuana secure transporter when transferring marihuana under this rule and a licensee licensed under the MMFLA shall use a secure transporter when transferring marihuana under this rule.

(3) A licensee transporting marihuana to or from the site of a temporary marihuana event shall use a marihuana secure transporter, unless the amount of marihuana being transported does not exceed 15 ounces of marihuana. Of the 15 ounces, not more than 60 grams may be marihuana concentrate.

(4) A marihuana business that transfers marihuana to another marihuana business, other than transfers to a marihuana testing laboratory for testing under part 5 of these rules, shall do all of the following:

- (a) Initiate the procedures to transfer marihuana to the other marihuana business within 30 minutes after the marihuana transporter's arrival at the marihuana business.
- (b) If transferring marihuana flower, weigh the marihuana flower not more than 48 hours before transferring the marihuana flower and, if necessary, adjust the quantity of marihuana flower being transferred to ensure that the weight of the marihuana flower being transferred is the same as the weight recorded in the statewide monitoring system. This subdivision does not apply to marihuana flower that is contained in a final package under R 420.404.

(5) A marihuana business that receives a transfer of marihuana from another marihuana business shall do all of the following:

- (a) Initiate the procedures to receive the marihuana from another marihuana business within 30 minutes after the marihuana transporter's arrival at the receiving marihuana business.

(b) Verify that the transfer of marihuana received from another marihuana business is accurate within 24 hours after receiving the shipment. A marihuana business may not reject a transfer more than 24 hours after receiving the shipment.

(6) If a transfer requires special approval from the agency, a marihuana business shall transfer the marihuana within 3 days after receiving approval from the agency.

R 420.217 Product returns.

Rule 217. (1) A marihuana sales location may accept the return of marihuana that is reported to have caused an adverse reaction, is determined to be defective, or is recalled.

(2) A marihuana delivery driver shall not accept marihuana to return to a marihuana sales location.

(3) Marihuana returned to a marihuana sales location must be disposed of as marihuana waste.

(4) A marihuana sales location may return marihuana that is past its expiration date to the producer from whom it obtained the marihuana for disposal.

R 420.218 Prohibitions.

Rule 218. (1) Except for marihuana in the possession of a marihuana customer at a designated consumption establishment or temporary marihuana event, a marihuana business shall not have marihuana at its marihuana business location that is not tagged and recorded in the statewide monitoring system.

(2) A marihuana business shall not transfer or sell marihuana that is not tagged and identified in the statewide monitoring system.

(3) If a tag is assigned to a package of marihuana, a marihuana business shall not reassign or subsequently assign that tag to another package of marihuana.

(4) A marihuana business shall not allow a physician to conduct a medical examination or issue a medical certification document at a marihuana business for the purpose of obtaining a registry identification card.

R 420.218a Prohibition on converting cannabinoids.

Rule 218a. (1) A marihuana business shall not convert a cannabinoid extracted from a cannabis plant into a different cannabinoid using a chemical reaction. This subrule does not prohibit producing a cannabinoid via decarboxylation of a naturally occurring acidic form of a cannabinoid into the corresponding neutral cannabinoid through the use of heat or light, if both of the following requirements are met:

(a) No chemical reagents or catalysts are used to produce the cannabinoid.

(b) No other chemical change occurs.

(2) A marihuana business shall not sell or transfer marihuana that contains a cannabinoid produced in violation of subrule (1) of this rule.

(3) A marihuana business shall dispose of marihuana produced in violation of subrule (1) of this rule.

R 420.219 Banned chemicals.

Rule 219. A cultivator or a producer shall not use a chemical or marihuana containing a chemical listed in table 4 of R 420.306a within the marihuana business location for any purpose.

R 420.220 Updating standards.

Rule 220. The agency may update or issue new standards as necessary to protect the health, safety, and welfare of marihuana customers and the public. A marihuana business shall comply with all new or updated standards issued by the agency within 6 months of their adoption by the agency unless there is an identifiable public health or safety risk.

R 420.221 Compliance with 21 CFR 117.

Rule 221. (1) A producer of an edible marihuana product shall comply with current good manufacturing practice, hazard analysis, and risk-based preventive controls for human food, 21 CFR part 117, subparts A and B.

(2) Not later than 1 year after the effective date of this rule, a marihuana business that possesses marihuana that is not sealed in a package shall comply with current good manufacturing practice, hazard analysis, and risk-based preventive controls for human food, 21 CFR part 117, subparts A and B. This subrule does not apply to designated consumption establishments or marihuana waste.

(3) Not later than 3 years after the effective date of this rule, a producer of an edible marihuana product shall comply with current good manufacturing practice, hazard analysis, and risk-based preventive controls for human food, 21 CFR part 117, subparts C, D, E, F and G.

~~DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS~~~~MARIJUANA REGULATORY AGENCY~~~~MARIJUANA~~ **PART 5. SAMPLING AND TESTING**

~~(By authority conferred on the executive director of the marijuana regulatory agency by section 206 of the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27206, sections 7 and 8 of the Michigan Regulation and Taxation of Marijuana Act, 2018 IL 1, MCL 333.27957 and 333.27958, and Executive Reorganization Order No. 2019-2, MCL 333.27001)~~

R 420.301 Definitions.

Rule 1301. (1) As used in ~~these rules~~ **this part:**

(a) ~~“Action limit” means the maximum permissible level of a contaminant in marihuana product allowable by the agency.~~

- ~~—(b) “Acts” refers to the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, and the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967, when applicable.~~
- ~~—(c) “Agency” means the marijuana regulatory agency.~~
- ~~—(d) “Batch” means all marihuana product of the same variety that has been processed together and exposed to substantially similar conditions throughout processing.~~
- ~~—(e) “Cultivator” refers to a grower under the medical marihuana facilities licensing act or a marihuana grower under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~—(f) “Employee” means, except as otherwise provided in these rules, a person performing work or service for compensation. “Employee” does not include an individual providing trade or professional services who is not normally engaged in the operation of a marihuana establishment.~~
- ~~—(g) “Final form” means the form a marihuana product is in when it is available for sale by a marihuana sales location not including consumer packaging. For marihuana products intended for inhalation, “final form” means the marihuana concentrate in an e-cigarette or a vaping device.~~
- ~~—(h) “Good agricultural collection practices” or “GACP GMP” means the World Health Organization’s or the American Herbal Products Association’s guidelines regarding the safety, efficacy, and sustainability of medicinal plant material being used in herbal medicines.~~
- ~~—(i) “Good manufacturing practices” or “GMP” means the Food and Drug Administration’s formal regulations regarding the design, monitoring, control, and maintenance of manufacturing processes and facilities. They are designed to ensure that products manufactured are to specific requirements including identity, strength, quality, and purity.~~
- ~~—(j) “Harvest batch” means a designated quantity of harvested marihuana, all of which is identical in strain and has been grown and harvested together and exposed to substantially similar conditions throughout cultivation.~~
- ~~—(k) “Immature plant” means a nonflowering marihuana plant that is no taller than 8 inches from the growing or cultivating medium and no wider than 8 inches produced from a cutting, clipping, tissue culture, or seedling that is in a growing or cultivating medium or in a growing or cultivating container.~~
- ~~—(l) “Inactive ingredients” means binding materials, dyes, preservatives, flavoring agents, and any other ingredient that is not derived from the plant *Cannabis sativa L.*~~
- ~~—(m) “Laboratory” refers to both a safety compliance facility under the medical marihuana facilities licensing act and a marihuana safety compliance facility under the Michigan Regulation and Taxation of Marihuana Act.~~
- ~~—(n) “Limit of quantitation” or “LOQ” means the minimum concentration or mass of an analyte in a given matrix that can be reported as a quantitative result.~~
- ~~—(o) “Marihuana business” refers to a marihuana facility under the medical marihuana facilities licensing act or a marihuana establishment under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~—(p) “Marihuana establishment” means a e a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter, marihuana designated consumption establishment, or any other type of marihuana-related business licensed by the agency under the Michigan Regulation and Taxation of Marihuana Act.~~
- ~~—(q) “Marihuana facility” means a location at which a licensee is licensed to operate under the medical marihuana facilities licensing act.~~

- ~~—(r) “Marihuana product” means marihuana or a marihuana-infused product, or both, as those terms are defined in the act unless otherwise provided for in these rules.~~
- ~~—(s) “Marihuana sales location” refers to a provisioning center under the medical marihuana facilities licensing act or a marihuana retailer under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~—(t) “Marihuana tracking act” means the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.~~
- ~~—(u) “Medical marihuana facilities licensing act” or “MMFLA” means the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.~~
- ~~—(v) “Michigan Regulation and Taxation of Marihuana Act” or “MRTMA” means the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.~~
- ~~—(w) “Package tag” means an RFID tag supplied through the statewide monitoring system for the purpose of identifying a package containing a marihuana product.~~
- ~~—(x) “Plant tag” means an RFID tag supplied through the statewide monitoring system for the purpose of identifying an individual marihuana plant.~~
- ~~—(y) “Pre-test” means to perform full compliance testing on samples, without reporting the results to the agency, and reporting results of subsequent testing to the agency.~~
- ~~—(z) “Proficiency test” means a test that determines the performance of individual laboratories for specific tests or measurements and is used to monitor laboratories’ performance.~~
- ~~—(aa) “Producer” refers to both a processor under the medical marihuana facilities licensing act and a marihuana processor under the Michigan Regulation and Taxation of Marihuana Act.~~
- ~~—(bb) “Production batch” means a designated quantity of marihuana product, all of which was processed together, is homogeneous, identical in color, flavor, and other characteristics, and was processed under similar conditions throughout processing.~~
- ~~—(cc) “These rules” means the administrative rules promulgated by the agency under the authority of the medical marihuana facilities licensing act, the marihuana tracking act, the Michigan Regulation and Taxation of Marihuana Act, and Executive Reorganization Order No. 2019-2, MCL 333.27001.~~
- ~~—(dd) “Tag” or “RFID tag” means the unique identification number or Radio Frequency Identification (RFID) issued to a licensee by the statewide monitoring system for tracking, identifying, and verifying marihuana plants, marihuana products, and packages of marihuana product in the statewide monitoring system.~~
- ~~—(ee) “Target analyte” means a non-marihuana inactive ingredient designated for analysis.~~
- ~~—(2) Terms defined in the acts have the same meanings when used in these rules unless otherwise indicated.~~
 - ~~(a) “Accuracy” means closeness of agreement between a measured quantity value and a true quantity value of a measure.~~
 - (b) “Action limit” means the maximum permissible level of contaminant in a marihuana product.**
 - (c) “Analyte” means a substance or chemical constituent that is of interest in an analytical procedure and is being identified or measured.**
 - (d) “Analytical selectivity” means the degree to which a method can quantify the analyte of interest in the presence of other analytes, matrices, or other potentially interfering materials.**
 - (e) “Analytical sensitivity” means the assay’s ability to detect very low concentrations of a given substance.**

(f) “Analytical testing batch” means a group of samples that are analyzed together on the same instrument on the same day and with the same quality control samples. For the purposes of analytical chemistries, an analytical testing batch is 20 samples plus the quality control elements.

(g) “Bias” means a measure of systematic or determinative error in an analytical method or process that is determined by assessing the percent recovery of spiked samples.

(h) “Calibration” means establishing a mathematical relationship between measured signals and known concentrations such that an unknown concentration can be calculated from a known signal.

(i) “Calibration range” means the range within which the mathematical relationship between the concentration and signal is established.

(j) “Chain of custody” means the chronological documentation showing the collection, custody, control, transfer, analysis, and disposition of a sample.

(k) “CFU/g” means colony forming units per gram.

(l) “Continuing calibration verification” means a standard analyzed during an analytical batch, at the end of an analytical batch, or both, to verify that the instrument response has not drifted from the initial calibration, that has been obtained from a different source than that of the calibration standards.

(m) “Initial calibration verification” means the analysis of a known standard from an independent source to confirm the calibration accuracy that has been obtained from a different source than that of the calibration standards.

(n) “Interfering substance” means a substance other than the analyte of interest that at the given concentration may cause a systematic error in the analytical result.

(o) “Laboratory fortified blank” or “LFB” means an aliquot of reagent water or other blank matrix to which known quantities of the method analytes and all the preservation compounds are added, which is processed and analyzed exactly like a sample for the purpose of determining whether the methodology is in control, and whether the marijuana testing laboratory is capable of making accurate and precise measurements.

(p) “Laboratory fortified matrix” means an additional portion of a marijuana sample, to which a known amount of an analyte of interest is added before sample preparation, that is used to evaluate analyte recovery in a sample matrix.

(q) “Laboratory fortified matrix duplicate” means a duplicate of the laboratory fortified matrix that is processed and analyzed in the same manner as all other samples, against which the laboratory fortified matrix can be compared to determine accuracy and repeatability.

(r) “Laboratory reagent blank” means a blank reagent sample to which all of the following apply:

(i) It is treated as a sample and subjected to the entire sample preparation process.

(ii) It has the same exposure to glassware, equipment, solvents, consumables, and other reagents used with analytical test samples.

(iii) It is used to identify potential contamination or interferences.

(s) “Limit of detection” or “LOD” means the lowest signal or lowest corresponding quantity to be determined or extracted from the signal that is observed with a sufficient degree of confidence and statistical significance and can be distinguished from background noise by a particular instrument.

(t) “Limit of quantitation” or “LOQ” means the minimum concentration at which the method imprecision exceeds 20%.

(u) “Marihuana product intended for inhalation” means marihuana concentrate that is intended to be inhaled using an electronic cigarette or vaping device.

(v) “Method detection limit” means the minimum concentration of a substance that can be measured and reported with 99% confidence that the analyte concentration is greater than zero and is determined from analysis of a sample in a target matrix containing the analyte.

(w) “Precision” means the closeness of agreement between indications or measured quantity values obtained by replicate measurements on the same or similar objects under specified conditions.

(x) “Proficiency test” means a test that determines the performance of a marihuana testing laboratory for specific tests or measurements and that is used to monitor a marihuana testing laboratory’s performance.

(y) “Relative percent difference” means the relative difference between 2 quantities across different measurements or samples that is determined by subtracting 1 measurement from the other, dividing by the average, and taking the absolute value of the difference, expressed as a percent.

(z) “Reportable range” means the range between the concentration of the highest standard tested that exhibits acceptable results for linearity, accuracy, and precision, and the lowest standard tested that exhibits acceptable results.

(aa) “Reporting limit” means a number below which data is not reported. The reporting limit must be statistically determined.

(bb) “Representative sample” means a sample taken in a statistically random fashion from different parts of a larger batch in which different properties of the batch are proportionally represented and that accurately represents the characteristics of the larger batch.

(cc) “Sample matrix” or “matrix” means the general physical-chemical composition of a sample other than the analytes of interest.

(dd) “Standard deviation” means a measure of the degree of agreement or precision among replicate analytes of a sample.

(ee) “Statistical outlier” means an observation or data point that appears to deviate markedly from other members of the population in which it occurs and that must be verified using an approved statistical method at the 1% significance level.

(ff) “Target analyte” means an analyte designated for analysis.

(gg) “Validation” means the process of demonstrating or confirming the performance characteristics of a method of analysis. Validation may include tests for accuracy, measurement range, the measurement of the uncertainty of the results, limit of detection, limit of quantification, linearity, repeatability, reproducibility, robustness against external influences, and cross-sensitivity against interference from the matrix of the sample robustness. Validation must include selectivity and specificity of a measurement method to fulfill specified requirements.

(hh) “Water activity” means the partial vapor pressure of water in a substance divided by the standard state partial vapor pressure of water.

R 420.302 ~~Adoption by reference~~ **Sampling; collection.**

Rule ~~2302~~. ~~—(1) The following codes, standards, or regulations of nationally recognized organizations or associations are adopted by reference in these rules:~~

~~—(a) AOAC International Official Methods of Analysis, 21st edition. Copies of the adopted provisions are available for inspection and distribution from the Association of Official Analytical Collaboration (AOAC) International, 2275 Research Boulevard, Suite 300, Rockville, Maryland, 20850, telephone number 1 800 379 2622, for the price of \$870.00.~~

~~—(b) National fire protection association (NFPA) standard 1, 2021 edition, entitled “Fire Code,” is adopted by reference as part of these rules. Copies of the adopted provisions are available for inspection and distribution from the National Fire Protection Association, 1 Batterymarch Park, P.O. Box 9101, Quincy, Massachusetts, 02169, telephone number 1 800 344 3555, for the price of \$114.50.~~

~~—(c) The International Organization for Standardization (ISO), ISO 22000 / ISO/TS 22002-1:2009, Food Safety Bundle, available for purchase at: <https://webstore.ansi.org/Standards/ISO/ISO22000TS22002FoodSafety>, for the price of \$275.00.~~

~~—(d) International Organization for Standardization (ISO), ISO/IEC 17025:2017, General Requirements for the Competence of Testing and Calibration Laboratories, available at: <https://webstore.ansi.org/RecordDetail.aspx?sku=ISO%2fIEC+17025%3a2017>, for the price of \$162.00.~~

~~—(e) International Organization for Standards (ISO), ISO/IEC 17065:2012, Conformity Assessment Requirements for Bodies Certifying Products, Processes and Services, available at: <https://webstore.ansi.org/Standards/ISO/ISOIEC170652012>, for the price of \$175.00.~~

~~—(f) International Organization for Standards (ISO), ISO/IEC 17043:2010, Conformity Assessment General Requirements for Proficiency Testing, available at: <https://webstore.ansi.org/Standards/ISO/ISOIEC170432010>, for the price of \$200.00.~~

~~—(2) The standards adopted in subrule (1)(a) to (d) of this rule are available for inspection and distribution at the agency, located at 2407 North Grand River Avenue, Lansing, Michigan, 48906. Copies of these standards may be obtained from the agency at the cost indicated in subrule (1)(a) to (d) of this rule, plus shipping and handling. **(1) Before collecting a sample under this rule, a marihuana testing laboratory shall develop a statistically valid sampling method to collect a representative sample from a harvest batch or production batch of marihuana and submit the method to the agency. The sampling method must be approved by the agency before a marihuana testing laboratory may collect samples.**~~

(2) A marihuana testing laboratory shall collect samples for testing using the method approved under subrule (1) of this rule.

(3) Before a marihuana testing laboratory collects a sample from a marihuana business, the marihuana business shall do either of the following:

(a) Weigh the harvest batch or production batch from which a sample is collected.

(b) Count the number of units of the production batch from which a sample will be collected.

(4) If the marihuana testing laboratory is collecting a sample of a marihuana-infused product, the marihuana business shall indicate to the marihuana testing laboratory employee the intended weight of a dose and THC content of the marihuana-infused product.

(5) A marihuana business shall provide a marihuana testing laboratory employee with access to the entire batch or units from which a sample will be collected. The marihuana testing laboratory employee shall verify that the weight or number of units determined under subrule (3) of this rule is the same as the weight or number of units recorded in the statewide monitoring system.

(6) The marihuana business shall make the entirety of a harvest batch or production batch available for sampling.

(7) A marihuana testing laboratory employee shall physically collect a representative sample of a harvest batch or production batch of marihuana that meets the requirements of R 420.303.

(8) An employee of the marihuana business from which the sample is being collected shall be physically present to observe the marihuana testing laboratory employee collect the sample throughout the entirety of the sample collection process.

(9) A marihuana business from which a sample is being collected shall not do any of the following:

(a) Direct a marihuana testing laboratory employee to take a pre-selected sample.

(b) Attempt to influence the marihuana testing laboratory employee to deviate from the marihuana testing laboratory's approved sampling method.

(c) Assist a marihuana testing laboratory employee in collecting a sample.

(d) Touch the marihuana or the sampling equipment while the marihuana testing laboratory employee is collecting a sample.

(e) Designate or indicate to the marihuana testing laboratory employee which portion of a sample should be used to perform a particular test.

(f) Interfere with a marihuana testing laboratory employee collecting a sample or attempt to prevent a marihuana testing laboratory from complying with the requirements of this rule.

(10) All sample collection must be conducted in view of a camera required under R 420.209. The marihuana business shall provide a marihuana testing laboratory employee collecting a sample with a location to collect samples that is within an unobstructed view of a camera. The marihuana testing laboratory employee shall collect samples in a way that the camera has an unobstructed view of the entire sample collection process.

(11) A marihuana testing laboratory shall not transfer a sample of marihuana collected for testing to anyone other than the following:

(a) The marihuana business from which the sample was collected.

(b) Another marihuana testing laboratory for the purpose of performing a test required under this part of these rules on a subcontracted basis.

(c) The agency, on request.

R 420.303 ~~Batch; identification and testing~~ Sample sizes.

~~Rule 3303. (1) A cultivator shall uniquely identify each immature plant batch with a single batch name and record the information in the statewide monitoring system. Each immature plant batch must consist of no more than 100 immature plants.~~

~~—(2) A cultivator shall tag each individual plant that is greater than 8 inches in height from the growing or cultivating medium or more than 8 inches in width with an individual plant tag and record the identification information in the statewide monitoring system.~~

~~—(3) A cultivator shall separate the plants as the plants go through different growth stages and ensure that the plant tag is always identified with the plant throughout the growing cycle so that all plants can be easily identified and inspected. A cultivator shall ensure that identification information is recorded in the statewide monitoring system in accordance with the acts, the marihuana tracking act, and these rules.~~

~~–(4) A cultivator shall destroy the individual plant tag prior to packaging. Once a tagged plant is harvested, it is part of a harvest batch so that a sample of the harvest batch can be tested by a licensed laboratory as provided in R 420.304 and R 420.305. A cultivator shall separate the harvest batch by product type and quarantine the harvested batch from all other marijuana and marijuana products when the marijuana batch has test results pending. A harvest batch must be easily distinguishable from other harvest batches until the batch is broken down into packages. A cultivator may not combine harvest batches.~~

~~–(5) Before the cultivator transfers or sells the marijuana product to a marijuana sales location, a sample of the harvest batch must be tested for all required safety tests by a licensed laboratory as provided in R 420.304 and R 420.305. All test results must indicate passed in the statewide monitoring system before the marijuana is packaged for sale. A marijuana product from harvest batches may not be transferred or sold until tested, packaged, and tagged as required under subrule (4) of this rule. A cultivator may not transfer or sell marijuana under this rule to a marijuana sales location if the package contains more than 1 harvest batch.~~

~~–(6) A cultivator may transfer or sell marijuana to a producer without first being tested by a laboratory if the marijuana product will be processed. After the producer has processed the material, the producer shall have the sample tested for all required safety tests pursuant to R 420.304 and R 420.305. A producer that received a package under this rule that has not been processed may transfer that package to another producer without having the package first tested by a laboratory for extraction.~~

~~–(7) After test results indicate a passed test for all required safety tests and the harvest batch is packaged, each package must have a package tag attached. A cultivator shall ensure this information is placed in the statewide monitoring system in accordance with the acts, the marijuana tracking act, and these rules.~~

~~–(8) A cultivator shall not transfer or sell any marijuana product that does not have a package tag attached and is not recorded in the statewide monitoring system in accordance with the acts, the marijuana tracking act, and these rules.~~ **(1) A marijuana testing laboratory shall collect a sample size that is sufficient to complete all required tests, but that is not less than the following:**

(a) For a marijuana concentrate, the marijuana testing laboratory shall take the following number of 0.25-gram sample increments based on the production batch size:

- (i) 12 increments for a production batch of 0.01 to 2 pounds.**
- (ii) 15 increments for a production batch of 2.01 to 3 pounds.**
- (iii) 18 increments for a production batch of 3.01 to 4 pounds.**
- (iv) 23 increments for a production batch of 4.01 to 10 pounds.**
- (v) 29 increments for a production batch greater than 10 pounds.**

(b) For a marijuana-infused product, the marijuana testing laboratory shall take the following number of units based on the production batch size:

- (i) 2 units for a production batch of up to 100 units.**
- (ii) 4 units for a production batch of 101 to 500 units.**
- (iii) 6 units for a production batch of 501 to 1,000 units.**
- (iv) 8 units for a production batch of 1001 to 5,000 units.**
- (v) 10 units for a production batch of 5,001 to 10,000 units.**
- (vi) 12 units for a production batch greater than 10,001 units.**

(c) For a harvest batch, the marijuana testing laboratory shall take not less than 0.5% of the weight of the harvest batch.

(2) A marihuana testing laboratory may collect additional samples for the purposes of completing the required tests under R 420.306.

~~R 420.303a Producer and sales location packaging and testing requirements. Rescinded.~~

~~—Rule 3a.—(1) A producer shall give a marihuana product a new package tag anytime the marihuana product changes form or is incorporated into a different product.~~

~~—(2) A producer of a marihuana product in its final form shall have the sample tested pursuant to R 420.304 and R 420.305. The producer shall quarantine products from all other products when the product has test results pending. The producer shall not transfer or sell a marihuana product to a marihuana sales location until after test results entered into the statewide monitoring system indicate a passed result for all required safety tests. Nothing in this subsection prohibits a producer from transferring or selling a package in accordance with the remediation protocol provided by the agency and these rules.~~

~~—(3) A marihuana sales location may sell or transfer a marihuana product only to a marihuana customer under both of the following conditions:~~

~~—(a) The marihuana product has received passing results for all required safety tests in the statewide monitoring system.~~

~~—(b) The marihuana product bears the label required under the acts and these rules for retail sale.~~

R. 420.304 Sampling; testing Samples; chain of custody and transportation.

~~Rule 4304. (1) A laboratory shall test samples as provided in the acts and these rules.~~

~~—(2) A laboratory shall collect samples of a marihuana product from another marihuana business, and that marihuana business shall not interfere or prevent the laboratory from complying with all of the following requirements:~~

~~—(a) The laboratory shall physically collect the sample of the marihuana product from another marihuana business to be tested at the laboratory. A laboratory shall comply with all the following:~~

~~—(i) The laboratory shall ensure that samples of the marihuana product are identified in the statewide monitoring system and placed in secured, sealed containers that bear the labeling required under these rules.~~

~~—(ii) The route plan and manifest must be entered into the statewide monitoring system, and a copy must be carried in the transporting vehicle and presented to a law enforcement officer upon request.~~

~~—(iii) The marihuana must be transported in 1 or more sealed containers and not be accessible while in transit.~~

~~—(iv) The vehicle a laboratory is using to transport samples of marihuana product must not bear markings or other indication that it is carrying marihuana or a marihuana-infused product.~~

~~—(b) Except otherwise required by the agency, the laboratory shall collect a sample size that is sufficient to complete all required analyses, and not less than 0.5% of the weight of the harvest batch.~~

~~—(c) The maximum harvest batch is 50 pounds. At least 50% of the sample taken must be homogenized for testing. The agency may publish sample sizes for marihuana products being tested.~~

~~—(d) For a marihuana concentrate a laboratory must take a sample increment of 0.25 grams. The laboratory must take the following number of increments based upon the production batch size:~~

- ~~—(i) 12 increments for a production batch of 1 to 2 pounds.~~
- ~~—(ii) 15 increments for a production batch of 2 to 3 pounds.~~
- ~~—(iii) 18 increments for a production batch of 3 to 4 pounds.~~
- ~~—(iv) 23 increments for a production batch of 4 to 10 pounds.~~
- ~~—(v) 29 increments for a production batch greater than 10 pounds.~~
- ~~—(e) For marihuana-infused products a laboratory must take the following number of units based upon the production batch size:~~
 - ~~—(i) 2 units for a production batch of up to 100 units.~~
 - ~~—(ii) 4 units for a production batch of 101 to 500 units.~~
 - ~~—(iii) 6 units for a production batch of 501 to 1000 units.~~
 - ~~—(iv) 8 units for a production batch of 1001 to 5000 units.~~
 - ~~—(v) 10 units for a production batch of 5001 to 10,000 units.~~
 - ~~—(vi) 12 units for a production batch greater than 10,001 units.~~
- ~~—(f) The laboratory shall develop a statistically valid sampling method and have it approved by the agency to collect a representative sample from each batch of marihuana product. The laboratory shall have access to the entire batch for the purposes of sampling.~~
- ~~—(g) An employee of the marihuana business from which marihuana product test samples are collected shall be physically present to observe the laboratory employee collect the sample of marihuana product for testing and shall ensure that the sample increments are taken from throughout the batch.~~
- ~~—(h) An employee of a marihuana business shall neither assist the laboratory employee nor touch the marihuana product or the sampling equipment while the laboratory employee is obtaining the sample.~~
- ~~—(i) After samples have been selected, both the employee of the marihuana business that had the samples collected and the employee from the laboratory shall sign and date the chain of custody form, attesting to the following sample information:~~
 - ~~—(i) Marihuana product name.~~
 - ~~—(ii) Weight of marihuana product.~~
 - ~~—(iii) All marihuana products and samples are correctly identified in the statewide monitoring system.~~
 - ~~—(iv) If the product test sample is obtained for a retest, the laboratory confirms that it is not accepting a product test sample that is prohibited from being retested.~~
- ~~—(j) A marihuana business shall enter in the statewide monitoring system the marihuana product test sample that is collected by a licensed laboratory, including the date and time the marihuana product is collected and transferred. The laboratory shall enter into the statewide monitoring system the test results within 3 business days of test completion.~~
- ~~—(k) If a testing sample is collected from a marihuana business for testing in the statewide monitoring system, that marihuana business shall quarantine the marihuana product that is undergoing the testing from any other marihuana product at the marihuana business. The quarantined marihuana product may not be packaged, transferred, or sold until passing test results are entered into the statewide monitoring system.~~
- ~~—(l) Any marihuana product that a laboratory collects for testing from a licensee under this rule may not be transferred or sold to any other marihuana business other than the licensee from whom the sample was collected. This provision does not apply to a laboratory that engages another laboratory to perform certain safety tests on a subcontracted basis.~~

~~—(m) A laboratory may collect additional sample material from the same licensee from which the original sample was collected for the purposes of completing the required safety tests as long as the requirements of this rule are met.~~

~~—(n) The agency may publish guidance that must be followed by marihuana businesses for chain of custody documentation.~~ **(1) After a sample is collected under R 420.302, a marihuana testing laboratory employee shall complete a chain-of-custody form that includes all of the following information:**

(a) The name of the harvest batch or production batch from which the sample was collected.

(b) One of the following:

(i) The weight of the harvest batch or production batch from which the sample was collected.

(ii) The number of units in the production batch from which the sample was collected.

(c) An attestation that all of the following are true:

(i) The production batch or harvest batch and sample have been correctly entered into the statewide monitoring system.

(ii) The tag for the sample is correctly associated with the tag for the harvest batch or production batch from which the sample was collected.

(iii) The tests to be performed on the sample are agreed on and verified by the marihuana business and marihuana testing laboratory.

(iv) If the sample is collected for a retest, the harvest batch or production batch from which the sample was collected is not ineligible for a retest.

(d) The number of containers collected.

(e) The weight of the sample collected.

(f) The weight of the sample that was tested.

(2) A marihuana testing laboratory employee and an employee from the marihuana business shall sign and date the chain of custody form.

(3) A marihuana testing laboratory employee shall place the sample in a secured container that is not accessible while in transit. The container must be secured by a locked closed lid or door, or sealed by a tamper-proof tape that indicates if the sample had been tampered with during transport.

(4) Before transporting a sample, a marihuana testing laboratory shall create a route plan and manifest. All of the following apply to the route plan and manifest:

(a) A marihuana testing laboratory employee shall follow the route plan when transporting marihuana.

(b) A marihuana testing laboratory employee shall only possess or transport marihuana that is included on the manifest.

(c) A marihuana testing laboratory employee shall carry a copy of the route plan and manifest while transporting marihuana.

(5) A marihuana testing laboratory shall not transport a sample of marihuana in a vehicle that bears markings that indicate that marihuana is being transported in the vehicle.

R. 420.305 Testing; laboratory requirements.

Rule 5305. ~~(1) A laboratory shall become accredited for all required safety tests in at least 1 matrix to the International Organization for Standardization (ISO), ISO/IEC 17025:2017, by an~~

~~International Laboratory Accreditation Cooperation (ILAC) recognized accreditation body or by an entity approved by the agency within 1 year after the date the laboratory license is issued and agree to have the inspections, reports, and all scope documents sent to the agency.~~

~~(2) A laboratory shall use analytical testing methodologies for the required safety tests in subrule (3) of this rule that are based upon published peer-reviewed methods, have been validated for cannabis testing by an independent third party, and have been internally verified by the licensed laboratory according to Appendix J or K of Official Methods of Analysis authored by the Association of Official Analytical Collaboration (AOAC) International, with guidance from published cannabis standard method performance requirements where available. In the absence of published, peer-reviewed, validated cannabis methods, method validation requirements of Appendix J or K of Official Methods of Analysis authored by the Association of Official Analytical Collaboration (AOAC) International must be met in full with guidance from published cannabis standard method performance requirements where available. The agency may monitor a laboratories analytical testing methodologies on an ongoing basis.~~

~~(3) A laboratory shall conduct the required safety tests specified in subdivisions (a) to (i) of this subrule on marijuana product that is part of the harvest batch or production batch as specified in R 420.303, except as provided in subrule (4) of this rule. The minimum testing portions to be used in compliance testing shall be consistent with the testing portions used during method validation. The agency may publish a guide indicating which of the following safety tests are required based on product type when the marijuana product has changed form:~~

~~—(a) Potency analysis. All of the following apply to a potency analysis under this subdivision:~~

~~—(i) In the preparation of samples intended for potency analysis, the laboratory may not adulterate or attempt to manipulate the total potency of the sample by any means, including by the addition of trichomes that were removed during the grinding and homogenization process.~~

~~—(ii) All flower material used for potency testing must be representative of the product used by the end consumer and homogenized in such a way that it is representative of the way a consumer would be using the product. Kief must not be reintroduced to the flower sample during the homogenization process, unless fully validated to Appendix K of Official Methods of Analysis authored by the Association of Official Analytical Collaboration (AOAC) International.~~

~~—(iii) Potency analysis performed just as the marijuana product is without any corrective factor taken for moisture content that includes concentrations of the following:~~

~~—(A) Total tetrahydrocannabinol (THC), including reporting all cannabinoids that can be tested for using a method that meets the requirements of subrule 2 of this rule.~~

~~—(B) Tetrahydrocannabinolic acid (THC-A).~~

~~—(C) Total cannabidiol (CBD) including reporting all cannabinoids that can be tested for using a method that meets the requirements of subrule 2 of this rule.~~

~~—(D) Cannabidiolic acid (CBD-A).~~

~~—(E) Additional cannabinoids, which may be tested with approval from the agency.~~

~~—(b) Inspection for foreign matter including powdery mildew, organic, and inorganic material.~~

~~—(c) Microbial screening including an optimized incubation period for all non-molecular automated systems methods and all plating-based methods used to report quantitative total yeast and mold results.~~

~~—(d) Chemical residue testing performed for the list of banned chemical residues and the required LOQs published by the agency.~~

~~—(e) Heavy metals testing as required in this rule.~~

- ~~—(f) Residual solvents for production batches of marihuana infused products and edible marihuana products. The agency shall publish a list of required residual solvents to be tested for and their action limits.~~
- ~~—(g) Water activity.~~
- ~~—(h) Mycotoxin screening if requested by the agency.~~
- ~~—(i) Target analytes if requested by the agency. The agency shall publish a list of required target analytes to be tested for and their LOQs.~~
- ~~—(4) All marihuana producers may become certified to GMP by a body accredited under ISO 17065. This accreditation may enable the licensee certain allowances with testing. The agency will publish those allowances and information on how to obtain approval for allowances. The standard used for certification for GMP must be American National Standards Institute (ANSI) accredited or equivalent.~~
- ~~—(5) All marihuana cultivators may become certified to GACP-GMP by a body accredited under ISO 17065. This accreditation may enable the licensee certain allowances with testing. The agency will publish these allowances and information on how to obtain approval for allowances. The standard used for certification for GACP-GMP must be World Health Organization and American Herbal Products Association or equivalent.~~
- ~~—(6) Except as otherwise provided in R 420.306, if a sample collected pursuant to R 420.304 or provided to a laboratory pursuant to these rules does not pass the required safety tests, the marihuana business that provided the sample shall destroy the entire batch from which the sample was taken and document the destruction of the sample using the statewide monitoring system pursuant to the acts and these rules within 90 calendar days.~~
- ~~—(7) A laboratory shall conduct residual solvent testing on batches of marihuana concentrates and marihuana infused products. The agency shall publish a list of required residual solvents to be tested for and their action limits.~~
- ~~—(8) A laboratory shall maintain any marihuana samples for at least 30 calendar days after test completion and destroy the resulting waste in accordance with R 420.209.~~
- ~~—(9) Potency shall include the following cannabinoid concentrations listed in subdivisions (a) to (f) of this subrule, subject to subdivisions (g) and (h) of this subrule:~~
 - ~~—(a) Total THC concentration.~~
 - ~~—(b) THC-A concentration.~~
 - ~~—(c) The following calculation must be used for calculating Total THC, where Σ is the sum and M is the mass or mass fraction of each THC isomer being reported or THC-A:~~
~~— $M \Sigma \text{ THC} + (0.877 \times M \Sigma \text{ THC-A}) = \text{Total THC}$~~
 - ~~—(d) Total CBD concentration.~~
 - ~~—(e) CBD-A concentration.~~
 - ~~—(f) Total CBD. The following calculation must be used for calculating Total CBD, where M is the mass or mass fraction of CBD and CBD-A:~~
~~— $M \text{ total CBD} = M \text{ CBD} + 0.877 \times M \text{ CBD-A}$~~
- ~~—(g) For marihuana and marihuana concentrates, total THC and total CBD must be reported in percentages.~~
- ~~—(h) For marihuana infused products, potency must be reported as milligrams of Total THC and Total CBD per gram.~~
- ~~—(10) The agency shall publish a list of action limits for the required safety tests in subrule (3) of this rule, except for potency. A marihuana sample with a value that exceeds the published action limit is a failed sample. A marihuana sample that is at or below the action limit is a passing sample.~~

- ~~–(11) For chemical residue and target analyte testing, the agency shall publish a list of quantification levels. Any result that exceeds the action limit is a failed sample.~~
- ~~–(12) If a sample provided to a laboratory pursuant to this rule and R 420.304 passes the safety tests required under subrule (3) of this rule, the laboratory shall enter the information in the statewide monitoring system of passed test results within 3 business days of test completion. Passed test results must be in the statewide monitoring system for a batch to be released for immediate processing, packaging, and labeling for transfer or sale in accordance with the acts and these rules.~~
- ~~–(13) A laboratory shall enter the results into the statewide monitoring system and file with the agency within 3 business days of test completion.~~
- ~~–(14) All laboratories shall participate in the proficiency testing program established by the agency. A laboratory shall analyze proficiency test samples from any ISO 17043 accredited vendor on an annual basis unless the agency requests additional testing. The proficiency testing provider shall be accredited for all relevant tests required by the agency and by an accreditation body recognized under the International Laboratory Accreditation Cooperation (ILAC). All testing must use the same procedures with the same number of replicates, standards, testing analysts, and equipment as used for marijuana product testing. A laboratory shall successfully analyze 1 set of proficiency testing samples for all required analytes not less than annually. A laboratory shall have all proficiency testing results submitted directly to the agency from the vendor for review. All failed proficiency tests must include corrective action documentation and must be repeated until the laboratory obtains an acceptable result for all analytes proficiency test. Proficiency tests must be externally graded and results must be reported numerically and not as pass or fail results for all quantitative methods.~~
- ~~–(15) The agency shall take immediate disciplinary action against any laboratory that falsifies records or does not comply with the provisions of this rule, including sanctions or fines, or both.~~
- ~~–(16) A laboratory shall not do any of the following:
 - ~~–(a) Desiccate samples.~~
 - ~~–(b) Pre-test samples.~~
 - ~~–(c) Select the best or most desirable material from a batch for testing. All sample increments must have the same chances of being selected.~~
 - ~~–(d) Manipulate samples in any way that would alter the sample integrity or homogeneity of the sample.~~~~
- ~~–(17) A laboratory shall comply with random compliance checks at the request of the agency. The agency or its authorized agents may collect a random sample of a marijuana product from a laboratory or designate another laboratory to collect a random sample of a marijuana product in a secure manner to test that sample for compliance pursuant to these rules.~~
- ~~–(18) A laboratory may perform terpene analysis on a marijuana product by a method approved by the agency, and the method must be accredited on the same frequency as all required safety tests.~~
- ~~–(19) A laboratory shall comply with investigations to ensure the health and safety of the public. At the request of the agency, a laboratory may be requested to perform testing as part of an investigation.~~
- ~~–(20) The agency may request mycotoxin testing. A marijuana sample with a value that exceeds the published acceptable level is a failed sample. A marijuana sample that is below the acceptable value is a passing sample.~~

~~—(21) Marihuana-infused products found to contain Salmonella spp. or Shiga toxin-producing E. coli (STEC) must be reported to the agency, in a separate written communication, at the same time as the safety compliance test results are entered into the statewide monitoring system.—(1) A marihuana testing laboratory shall perform the tests under this part of these rules using only testing methods that meet the requirements under R 420.310.~~

(2) For each test performed on marihuana under this part of these rules, a marihuana testing laboratory shall do all of the following:

(a) Perform the test on a representative sample of marihuana.

(b) Homogenize not less than 50% of the sample and use only the homogenized portion of the sample for all tests performed on a sample, except for an analysis for foreign matter performed under R 420.306b.

(c) Report the results of the test in the statewide monitoring system and on a certificate of analysis. The results must include all of the following:

(i) An indication of whether the sample passed the test by indicating “pass” or “fail” as determined by the action limits in R 420.306a.

(ii) The quantities of the substance for which the test was performed in parts per million (ppm) to a number of significant digits determined from the measurement uncertainty, unless otherwise specified by the agency.

(iii) If analytes were detected below the analytical method limit of quantitation, the numerical limit of quantitation and indicate “<LOQ.”

(d) Maintain the sample on which a test was performed for not less than 30 days after the test was completed and dispose of the sample in accordance with the requirements in R 420.211.

(3) A marihuana testing laboratory shall not do any of the following:

(a) Adulterate or alter, or attempt to adulterate or alter, a sample of marihuana used to perform a test under this part of these rules.

(b) Falsify test results or other records.

(c) Manipulate equipment, materials, or processes used to perform tests in a way that causes or is intended to cause a test result to be inaccurate.

(d) Desiccate samples.

(e) Perform a test without reporting the results in the statewide monitoring system.

(f) Manipulate samples in a way that would alter the sample integrity or homogeneity of the sample.

(g) Deviate from the standard operating procedures that have been approved by the CRA for a testing method that meets the requirements of R 420.310 when performing tests under this part of these rules, unless the deviation has been approved by the agency.

R 420.305a ~~Validations. Rescinded.~~

~~Rule 5a. (1) All validations must be submitted to the agency for approval with an acceptable proficiency test that meets the standards in R 420.305(14), where all required analytes are shown to have passed.~~

~~—(2) Laboratories shall use microbial testing methodologies for the required safety tests in R 420.305 that are sourced from published peer reviewed methods, have been validated for cannabis testing by an independent third party, and have been internally verified by the licensed laboratory according to Appendix J of Official Methods of Analysis authored by the Association of Official~~

Analytical Collaboration (AOAC) International, with guidance from published cannabis standard method performance requirements where available. In the absence of published, peer reviewed, validated cannabis methods, Appendix J of Official Methods of Analysis authored by the Association of Official Analytical Collaboration must be met in full with guidance from the cannabis standard method performance requirements where available. The agency shall approve the validated methodology used by the laboratory and confirm that it produces scientifically accurate results for each safety test it conducts. The agency may monitor a laboratory's microbial methodologies on an ongoing basis. All of the following apply to validated methodologies under this rule:

- (a) All validations must be submitted to the agency for approval with an acceptable and graded external proficiency test by a third party, where all required analytes are shown to have passed.
- (b) Validation protocols should perform inoculation of marijuana matrices with live organisms where feasible to ensure that both extraction and detection for the assay are tested. To further test the accuracy of the assay, probability of detection (POD) analyses, inclusivity, exclusivity, lot to lot stability, and robustness studies must be included in the validation studies.
- (c) Methods adopted from a matrix specific standard method, inclusivity and exclusivity do not require a comprehensive reassessment, provided that there were no modifications to the methods, including, but not limited to, all of the following:
 - (i) Referenced media.
 - (ii) Primers.
 - (iii) Probes.
 - (iv) Antibodies.
 - (v) Critical chemistries that were not modified.
- (d) Microbial methods must include environmental monitoring and quality control of all buffers, media, primers, and incubators.

R 420.305b Quality assurance and quality control. Rescinded.

- Rule 5b. (1) A laboratory must have a procedure for monitoring the validity of results.
- (2) This monitoring must occur on an ongoing basis and be reviewed by the laboratory manager. The monitoring must include all of the following:
- (a) Use of reference materials or quality control materials.
 - (b) A functional check or checks of measuring and testing equipment.
 - (c) Use of working standards and verification with control charts, where applicable.
 - (d) Intermediate checks on measuring equipment.
 - (e) Review of reported results.
 - (f) Intra-laboratory comparisons, which involve proficiency testing.
- (3) A laboratory shall adhere to all required quality control procedures specified in the reference method or methods to ensure that routinely generated analytical data is scientifically valid and defensible and is of known and acceptable precision and accuracy.
- (4) A laboratory shall have a written quality assurance manual that includes, but is not limited to, all of the following items:
- (a) Laboratory organization and responsibilities.
 - (c) Field sampling procedures.
 - (d) Instrument and equipment preventative maintenance and calibration procedures.
 - (e) Data reduction, validation, reporting, and verification.

Terpene	√	√	√	√				√		
Foreign Matter	√		√	√		√	√	√	√	√
Microbial	√		√	√		√	√	√	√	√
Mycotoxin	√	√	√	√	√	√	√		√	√
Water Activity	√					√				√
Heavy Metals	√	√	√	√	√	√	√	√	√	√
Residual Solvent Test		√		√	√	√	√	√	√	√
Chemical Residue (Pesticides)	√	√	√	√	√	√	√	√	√	√
Vitamin E Acetate/MCT/Target Analytes		√			√					
pH								√		
Conversion Testing		√	√	√	√					√

^a Extraction using ice water, rosin press, or dry ice.

^b Moonrock, caviar joint, infused pre-roll, tarantula etc.

^c Not required for non-edible marijuana product or beverages.

(3) In addition to the tests required in subrule (1) of this rule, if a sample fails a microbial screen due to a level of aspergillus that exceeds the action limit in R 420.306a(3), the marijuana testing laboratory shall perform mycotoxin testing on the sample.

(4) If a marijuana testing laboratory is performing a retest on marijuana, the marijuana testing laboratory shall perform all tests on a test panel that includes an analyte for which a previous test returned a failing result.

(5) The agency may ban or otherwise limit the presence of a substance not included in this part if scientific evidence indicates the substance presents an imminent danger to the health of a marijuana consumer. The agency may require additional tests to detect the presence of a substance under this subrule.

R 420.306a Action limits; limits of quantitation.

Rule 306a. (1) The residual solvents for which marijuana must be tested and the action limits for those residual solvents are listed in table 1.

TABLE 1: RESIDUAL SOLVENTS

Residual Solvent	Chemical abstract service (CAS) registry number	Action limit for inhalable products (ppm)	Action limit for non-inhalable products (ppm)
1,2-Dichloroethane	107-06-2	2	5
Acetone	67-64-1	750	5,000
Acetonitrile	75-05-8	60	410
Benzene	71-43-2	1	2
Butanes (all isomers)*	106-97-8	800	5,000
Chloroform	67-66-3	2	60
Ethanol	64-17-5	1,000	5,000
Ethyl acetate	141-78-6	400	5,000
Ethyl ether	60-29-7	500	5,000
Ethylene oxide	75-21-8	5	50
Heptane	142-82-5	500	5,000
Hexanes (all isomers)^	110-54-3	50	290
Isopropyl alcohol	67-63-0	500	5,000
Methanol	67-56-1	250	3,000
Methylene chloride	75-09-2	125	600
Pentanes (all isomers)+	109-66-0	750	5,000
Propane	74-98-6	2,100	5,000
Trichloroethylene	79-01-6	25.0	80
Toluene	108-88-3	150	890
Total xylenes (ortho-, meta-, para-)	1330-20-7	150	2,170

* Butane isomers include 2-methylpropane or isobutane CAS Number 75-28-5.

^ Hexane isomers 2,2-Dimethylbutane CAS number: 75-83-2, 2,3-Dimethylbutane CAS number: 79-29-8, 2-Methylpentane CAS Number: 107-83-5, 3-Methylpentane CAS Number: 96-14-0.

+ Pentane isomers include isopentane (methylbutane) CAS number: 78-78-4 & neopentane (dimethylpropane) CAS number: 463-82-1 Y.

(2) The heavy metals for which marijuana must be tested and the action limits for those heavy metals are listed in table 2. The limit of quantitation for heavy metals must be half of the action limit.

TABLE 2: HEAVY METALS

Element	Chemical Abstract Service (CAS) Registry Number	Action limit for inhalable marijuana flower (ppm)	Action limit for inhalable marijuana concentrates (ppm)	Action limit for non-inhalable products (ppm)
Lead	7439-92-1	1.0	0.5	0.50
Inorganic arsenic	7440-38-2	0.4	0.2	1.5
Mercury	7439-97-6	0.2	0.1	3.0
Cadmium	7440-43-9	0.4	0.2	0.5

Total chromium	18540-29-9	1.2	0.6	2.0
Nickel	7440-02-0	1.0	0.5	Not required
Copper*	744-50-8	Not required	3.0⁺	Not required

* Copper is required for vaping products only.

(3) The microbials for which marihuana must be tested and the action limits for those microbials are listed in table 3.

TABLE 3: MICROBIALS

Microbial	Bud, shake/trim, and kief (CFU/g)	Marihuana-infused product (CFU/g)
Total yeast and mold count (medical marihuana)	10,000	10,000
Total yeast and mold count (adult-use marihuana)	100,000	10,000
Total coliforms	1,000	100
Shiga toxin-producing E. coli (STEC)	Not detected in 25 grams of edible marihuana product, 10 grams of flower, or 5 grams of concentrate	
Pathogenic salmonella spp.		
Aspergillus flavus, fumigatus, niger & terreus		

(4) The banned chemicals for which marihuana must be tested and the action limits for those banned chemicals are listed in table 4.

TABLE 4: BANNED CHEMICALS

Compound	CAS number	Action limit (ppm)	LOQ (ppm)
Abamectin	71751-41-2	0.5	0.25
Acephate	30560-19-1	0.4	0.2
Acequinocyl	57960-19-7	2	1
Acetamiprid	135410-20-7	0.2	0.1
Aldicarb	116-06-3	0.4	0.2
Azoxystrobin	131860-33-8	0.2	0.1
Bifenazate	149877-41-8	0.2	0.1
Bifenthrin	82657-04-3	0.2	0.1
Boscalid	188425-85-6	0.4	0.2
Carbaryl	63-25-2	0.2	0.1
Carbofuran	1563-66-2	0.2	0.1
Chlorantraniliprole	500008-45-7	0.2	0.1
Chlorfenapyr	122453-73-0	1	0.5
Chlorpyrifos	2921-88-2	0.2	0.1
Clofentezine	74115-24-5	0.2	0.1
Cyfluthrin	68359-37-5	1	0.5

Cypermethrin	52315-07-8	1	0.5
Daminozide	1596-84-5	1	0.5
DDVP (Dichlorvos)	62-73-7	1	0.5
Diazinon	333-41-5	0.2	0.1
Dimethoate	60-51-5	0.2	0.1
Ethoprophos	13194-48-4	0.2	0.1
Etofenprox	80844-07-1	0.4	0.2
Etoxazole	153233-91-1	0.2	0.1
Fenoxycarb	72490-01-8	0.2	0.1
Fenpyroximate	134098-61-6	0.4	0.2
Fipronil	120068-37-3	0.4	0.2
Flonicamid	158062-67-0	1	0.5
Fludioxonil	131341-86-1	0.4	0.2
Hexythiazox	78587-05-0	1	0.5
Imazalil	35554-44-0	0.2	0.1
Imidacloprid	138261-41-3	0.4	0.2
Kresoxim-methyl	143390-89-0	0.4	0.2
Malathion	121-75-5	0.2	0.1
Metalaxyl	57837-19-1	0.2	0.1
Methiocarb	2032-65-7	0.2	0.1
Methomyl	16752-77-5	0.4	0.2
Methyl parathion	298-00-0	0.2	0.1
MGK-264	113-48-4	0.2	0.1
Myclobutanil	88671-89-0	0.2	0.1
Naled	300-76-5	0.5	0.25
Oxamyl	23135-22-0	1	0.5
Paclobutrazol	76738-62-0	0.4	0.2
Permethrins*	52645-53-1	0.2	0.1
Prallethrin	23031-36-9	0.2	0.1
Phosmet	732-11-6	0.2	0.1
Propiconazole	60207-90-1	0.4	0.2
Propoxur	114-26-1	0.2	0.1
Pyridaben	96489-71-3	0.2	0.1
Pyrethrins+	8003-34-7	1	0.5
Spinosad	168316-95-8	0.2	0.1
Spiromesifen	283594-90-1	0.2	0.1
Spirotetramat	203313-25-1	0.2	0.1
Spiroxamine	118134-30-8	0.4	0.2
Tebuconazole	80443-41-0	0.4	0.2
Thiacloprid	111988-49-9	0.2	0.1
Thiamethoxam	153719-23-4	0.2	0.1
Trifloxystrobin	141517-21-7	0.2	0.1

* Permethrins should be measured as cumulative residue of cis- and trans-permethrin isomers (CAS numbers 54774-45-7 and 51877-74-8).

+ Pyrethrins should be measured as the cumulative residues of pyrethrin 1, cinerin 1 and jasmolin 1 (CAS numbers 121-21-1, 25402-06-6, and 4466-14-2 respectively).

(5) The target analytes for which marihuana must be tested and the action limits for those analytes are listed in table 5.

TABLE 5: ANALYTES

Target analyte	(CAS) number	Action limit (ppm)	LOQ (ppm)
Vitamin E acetate	58-95-7	100	50
Squalene	111-02-4	100	50
Squalane	111-01-3	100	50
Medium chain triglycerides			
Glycerol tricaprionate (C6)	621-70-5	100	50
Glycerol tricaprilate (C8)	538-23-8	100	50
Glycerol tricaprinate (C10)	621-71-6	100	50
Glycerol trilaurate (C12)	538-24-9	100	50
Propylene glycol	57-55-6	100	50

(6) The list of mycotoxins for which marihuana must be tested and the accepted detection limits for those mycotoxins are listed in table 6.

TABLE 6: MYCOTOXINS

Mycotoxin	(CAS) Number	Action limit (ppb)	LOQ (ppb)
Aflatoxin B1	1162-65-8	20	10
Aflatoxin B2	7220-81-7	20	10
Aflatoxin G1	1165-39-5	20	10
Aflatoxin G2	7241-98-7	20	10
Ochratoxin A	303-47-9	20	10

(7) The action limits for water activity (a_w) are listed in table 7.

TABLE 7: WATER ACTIVITY

Marihuana product	Action limit (a_w)
Marihuana other than an edible marihuana product	0.65
Edible marihuana product	0.85

(8) The list of terpenes for which marihuana must be tested are listed in table 8.

TABLE 8: TERPENES

Terpene	Required Testing
Alpha-Bisabolol	Quantitative
Alpha-Humulene	

Alpha-Pinene	
Alpha-Terpinene	
Beta-Caryophyllene	
Beta-Myrcene	
Beta-Pinene	
Caryophyllene Oxide	
Eucalyptol	
Limonene	
Linalool	
Nerolidol	
Phytol	

(9) The list of cannabinoids for which marijuana must be tested for conversion testing are listed in table 9.

Table 9: SYNTHETIC OR CHEMICALLY CONVERTED CANNABINOIDS

Cannabinoid	(CAS) Number	Action Limit (%wt/w)	LOQ (%wt/wt)
Δ 8-tetrahydrocannabinol (Δ 8-THC)	5957-75-5	0.3	0.25
Δ 8-iso-tetrahydrocannabinol (Δ 8-iso-THC)	23050-47-7	0.3	0.25
Δ 4(8)-iso-tetrahydrocannabinol (Δ 4(8)-iso-THC)	23050-59-1	0.3	0.25
(\pm)-cis- Δ 9-tetrahydrocannabinol ((\pm)-cis- Δ 9-THC)	6087-73-6	0.3	0.25
Δ 10-tetrahydrocannabinol (Δ 10-THC)	95588-87-7	0.3	0.25

(10) A test result with a value that exceeds the action limit is a failed test. A test result that is at or below the action limit is a passing sample.

R 420.306b Analysis for foreign matter.

Rule 306b. (1) A marijuana testing laboratory shall perform foreign matter testing before all other testing except microbial testing.

(2) Sample material remaining after foreign matter testing can be used for all other chemical testing except microbial testing.

(3) A marijuana testing laboratory shall perform foreign matter testing on not less than 30% of the representative sample, either by weight in grams or of the total lot, of intact buds and marijuana flower material before grinding or milling the sample. In the case of marijuana flower, the 30% must come from separate, intact buds.

(4) All of the following apply to foreign matter analysis:

(a) The buds must be separated into not less than 10 increments. The results from the test of each increment may be averaged together to determine the total foreign matter contamination.

(b) Dissection of nodes must be done whenever physically possible. If the dissection of distinct nodes is deemed impractical due to the small and compact nature of the buds, commonly known as popcorn buds, the buds must be examined in their entirety and additionally cut in half to observe the inside of the buds.

(c) When testing marihuana trim, kief, marihuana concentrate, or a marihuana-infused product, the calculation used by the marihuana testing laboratory to determine 30% of the sample must be included in the standard operating procedure for performing the test.

(d) Quantitation of foreign matter must be done as a total surface area calculation. The calculation used by the marihuana testing laboratory to determine quantified filth must be included in the standard operating procedure for performing the test.

(5) If a sample fails a test for foreign matter, the marihuana testing laboratory shall include a note in the statewide monitoring system and on the certificate of analysis listing all contaminants identified in the sample.

(6) A marihuana testing laboratory that performs foreign matter testing shall do all of the following:

(a) Develop a procedure and associated training documents for the identification of powdery mildew, pests, mold and other foreign material that requires agency approval before testing. The training document must include a reference text for common cannabis contaminants.

(b) Examine both the exterior and interior of the sample on both high-power magnification of not less than and low power magnification of between 30x and 40x.

(c) Dissect the material while viewing under a microscope.

(d) Perform all quantitation on high power magnification.

(e) Develop a qualitative grading scale to report test results. The qualitative grading scale must clearly indicate which qualification or qualifications indicate a failed test result.

(f) Document all failure photographically.

(7) The action limit for crude marihuana is not more than 5% of stems and not more than 2% of other foreign matter.

(8) For purposes of foreign matter testing, inorganic matter includes material that would not normally be found on a living organism, including, but not limited to, any of the following:

(a) Glass.

(b) Metal shavings.

(c) Synthetic fibers.

(9) The presence of inorganic matter on a marihuana plant, marihuana concentrate, or a marihuana-infused product results in a failure of the foreign matter test.

R 420.306c Homogeneity testing.

Rule 306c. (1) Each dose or serving must be tested as a separate sample.

(2) Not less than 10 doses, servings, or increments must be sampled and tested at random.

(3) The weight of the test sample and concentration of each cannabinoid must be recorded in the test results along with the intended weight of each dose.

- (4) A sample has passed homogeneity testing only if it meets both of the following:
- (a) The weight of each dose, serving, or increment does not vary by more than 15% from the weight of another serving included in a single package.
 - (b) The concentration of each of the following cannabinoids in a serving does not vary by more than 15% from the concentration of that cannabinoid in another serving included in a single package:
 - (i) Total THC.
 - (ii) Tetrahydrocannabinolic acid (THC-A).
 - (iii) Total CBD.
 - (iv) Cannabidiolic acid (CBD-A).
- (5) The variation of the weight and concentration of a cannabinoid in a single package must be determined by first calculating the standard deviation among samples and then calculating the relative standard deviation for weight of the serving and concentration of the cannabinoid.
- (6) The standard deviation of weight and concentration of a cannabinoid can be calculated using the following formula, where SD is standard deviation:

$$SD = \sqrt{\frac{(\text{sample1} - \text{mean})^2 + (\text{sample2} - \text{mean})^2, \dots, (\text{sample10} - \text{mean})^2}{\text{total number of samples} - 1}}$$

- (7) The relative standard deviation is calculated using the following formula, where SD means standard deviation and RSD means relative standard deviation:

$$RSD = \frac{SD}{\text{mean}} \times 100$$

R 420.306d Potency analysis.

Rule 306d. (1) All of the following apply to a potency analysis required in R 420.306:

- (a) A marijuana testing laboratory shall not adulterate or attempt to manipulate the total potency of a sample by any means, including use of a corrective factor for moisture content or adding trichomes that were removed during the grinding and homogenization process.
- (b) A sample must be tested as collected without introducing substances or materials that were not a part of the original sample and without reintroducing a material that may have originally been a part of the representative sample, but has for any reason been separated from the representative sample in such a way that would result in non-homogeneity to a part of the test batch.
- (c) Marijuana used for potency testing must be representative of the marijuana used by the consumer and homogenous with the remainder of the harvest batch or production batch.
- (d) Independent Calibration Verifications must be within 5% of the expected concentration of THC.

(2) Potency includes the concentrations of the following cannabinoids:

- (a) Total THC.
- (b) THC-A.
- (c) Total CBD.
- (d) CBD-A.

(3) The following calculation must be used for calculating total THC, where Σ is the sum and M is the mass or mass fraction of each THC isomer being reported or THC-A:

$M \Sigma \text{THC} + (0.877 \times M \Sigma \text{THC-A}) = \text{Total THC}$.

(4) The following calculation must be used for calculating total CBD, where M is the mass or mass fraction of CBD and CBD-A: $M \text{ total CBD} = M \text{ CBD} + 0.877 \times M \text{ CBD-A}$.

(5) For marijuana flower and marijuana concentrates, total THC and total CBD must be reported in percentages.

(6) For marijuana-infused products, potency must be reported as milligrams of total THC and total CBD per gram.

(7) A marijuana testing laboratory shall establish a limit of quantitation in compliance with appendix K of Official Methods of Analysis published by the AOAC with guidance from the cannabis standard method performance requirements where available.

(8) A cultivator or producer shall inform the marijuana testing laboratory of the serving and dosage size for the marijuana product from which the sample was collected. The marijuana testing laboratory shall use the information provided by the cultivator or producer at the time the sample was collected. If a product is sampled as an individual serving or dosage, the cultivator or producer shall report total THC by serving or dose. Potency must be reported as a percent and by weight in milligrams of THC.

R 420.306e Minimum test portions.

Rule 306e. (1) A marijuana testing laboratory shall test a sample size that is not less than the following:

- (a) For a test to determine the cannabinoid profile, .5 grams.
- (b) For all tests to determine microbial contamination, 25 grams of an edible marijuana product, 10 grams of raw plant material, and 5 grams of concentrate per test for all of the following:
 - (i) Total yeast and mold.
 - (ii) Total coliforms.
 - (iii) Aspergillus.
 - (iv) Salmonella.
 - (v) STEC.
- (c) For a test to assess the presence of residual solvents, .25 grams.
- (d) For a test to assess the presence of heavy metals, .5 grams.
- (e) For a test to determine the presence of foreign material, 30% of the total representative sample of intact buds and marijuana flower material before grinding or milling.
- (f) For an analysis of chemical residues, .5 grams.
- (g) For an analysis of mycotoxins, .5 grams.
- (h) For an analysis of vitamin E, 2.0 grams.
- (i) For an analysis of medium chain triglycerides, 2.0 grams.
- (j) For an analysis of terpenes, .5 grams.

R 420.307 Research and development testing Beverage testing and analysis.

Rule 7307. ~~(1) As used in this rule, "research and development testing" means optional testing performed before final compliance testing.~~

~~(2) Except for R 420.304(2)(b), when performing research and development testing, the laboratory must comply with these rules.~~

~~(3) Punitive action shall not be taken against a marijuana business for conducting research and development testing when permitted.~~

~~(4) The agency may publish guidance for research and development testing that must be followed by all marijuana businesses.~~

~~(5) All research and development testing must be entered into the statewide monitoring system.~~

~~(6) Research and development testing performed after compliance testing has been completed shall not replace safety compliance test results.~~ **(1) A marijuana testing laboratory shall do all of the following before performing tests on marijuana-infused beverages:**

(a) Obtain an expanded scope of accreditation from their accrediting body.

(b) Submit a testing method for testing marijuana-infused beverages, including a currently approved method that is being expanded for testing marijuana-infused beverages to the agency for approval. The marijuana testing laboratory shall not use the testing method to test marijuana-infused beverages until it is approved by the agency.

(c) Perform matrix specific verification or validation, whichever is more appropriate, for all analyses.

(d) Submit to the agency proof of a passing proficiency test. The proficiency test must be performed on a beverage-specific matrix if a matrix is available.

(e) Determine, in consultation with the producer of the marijuana-infused beverage, steps that are necessary to optimize extractions for all analyses and required testing based on the processes used in the creation of the marijuana-infused beverage.

(2) A testing method used to test marijuana-infused beverages must meet the requirements of R 420.310.

(3) A marijuana testing laboratory that performs testing for a producer that is developing a marijuana-infused beverage shall perform the tests required in R 420.306.

(4) A marijuana-infused beverage in final form must undergo all safety testing required of a marijuana-infused product in R 420.306. In addition to the safety tests in R 420.306, a marijuana-infused beverage is subject to the following tests:

(a) pH testing. A marijuana testing laboratory performing a pH test shall follow AOAC method 945.10 and perform analyses and validations in accordance with manufacturer specifications.

(b) Terpene testing. A marijuana testing laboratory shall perform terpene testing using a method that is appropriately validated or use a method that is developed by the marijuana testing laboratory and meets the requirements of R 420.310. A marijuana testing laboratory shall test for all of the following terpenes:

(i) Alpha-bisabol.

(ii) Alpha-humulene.

(iii) Alpha-pinene.

(iv) Alpha-terpinene.

(v) Beta-caryophyllene.

(vi) Beta-myrcene.

(vii) Beta-pinene.

(viii) Caryophyllene oxide.

(ix) Eucalyptol.

(x) Limonene.

(xi) Linalool.

(xii) Nerolidol.

(xiii) Phytol.**R 420.308 Severability—Retesting marihuana after failed initial safety compliance testing.**

~~Rule 8308. If any rule or subrule of these rules, in whole or in part, is found to be invalid by a court of competent jurisdiction, such decision will not affect the validity of the remaining portion of these rules.~~ (1) A marihuana testing laboratory may retest marihuana that has failed initial safety testing.

(2) If marihuana fails safety testing, the marihuana business that cultivated or processed the marihuana may do 1 or more of the following:

(a) Have the marihuana retested. Both of the following apply to retesting:

(i) A marihuana business shall not sell, transfer, or remove from quarantine the harvest batch or production batch of marihuana until the marihuana has passed 2 separate consecutive retests with new samples for each test.

(ii) Marihuana that fails testing can be retested 2 additional times. Marihuana that has failed 3 tests must be remediated under R 420.309 or disposed of.

(b) Remediate the marihuana under R 420.309.

(c) Dispose of the marihuana.

R 420.309 Remediation.

Rule 309. (1) All of the following apply to remediation:

(a) A licensee shall submit a request to the agency to remediate marihuana that failed safety testing and receive approval from the agency before remediating the marihuana.

(b) Marihuana that has been remediated must pass 2 separate consecutive retests with new samples for each test before the batch of the marihuana from which the sample was collected can be removed from quarantine and transferred or sold.

(c) Marihuana flower that is remediated must be tested for potency before the harvest batch from which the sample was collected can be removed from quarantine and transferred or sold.

(d) A solvent-based concentrate that is remediated must pass tests for residual solvents before the production batch from which the sample was collected can be removed from quarantine and transferred or sold. If a solventless concentrate was remediated using a solvent, it must pass tests for residual solvents before the production batch from which the sample was collected can be removed from quarantine and transferred or sold.

(e) Marihuana that failed testing for aspergillus must be tested for mycotoxins before being remediated.

(f) A cultivator may transfer marihuana that failed safety testing to a producer without retesting or remediating the marihuana. A producer that receives marihuana under this subdivision must remediate the marihuana using extraction.

(g) Marihuana that fails testing may be remediated and retested 2 times. If marihuana that has been remediated fails testing 2 times, the marihuana must be disposed of.

(2) A marihuana business may not remediate or, except as provided in subrule (3) of this rule, retest marihuana that fails for any of the following:

(a) Chemical residue.

(b) E. coli.

- (c) Vitamin E, if the marihuana is a vape cart.
 - (d) Mycotoxins, if the marihuana is marihuana concentrate.
 - (e) Squalene.
 - (f) Squalane.
 - (g) Vitamin E acetate.
 - (h) Triglycerides, including medium-chain triglyceride (MCT) oil.
 - (i) Propylene glycol.
- (3) A marihuana business may retest marihuana that failed a test under subrule (2) of this rule to confirm the initial test result. A marihuana business shall not remediate the marihuana before retesting and shall request and receive approval from the agency before retesting.
- (4) A marihuana business shall dispose of the harvest batch or production batch of marihuana from which the samples that failed testing in subrule (2) of this rule were taken.
- (5) If a sample of marihuana fails testing, a marihuana business shall not combine the harvest batch or production batch of marihuana from which the sample was taken with marihuana from any other harvest batch or production batch.
- (6) The marihuana business that provided the sample is responsible for all costs involved in a retest.
- (7) A marihuana business shall remediate marihuana using only 1 or more of the following treatments or processes:
- (a) Ionizing radiation.
 - (b) Non-ionizing radiation.
 - (c) Gas treatment.
 - (d) Chemical application.
 - (e) Radio frequency decontamination.
 - (f) Thermal processing.
 - (g) Extraction.
- (8) As used in this rule:
- (a) “Chemical application” means a treatment or process in which a licensee sprays or otherwise applies hydrogen peroxide or bleach to marihuana.
 - (b) “Extraction” means a process in which a licensee extracts a cannabinoid from raw plant material and then disposes of the raw plant material.
 - (c) “Gas treatment” means a treatment or process in which a marihuana business subjects marihuana to ozone, propylene oxide, ethylene oxide, or sulfur dioxide.
 - (d) “Ionizing radiation” means a treatment or process in which a marihuana business subjects marihuana to focused gamma radiation, x-radiation, or other photonic radiation.
 - (e) “Non-ionizing radiation” means a treatment or process in which a marihuana business exposes marihuana to ultraviolet light.
 - (f) “Radio frequency decontamination” means a treatment or process in which a licensee exposes marihuana to focused radio waves.
 - (g) “Thermal processing” means a treatment or process in which a licensee subjects marihuana to a heat source, including radio waves, which causes the marihuana temperature to rise above 120 degrees Fahrenheit.

R 420.310 Testing methods.

Rule 310. (1) A marihuana testing laboratory shall perform all testing required under this part of these rules for microbials, total yeast and mold, total coliforms, salmonella, and shiga toxin-producing E. coli using a testing method that meets all of the following requirements:

(a) The testing method is 1 of the following:

(i) A culture-based testing method that has been approved by 1 of the following:

(A) The AOAC. A testing method approved by the AOAC must have a performance test methods (PTM) certificate and include an enrichment step.

(B) The FDA.

(C) The United States Pharmacopeia (USP).

(ii) The testing method meets 1 of the following:

(A) The testing method is included in the Official Methods of Analysis published by the AOAC.

(B) The testing method has been issued a PTM certificate by the AOAC.

(b) The testing method has been approved by the accrediting body that accredited the marihuana testing laboratory under R 420.207(3).

(c) The testing method has been approved by the agency.

(2) If a marihuana testing laboratory performs a test using a method described in subrule (1)(a)(ii) of this rule, the marihuana testing laboratory shall use a method described in subrule (1)(a)(i) of this rule to confirm the results of the test.

(3) If a marihuana testing laboratory performs a test using a method described in subrule (1)(a)(i) of this rule, the marihuana testing laboratory may use a method described in subrule (1)(a)(ii) of this rule to confirm the results of the test.

(4) If the results of a confirmation test performed under subrules (2) or (3) of this rule differ from the original test result, the marihuana testing laboratory shall report the results of the test performed using the testing method under subrule (1)(a)(i) of this rule as the final result.

(5) A marihuana testing laboratory shall perform testing for aspergillus required under this part using a testing method that meets all of the following requirements:

(a) The testing method is 1 of the following:

(i) An agar plating method that has been approved by 1 of the following:

(A) The AOAC. The testing method has a PTM certificate issued by the AOAC and includes an enrichment step and a cellular lysis step.

(B) The FDA.

(C) The USP.

(ii) A testing method other than an agar plating method that has been approved by 1 of the following:

(A) The AOAC. The testing method has a PTM certificate issued by the AOAC and includes an enrichment step and a cellular lysis step.

(B) The FDA.

(C) The USP.

(6) If a marihuana testing laboratory performs a test using a method described in subrule (5)(a)(ii) of this rule, the marihuana testing laboratory shall use a method described in subrule (5)(a)(i) of this rule to confirm the results of the test.

(7) If a marihuana testing laboratory submits a testing method to the agency that is not included in the marihuana testing laboratory's accredited scope of testing and the agency

approves the testing method, the marijuana testing laboratory must add the testing method to its accredited scope of testing not later than 6 months from the date the agency approves the testing method. The marijuana testing laboratory may perform tests using the approved testing method before the testing method is added to its accredited scope of testing; however, if the testing method has not been added to the marijuana testing laboratory's scope of testing not later than 6 months after agency approval, the agency shall revoke the approval for the marijuana testing laboratory to perform the testing method.

R 420.311 Quality assurance and quality control.

Rule 311. (1) A marijuana testing laboratory shall have a procedure for monitoring the validity of results.

(2) This monitoring procedure must occur on an ongoing basis and be reviewed by the laboratory manager. The monitoring must include all of the following:

- (a) Use of reference materials or quality control materials.**
- (b) A functional check or checks of measuring and testing equipment.**
- (c) Use of working standards and verification with control charts, where applicable.**
- (d) Intermediate checks on measuring equipment.**
- (e) Review of reported results.**
- (f) Review of reagent logs.**
- (g) Intra-laboratory comparisons, which involve proficiency testing.**

(3) A marijuana testing laboratory shall maintain a quality control and quality assurance program that conforms to Good Laboratory Practice Standards, 40 CFR part 160, and ISO/IEC 17025:2017 standards.

(4) A marijuana testing laboratory shall have a quality management system that conforms to the standards of 40 CFR part 160.

(5) A marijuana testing laboratory shall document the quality management system in a quality assurance manual that conforms to the standards of 40 CFR part 160.

(6) A marijuana testing laboratory shall have a quality assurance plan that conforms to the standards of ISO/IEC 17025:2017 for each analysis performed by the marijuana testing laboratory.

(7) A marijuana laboratory shall maintain quality control for each analysis required under R 420.306 that conforms to the standards of ISO/IEC 17025:2017.

(8) All standard operating procedures for the required safety tests in R 420.306 and for sampling and testing of marijuana must conform to ISO/IEC 17025:2017 standards and Good Laboratory Practice Standards, 40 CFR part 160, and be approved by the agency before the performance of the safety tests.

(9) A marijuana testing laboratory shall perform a calibration curve by preparing a series of standard solutions from a reference material, by dilution of a stock solution, covering a reasonable range of signal response from the instrument. A marijuana testing laboratory shall use 4 or more points, approximately equally spaced over the concentration range of interest, performed in duplicate but measured at random to avoid confusing nonlinearity with drift. The marijuana testing laboratory shall fit the calibration line and plot the residuals as a function of the concentration. The calibration line must produce a random pattern of residuals with a zero mean.

(10) A marihuana testing laboratory shall maintain control charts that conform to the standards of ISO/IEC 17025:2017 to monitor the ongoing use of an instrument.

(11) A marihuana testing laboratory shall annually demonstrate the capability to accurately measure the method detection limit for each analyte for which the lab will perform testing. The marihuana testing laboratory shall demonstrate this by performing tests on not less than 7 samples at low levels following the procedure established in appendix B to 40 CFR part 136, for each analyte.

(12) A marihuana testing laboratory shall annually conduct internal audits that meet the requirements of ISO/IEC 17025:2017.

(13) A marihuana testing laboratory employee who performs a test required under this part shall annually, or at the request of the agency, demonstrate their capability to perform the test. A demonstration of capability must include all of the following:

- (a) Documentation verifying that the employee is capable of accurately performing the test.
- (b) Documentation verifying that the employee has read and understands all applicable standard operating procedures and methods.
- (c) Successful completion of a competency assessment that includes performing tests of a previously tested sample from preparation of the sample to reporting the results.
- (d) Documentation verifying successful completion of the competency assessment.

R 420.311a Quality control acceptance.

Rule 311a. (1) A marihuana testing laboratory shall create and maintain standard operating procedures for each testing method. The standard operating procedures must include, at minimum, both of the following:

- (a) The acceptance ranges for standards, duplicates, and spikes.
- (b) A plan of correction that indicates what a marihuana testing laboratory will do if quality control tests fail or are out of range.

(2) A marihuana testing laboratory shall verify that the acceptance ranges required under subrule (1) of this rule match the requirements of the testing method.

(3) An acceptance range required in subrule (1) of this rule must meet all of the following:

- (a) The laboratory reagent blank must be less than the method detection limit.
- (b) The initial calibration verification must not vary by more than 10% from a continuing calibration verification.
- (c) The laboratory fortified matrix must not vary by more than 10% from the laboratory fortified matrix duplicate.
- (d) The relative percent difference must be less than 20%.
- (e) The reporting limit must equal the method of detection limit.
- (f) The percent recovery for LFB must equal the LFB result multiplied by 100, divided by the expected concentration.

(g) The relative percent difference must be calculated using the following formula, where Num1 means the original number and Num2 means the second number:

$$\text{Relative percent difference} = (|\text{Num1}-\text{Num2}| / ((\text{Num1}+\text{Num2}) / 2)) \times 100$$

(h) The percent recovery for the laboratory fortified matrix must equal the difference between laboratory fortified matrix result and the sample result, multiplied by 100.

R 420.312 Research and development testing.

Rule 312. (1) As used in this rule, “research and development testing” means optional testing performed before full compliance testing.

(2) Except for the sample size requirements in R 420.303, a marihuana testing laboratory shall perform research and development testing in compliance with the requirements of this part of these rules.

R 420.313 Proficiency testing.

Rule 313. (1) A marihuana testing laboratory shall participate in the proficiency testing program established by the agency, which may include, but is not limited to, all of the following:

(a) Annual proficiency testing conducted by a recognized testing provider that is accredited for all tests required under this part of these rules by an accreditation body recognized under the international laboratory accreditation cooperation (ILAC).

(b) Participation in proficiency testing events organized by the agency.

(c) Participation in round-robin testing directed by the agency.

(d) Participation in investigative testing.

(2) The annual proficiency testing in subrule (1)(a) of this rule must include all of the following:

(a) Analyzing proficiency test samples from an ISO 17043 accredited testing provider.

(b) Performing tests using the same procedures with the same number of replicates, standards, employees, and equipment used for marihuana testing under this part of these rules.

(c) Analyzing 1 set of testing samples for all required analytes in an open proficiency test or a blind proficiency test for a specific test method from an agency-approved ISO 17043:2023 testing provider.

(3) The testing provider shall determine whether a marihuana testing laboratory passes the annual proficiency testing under subrule (1)(a) of this rule and submits the results of the proficiency testing to the agency.

(4) If a marihuana testing laboratory fails proficiency testing for an analyte for which testing is required under this part of these rules, the marihuana testing laboratory shall submit a passing proficiency test for the failed analyte within 30 days of failing the proficiency test. If the marihuana testing laboratory does not pass a proficiency test for that analyte within 30 days, the marihuana laboratory shall not conduct testing on that analyte until the marihuana testing laboratory can demonstrate to the agency it can successfully perform the test.

(5) A marihuana testing laboratory that fails proficiency testing shall do both of the following:

(a) Submit a corrective action plan within 5 business days after receiving notification from the testing provider that the marihuana testing laboratory failed the proficiency testing.

(b) Repeat the proficiency testing until the marihuana testing laboratory passes the proficiency testing.

(6) Proficiency testing must be externally graded, and the results must be reported numerically, not as pass or fail, for all quantitative methods.

R 420.314 Agency compliance testing.

Rule 314. (1) The agency may do either of the following:

(a) Collect a sample of marihuana from a marihuana business or designate a marihuana testing laboratory to collect a sample of marihuana from a marihuana business to test that sample for compliance.

(b) Conduct audits of a marihuana testing laboratory's operations, sample collection practices, testing methods, records, or other processes, procedures, or policies necessary to ensure a marihuana testing laboratory's compliance with the acts and these rules.

(2) A marihuana reference laboratory operated by the agency shall maintain all accreditations and certifications that are required of marihuana testing laboratories under these rules.

~~DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS~~

~~MARIJUANA REGULATORY AGENCY~~

~~MARIJUANA-INFUSED PRODUCTS AND EDIBLE MARIJUANA PRODUCT PART 6.
MARIJUANA PRODUCTS~~

~~(By authority conferred on the executive director of the marijuana regulatory agency by section 206 of the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27206, sections 7 and 8 of the Michigan Regulation and Taxation of Marijuana Act, 2018 IL 1, MCL 333.27957 and 333.27958, and Executive Reorganization Order No. 2019-2, MCL 333.27001)~~

R 420.401 Definitions Marihuana pre-rolls.

~~Rule 401. (1) As used in these rules:~~

~~—(a) “Acts” refers to the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, and the Michigan Regulation and Taxation of Marijuana Act, 2018 IL 1, MCL 333.27951 to 333.27967, when applicable.~~

~~—(b) “Agency” means the marijuana regulatory agency.~~

~~—(c) “Edible marijuana product” means any marijuana-infused product containing marijuana that is intended for human consumption in a manner other than inhalation. Edible marijuana product does not include marijuana-infused products that are intended for topical application.~~

~~—(d) “Employee” means a person performing work or service for compensation. “Employee” does not include individuals providing trade or professional services who are not normally engaged in the operation of a marijuana establishment.~~

~~—(e) “Final form” means the form a marijuana product is in when it is available for sale by a marijuana sales location not including consumer packaging. For marijuana products intended for inhalation, final form means the marijuana concentrate in an e-cigarette or a vaping device.~~

- ~~—(f) “Inactive ingredients” means binding materials, dyes, preservatives, flavoring agents, and any other ingredient that is not derived from the plant *Cannabis sativa L.*~~
- ~~—(g) “Marihuana product” means marihuana or a marihuana infused product, or both, as those terms are defined in the acts unless otherwise provided for in these rules.~~
- ~~—(h) “Marihuana sales location” refers to a provisioning center under the medical marihuana facilities licensing act or a marihuana retailer under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~—(i) “Marihuana tracking act” means the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.~~
- ~~—(j) “Medical marihuana facilities licensing act” or “MMFLA” means the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.~~
- ~~—(k) “Michigan Regulation and Taxation of Marihuana Act” or “MRTMA” means the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.~~
- ~~—(l) “Producer” refers to both a processor under the medical marihuana facilities licensing act and a marihuana processor under the Michigan Regulation and Taxation of Marihuana Act.~~
- ~~—(m) “Records of formulation” means the documentation that includes at a minimum: the ingredients, recipe, processing in order to be shelf stable, Certificates of Analysis for any ingredient used, and description of the process in which all ingredients are combined to produce a final package.~~
- ~~—(n) “These rules” means the administrative rules promulgated by the agency under the authority of the medical marihuana facilities licensing act, the marihuana tracking act, the Michigan Regulation and Taxation of Marihuana Act, and Executive Reorganization Order No. 2019-2, MCL 333.27001.~~
- ~~—(o) “Tag” or “RFID tag” means the unique identification number or Radio Frequency Identification (RFID) issued to a licensee by the statewide monitoring system for tracking, identifying, and verifying marihuana plants, marihuana products, and packages of marihuana product in the statewide monitoring system.~~
- ~~—(2) Terms defined in the acts have the same meanings when used in these rules unless otherwise indicated.~~ **(1) A cultivator, producer, or marihuana sales location may create a marihuana pre-roll.**
- (2) A marihuana business shall not create a marihuana pre-roll unless all marihuana used to create the marihuana pre-roll has passed safety compliance testing required under part 5 of these rules.**
- (3) A marihuana pre-roll must not contain marihuana from more than 1 harvest batch.**
- (4) A final package with multiple marihuana pre-rolls may include pre-rolls with marihuana from different harvest batches provided that each pre-roll does not contain marihuana from more than 1 harvest batch.**
- (5) Unless specifically required by the agency, a marihuana pre-roll that meets the requirements of subrule (2) of this rule is not required to pass additional testing. This subrule does not apply to marihuana described under subrule (7) of this rule.**
- (6) A licensee shall not create a marihuana pre-roll unless the requirements of this rule are met.**
- (7) If a producer does any of the following to a marihuana pre-roll, it is considered an inhalable compound concentrate and subject to all of the following requirements that apply to inhalable compound concentrates:**
 - (a) Add marihuana concentrate to the marihuana pre-roll.**

(b) Seal the marihuana pre-roll rolling paper with an adhesive that is marihuana concentrate.

(c) Add inactive ingredients to the marihuana pre-roll.

R 420.402 Adoption by reference Marihuana-infused products.

~~Rule 2402. (1) The following codes, standards, or regulations of nationally recognized organizations or associations are adopted by reference in these rules:~~

~~–(a) National fire protection association (NFPA) standard 1, 2021 edition, entitled “Fire Code,” is adopted by reference as part of these rules. Copies of the adopted provisions are available for inspection and distribution from the National Fire Protection Association, 1 Batterymarch Park, P.O. Box 9101, Quincy, Massachusetts, 02169, telephone number 1-800-344-3555, for the price of \$114.50.~~

~~–(b) The International Organization for Standardization (ISO), ISO 22000 / ISO/TS 22002-1:2009, Food Safety Bundle, available for purchase at:~~

~~<https://webstore.ansi.org/Standards/ISO/ISO22000TS22002FoodSafety>, for the price of \$275.00.~~

~~–(c) International Organization for Standardization (ISO), ISO/IEC 17025:2017, General Requirements for the Competence of Testing and Calibration Laboratories, available at: <https://webstore.ansi.org/RecordDetail.aspx?sku=ISO%2fIEC+17025%3a2017>, for the price of \$162.00.~~

~~–(2) The standards adopted in subrule (1)(a) to (c) of this rule are available for inspection and distribution at the agency, located at 2407 North Grand River Avenue, Lansing, Michigan, 48906. Copies of these standards may be obtained from the agency at the cost indicated in subrule (1)(a) to (c) of this rule, plus shipping and handling. **(1) A marihuana-infused product must be homogenous. This subrule does not apply to an inhalable compound concentrate in final form.**~~

(2) When creating an inhalable compound concentrate, all marihuana ingredients used to create the inhalable compound concentrate must pass full compliance testing before the creation of the inhalable compound concentrate.

(3) Inactive ingredients, other than natural botanically derived flavonoids, terpenoids, and terpenes that are chemically identical to the terpenes derived from the plant Cannabis sativa L., must be approved by the FDA for the intended use, and the concentration must be less than the maximum concentration listed in the FDA inactive ingredient database for the intended use.

(4) All ingredients containing cannabinoids that are added to marihuana must be from a source licensed to grow, handle, and produce cannabinoids under a license issued by this state or another state and entered into the statewide monitoring system.

R 420.402a Edible marihuana products.

Rule 402a. (1) An edible marihuana product must not require time and temperature control for safety.

(2) An edible marihuana product must have an expiration date. When determining an expiration date, a producer shall consider all of the following:

(a) The quality and characteristics of the edible marihuana product.

(b) The packaging of the edible marihuana product.

(c) The customary conditions encountered by the edible marihuana product from product to sale.

(3) An edible marihuana product must meet 1 of the following requirements:

(a) If the edible marihuana product is a solid item that consists of multiple servings, meet either of the following requirements:

(i) The product must be scored in a way that divides the product into easily observable single-serving portions and assists a marihuana customer in breaking the product into single-serving portions.

(ii) The final package must include a diagram that clearly indicates how the product must be cut or divided to obtain a single serving of the product.

(b) If the final package contains multiple servings of marihuana, 1 of the following:

(i) The edible marihuana product must be sold with a measuring device that allows a marihuana customer to dispense and measure single-serving portions. The measuring device must hold only 1 serving or be clearly marked to indicate the level of a single serving.

(ii) A single serving must be a single unit of the edible marihuana product.

(c) The edible marihuana product must be sold in a single-serving final package.

(4) An edible marihuana product may be a basic geometric shape, fruit flavored, or both.

R 420.402b Edible marihuana products; prohibitions.

Rule 402b. An edible marihuana product must not be either of the following:

(a) Associated with cartoons, caricatures, toys, or designs that would appeal to minors.

(b) In the distinct shape of a human, animal, or fruit, or a shape that bears the likeness or contains characteristics of a realistic or fictional human, animal, or fruit, including artistic, caricature, or cartoon renderings.

R 420.402c Bulk packages and multi-packs.

Rule 402c. (1) A marihuana business may create a bulk package that contains multiple final packages of marihuana.

(2) A marihuana business may create a multi-pack, which is a final package containing 2 or more varieties of marihuana, if all of the following requirements are met:

(a) The final package contains only 1 item type.

(b) All marihuana that is combined to create a multi-pack must contain the same target concentration and quantity of THC.

(c) The final package must not contain more THC than the maximum THC concentration allowed under R 420.406.

(d) All marihuana included in the final package must have passed full compliance testing in final form.

R 420.403 ~~Requirements and restrictions on marihuana-infused products; edible marihuana product~~ Marihuana-infused beverages.

~~Rule 3403.~~ (1) ~~A producer shall package and properly label marihuana-infused products before sale or transfer.~~

- ~~—(2) Marihuana-infused products processed under these rules must be homogenous. The allowable variation for weight and THC and CBD concentrations between the actual results and the intended serving is to be + or – 15%. The agency shall publish guidelines for a producer to follow to verify the marihuana-infused product is homogeneous.~~
- ~~—(3) A producer of marihuana-infused products shall list and record the THC concentration and CBD concentration of marihuana-infused products, as provided in R 420.305 and R 420.404, in the statewide monitoring system and indicate the THC concentration and CBD concentration on the label along with the tag identification as required under these rules.~~
- ~~—(4) Marihuana-infused products that are part of a product recall are subject to all of the following requirements:~~
 - ~~—(a) Must be immediately pulled from production by the producer of the marihuana-infused product.~~
 - ~~—(b) Must be immediately removed from the sales area of a marihuana sales location.~~
 - ~~—(c) Must not be sold or transferred.~~
- ~~—(5) Marihuana-infused products must be stored and secured as prescribed under these rules.~~
- ~~—(6) All non-marihuana inactive ingredients must be clearly listed on the product label. Inactive ingredients must be approved by the FDA for the intended use, and the concentration must be less than the maximum concentration listed in the FDA Inactive Ingredient database for the intended use.~~
- ~~—(7) A producer shall label all marihuana-infused product with all of the following:~~
 - ~~—(a) The name of the marihuana-infused product that includes a product modifier such as “marijuana product,” “THC product,” or “cannabis product” using the same or larger font than the product name.~~
 - ~~—(b) The ingredients, including excipients and diluents, of the marihuana-infused product, in descending order of predominance by weight.~~
 - ~~—(c) The net weight or net volume of the product.~~
 - ~~—(d) For an edible marihuana product, both of the following must be included:~~
 - ~~—(i) Allergen labeling as specified by the Food and Drug Administration (FDA), Food Allergen Labeling and Consumer Protection Act of 2004 (FALCPA), 21 USC 343.~~
 - ~~—(ii) If any health or nutritional claim is made, appropriate labeling as specified by the federal regulations regarding Food Labeling, 21 CFR part 101.~~
 - ~~—(e) The date the marihuana product was produced.~~
- ~~—(8) A producer of edible marihuana product shall comply with all the following:~~
 - ~~—(a) Current Good Manufacturing Practice, Hazard Analysis, and Risk Based Preventative Controls for Human Food, 21 CFR part 117. Any potentially hazardous ingredients used to process shelf-stable edible marihuana products must be stored at 40 degrees Fahrenheit, 4.4 degrees Celsius, or below.~~
 - ~~—(b) Maintain and adhere to records of formulation and make them available to the agency upon request. These records at a minimum must include the recipe, any additional processing documentation that demonstrates the product to be shelf stable, and test results for all ingredients used.~~
 - ~~—(c) Provide annual employee training for all employees on safe food handling and demonstrate an employee’s completion of this training by providing proof of food handler certification that includes documentation of employee food handler training, including, but not limited to, allergens and proper sanitation and safe food handling techniques. Any course taken pursuant to this rule must be conducted for not less than 2 hours and cover all of the following subjects:~~

- ~~—(i) Causes of foodborne illness, highly susceptible populations, and worker illness.~~
- ~~—(ii) Personal hygiene and food handling practices.~~
- ~~—(iii) Approved sources of food.~~
- ~~—(iv) Potentially hazardous foods and food temperatures.~~
- ~~—(v) Sanitization and chemical use.~~
- ~~—(vi) Emergency procedures, including, but not limited to, fire, flood, and sewer backup.~~
- ~~—(d) Have an employee on site during the production of edible marijuana products who is certified as a Food Protection Manager.~~
- ~~—(e) To ensure compliance with the safe preparation standards under this subrule, comply with 1 or more of the following:~~
 - ~~—(i) Current Good Manufacturing Practice, Hazard Analysis, and Risk-Based Preventative Controls for Human Food, 21 CFR part 117.~~
 - ~~—(ii) The International Organization for Standardization (ISO), ISO 22000/ISO/TS 22002-1 adopted by reference pursuant to R 420.402.~~
- ~~—(f) If requested as provided in this subdivision, provide to the agency documentation to verify certifications and compliance with these rules. The agency may request in writing documentation to verify certifications and compliance with these rules.~~
- ~~—(9) A producer of edible marijuana product may not:~~
 - ~~—(a) Produce an edible marijuana product in a shape or with a label that would appeal to minors aged 17 years or younger.~~
 - ~~—(b) Produce an edible marijuana product that is associated with or has cartoons, caricatures, toys, designs, shapes, labels, or packaging that would appeal to minors.~~
 - ~~—(c) Package edible marijuana products in a package that can be easily confused with a commercially available food product. The use of the word candy or candies on the packaging or labeling is prohibited.~~
 - ~~—(d) Produce edible marijuana products in the distinct shape of a human, animal, or fruit, or a shape that bears the likeness or contains characteristics of a realistic or fictional human, animal, or fruit, including artistic, caricature, or cartoon renderings. Edible marijuana products that are geometric shapes and fruit flavored are permissible.~~
- ~~—(10) An edible marijuana product must be in opaque, child-resistant packages or containers that meet the effectiveness specifications outlined in 16 CFR 1700.15. An edible marijuana product containing more than 1 serving must be in a resealable package or container that meets the effectiveness specifications outlined in 16 CFR 1700.15.~~
- ~~—(11) A producer shall not produce an edible marijuana product that requires time and temperature control for safety. The agency may publish validation guidance for shelf stable edible marijuana product. The agency may request to review the validation study for a shelf stable edible marijuana product. The end product must be a shelf stable edible marijuana product and state the following information:~~
 - ~~—(a) A product expiration date, upon which the edible marijuana product is no longer fit for consumption and after which it must be destroyed. Once a label with an expiration date has been affixed to an edible marijuana product, a licensee shall not alter that expiration date or affix a new label with a later expiration date. The expiration date must consider all the following:~~
 - ~~—(i) The quality and characteristics of the edible marijuana product.~~
 - ~~—(ii) The packaging of the edible marijuana product.~~
 - ~~—(iii) The customary conditions encountered by the edible marijuana product from product to sale.~~

~~—(b) Any other information requested by the agency that is not inconsistent with the acts and these rules.~~

~~—(12) This rule does not affect the application of any applicable local, state, or federal laws or regulations.~~

(1) A producer shall not produce a marihuana-infused beverage without first submitting a request to produce a marihuana-infused beverage to the agency and receiving approval from the agency.

(2) A producer submitting a request under subrule (1) of this rule shall submit the records of formulation for the marihuana-infused beverage, which must include all of the following:

(a) Ingredients and the source of the ingredients.

(b) Certificates of analysis for all ingredients used in the marihuana-infused beverage.

(c) The recipe.

(d) Documentation verifying that the marihuana-infused beverage is shelf stable.

(e) A detailed description of the ingredients used for emulsification.

(f) Confirmation of package quality and sterility.

(g) A detailed qualitative description of the marihuana-infused beverage, including, but not limited to, the color and appearance of the marihuana-infused beverage.

(3) All of the following apply to the production of a marihuana-infused beverage:

(a) All water used for production must be potable, tested, and treated, as necessary, to ensure safe consumption.

(b) An ingredient with a pH of 3 or higher must be pasteurized either by the producer or the provider of the ingredient.

(c) All emulsifiers and preservatives, and their concentrations, must be listed as safe and adhere to requirements outlined in 21 CFR part 117.

(d) Except for cannabis, all ingredients in the marihuana-infused beverage must be obtained from FDA-approved sources.

(4) After a producer is approved for the production of a marihuana-infused beverage, the producer shall provide a letter to the agency attesting that no inconsistencies, irregularities, or contaminants were discovered during production. All of the following apply to the letter:

(a) The letter must be signed and dated by the quality control manager or managers.

(b) The letter must be submitted to the agency before the sale or transfer of a new production batch of marihuana-infused beverage to anyone other than a marihuana testing laboratory.

(c) One letter must be submitted for each production batch of marihuana-infused beverage produced.

(5) The agency may relax or waive the requirements in subrule (4) of this rule if a producer demonstrates the capability to produce a stable marihuana-infused beverage over an acceptable period of time, as determined by the agency.

R 420.403a Marihuana-infused beverages; research and product development.

Rule 403a. (1) Before a producer produces a marihuana-infused beverage, the producer shall design a research and product development proposal to determine whether the marihuana-infused beverage maintains product consistency and shelf stability over time.

(2) Before beginning the research and product development required under subrule (1) of this rule, the producer shall submit the proposal to the agency. The producer shall not begin the research and product development until the producer receives approval from the agency.

(3) The research and product development proposal must assess product quality through ongoing checks developed with oversight by the process authority, quality control manager, and the parties associated with the certification required under R 420.221, where appropriate.

(4) The duration of the research and product development must correspond to the expiration date of the marihuana-infused beverage.

(5) A portion of the research and product development must be designed to target THC leeching. The concentration of total THC in a beverage cannot degrade by more than the 15% variation allowed under R 420.306c.

(6) The research and product development must include both subjective and objective quality checks of the marihuana-infused beverage over time and provide sufficient data to ensure stability under a variety of environmental conditions and stresses.

(7) The quality checks required in subrule (6) of this rule must include, but are not limited to, all of the following:

(a) Potency.

(b) Stability.

(c) Phase separation.

(d) Color changes.

(e) Clarity.

(f) pH.

(g) Microbial contamination.

(h) Consistency.

(i) Flavor.

(j) Visual changes.

(k) If the product is carbonated, assessment of carbon dioxide (CO₂) in solution over time.

(l) Emulsion disability.

(m) Turbidity and sedimentation.

(n) Cloudiness.

(o) Other deteriorative product quality characteristics determined by the producer.

(8) Once a producer chooses a marihuana testing laboratory to perform testing for the research and product development, the producer shall use that marihuana testing laboratory for the entirety of the research and product development unless the producer receives written approval from the agency to use a different marihuana testing laboratory.

R 420.404 ~~Maximum THC concentration for marihuana-infused products~~ **Final packaging.**

~~Rule 4404. A marihuana sales location shall not sell or transfer marihuana-infused products that exceed the maximum THC concentrations established by the agency by more than 10%. For the purposes of maximum THC concentrations for marihuana-infused products, the agency shall publish a list of maximum THC concentrations and serving size limits.~~ (1) **Marihuana sold or otherwise transferred from a marihuana sales location to a marihuana customer must be contained in a final package at the time the marihuana sales location transfers possession of the marihuana to the marihuana customer.**

(2) **Marihuana must be contained in a final package before it is transferred to a marihuana sales location. This subrule does not apply to marihuana flower that is transferred from a cultivator, producer, or marihuana sales location to a marihuana sales location if the**

marihuana sales location that receives the marihuana flower sells the marihuana flower in compliance with subrule (1) of this rule.

(3) Marihuana must be contained in a final package that meets all of the following requirements:

- (a) The final package must be opaque.
- (b) The final package must meet the child-resistant effectiveness specifications outlined in 16 CFR part 1700.15.
- (c) The final package must be resealable and meet the effectiveness specifications outlined in 16 CFR part 1700.15.
- (d) The final package must be food grade and meet the same standards as packaging required for non-marihuana foods or beverages.
- (e) The final package must not use the words candy or candies.
- (f) The final package must not depict an image of any of the following:
 - (i) Toys.
 - (ii) An anthropomorphic animal or object.
 - (iii) A character, symbol, or design that is associated with an established brand, food, activity, event, movie, television program, video game, or literary work that is marketed to minors, or a character, symbol, or design that a minor could reasonably believe is associated with an established brand, food, activity, event, movie, television program, video game, or literary work that is marketed to minors.
 - (iv) If the package contains an edible marijuana product, any of the following:
 - (A) A cartoon.
 - (B) Fruit.
 - (C) Confections.
 - (D) Snack foods, including, but not limited to, chips, popcorn, and cereal.
 - (E) The likeness or characteristics of a realistic or fictional human.

R 420. 405 Severability Labeling; marihuana.

~~Rule 5405. If any rule or subrule of these rules, in whole or in part, is found to be invalid by a court of competent jurisdiction, such decision will not affect the validity of the remaining portion of these rules.~~ (1) A label must be affixed to a final package containing marihuana.

- (2) The label must include in legible type all of the following information:
 - (a) The name and the license number of the cultivator or producer, including a business or trade name.
 - (b) The name and the license number of the licensee that packaged the marihuana, including business or trade name, if different from the licensee in subdivision (a) of this subrule.
 - (c) The date of harvest, if applicable.
 - (d) The net weight in United States customary or metric units.
 - (e) Concentration of total THC and total CBD as reported by the marihuana testing laboratory after potency testing.
 - (f) A statement that the actual concentration of THC may vary from the reported value by 10%.
 - (g) Activation time expressed in words or through a pictogram.

(h) The name of the marihuana testing laboratory that performed passing compliance testing on the product in final form and the date the marihuana was tested.

(i) The universal symbol for marihuana published by the agency.

(j) The package tag.

(k) The serving size and recommended dose.

(l) If the marihuana is not a marihuana-infused product and contains more than 1 ingredient, the list of ingredients in descending order of predominance by weight.

(m) A warning that includes all the following statements:

(i) “It is illegal to drive a motor vehicle while under the influence of marihuana.” or “It is illegal to drive a motor vehicle while under the influence of marijuana.”

(ii) “National Poison Control Center 1-800-222-1222.”

(iii) For products being sold by a marihuana facility that exceed the maximum THC levels allowed for products sold under the MRTMA, “For use by registered qualifying patients only. Keep out of reach of children.”

(iv) For all other products, “For use by individuals 21 years of age or older or registered qualifying patients only. Keep out of reach of children.”

(v) In clearly legible type and surrounded by a continuous heavy line: “WARNING: USE BY PREGNANT OR BREASTFEEDING WOMEN, OR BY WOMEN PLANNING TO BECOME PREGNANT, MAY RESULT IN FETAL INJURY, PRETERM BIRTH, LOW BIRTH WEIGHT, OR DEVELOPMENTAL PROBLEMS FOR THE CHILD.”

(n) Other information requested by the agency that is not inconsistent with the acts and these rules.

(3) In addition to the requirements of subrules (1) and (2) of this rule, a licensee may include on the label a quick response (QR) code that links to a website containing additional information about the marihuana. The information presented on the website to which the QR code is connected must be factually accurate and applicable to the product on which the label with the QR code is affixed.

R 420.405a Labeling; marihuana-infused products.

Rule 405a. In addition to the requirements in R 420.405, if the marihuana is a marihuana-infused product, the label must include all of the following:

(a) The name of the marihuana-infused product.

(b) One of the following, as applicable, using the same or larger font than the product name:

(i) “Marihuana product” or “Marijuana product”.

(ii) “THC product”.

(iii) “Cannabis product”.

(c) As applicable, the inactive ingredients and botanically derived terpenes utilized, and any constituents therein, in descending order of predominance by weight.

(d) The net weight or net volume of the product.

(e) The date the marihuana-infused product was produced.

R 420.405b Labeling; edible marihuana products.

Rule 405b. In addition to the requirements in R 420.405 and R 420.405a, if the marihuana is an edible marihuana product, the label must include all of the following:

- (a) An expiration date, after which the edible marihuana product is no longer fit for consumption and must be disposed of. Once a label with an expiration date is affixed to an edible marihuana product, a marihuana business shall not alter that expiration date or affix a new label with a later expiration date, except to correct an obvious error.
- (b) Allergen labeling as specified by the FDA in the food allergen labeling and consumer protection act of 2004, 21 USC 343.
- (c) If a health or nutritional claim is made, appropriate labeling as specified by the federal regulations regarding food labeling, 21 CFR part 101.
- (d) Any traditional food additives in the edible marijuana product, and any constituents in the traditional food additives, in descending order of predominance by weight. A marijuana business shall include traditional food additives on the label by doing 1 of the following:
 - (i) Listing all traditional food additives and their constituents individually.
 - (ii) Utilizing labeling conventions described in 21 CFR part 101 that govern the labeling of traditional foods.

R 420.405c Labeling; bulk packages and multi-packs.

Rule 405c. (1) If marihuana is sold in a bulk package under R 420.402c and the label affixed to the bulk package meets the requirements of R 420.405(2), a label must be affixed to each individual final package in the bulk package that includes both of the following:

- (a) The concentration of total THC and total CBD as reported by the marihuana testing laboratory after potency testing.
 - (b) The universal symbol for marihuana published by the agency.
- (2) A multi-pack under R 420.402c must comply with all labeling requirements under R 420.405, R 420.405a, and R 420.405b, as applicable.
- (3) If information required under subrule (2) of this rule applies to all marihuana in the multi-pack, the information may be included on 1 label.
- (4) If information required under subrule (2) of this rule does not apply to all marihuana in the multi-pack, the marihuana business must include the information on the label in a way that a marihuana customer can easily identify the marihuana in the multi-pack to which the information applies.

R 420.406 Maximum THC concentrations in marihuana-infused products.

Rule 406. (1) The THC concentration in a marihuana-infused product must not exceed the maximum limits in table 1:

TABLE 1

Maximum THC concentrations for marihuana-infused products				
Category	Medical (per dose)	Medical (per container)	Adult-use (per dose)	Adult-use (per container)

Infused edibles (gummies, baked goods, drink enhancers, syrup)	50mg	200mg	10mg	200mg
Medicinal products (capsules, tinctures, oil-based drops, etc.)	100mg	2,000mg	10mg	200mg
Medicinal products not consumed orally (suppositories, tampons, transdermal patches)	100mg	2,000mg	100mg	2,000mg
Infused beverages	10mg	100mg	10mg	100mg
Topical products	N/A			

(2) A marihuana business shall not create, sell, or transfer a marihuana-infused product that exceeds the maximum THC amounts in table 1 by more than 10%.

R 420.407 Product development.

Rule 407. (1) A cultivator, producer, marihuana microbusiness, or class A marihuana microbusiness may engage in product development.

(2) A cultivator, marihuana microbusiness, or class A marihuana microbusiness may designate marihuana plants for product development. Marihuana plants designated for product development count toward the authorized total amount of marihuana plants for a cultivator, marihuana microbusiness, or class A marihuana microbusiness.

(3) A producer, marihuana microbusiness, or class A marihuana microbusiness may designate marihuana concentrate for product development.

(4) A marihuana business engaged in product development may submit their product development inventory to a marihuana testing laboratory for research and development testing in accordance with R 420.312.

(5) Disciplinary action must not be taken against a licensee for failing a research and development test performed on their product development inventory.

(6) A marihuana business engaged in product development may transfer its product development inventory to either of the following if the marihuana passed full compliance testing under part 5 of these rules:

(a) An employee of the marihuana business as an internal product sample.

(b) A marihuana sales location. Product development inventory transferred to a marihuana sales location must meet all other requirements prescribed under this part.

(7) A marihuana business shall dispose of any product development inventory not transferred under subrule (6) of this rule.

(8) A cultivator, producer, marihuana microbusiness, or class A marihuana microbusiness may also engage in a research study with an entity duly authorized by the DEA to handle marihuana. A licensee's participation in a research study must be approved by the agency.

R 420.408 Trade samples.

Rule 408. (1) A cultivator or producer may transfer a trade sample of marihuana to a cultivator, producer, or marihuana sales location if the marihuana from which the trade sample was taken has passed full compliance testing under part 5 of these rules.

(2) A marihuana business that receives a trade sample shall not transfer the trade sample to another marihuana business or to a marihuana consumer.

(3) A marihuana business shall not transfer to another marihuana business more than either of the following amounts of marihuana in a 30-day period:

(a) 2.5 ounces of marihuana.

(b) 15 grams of marihuana concentrate.

(4) In addition to the information required in R 420.405, a trade sample must have a label containing the statement “TRADE SAMPLE NOT FOR RESALE” in bold, capital letters attached to the trade sample.

(5) A marihuana business that receives a trade sample may transfer the trade sample to an employee as an internal product sample under R 420.409.

R 420.409 Internal product samples.

Rule 409. (1) A cultivator, producer, marihuana sales location, marihuana microbusiness, or class A marihuana microbusiness may transfer an internal product sample to an employee of the cultivator, producer, marihuana sales location, marihuana microbusiness, or class A marihuana microbusiness to ensure product quality and to make determinations about whether to sell or transfer the marihuana.

(2) A marihuana business shall not transfer to an individual employee more than the following amounts of marihuana in a 30-day period:

(a) For a cultivator, 1 ounce of marihuana.

(b) For a producer, an amount that exceeds either of the following:

(i) 6 grams of marihuana concentrate.

(ii) Marihuana-infused products that contain a total of 2,000 milligrams of THC.

(c) For a marihuana sales location, marihuana microbusiness, or class A marihuana microbusiness, an amount that exceeds any of the following:

(i) One ounce of marihuana.

(ii) Six grams of marihuana concentrate.

(iii) Marihuana-infused products that contain a total of 2,000 milligrams of THC.

(3) A marihuana business shall not create an internal product sample unless the marihuana from which the internal product sample was taken has passed full compliance testing under part 5 of these rules.

(4) Internal product samples must be tracked as adjustments in the statewide monitoring system.

(5) A licensee shall track the distribution of internal product samples to an employee in the statewide monitoring system using the employee’s name and the employee’s identification number assigned by the statewide monitoring system.

~~MARIJUANA REGULATORY AGENCY~~

~~PART 7. MARIHUANA SALE OR TRANSFER SALES~~

~~(By authority conferred on the executive director of the marijuana regulatory agency by section 206 of the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27206, sections 7 and 8 of the Michigan Regulation and Taxation of Marijuana Act, 2018 IL 1, MCL 333.27957 and 333.27958, and Executive Reorganization Order No. 2019-2, MCL 333.27001)~~

R 420.501 Definitions Sale or transfer of marihuana; marihuana sales location.

Rule ~~1501~~. (1) As used in these rules:

- ~~—(a) “Acts” refers to the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, and the Michigan Regulation and Taxation of Marijuana Act, 2018 IL 1, MCL 333.27951 to 333.27967, when applicable.~~
- ~~—(b) “Administrative hold” means a status given to marihuana product by the agency during an investigation into alleged violations of the acts and these rules. This status includes no sale or transfer of the marihuana product until the hold is lifted.~~
- ~~—(c) “Agency” means the marijuana regulatory agency.~~
- ~~—(d) “Cultivator” means a grower under the medical marijuana facilities licensing act or a marihuana grower under the Michigan Regulation and Taxation of Marijuana Act, or both.~~
- ~~—(e) “Designated consumption establishment” means a commercial space that is licensed by the agency and authorized to permit adults 21 years of age and older to consume marihuana products at the location indicated on the state license.~~
- ~~—(f) “Employee” means a person performing work or service for compensation. “Employee” does not include individuals providing trade or professional services who are not normally engaged in the operation of a marihuana business.~~
- ~~—(g) “Final form” means the form a marihuana product is in when it is available for sale by a marihuana sales location not including consumer packaging. For marihuana products intended for inhalation, final form means the marihuana concentrate in an e-cigarette or a vaping device.~~
- ~~—(h) “Immature plant” means a nonflowering marihuana plant that is no taller than 8 inches from the growing or cultivating medium and no wider than 8 inches produced from a cutting, clipping, tissue culture, or seedling that is in a growing or cultivating medium or in a growing or cultivating container.~~
- ~~—(i) “Internal product sample” means a sample of marijuana products that a cultivator, producer, or marihuana sales location transfers directly to an employee for the purpose of ensuring product quality and making determinations about whether to sell or transfer the marihuana product.~~
- ~~—(j) “Laboratory” refers to a safety compliance facility under the medical marijuana facilities licensing act or a marihuana safety compliance facility under the Michigan Regulation and Taxation of Marijuana Act, or both.~~
- ~~(k) “Marihuana business” refers to a marihuana facility under the medical marijuana facilities licensing act or a marihuana establishment under the Michigan Regulation and Taxation of Marijuana Act, or both.~~
- ~~—(l) “Marihuana customer” refers to a registered qualifying patient or registered primary caregiver under the medical marijuana facilities licensing act, or an individual 21 years of age or older under the Michigan Regulation and Taxation of Marijuana Act, or both.~~

- ~~—(m) “Marihuana equivalent” means usable marihuana equivalent as that term is defined in section 3(o) of the Michigan Medical Marihuana Act, MCL 333.264243.~~
- ~~—(n) “Marihuana establishment” means a location at which a licensee is licensed to operate a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana microbusiness, class A marihuana microbusiness, marihuana retailer, marihuana secure transporter, or any other type of marihuana related business licensed to operate by the agency under the Michigan Regulation and Taxation of Marihuana Act.~~
- ~~—(o) “Marihuana facility” means a location at which a licensee is licensed to operate under the medical marihuana facilities licensing act.~~
- ~~—(p) “Marihuana license” means a state operating license issued under the medical marihuana facilities licensing act, or a state license issued under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~—(q) “Marihuana product” means marihuana or a marihuana infused product, or both, as those terms are defined in the acts unless otherwise provided for in these rules.~~
- ~~—(r) “Marihuana sales location” refers to a provisioning center under the medical marihuana facilities licensing act, or a marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~—(s) “Marihuana tracking act” means the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.~~
- ~~—(t) “Medical marihuana facilities licensing act” or “MMFLA” means the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.~~
- ~~—(u) “Michigan Medical Marihuana Act” means the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.~~
- ~~—(v) “Michigan Regulation and Taxation of Marihuana Act” or “MRTMA” means the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.~~
- ~~—(w) “Package tag” means an RFID tag supplied through the statewide monitoring system for the purpose of identifying a package containing a marihuana product.~~
- ~~—(x) “Plant” means that term as defined in section 102 of the MMFLA, MCL 333.27102, unless otherwise defined in these rules.~~
- ~~—(y) “Producer” means a processor under the medical marihuana facilities licensing act or a marihuana processor under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~—(z) “These rules” means the administrative rules promulgated by the agency under the authority of the medical marihuana facilities licensing act, the marihuana tracking act, the Michigan Regulation and Taxation of Marihuana Act, and Executive Reorganization Order No. 2019-2, MCL 333.27001.~~
- ~~—(aa) “Tag” or “RFID tag” means the unique identification number or Radio Frequency Identification (RFID) issued to a licensee by the statewide monitoring system for tracking, identifying, and verifying marihuana plants, marihuana products, and packages of marihuana products in the statewide monitoring system.~~
- ~~—(bb) “Trade sample” means a sample of marihuana products that a cultivator or producer provides to licensees for the purpose of the licensee determining whether to purchase the marihuana product.~~
- ~~—(2) Terms defined in the acts have the same meanings when used in these rules unless otherwise indicated.~~ **(1) A marihuana sales location shall do both of the following:**
 - (a) Keep marihuana behind a counter or other barrier to ensure that a customer does not have direct access to the marihuana.**

(b) If the marihuana sales location is a marihuana microbusiness or class A marihuana microbusiness, have a separate room that is dedicated as the point-of-sale area for the transfer or sale of marihuana to marihuana customers that is separate from areas used for cultivating or processing.

(2) A marihuana sales location shall verify all of the following before selling or transferring marihuana to a marihuana customer:

(a) The marihuana has not been placed on administrative hold or recalled and is not required to be disposed of.

(b) If the marihuana is an edible marihuana product, the marihuana is not past its expiration date.

(c) The completed transfer or sale will not exceed the purchasing limit prescribed in R 420.506.

(d) The marihuana has passed all testing required under part 5 of these rules.

(e) The marihuana meets the packaging and labeling requirements under part 6 of these rules.

(3) In addition to the requirements in subrule (2) of this rule, before selling or transferring marihuana to a marihuana customer, a marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness shall verify the marihuana customer is 21 years of age or older. The marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness shall verify that the marihuana customer is 21 years of age or older by requiring the marihuana customer to present a valid driver's license or government-issued identification card that bears a photographic image of the marihuana customer.

(4) In addition to the requirements in subrule (2) of this rule, before selling or transferring marihuana to a marihuana customer, a provisioning center shall verify that the marihuana customer is 1 of the following:

(a) A registered qualifying patient or primary caregiver. The provisioning center shall verify the marihuana customer is a registered qualifying patient or primary caregiver by requiring the marihuana customer to present a valid, current, unexpired, and unrevoked registry identification card.

(b) A visiting qualifying patient. The provisioning center shall verify the marihuana customer is a visiting qualifying patient by requiring the marihuana customer to present both of the following:

(i) The equivalent of a registry identification card issued in another state, district, territory, commonwealth, or insular possession of the United States that allows the medical use of marihuana.

(ii) A valid driver's license or government-issued identification card that bears a photographic image of the visiting qualifying patient.

(5) As used in subrule (4) of this rule, "visiting qualifying patient" means that term as defined in section 3 of the Michigan Medical Marihuana Act, MCL 333.26423.

(6) A marihuana sales location shall maintain the following records for each sale or transfer of marihuana:

(a) A description of the marihuana.

(b) The quantity of marihuana.

(c) The date and time of the sale or transfer.

(d) The payment method.

(e) The amount of payment.

(6) A marihuana sales location may accept orders for marihuana and payment for marihuana online and by telephone.

(7) A marihuana sales location shall not sell marihuana obtained from a registered primary caregiver.

R 420.502 ~~Tracking identification; labeling requirements; general~~ **Marihuana delivery.**

~~Rule 2502. (1) Each marihuana products sold or transferred must be clearly labeled with the tracking identification numbers assigned by the statewide monitoring system affixed, tagged, or labeled and recorded, and any other information required by the agency, the acts, and these rules.~~

~~–(2) The agency may place an administrative hold on marihuana products, recall marihuana products, issue safety warnings, and require a marihuana business to provide informational material or notifications to a marihuana customer at the point of sale.~~

~~–(3) A marihuana business shall not sell or transfer a marihuana product that has been placed on administrative hold, recalled, or ordered or otherwise required to be destroyed.~~

~~–(4) A marihuana business shall not sell or a transfer marihuana product after the printed expiration date on the package. An expired marihuana product must be destroyed except as provided in R 420.214c(2)(f).~~

~~–(5) Prior to selling or transferring a marihuana product, a marihuana business must verify in the statewide monitoring system, that the marihuana product has not been placed on an administrative hold, recalled, or ordered to be destroyed.~~

~~–(6) A marihuana business shall destroy all product required to be destroyed for any reason within 90 calendar days of when the marihuana business became aware of the fact that the product must be destroyed.~~

(1) A marihuana sales location may engage in the delivery of marihuana to marihuana customers on approval by the agency.

(2) A marihuana sales location shall establish delivery procedures to ensure marihuana deliveries comply with the requirements in subrule (3) of this rule.

(3) All of the following apply to the delivery of marihuana by a marihuana sales location:

(a) If the marihuana sales location is licensed under the MMFLA, marihuana must be delivered to 1 of the following:

(i) The residential address of a registered qualifying patient.

(ii) If a registered qualifying patient is a minor, the residential address of the minor's registered primary caregiver.

(b) If the marihuana sales location is licensed under the MRTMA, marihuana must be delivered to 1 of the following:

(i) The residential address of an individual 21 years of age or older.

(ii) A designated consumption establishment.

(c) Marihuana must be delivered by an employee of the marihuana sales location.

(d) The amount of marihuana delivered to a marihuana customer must not exceed the purchase limits in R 420.506.

(e) The marihuana delivery employee shall verify that the person accepting the delivery is the individual who placed the order.

(f) The marihuana delivery employee shall verify the identity and age of the marihuana customer as required in R 420.501(3) or (4).

(g) A marihuana delivery employee shall have access to a mobile communication device at all times in the vehicle or on their person while making marihuana deliveries.

(h) A marihuana delivery employee shall maintain a physical or electronic copy of the delivery request while making a marihuana delivery.

(i) A marihuana delivery employee shall not leave marihuana unattended in a delivery vehicle unless the vehicle is locked and equipped with an active vehicle alarm system.

(j) A marihuana delivery employee shall use a motor vehicle as that term is defined in the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923, to deliver marihuana.

(k) A marihuana delivery vehicle must contain a global positioning system device while the vehicle is being used to make a marihuana delivery. The marihuana sales location shall be able to identify the geographic location of a marihuana delivery vehicle and marihuana delivery employee while the employee is delivering marihuana.

(l) A marihuana delivery employee shall not possess more than either of the following while making deliveries:

(i) \$5,000.00 worth of marihuana. The value of the marihuana must be determined using the current retail price of the marihuana.

(ii) If the marihuana delivery employee is delivering marihuana for a marihuana retailer under the MRTMA, more than 15 ounces of marihuana or more than 60 grams of marihuana concentrate under section 11 of the MRTMA, MCL 333.27961.

(m) If a marihuana delivery employee returns to the marihuana sales location with undelivered marihuana, the marihuana must be returned to inventory and the marihuana sales location shall update the statewide monitoring system within 24 hours.

(n) All marihuana deliveries must occur during the business hours of the marihuana sales location.

(o) Marihuana being delivered by a marihuana delivery employee must be transported in a container that is secured by a locked, closed lid or door, or sealed by a tamper-proof tape that indicates if the marihuana had been tampered with during transport.

(p) A marihuana delivery employee shall not possess marihuana during a delivery that has not been ordered by a marihuana customer.

(4) A marihuana delivery begins when the marihuana delivery employee leaves the premises of a marihuana sales location with marihuana. The marihuana delivery ends when the marihuana delivery employee returns to the premises of the marihuana sales location after delivering the marihuana to the marihuana customer or to return undelivered marihuana.

(5) A marihuana sales location shall report to the agency anything that occurs during a marihuana delivery that violates the marihuana sales location's marihuana delivery procedure.

(6) A marihuana delivery employee may be employed by more than 1 marihuana sales location if 1 licensee holds the licenses for all marihuana sales locations at which the marihuana delivery employee is employed. A marihuana delivery employee who is employed by more than 1 marihuana sales location may only deliver marihuana for 1 marihuana sales location at a time.

(7) The approval granted to a marihuana sales location pursuant to subrule (1) of this rule may be denied, suspended, or withdrawn by the agency.

~~Rule 3503. Before a marihuana plant is sold or transferred, a package tag must be affixed to the plant or plant container and enclosed in a tamper proof seal that includes all of the following information:~~

- ~~—(a) Business or trade name, licensee number, and the RFID package tag assigned by the statewide monitoring system that is visible.~~
- ~~—(b) Name of the strain.~~
- ~~—(c) Date of harvest.~~
- ~~—(d) Seed strain.~~
- ~~—(e) Universal symbol.~~

(1) A marihuana sales location shall maintain records of all of the following for a marihuana delivery:

- (a) Confirmation of compliance with R 420.502(3)(a) or (b).**
- (b) Confirmation of compliance with R 420.502(3)(f).**
- (c) Documentation that a marihuana customer consented to the delivery of the marihuana and the release of information necessary in fulfilling the delivery.**
- (d) A marihuana delivery log that records all of the following:**
 - (i) The date and time that the delivery began and ended.**
 - (ii) The date, time, and location of the stops made during the marihuana delivery and the reason for the stop.**
 - (ii) The name of the marihuana delivery employee.**
 - (iii) The amount of marihuana delivered.**
 - (iv) The package tag number or numbers of the marihuana.**
 - (v) The signature of the individual who accepted delivery.**

(2) A marihuana sales location shall maintain the following records for a motor vehicle used for marihuana delivery:

- (a) Vehicle make.**
- (b) Vehicle model.**
- (c) Vehicle color.**
- (d) Vehicle identification number.**
- (e) License plate number.**
- (f) Vehicle registration.**
- (g) Proof of insurance.**

(3) A marihuana delivery employee shall carry a physical or electronic copy of all of the following information when making a marihuana delivery for a marihuana sales location:

- (a) The identification number for the marihuana delivery employee assigned by the statewide monitoring system.**
- (b) The license number of the marihuana sales location.**
- (c) The address of the marihuana sales location.**
- (d) The telephone number of the marihuana sales location.**
- (e) A copy of the delivery log required in subrule (1)(d) of this rule.**
- (f) A delivery inventory ledger that identifies all marihuana possessed by the marihuana delivery employee. For each final package of marihuana, the delivery inventory ledger must include all of the following:**
 - (i) The type of marihuana.**
 - (ii) The brand name of the marihuana.**
 - (iii) The retail value of the marihuana.**
 - (iv) The tag number associated with the marihuana.**

- (v) **The weight, volume, or other accurate measure of the amount of marihuana.**
- (g) **Documentation of a delivery order for marihuana in the delivery vehicle and receipts for marihuana that has already been delivered to customers.**

~~R 420.503a Sale or transfer of immature plant batches from a cultivator to a marihuana sales location. **Rescinded.**~~

~~Rule 3a. (1) A cultivator approved by the agency to sell or transfer immature plant batches to a marihuana sales location is not required to transfer the immature plant batches using a marihuana transporter.~~

~~(2) Immature plant batches transferred from a cultivator to a marihuana sales location are not required to undergo the testing required by R 420.304 and R 420.305.~~

~~R 420.504 Marihuana product sale or transfer; labeling and packaging requirements **Contactless and limited contact transactions.**~~

~~Rule 4504. (1) Before a marihuana product is sold or transferred to or by a marihuana sales location, the container, bag, or product holding the marihuana product must be sealed and labeled with all of the following information:~~

- ~~—(a) The name and the state license number of the cultivator or producer, including business or trade name, and package tag as assigned by the statewide monitoring system.~~
- ~~—(b) The name and the marihuana license number of the licensee that packaged the product, including business or trade name, if different from the producer of the marihuana product.~~
- ~~—(c) Date of harvest, if applicable.~~
- ~~—(d) Name of strain, if applicable.~~
- ~~—(e) Net weight in United States customary or metric units.~~
- ~~—(f) Concentration of Tetrahydrocannabinol (THC) and cannabidiol (CBD) as reported by the laboratory after potency testing along with a statement that the actual value may vary from the reported value by 10%.~~
- ~~—(g) Activation time expressed in words or through a pictogram.~~
- ~~—(h) Name of the laboratory that performed any passing compliance testing on the product in final form and any test analysis date.~~
- ~~—(i) The universal symbol for marihuana product published on the agency’s website.~~
- ~~—(j) A warning that includes all the following statements:~~
 - ~~—(i) "It is illegal to drive a motor vehicle while under the influence of marihuana."~~
 - ~~—(ii) "National Poison Control Center 1-800-222-1222."~~
 - ~~—(iii) For products being sold by a marihuana facility that exceed the maximum THC levels allowed for products sold under MRTMA, "For use by registered qualifying patients only. Keep out of reach of children."~~
 - ~~—(iv) For all other products, "For use by individuals 21 years of age or older or registered qualifying patients only. Keep out of reach of children."~~
 - ~~—(v) In clearly legible type and surrounded by a continuous heavy line: "WARNING: USE BY PREGNANT OR BREASTFEEDING WOMEN, OR BY WOMEN PLANNING TO BECOME PREGNANT, MAY RESULT IN FETAL INJURY, PRETERM BIRTH, LOW BIRTH WEIGHT, OR DEVELOPMENTAL PROBLEMS FOR THE CHILD."~~

~~–(2) An edible marihuana product sold by a marihuana sales location must comply with R 420.403(7) to (10).~~

~~–(3) An infused marihuana product sold by a marihuana sales location must comply with R 420.403(7).~~

~~–(4) A marihuana sales location must make available to every customer at the time of sale a pamphlet measuring at least 3.5 inches by 5 inches, that includes, at minimum, the statement “National Poison Control Center Hotline 1-800-222-1212,” and at least two of the following statements:~~

~~–(a) Marijuana use during adolescence may affect the developing brain negatively by impairing thinking and problem-solving.~~

~~–(b) Marijuana use during adolescence may affect the developing brain negatively by impairing memory and learning.~~

~~–(c) Marijuana use during adolescence may affect the developing brain negatively by impairing coordination.~~

~~–(d) Marijuana use during adolescence may affect the developing brain negatively by impairing ability to maintain attention.~~

~~–(e) Marijuana use during adolescence may impact performance in school.~~

~~–(f) Marijuana use during adolescence may impact the risk of mental health issues.~~

~~–(g) Marijuana use during adolescence may impact driving abilities.~~

~~–(h) Marijuana use during adolescence may impact the potential for addiction.~~

~~–(i) Any other statement as approved by the agency and published on the agency’s website. –(1)~~

A marihuana sales location may designate an area for contactless or limited contact transactions unless prohibited by an ordinance adopted by the municipality where the marihuana sales location is located.

(2) Contactless or limited contact transactions include, but are not limited to, both of the following:

(a) Curbside service.

(b) Drive through window service.

(3) A contactless or limited contact transaction must comply with the requirements of R 420.501.

(4) The designated area for contactless or limited contact transactions must be identified in the marihuana business location plan.

(5) A marihuana sales location providing contactless or limited contact transactions shall have a written standard operating procedure in place.

(6) Contactless or limited contact transactions must be completed during normal business hours.

(7) A marihuana sales location offering contactless or limited contact transactions shall ensure that only the marihuana customer that placed the order can access the marihuana.

(8) A marihuana sales location transferring marihuana to a marihuana customer during a contactless or limited contact transaction shall ensure that the marihuana is not visible to the general public during the contactless or limited contact transaction.

R 420.505 ~~Sale or transfer; marihuana sales location~~ **Informational pamphlet requirements.**

Rule 5505. ~~(1) A marihuana sales location shall verify all of the following prior to selling or transferring marihuana or a marihuana product to a marihuana customer:~~

- ~~—(a) The marijuana product has not been placed on administrative hold, recalled, or ordered or otherwise required to be destroyed.~~
 - ~~—(b) The marijuana product is not past its expiration date.~~
 - ~~—(c) The marijuana customer presented his or her valid driver’s license or government issued identification card that bears a photographic image of the qualifying patient or primary caregiver, under the MMFLA; or bears a photographic image and proof that the individual is 21 years of age or older, under the MRTMA.~~
 - ~~—(d) The completed transfer or sale will not exceed the purchasing limit prescribed in R 420.506.~~
 - ~~—(e) The marijuana product has been tested in accordance with R 420.305.~~
 - ~~—(f) The marijuana product is labeled and packaged for sale or transfer in accordance with R 420.504.~~
 - ~~—(g) The registered qualifying patient or registered primary caregiver holds a valid, current, unexpired, and unrevoked registry identification card.~~
 - ~~—(2) A marijuana sales location shall enter all transactions, current inventory, and other information required by these rules in the statewide monitoring system. The marijuana sales location shall maintain appropriate records of all sales or transfers under the acts and these rules and make them available to the agency upon request.~~
 - ~~—(3) A provisioning center licensed under the MMFLA shall verify all of the following prior to selling or transferring a marijuana product to a visiting qualifying patient:~~
 - ~~—(a) The visiting qualifying patient has a valid unexpired medical marijuana registry card, or its equivalent issued in another state, district, territory, commonwealth, or insular possession of the United States that allows the medical use of marijuana.~~
 - ~~—(b) The visiting qualifying patient presented his or her valid driver license or government issued identification card that bears a photographic image of the visiting qualifying patient.~~
 - ~~—(c) The transfer or sale, if completed, will not exceed the purchasing limit prescribed in R 420.506.~~
 - ~~—(d) The marijuana product that is sold or transferred under this rule has been tested in accordance with R 420.305.~~
 - ~~—(e) The marijuana product is labeled and packaged for sale or transfer in accordance with R 420.504.~~
 - ~~—(f) As used in this subrule, “visiting qualifying patient” means that term as defined in section 3 of the Michigan Medical Marijuana Act, MCL 333.26423.~~
 - ~~—(4) A marijuana retailer, marijuana microbusiness, or class A marijuana microbusiness licensed under the MRTMA is not required to retain information from customers other than the following:~~
 - ~~—(a) Payment method.~~
 - ~~—(b) Amount of payment.~~
 - ~~—(c) Time of sale.~~
 - ~~—(d) Product quantity.~~
 - ~~—(e) Other product descriptors.~~
- A marijuana sales location shall make available to every customer at the time of sale a pamphlet measuring not less than 3-1/2 by 5 inches, that includes, at minimum, the statement “National Poison Control Center Hotline 1-800-222-1222,” and not less than 2 of the following statements:**
- (a) Marijuana use during adolescence may affect the developing brain negatively by impairing thinking and problem solving.**
 - (b) Marijuana use during adolescence may affect the developing brain negatively by impairing memory and learning.**

(c) Marijuana use during adolescence may affect the developing brain negatively by impairing coordination.

(d) Marijuana use during adolescence may affect the developing brain negatively by impairing ability to maintain attention.

(e) Marijuana use during adolescence may impact performance in school.

(f) Marijuana use during adolescence may impact the risk of mental health issues.

(g) Marijuana use may impact driving abilities.

(h) Marijuana use during adolescence may impact the potential for addiction.

(i) Vaping can cause breathing problems, organ damage, addiction, and other conditions.

(j) Another statement as approved and published by the agency.

R 420.506 Purchasing limits; transactions; marihuana sales location.

Rule ~~6506~~. (1) ~~Before the sale or transfer of marihuana product to a registered qualifying patient or registered primary caregiver, under the MMFLA, the licensee shall verify in the statewide monitoring system that the sale or transfer does not exceed either of the daily purchasing limits as follows~~ **A provisioning center shall not transfer more than the following amounts of marihuana to a marihuana customer:**

(a) ~~For~~**To** a registered qualifying patient, ~~an amount of marihuana product that does not, in total, exceed 2.5 ounces of marihuana or marihuana equivalent per day.~~

(b) ~~For~~**To** a registered primary caregiver, ~~an amount of marihuana product that does not, in total, exceed 2.5 ounces of marihuana or marihuana equivalent-per day for each registered qualifying patient with whom he or she~~ **the registered primary caregiver** is connected through the agency's registration process.

(c) To a registered qualifying patient, 10 ounces of marihuana in a 30-day period, either directly or through the registered qualifying patient's registered primary caregiver.

~~(2) Before the sale or transfer of marihuana product to a registered qualifying patient or registered primary caregiver, under the MMFLA, the licensee shall verify in the statewide monitoring system that the sale or transfer does not exceed the monthly purchasing limit of 10 ounces of marihuana product per month to a qualifying patient, either directly or through the qualifying patient's registered primary caregiver.~~

~~(32) A marihuana retailer, under the MRTMA, is prohibited from making a sale or transferring marihuana to an adult 21 years of age or older in a single transaction that exceeds 2.5 ounces., Not more than 15 grams of marihuana may be in the form of marihuana concentrate~~ **shall not sell or transfer marihuana to a marihuana customer 21 years of age or older if the marihuana retailer knows or reasonably should know that the transfer would result in the marihuana customer possessing more than 2.5 ounces of marihuana. Of that 2.5 ounces, not more than 15 grams may be in the form of marihuana concentrate.**

~~(43) A marihuana sales location may sell~~ **shall not sell** more than 3 immature plants to a marihuana customer per transaction.

(4) As used in this rule, "marihuana equivalent" means usable marihuana equivalent as that term is defined in section 3(p) of the Michigan Medical Marihuana Act, MCL 333.26423.

R 420.507 Marketing and advertising restrictions.

Rule 7507. (1) ~~A marihuana product may only be advertised or marketed~~**licensee shall only advertise or market marihuana or a marihuana brand** in compliance with all applicable municipal ordinances, state law, and ~~these rules that regulate signs and advertising~~**this rule**.

(2) A licensee ~~may~~**shall** not advertise ~~a marihuana product or a marihuana brand~~ in a way that is deceptive, false, or misleading, or make ~~any~~ deceptive, false, or misleading assertions or statements on ~~any packages of marihuana product, signs, or documents provided~~.

(3) ~~Marihuana product marketing, advertising, packaging, and labeling must not contain~~**A licensee shall not include any** claim related to health or health benefits **on marketing, advertising, or packaging for marihuana or a marihuana brand**, unless a qualified health claim ~~has received~~**receives** and complies with a Letter of Enforcement Discretion issued by the ~~United States Food and Drug Administration (FDA)~~**FDA**, or the health claim ~~has been~~**is** approved under the significant scientific agreement standard by the FDA.

(4) ~~A marihuana product must not be advertised or marketed~~**licensee shall not advertise or market marihuana or a marihuana brand** to members of the public unless the ~~person~~**licensee** advertising the ~~product~~**marihuana or marihuana brand** has reliable evidence that no more than 30% of the audience or readership for the television program, radio program, internet website, or ~~print publication~~**advertising or marketing** is reasonably expected to be under the age listed in subrules (7) and (8) of this rule. ~~Any marihuana product advertised or marketed must include the warnings listed in R 420.504(1)(j).~~

(5) ~~A person receiving reasonable payment under a licensing agreement or contract approved by the agency concerning the licensing of intellectual property, including, but not limited to, brands and recipes, is responsible for any marketing or advertising undertaken by either party to the agreement~~**licensee is responsible for ensuring that the marketing and advertising of marihuana and marihuana brands that is done pursuant to an agreement between the licensee and another party complies with the acts and these rules.**

(6) ~~A marihuana product~~**Marihuana or a marihuana brand** marketed or advertised under the MMFLA must be marketed or advertised as “medical marihuana” for use only by registered qualifying patients or registered primary caregivers.

(7) ~~A marihuana product marketed or advertised under the MMFLA must not be marketed or advertised to minors aged 17 years or younger. Sponsorships targeting individuals aged 17 years or younger are prohibited. A licensee shall not do any of the following:~~

(a) **If licensed under the MMFLA, advertise or market marihuana or a marihuana brand in a way that appeals to individuals less than 18 years of age, or sponsor an event, activity, or organization that is advertised or marketed to individuals less than 18 years of age.**

(b) **If licensed under the MRTMA, advertise or market marihuana or a marihuana brand in a way that appeals to individuals less than 21 years of age, or sponsor an event, activity, or organization that is advertised or marketed to individuals less than 21 years of age.**

(c) **Advertise or market marihuana or a marihuana brand using depictions of any of the following:**

(i) **Toys.**

(ii) **An anthropomorphic animal or object.**

(iii) **A character, symbol, or design that is associated with an established brand, food, activity, event, movie, television program, video game, or literary work that is marketed to minors, or a character, symbol, or design that a minor could reasonably believe is associated with an established brand, food, activity, event, movie, television program, video game, or literary work that is marketed to minors.**

(iv) If advertising an edible marijuana product, any of the following:

- (A) A cartoon.
- (B) Fruit.
- (C) Confections.
- (D) Snack foods, including, but not limited to, chips, popcorn, and cereal.
- (E) The likeness or characteristics of a realistic or fictional human.

~~(8) A marihuana product marketed or advertised licensee under the MRTMA must shall be marketed or advertised as “marihuana” market and advertise marihuana as being for use only by individuals 21 years of age or older.~~

~~(9) A marihuana product marketed or advertised under the MRTMA must not be marketed or advertised to individuals under 21 years of age. Sponsorships targeting individuals under 21 years of age are prohibited.~~

(9) Advertising or marketing for marihuana or a marihuana brand must include the following warnings:

- (a) For billboards, the warnings listed in R 420.405(2)(m)(i), (ii), (iii), and (iv).
- (b) For all other advertising or marketing, the warnings listed in R 420.405(2)(m).

R 420.508 ~~Trade samples~~ **Advertising marihuana that has not been treated.**

~~Rule 8508. (1) The following licensees may provide trade samples:~~

~~—(a) A cultivator may transfer trade samples of marihuana products to a producer or a marihuana sales location.~~

~~—(b) A producer may transfer trade samples of marihuana products to a producer or marihuana sales location.~~

~~(2) The transfer of trade samples does not require the use of a secure transporter under the MMFLA or a marihuana secure transporter under the MRTMA if the amount of trade samples does not exceed either of the following:~~

~~—(a) 15 ounces of marihuana.~~

~~—(b) 60 grams of marihuana concentrate.~~

~~(3) Trade samples must not be sold or transferred by the receiving producer or marihuana sales location to another producer or marihuana sales location or to a consumer.~~

~~(4) Any trade sample transferred to a producer or marihuana sales location or received by a producer or a marihuana sales location must be recorded in the statewide monitoring system.~~

~~(5) Any trade samples transferred under this rule must be tested in accordance with these rules prior to being transferred to a producer or marihuana sales location.~~

~~(6) A cultivator and producer are limited to transferring the following aggregate amounts of trade samples to a producer or a marihuana sales location in a 30-day period:~~

~~—(a) 2.5 ounces of marihuana.~~

~~—(b) 15 grams of marihuana concentrate.~~

~~(7) In addition to the information required in R 420.403, a trade sample must have a label containing the statement “TRADE SAMPLE NOT FOR RESALE” in bold, capital letters attached to the trade sample.~~

~~(8) A producer or marihuana sales location that receives a trade sample may distribute the trade sample to its employees to determine whether to purchase the marihuana product. A producer or marihuana sales location is limited to transferring a total of 1 ounce of marihuana, a total of 6 grams of marihuana concentrate, and marihuana infused products with a total THC content of 2000~~

~~mgs of internal product samples to each of its employees in a 30-day period.~~ **(1) A marihuana business may include the statement “This product has not been treated with radiation, gas, radio frequency, chemical, or thermal processing” on final packaging or in advertising only if the marihuana in the final packaging or being advertised has not undergone any of the treatments or processes listed in R 420.309(7).**

(2) A marihuana business shall not include the phrase in subrule (1) of this rule or a similar phrase that could lead a reasonable marihuana customer to believe marihuana had not undergone a treatment or process listed in R 420.309(7) on the final packaging or in other advertising if the marihuana in the final packaging or being advertised has undergone a treatment listed in R 420.309(7).

(3) For purposes of this rule, extraction is considered a treatment or process under R 420.309(7) only if the extraction was performed on marihuana that failed testing. A marihuana business may include the phrase in subrule (1) of this rule on final packaging or advertising of marihuana that has been extracted if that marihuana did not fail testing.

R 420.509 Internal product samples. Rescinded.

~~Rule 9. (1) A cultivator, producer, marihuana sales location, or marihuana microbusiness, or class A marihuana microbusiness may transfer internal product samples directly to its employees for the purpose of ensuring product quality and making determinations about whether to sell the marihuana product.~~

~~(2) Internal product samples may not be transferred or sold to another licensee or consumer.~~

~~(3) A licensee shall record the transfer of an internal product sample in the statewide monitoring system.~~

~~(4) A cultivator is limited to transferring a total of 1 ounce of internal product samples to each of its employees in a 30-day period.~~

~~(5) A producer is limited to transferring a total of 6 grams of marihuana concentrate and marihuana infused products with a total THC content of 2000 mgs of internal product samples to each of its employees in a 30-day period.~~

~~(6) A marihuana sales location, marihuana microbusiness, and class A marihuana microbusiness are limited to transferring a total of 1 ounce of marihuana, a total of 6 grams of marihuana concentrate, and marihuana infused products with a total THC content of 2000 mgs of internal product samples to each of its employees in a 30-day period.~~

~~(7) A licensee shall have internal product samples tested pursuant to R 420.304 and R 420.305 before transfer to its employees.~~

R 420.510 Product development. Rescinded.

~~Rule 10. (1) A cultivator or producer may engage in product development. No other marihuana business may engage in product development.~~

~~(2) A cultivator may designate marihuana plants for product development. Any marihuana plants designated for product development count toward the authorized total amount of marihuana plants for a cultivator and must be tracked in the statewide monitoring system.~~

~~(3) A producer may designate marihuana concentrate for product development. Any marihuana concentrates designated for product development must be tracked in the statewide monitoring system.~~

- ~~–(4) A licensee engaged in product development may submit his or her product development inventory to a laboratory for research and development testing in accordance with these rules.~~
- ~~–(5) Disciplinary action may not be taken against a licensee for failed research and development test results on his or her product development inventory.~~
- ~~–(6) A cultivator or producer may transfer its product development inventory to its employees for consumption. A licensee shall have product development inventory tested pursuant to R 420.304 and R 420.305 before transferring it to an employee. Any product development inventory that is not properly transferred to an employee must be destroyed pursuant to these rules. All product development inventory transferred to an employee counts toward the limitations in R 420.509(4) and R 420.509(5), as applicable.~~
- ~~–(7) A licensee shall record the transfer of product development inventory in the statewide monitoring system.~~
- ~~–(8) Product development inventory may not be consumed or used on the premises of the licensee.~~
- ~~–(9) A licensee shall not transfer or sell inventory designated for product development to a marijuana sales location, or to a marijuana customer, until after the inventory is tested pursuant to R 420.304 and R 420.305, and the test results in the statewide monitoring system indicate a passed full compliance testing.~~
- ~~–(10) Any product development inventory that is transferred to a marijuana sales location must be labeled in accordance with R 420.504.~~
- ~~–(11) A cultivator or producer may also engage in a research study with an entity duly authorized by the Drug Enforcement Administration to handle marijuana. A licensee’s participation in a research study must be approved by the agency.~~
- ~~–(12) A licensee participating in an approved research study shall track all marijuana product involved in the research study in the statewide monitoring system.~~

R 420. 511 Severability. Rescinded.

~~Rule 11. If any rule or subrule of these rules, in whole or in part, is found to be invalid by a court of competent jurisdiction, such decision will not affect the validity of the remaining portion of these rules.~~

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

MARIJUANA REGULATORY AGENCY

PART 8. MARIHUANA EMPLOYEES

~~(By authority conferred on the executive director of the marijuana regulatory agency by section 206 of the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27206, sections 7 and 8 of the Michigan Regulation and Taxation of Marijuana Act, 2018 IL 1, MCL 333.27957 and 333.27958, and Executive Reorganization Order No. 2019-2, MCL 333.27001)~~

R 420.601 Definitions. Rescinded.

~~Rule 1. (1) As used in these rules:~~

- ~~—(a) “Acts” refers to the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, and the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967, when applicable.~~
- ~~—(b) “Agency” means the marijuana regulatory agency.~~
- ~~—(c) “Cultivator” means both a grower under the medical marihuana facilities licensing act and a marihuana grower under the Michigan Regulation and Taxation of Marihuana Act.~~
- ~~—(d) “Designated consumption establishment” means a commercial space that is licensed by the agency and authorized to permit adults 21 years of age and older to consume marihuana products at the location indicated on the state license.~~
- ~~—(e) “Employee” means, except as otherwise provided in these rules, a person performing work or service for compensation. —“Employee” does not include individuals providing trade or professional services who are not normally engaged in the operation of a marihuana establishment.~~
- ~~—(f) “Laboratory” means both a safety compliance facility under the medical marihuana facilities licensing act and a marihuana safety compliance facility under the Michigan Regulation and Taxation of Marihuana Act.~~
- ~~—(g) “Limited access area” means a building, room, or other contiguous area of a marihuana business where marihuana is grown, cultivated, stored, weighed, packaged, sold, or processed for sale and that is under the control of the licensee.~~
- ~~(h) “Marihuana business” means a marihuana facility under the medical marihuana facilities licensing act or a marihuana establishment under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~—(i) “Marihuana customer” means a registered qualifying patient under the medical marihuana facilities licensing act, a registered primary caregiver under the medical marihuana facilities licensing act, or an individual 21 years of age or older under the Michigan Regulation and Taxation of Marihuana Act, or all 3.~~
- ~~—(j) “Marihuana establishment” means a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter, marihuana designated consumption establishment, or any other type of marihuana related business licensed by the agency under the Michigan Regulation and Taxation of Marihuana Act.~~
- ~~—(k) “Marihuana event organizer” means a person licensed to apply for a temporary marihuana event license under these rules.~~
- ~~—(l) “Marihuana facility” means a location at which a licensee is licensed to operate under the medical marihuana facilities licensing act.~~
- ~~—(m) “Marihuana product” means marihuana or a marihuana infused product, or both, as those terms are defined in the acts unless otherwise provided for in these rules.~~
- ~~—(n) “Marihuana sales location” means a provisioning center under the medical marihuana facilities licensing act or a marihuana retailer, marihuana microbusiness, or class A marihuana microbusiness under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~—(o) “Marihuana tracking act” means the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.~~
- ~~—(p) “Marihuana transporter” means a secure transporter under the medical marihuana facilities licensing act or a marihuana secure transporter under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~—(q) “Medical marihuana facilities licensing act” or “MMFLA” means the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.~~

- ~~—(r) “Michigan Regulation and Taxation of Marihuana Act” or “MRTMA” means the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.~~
- ~~—(s) “Producer” means both a processor under the medical marihuana facilities licensing act and a marihuana processor under the Michigan Regulation and Taxation of Marihuana Act.~~
- ~~—(t) “These rules” means the administrative rules promulgated by the marijuana regulatory agency under the authority of the medical marihuana facilities licensing act, the marihuana tracking act, the Michigan Regulation and Taxation of Marihuana Act, and Executive Reorganization Order No. 2019-2, MCL 333.27001.~~
- ~~—(u) “Temporary marihuana event license” means a state license held by a marihuana event organizer under the Michigan Regulation and Taxation of Marihuana Act, for an event where the onsite sale or consumption of marihuana products, or both, are authorized at the location indicated on the state license.~~
- ~~—(2) Terms defined in the acts have the same meanings when used in these rules unless otherwise indicated.~~

R 420.602 Employees; requirements.

Rule ~~2~~**602**. (1) A licensee shall **do all of the following**:

- ~~(a) conduct~~**Conduct** a criminal history background check on ~~any~~ a prospective employee before hiring that individual. ~~A licensee shall~~**and** keep records of the results of the criminal history background checks for the duration of the employee’s employment with the licensee. ~~A licensee shall record confirmation of criminal history background checks and make the confirmation available for inspection upon request by the agency.~~
- ~~(2) A licensee shall comply with all of the following:~~
 - ~~(ab) Have a policy in place that requires employees to report any new or pending criminal charges or convictions. If an employee is charged with or convicted of a controlled substance-related felony or any other felony, the licensee shall immediately report the charge or conviction to the agency. If an employee of a licensee under the MRTMA is convicted of an offense involving distribution of a controlled substance to a minor, the licensee shall immediately report the conviction to the agency.~~
 - ~~(bc) Enter in the statewide monitoring system an employee’s information and level of statewide monitoring system access within 7 business days of hiring for the system to assign an employee identification number. The licensee shall update in the statewide monitoring system employee information and changes in status or access within 7 business days~~**Screen prospective employees against a list of excluded individuals maintained by the agency under R 420.806c.**
 - ~~(c) Remove an employee’s access and permissions to the marihuana business and the statewide monitoring system within 7 business days after the employee’s employment with the licensee is terminated.~~
 - ~~(d) Train employees in accordance with an employee training manual. Copies of this manual must be maintained and be made available to the agency upon request. The employee training manual must include, but is not limited to, all of the following:~~
 - ~~(i) Employee safety procedures.~~
 - ~~(ii) Employee guidelines.~~
 - ~~(iii) Security protocol.~~
 - ~~(iv) Educational training, including, but not limited to, marihuana product information; dosage and purchasing limits, if applicable; and educational materials.~~

~~—(e) A marijuana business under the MRTMA that sells or transfers marijuana to an individual 21 years of age or older shall include in the employee training manual a responsible operations plan. Copies of this plan must be maintained and be available to the agency upon request. A responsible operations plan must include a detailed explanation of how employees will monitor and prevent all of the following:~~

(2) A licensee shall create and maintain an employee training manual that includes all of the following:

(a) Information and instructions necessary to ensure employees comply with the requirements of the acts and these rules.

(b) If the licensee is a marijuana retailer, marijuana microbusiness, or class A marijuana microbusiness, a responsible operations plan that includes a detailed explanation of how employees will monitor and prevent all of the following:

(i) Over-intoxication.

(ii) Underage access to the establishment.

(iii) The illegal sale or distribution of marijuana or marijuana products within the establishment.

~~(iv) Any potential criminal activity on the premises, as applicable.~~

~~(fc) Establish point~~**Point** of sale or transfer procedures for employees at marijuana sales locations performing any transfers or sales to marijuana customers. ~~Copies of these procedures must be maintained and be made available to the agency upon request.~~ The point of sale or transfer procedures must include, but are not limited to, all of the following:

(i) Training in dosage.

(ii) ~~Marijuana product information~~**Information about marijuana.**

(iii) Health or educational materials.

(iv) Point of sale training.

(v) Purchasing limits.

(vi) ~~Cannabidiol (CBD) and tetrahydrocannabinol (THC)~~ information.

(vii) Serving size.

(viii) Consumption information, including any warnings.

~~—(g) Screen prospective employees against a list of excluded employees maintained by the agency in accordance with R 420.808a(6).~~

~~—(h) Ensure that employees handle marijuana product in compliance with Current Good Manufacturing Practice, Hazard Analysis, and Risk-Based Preventative Controls for Human Food, 21 CFR part 1107, as specified in these rules.~~

(d) Training specifically on how to comply with the requirements of R 420.221.

~~—(i)(4) When a registered primary caregiver is hired as an employee of a grower, processor, or secure transporter licensed under the MMFLA, the licensee shall ensure the individual withdraws, the individual's employee withdraws their registration as a registered primary caregiver in a manner established by the agency within 5 days after being hired.~~

~~—(j)(5) A licensee under the MRMTA shall not do either of the following:~~

(a) allow Allow a person under less than 21 years of age to volunteer or work for the marijuana establishment pursuant to ~~under~~ section 11 of the MRTMA, MCL 333.27961.

~~(kb) A licensee under the MRTMA shall not employ~~**Employ any** individual who has been convicted of an offense involving distribution of a controlled substance to a minor.

~~—(3) If an individual is present at a marijuana business or in a marijuana transporter vehicle who is not identified as a licensee or an employee of the licensee in the statewide monitoring system or~~

is in violation of the acts or these rules, the agency may take any action permitted under the acts and these rules. This subrule does not apply to authorized escorted visitors at a marihuana business.

~~(4) Employee records are subject to inspection or examination by the agency to determine compliance with the acts and these rules.~~

~~(5) Consumption of food and beverages by employees or visitors is prohibited where marihuana product is stored, processed, or packaged or where hazardous materials are used, handled, or stored. The marihuana business may have a designated area for the consumption of food and beverages that includes, but is not limited to, a room with floor to ceiling walls and a door that separates the room from any marihuana product storage, processing, or packaging.~~

(6) Trade or professional services providers not normally engaged in the operation of a marihuana business, except for those individuals required to have employee credentials under this rule, must be reasonably monitored, logged in as a visitor, and escorted through any limited-access areas.

(7) Nothing in this rule prohibits a licensee from allowing visitors into the marihuana business. A licensee shall ensure that visitors are reasonably monitored, logged in as a visitor, and escorted through any limited-access areas. Visitors that are not employees or individuals providing trade or professional services are prohibited where hazardous materials are used, handled, or stored in the marihuana business.

R 420.602a ~~Prohibitions~~ **Rescinded.**

~~(1) An employee of a cultivator may not also be employed by a marihuana transporter or a laboratory.~~

~~(2) An employee of a producer may not also be employed by a marihuana transporter or a laboratory.~~

~~(3) An employee of a marihuana sales location may not also be employed by a marihuana transporter or a laboratory.~~

~~(4) An employee of a marihuana transporter may not also be employed by a cultivator, producer, marihuana sales location, or laboratory.~~

~~(5) An employee of a laboratory may not also be employed by a cultivator, producer, marihuana sales location, or marihuana transporter.~~

~~(6) An employee of a marihuana microbusiness or a class A marihuana microbusiness may not also be employed by a laboratory or a marihuana transporter.~~

R 420.603 ~~420.603~~ **Severability Employment prohibitions.**

Rule 603. If any rule or subrule of these rules, in whole or in part, is found to be invalid by a court of competent jurisdiction, such decision will not affect the validity of the remaining portion of these rules.

~~(1) An employee of a cultivator shall not also be employed by a marihuana transporter or a marihuana testing laboratory.~~

(2) An employee of a producer shall not also be employed by a marihuana transporter or a marihuana testing laboratory.

(3) An employee of a marihuana sales location shall not also be employed by a marihuana transporter or a marihuana testing laboratory.

(4) An employee of a marihuana transporter shall not also be employed by a cultivator, producer, marihuana sales location, or marihuana testing laboratory.

(5) An employee of a marihuana testing laboratory shall not also be employed by a cultivator, producer, marihuana sales location, or marihuana transporter.

(6) An employee of a marihuana microbusiness or a class A marihuana microbusiness shall not also be employed by a marihuana testing laboratory or a marihuana transporter.

R 420.604 Hiring employees with criminal charges or convictions.

Rule 604. (1) A licensee under the MMFLA shall not hire an individual who has been charged or convicted within the past 10 years of a controlled substance-related felony unless the licensee receives approval from the agency.

(2) A licensee seeking approval under subrule (1) of this rule shall submit all of the following to the agency:

(a) A request to hire the prospective employee in a manner prescribed by the agency.

(b) A copy of the arrest report or reports that resulted in the prospective employee's pending charge or conviction.

(c) A copy of the prospective employee's pending charge or conviction documents.

(d) A written statement from the licensee that includes all of the following:

(i) The prospective employee's proposed job title.

(ii) A description of the prospective employee's job duties.

(iii) An explanation of the steps the licensee has taken to ensure the conduct that resulted in the prospective employee's pending charge or conviction will not jeopardize the facility's operations if the conduct were to reoccur. If the prospective employee's conduct that resulted in the pending charge or conviction is unrelated to the job duties that the prospective employee will be performing, include a statement to that effect.

(3) If an existing employee is acquired by a new licensee during a business purchase, a new background check and approval are not required if the new licensee has the records to show the background check was completed.

(4) The agency shall review the required documents, make a determination regarding the prospective employee's employment, and notify the licensee of its determination.

~~DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS~~

~~MARIJUANA REGULATORY AGENCY~~

~~PART 9. MARIJUANA HEARINGS~~

~~(By authority conferred on the executive director of the marijuana regulatory agency by section 206 of the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27206, sections 7 and 8 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27957 and 333.27958, and Executive Reorganization Order No. 2019-2, MCL 333.27001)~~

~~R 420.701 Definitions. Rescinded.~~

~~Rule 1. (1) As used in these rules:~~

- ~~–(a) “Acts” refers to the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, and the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967, when applicable.~~
- ~~–(b) “Administrative procedures act” means the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.~~
- ~~–(c) “Agency” means the marijuana regulatory agency.~~
- ~~–(d) “Contested case hearing” means an administrative hearing conducted by an administrative law judge within the Michigan office of administrative hearings and rules on behalf of the agency in accordance with the acts and these rules.~~
- ~~–(e) “MAHS general hearing rules” means the administrative hearing rules set forth in R 792.10101 to R 792.10137 of the Michigan administrative code.~~
- ~~–(f) “Marihuana business” means a marihuana facility under the medical marihuana facilities licensing act or a marihuana establishment under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~–(g) “Marihuana establishment” means a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter, marihuana designated consumption establishment, or any other type of marihuana-related business licensed by the agency under the Michigan Regulation and Taxation of Marihuana Act.~~
- ~~–(h) “Marihuana facility” means a location at which a licensee is licensed to operate under the medical marihuana facilities licensing act.~~
- ~~–(i) “Marihuana license” means a state operating license issued under the medical marihuana facilities licensing act or a state license issued under the Michigan Regulation and Taxation of Marihuana Act, or both.~~
- ~~–(j) “Marihuana tracking act” means the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.~~
- ~~–(k) “Medical marihuana facilities licensing act” or “MMFLA” means the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.~~
- ~~–(l) “Michigan Regulation and Taxation of Marihuana Act” or “MRTMA” means the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.~~
- ~~–(m) “MOAHR” means the Michigan office of administrative hearings and rules within the department of licensing and regulatory affairs.~~
- ~~–(n) “Public investigative hearing” means a hearing in which an applicant has an opportunity to present testimony and evidence to establish eligibility for a marihuana license.~~
- ~~–(o) “These rules” means the administrative rules promulgated by the agency under the authority of the medical marihuana facilities licensing act, the marihuana tracking act, the Michigan Regulation and Taxation of Marihuana Act, and Executive Reorganization Order No. 2019-2, MCL 333.27001.~~
- ~~—(2) Terms defined in the acts have the same meanings when used in these rules unless otherwise indicated.~~

R 420.702 Hearing procedures; scope and construction of rules.

Rule ~~2702~~. (1) These rules apply to hearings under the jurisdiction of the agency involving 1 or more of the following:

- (a) The denial of a marihuana license.
- (b) Formal complaints **filed by the agency** against a license.

- (c) A complaint by a licensee.
- (d) ~~The denial of the renewal~~**nonrenewal** of a marihuana license.
- (e) The denial of an amendment application.**

~~(2) These rules are construed to secure a fair, efficient, and impartial determination of the issues presented in a manner consistent with due process.~~

(32) If the rules do not address a specific procedure, ~~the MAHS general hearing rules, the Michigan court rules, and the contested case provisions of sections 71 to 87 of the administrative procedures act, MCL 24.271 to 24.287,~~ **the MOAHR administrative hearing rules apply.**

R 420.703 Public investigative hearing.

Rule **3703**. (1) An applicant that is denied a marihuana license by the agency may request a public investigative hearing in writing within 21 days ~~of~~ **after** service of notice of the denial.

(2) After the agency receives ~~notice of an applicant's request for a public investigative hearing~~ **request for a hearing under subrule (1) of this rule**, the agency ~~must~~**shall** provide an opportunity for this hearing at which the applicant may present ~~testimony and~~ evidence to establish **eligibility and** suitability for a marihuana license.

~~(3) The applicant must be given reasonable notice of the public investigative hearing in writing.~~

~~(4) Not less than 2 weeks before the hearing, the agency shall post notice of the public investigative hearing at its business office in a prominent place that is open and visible to the public. Once the hearing is scheduled, a notice of the public investigative hearing is served on the applicant at the applicant's address of record on file with the agency.~~

(54) The agency, or ~~1 or more~~**an** administrative law ~~judges~~**judge** designated and authorized by the agency, shall conduct ~~and preside over~~ the public investigative hearing, ~~and do all of the following:~~

~~—(a) Administer oaths or affirmations to witnesses called to testify at the hearing.~~

~~—(b) Receive evidence in the form of testimony and exhibits.~~

~~—(c) Establish and regulate the order of presentation and course of the public investigative hearing; set the time and place for continued hearings; and fix the time for filing written arguments, legal briefs, and other legal documents.~~

~~—(d) Accept and consider relevant written and oral stipulations of fact and law that are made part of the hearing record.~~

(65) ~~Upon~~**On** timely request of the applicant or the agency ~~in accordance with the Michigan court rules~~, the agency or the agency's designated administrative law judge may issue subpoenas **for the attendance of witnesses and subpoenas** duces tecum for the production of books, ledgers, records, memoranda, electronically retrievable data, and other pertinent documents ~~and issue subpoenas for witnesses to appear and testify~~ as appropriate to exercise and discharge the **agency's** powers and duties under the acts.

(76) During the public investigative hearing, the applicant and the agency must be given a full opportunity to present witnesses, cross-examine witnesses, and present all relevant evidence regarding the applicant's eligibility and suitability for licensure.

(87) The applicant ~~shall at all times have~~**has** the burden of establishing, by clear and convincing evidence, its eligibility and suitability for licensure under the acts and these rules.

~~(9) The agency shall record the public investigative hearing stenographically or by other means, to ensure preservation of an accurate record of the hearing.~~

~~(108)~~ Following the public investigative hearing, the executive director of the agency shall affirm, reverse, or modify in whole or in part the denial of ~~the~~ **the** marihuana license.

~~(119)~~ The agency's decision to affirm, reverse, or modify in whole or in part the denial of a marihuana license **made under subrule (8) of this rule** must be based on the whole record before the agency and is not be limited to testimony and evidence submitted at the public investigative hearing.

~~(1210)~~ The agency's decision to affirm, reverse, or modify in whole or in part the denial of a marihuana license **made under subrule (8) of this rule** must be reduced to writing and served **upon** the applicant and agency within a reasonable time.

R 420.704 Hearing on disciplinary actions.

~~Rule 4704.~~ (1) A licensee who has been notified of a marihuana license violation, or of the agency's intent to suspend, revoke, restrict, or refuse to renew a marihuana license or impose a fine, may be given an opportunity to show compliance with the requirements before the agency takinges action as prescribed by these rules.

~~(2)~~ A licensee aggrieved by an action of the agency to suspend, revoke, restrict, or refuse to renew a marihuana license, or to impose a fine, **that is served with a formal complaint or notice of nonrenewal of a license** may request a contested case hearing in writing within 21 days after service of notice of the intended action.

~~(32)~~ **Upon** receipt of a timely request, the agency shall provide the licensee an opportunity for a contested case hearing in accordance with sections 71 to 87 of the administrative procedures act, MCL 24.271 to 24.287, and the ~~MAHS general hearing rules~~ **MOAHR administrative hearing rules**.

~~(4)~~ The contested case hearing must be conducted by an administrative law judge within the MOAHR.

~~(53)~~ **Upon** timely request of the licensee or the agency in accordance with the Michigan court rules, an assigned administrative law judge may issue **subpoenas for the attendance of witnesses and** subpoenas duces tecum for the production of books, ledgers, records, memoranda, electronically retrievable data, and other pertinent documents, ~~and administer oaths and affirmations to witnesses~~ as appropriate to exercise and discharge the **agency's** powers and duties under the acts ~~and these rules~~.

~~(64)~~ The agency has the burden of proving, by a preponderance of the evidence, that ~~suffieient grounds exist for the intended action to suspend, revoke, restrict, or refuse to renew a marihuana license, or to impose a fine~~ **the licensee violated the acts or these rules as alleged in the formal complaint**.

R 420.704a Hearing on exclusion of individuals or employees.

~~Rule 4a704a.~~ (1) An individual who has been notified of the agency's intent to ~~exclude him or her from being employed by or being a supplemental applicant of a marihuana business~~ **do any of the following** may request a hearing in writing within 21 days ~~of~~ **after** service: ~~of the notice of intent to exclude.~~

(a) **Exclude the individual from being employed by a marihuana business.**

(b) **Exclude the individual from obtaining a marihuana license.**

(c) **Exclude the individual from being a supplemental applicant for a marihuana license.**

(2) ~~Upon~~**On** receipt of a timely request, the agency shall provide the individual an opportunity for a contested case hearing ~~pursuant to~~**under** sections 71 to 87 of the administrative procedures act, ~~MCL 24.271 to 24.287, and the MAHS general hearing rules~~**MOAHR administrative hearing rules.**

~~(3) The contested case hearing must be conducted by an administrative law judge within the MOAHR.~~

(43) ~~Upon~~**On** timely request of the ~~licensee~~**individual** or the agency ~~pursuant to the Michigan court rules,~~ an assigned administrative law judge may issue **subpoenas for the attendance of witnesses and** subpoenas duces tecum for the production of books, ledgers, records, memoranda, electronically retrievable data, and other pertinent documents, ~~and issue subpoenas for witnesses to appear and testify as appropriate to exercise and discharge the agency's powers and duties under the acts and these rules.~~

(54) The agency has the burden of proving, by a preponderance of the evidence, that sufficient grounds exist for ~~the intended action to exclude an individual from being employed by or being a supplemental applicant of a marihuana business~~**excluding the individual from being employed by a marihuana business, obtaining a marihuana license, or being a supplemental applicant for a marihuana license.**

R 420.705 ~~Hearing on Summary suspension~~**summary suspensions.**

Rule ~~5705.~~ (1) If the agency summarily suspends a marihuana license ~~without notice or hearing upon a determination that the safety or health of patrons or employees is jeopardized by continuing the marihuana business's operation,~~ a post-suspension hearing must be ~~held~~**commenced** promptly to determine if the suspension should remain in effect, in accordance with section 92 of the administrative procedures act, ~~MCL 24.292, and the MAHS general hearing~~**MOAHR administrative hearing rules.**

(2) **On timely request of the individual or the agency, the agency or an assigned administrative law judge may issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, ledgers, records, memoranda, electronically retrievable data, and other pertinent documents as appropriate to exercise and discharge the agency's powers and duties under the acts.**

(23) At the post-suspension hearing, the agency has the burden of proving by a preponderance of the evidence that the summary suspension should remain in effect because the ~~safety or health of patrons or employees~~**public health, safety, or welfare** is jeopardized by continuing the marihuana business's operation.

(34) Immediately after the post-suspension hearing, the administrative law judge shall issue a written order granting or denying dissolution of the summary suspension.

(45) If the licensee fails to appear at the post-suspension hearing, the administrative law judge shall find that the safety or health of patrons or employees is jeopardized by continuing the marihuana business's operation and continue the order of summary suspension.

(56) The record created at the post-suspension hearing becomes a part of the record at any subsequent hearing in the contested case.

R 420.706 Complaint by ~~licensee~~**a marihuana facility.**

~~Rule 6706.~~ (1) Pursuant to the MMFLA and these rules, a licensee **A marihuana facility under the MMFLA** may file a written complaint with the agency regarding any investigative procedures of this state that ~~he or she~~ **the licensee** believes to ~~bear~~ unnecessarily disruptive of the marihuana facility operations, as provided in section 302 of the ~~act~~ **MMFLA**, MCL 333.27302.

(2) The agency may delegate authority to an administrative law judge to hear a ~~licensee's~~ **marihuana facility's** complaint as a contested case in accordance with sections 71 to 79 of the administrative procedures act, MCL 24.271 to 24.279, and ~~the MAHS general hearing rules~~ **MOAHR administrative hearing rules**.

(3) As the complaining party, a ~~licensee~~ **marihuana facility** has the burden of proving, by a preponderance of the evidence, that the investigative procedures of the agency unnecessarily disrupted its marihuana facility operations.

R 420.707 Proposal for decision.

~~Rule 7707.~~ Following an opportunity for a public investigative hearing or contested case hearing and ~~the~~ closure of the record after submission of briefs, if any, the administrative law judge shall prepare and serve upon the parties a proposal for decision containing proposed findings of fact and conclusions of law, in accordance with section 81 of the ~~APA, MCL 24.281~~ **administrative procedures act, MCL 24.281**.

R 420.708 Final order.

~~Rule 8708.~~ (1) The ~~agency~~ **executive director or the executive director's designee** shall consider the entire public investigative or contested case record and may affirm, reverse, or modify all or part of the proposal for decision.

(2) The agency's decision must be reduced to writing and served ~~upon~~ **on** the licensee ~~within a reasonable time~~.

(3) The ~~review decision or~~ order of the agency following an opportunity for a hearing is deemed to be the final agency decision or order for purposes of judicial review under chapter 6 of the ~~APA, MCL 24.301 to 24.306~~ **administrative procedures act, MCL 24.301 to 24.306**.

R 420.709 Severability **Declaratory rulings**.

~~Rule 9709.~~ If any rule or subrule of these rules, in whole or in part, is found to be invalid by a court of competent jurisdiction, such decision will not affect the validity of the remaining portion of these rules. **(1) A person may request a declaratory ruling as to the applicability to an actual state of facts of a statute, rule, final order, or decision administered, promulgated, or issued by the agency. A request must not relate to a hypothetical fact situation.**

(2) A request for a declaratory ruling must be made on a form provided by the agency and submitted to the mailing address or email address on the form.

(3) Within 60 days after receipt of a request, the agency shall issue a written notification stating whether or not a declaratory ruling will be issued.

(4) If the agency determines that it will issue a declaratory ruling, it shall do so within 90 days after the notification date specified in subrule (3) of this rule, unless the agency notifies the interested person in writing of the need for additional time.

(5) The agency may do any of the following:

- (a) Request more information from the person that requested the declaratory ruling.
- (b) Request information from other interested parties.
- (c) Request information from experts outside the agency.
- (d) Request oral or written arguments from interested parties.
- (e) Hold a hearing on proper notice to all interested parties.
- (6) If the agency requests more information from the person that requested the declaratory ruling, the agency must either deny or grant the request within 60 calendar days after receiving satisfactory clarification of facts from the requesting person or after the date the agency notifies the requesting person of the need for additional time.
- (7) The agency may deny a request for a declaratory ruling for any of the following and must describe the reason or reasons for denial of the request in a written notification to the person that requested the declaratory ruling:
 - (a) The interested person fails to submit a request in the manner prescribed by the agency.
 - (b) The state of facts is incomplete or inaccurate.
 - (c) The facts or circumstances relate to a changing situation.
 - (d) The ruling would not be in the public interest or in furtherance of statutory objectives.
 - (e) Another reason described by the agency.
- (8) A denial or adverse decision of a declaratory ruling does not entitle a person to a contested case hearing.
- (9) Requests regarding enforcement issues are not a proper subject for a declaratory ruling.
- (10) The agency may require that a contested case hearing for a pending case take place instead of issuing a declaratory ruling.
- (11) A declaratory ruling issued by the agency must be in writing and contain all of the following:
 - (a) The specific facts on which the declaratory ruling is based.
 - (b) The legal authority on which the declaratory ruling is based.
 - (c) The ruling itself.
 - (d) A statement that the declaratory ruling is limited to the specific facts presented and to the statute, rule, final decision, or order identified by the interested person or another statute, rule, final decision, or order identified by the agency.
 - (e) A statement that the declaratory ruling is binding on the agency and the interested person unless the declaratory ruling is altered or set aside by a court.
 - (f) A statement that the agency may not retroactively change the declaratory ruling but may prospectively do so in its discretion.
- (12) Nothing in this rule is intended to limit or restrict the agency's ability to respond to questions or inquiries from licensees or the general public, but an agency response to such questions or inquiries is not binding on the agency.

~~DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS~~

~~MARIJUANA REGULATORY AGENCY~~

~~MARIJUANA DISCIPLINARY PROCEEDINGS~~ **PART 10. ENFORCEMENT,
PENALTIES, AND DISCIPLINARY PROCEEDINGS**

~~(By authority conferred on the executive director of the marijuana regulatory agency by section 206 of the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27206, sections 7 and 8 of the Michigan Regulation and Taxation of Marijuana Act, 2018 IL 1, MCL 333.27957 and 333.27958, and Executive Reorganization Order No. 2019-2, MCL 333.27001)~~

R 420.801 Definitions Inspections; investigations; audits.

Rule ~~1801~~. (1) As used in these rules:

- ~~–(a) “Acts” refers to the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, and the Michigan Regulation and Taxation of Marijuana Act, 2018 IL 1, MCL 333.27951 to 333.27967, when applicable.~~
- ~~–(b) “Administrative hold” means a status given to marijuana product by the agency during an investigation into alleged violations of the acts and these rules. This status includes no sale or transfer of the marijuana product until the hold is lifted.~~
- ~~–(c) “Administrative procedures act” means the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.~~
- ~~–(d) “Agency” means the marijuana regulatory agency.~~
- ~~–(e) “Another party” or “other party” means an individual or company with which a licensee contracts to use the individual or company’s intellectual property or to utilize management or other services provided by the individual or company.~~
- ~~–(f) “Bureau of fire services” or “BFS” means the bureau of fire services in the department of licensing and regulatory affairs.~~
- ~~–(g) “Contested case hearing” means an administrative hearing conducted by an administrative law judge within the Michigan office of administrative hearings and rules on behalf of the agency pursuant to the acts and these rules.~~
- ~~–(h) “Employee” means a person performing work or service for compensation. “Employee” does not include a person providing trade or professional services who is not normally engaged in the operation of a marijuana business.~~
- ~~–(i) “Licensing agreement” means any understanding or contract concerning the licensing of intellectual property related to marijuana products between a licensee and another party.~~
- ~~–(j) “Management agreement” means any understanding or contract between a licensee and another party for the provision of management or other services that would allow the other party to exercise control over or participate in the management of the licensee or to receive more than 10% of the gross or net profit from the licensee during any full or partial calendar or fiscal year. A management agreement does not include an agreement for the reasonable payment of rent on a fixed basis under a bona fide lease or rental obligation unless the person exercises control over or participates in the management of the marijuana business.~~
- ~~–(k) “Marijuana business” means both a marijuana facility under the medical marijuana facilities licensing act, or a marijuana establishment under the Michigan Regulation and Taxation of Marijuana Act, or both.~~
- ~~–(l) “Marijuana business location plan” means a marijuana facility plan under the medical marijuana facilities licensing act or a marijuana establishment plan under the Michigan Regulation and Taxation of Marijuana Act, or both.~~
- ~~–(m) “Marijuana license” means a state operating license issued under the medical marijuana facilities licensing act or a state license issued under the Michigan Regulation and Taxation of Marijuana Act, or both.~~

~~–(n) “Marihuana tracking act” means the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.~~

~~–(o) “Medical marihuana facilities licensing act” or “MMFLA” means the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.~~

~~–(p) “Michigan Medical Marihuana Act” means the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.~~

~~–(q) “Michigan Regulation and Taxation of Marihuana Act” or “MRTMA” means the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.~~

~~–(r) “Parties” means a licensee and another party pursuant to a licensing agreement or management agreement.~~

~~–(s) “These rules” means the administrative rules promulgated by the agency under the authority of the medical marihuana facilities licensing act, the marihuana tracking act, the Michigan Regulation and Taxation of Marihuana Act, and Executive Reorganization Order No. 2019-2, MCL 333.27001.~~

~~(2) Terms defined in the acts have the same meanings when used in these rules unless otherwise indicated.~~ **(1) The agency may do all of the following:**

(a) Inspect a marihuana business or proposed marihuana business to ensure compliance with the acts and these rules.

(b) Inspect the vehicles used by a marihuana transporter.

(c) Conduct investigations of applicants, licensees, marihuana businesses, proposed marihuana businesses, and employees of marihuana businesses to ensure compliance with the acts and these rules or to determine if a licensee or employee of a marihuana business has violated the acts or these rules.

(d) Conduct an audit of a licensee’s records.

(e) Access, inspect, and examine a licensee’s records.

(2) A licensee shall provide all records required to be maintained under the acts or these rules to the agency on request.

(3) If a licensee refuses to cooperate with an inspection, investigation, or an audit, the agency may impound, seize, assume physical control of, or summarily remove records from a marihuana business or proposed marihuana business.

(4) As used in this rule, “records” means books, ledgers, documents, writings, photocopies, correspondence, electronic storage media, electronically stored records, video surveillance recordings, money receptacles, equipment in which records are stored, including data or information in the statewide monitoring system, or other media or devices that are used for recording information.

R 420.802 Notification and reporting Agency-required testing.

~~Rule 2802. (1) Licensees have a continuing duty to provide the agency with up-to-date contact information and shall notify the agency in writing of any changes to the mailing addresses, phone numbers, electronic mail addresses, and other contact information they provide the agency.~~

~~–(2) Licensees shall report to the agency any changes to the marihuana business operations that are required in the acts and these rules, as applicable.~~

~~–(3) Licensees shall report to the agency any proposed material changes to the marihuana business before making a material change. A proposed material change is any action that would result in~~

alterations or changes being made to the marihuana business to effectuate the desired outcome of a material change. Material changes, include, but are not limited to, the following:

- ~~—(a) Change in owners, officers, members, or managers.~~
- ~~—(b) Change of processing machinery or equipment.~~
- ~~—(c) The addition or removal of a person named in the application or disclosed.~~
- ~~—(d) Change in entity name.~~
- ~~—(e) Any attempted transfer, sale, or other conveyance of an interest in a marihuana license.~~
- ~~—(f) Any change or modification to the marihuana business before or after licensure that was not preinspected, inspected, or part of the marihuana business location plan or final inspection, including, but not limited to, all of the following:~~
 - ~~—(i) Operational or method changes requiring inspection under these rules.~~
 - ~~—(ii) Additions or reductions in equipment or processes.~~
 - ~~—(iii) Increase or decrease in the size or capacity of the marihuana business.~~
 - ~~—(iv) Alterations of ingress or egress.~~
 - ~~—(v) Changes that impact security, fire safety, and building safety.~~
- ~~(4) A licensee shall notify the agency within 3 business days of becoming aware or within 3 business days of when the licensee should have been aware of any of the following:~~
 - ~~—(a) Criminal convictions, charges, or civil judgments against a licensee in this state or any other state, federal, or foreign jurisdiction.~~
 - ~~—(b) Regulatory disciplinary action taken or determined against a licensee by this state or any other state, federal, or foreign jurisdiction, including any pending action.~~
 - ~~—(c) Action by another party in violation of the acts or these rules.~~
 - ~~—(d) Action by an employee in violation of the acts or these rules.~~
- ~~(5) The licensee shall notify the agency within 10 business days of the initiation or conclusion of any new judgments, lawsuits, legal proceedings, charges, or government investigations, whether initiated, pending, or concluded, that involve the licensee.~~
- ~~(6) The licensee shall notify the agency within 10 business days of receiving notification of an alleged violation of an ordinance or a zoning regulation adopted pursuant to section 205 of the MMFLA, MCL 333.27205, or section 6 of the MRTMA, MCL 333.27956, committed by the licensee, but only if the violation relates to activities licensed under the acts, the Michigan Medical Marihuana Act, and these rules.~~
- ~~(7) The licensee shall notify the agency within 10 business days of amending or terminating a licensing or management agreement that constitutes a material change to the marijuana business.~~
- ~~(8) The licensee shall notify the agency within 10 business days of the appointment of a court-appointed personal representative, guardian, conservator, receiver, or trustee of the licensee.~~
- ~~(9) The licensee shall notify the agency when an employee has been disciplined or removed from his or her position for misconduct related to marihuana sales or transfers.~~
- ~~(10) The licensee shall notify the agency and the BFS within 1 business day following the occurrence of an unwanted fire.~~
- ~~(11) Failure to timely provide notifications or reports to the agency pursuant to this rule may result in sanctions or fines, or both.~~ **(1) The agency may require a licensee to have marihuana located at the licensee’s marihuana business tested or retested by a marihuana testing laboratory or by the agency for 1 or more of the tests required under part 5 of these rules.**
 - (2) The licensee that cultivated, produced, or possesses the marihuana may be required to pay for the cost of tests required under this rule, as directed by the agency. Licensees are not**

required to pay for the cost of any testing performed at a marihuana reference laboratory operated by the agency.

R 420.803 ~~Changes to licensed marihuana business~~ **Administrative holds.**

Rule ~~3803~~. (1) ~~Any change or modification to the marihuana business after licensure is governed by the standards and procedures set forth in these rules and any regulations adopted pursuant to the acts. Any material change or modification to the marihuana business must be approved by the agency before the change or modification is made.~~

~~(2) Any change of a location of a marihuana business after licensure requires notification to the agency prior to the change of location, must be approved by the agency, requires a new marihuana license application, and may include, but is not limited to, all of the following:~~

~~(a) Additional applications fees.~~

~~(b) Additional inspections by the agency or BFS.~~

~~(c) Initial licensure fees or regulatory assessment, as applicable, or both.~~ **(1) The agency may place marihuana on administrative hold.**

(2) If marihuana is placed on administrative hold, a licensee shall not sell or transfer the marihuana to another licensee, an employee, a marihuana customer, or another person, or dispose of the marihuana without first obtaining written approval from the agency.

(3) The agency may require a licensee to sequester untagged marihuana if the source of the marihuana cannot be determined or it is not properly identified and tracked in the statewide monitoring system. The marihuana must be sequestered in a location within the marihuana business that is separated from other marihuana and that is under video surveillance at all times.

R 420.804 ~~Notifications of diversion, theft, loss, or criminal activity~~ **Recalls.**

Rule ~~4804~~. (1) ~~Licensees shall notify the agency and local law enforcement authorities within 24 hours of becoming aware of, or within 24 hours of when the licensee should have been aware of, the theft or loss of any marihuana product or criminal activity at the marihuana business.~~

~~(2) Failure to notify as required under subrule (1) of this rule may result in sanctions or fines, or both.~~ **(1) The agency may recall marihuana if it determines any of the following:**

(a) The marihuana contains a physical, biological, chemical, or allergenic substance that is not a part of the record of formulation.

(b) The marihuana is adulterated, corrupted, debased, or made impure by the addition of a foreign or inferior substance.

(c) If the testing required in part 5 of these rules was not performed or was performed incorrectly.

(d) The marihuana contains an allergenic substance that is not listed on the label.

(2) If marihuana is recalled, a licensee shall not do any of the following without obtaining written approval from the agency:

(a) Produce the marihuana product.

(b) Test the marihuana product.

(c) Sell or transfer the marihuana to another licensee, an employee, a marihuana customer, or another person, or dispose of the marihuana without first obtaining written approval from the agency.

(3) The agency shall send a written notification to a licensee that cultivated, produced, or possesses marihuana if the agency recalls marihuana under subrule (1) of this rule. A licensee that receives written notification shall immediately do all of the following, as applicable:

(a) Stop producing the marihuana product.

(b) Remove the marihuana from areas in a marihuana sales location accessible to the public.

(c) Sequester the marihuana in a location within the marihuana business that is separated from other marihuana and that is under video surveillance at all times.

(4) A licensee who receives a notification under subrule (3) of this rule shall respond to the agency within 1 day in a form and manner prescribed by the agency, indicating the licensee's acknowledgement of, and intent to comply with, the requirements in this rule.

(5) If a licensee fails to comply with the requirements of this rule, and the agency determines that the safety or health of marihuana customers or employees is jeopardized by a marihuana business's continued operation, the agency may suspend the licensee's marihuana license without hearing or notice, under R 420.806(2).

(6) The agency may issue written approval for a licensee to sell, transfer, or test recalled marihuana during the recall to further assess or investigate the recalled marihuana product.

R 420.805 Persons subject to penalty; violations.

Rule ~~5805~~. (1) If the agency ~~during a physical site inspection~~ determines violations of the acts or these rules exist, the agency shall notify the person, applicant, or licensee of the violation ~~during the physical site inspection or thereafter~~, and the person, applicant, or licensee may be subject to sanctions or fines, or both.

~~(2) If the agency determines a violation of the acts or these rules exists, these violations must be documented in a format established by the agency. After a notice of violation or fine, or both, is issued to a person, applicant, or licensee, the agency may hold a compliance conference or a hearing if applicable as prescribed in the acts and these rules.~~

(32) The agency may forward information regarding violations of the acts or these rules or **another** state or federal law to the department of state police, department of attorney general, and the prosecutor for the jurisdiction ~~in which~~**where** the alleged violation occurred.

~~(4) The agency may take action for failure to pay any fine within the time written on the notice of violation pursuant to the acts or these rules.~~

~~(5) The agency may take action against a licensee for selling or transferring marihuana product that has been placed on an administrative hold, recalled, or ordered or otherwise required to be destroyed.~~

~~(6) A marihuana licensee may be subject to penalties if any person required to be disclosed as an applicant violates the acts or these rules.~~

~~(7) The agency may take action against a licensee holding a license under the MRTMA, if notified of a violation of a municipal ordinance pursuant to section 6 of the MRTMA, MCL 333.27956.~~

~~(8) The agency may take action against a licensee for knowingly making misrepresentations to the agency or its contractors during an investigation into the licensee.~~

~~(9) The attempted transfer, sale, or other conveyance of an interest in a marihuana license without prior approval are grounds for suspension or revocation of the marihuana license or for other sanctions as provided in these rules.~~

~~–(10) The agency may take action against a licensee for employing an individual who has been excluded from employment at a marihuana business under R 420.808a.~~

~~–(11) The agency may take action against a licensee for failing to remove from, or attempting to add to, the ownership of a marihuana business an individual who has been excluded from participation in a marihuana business under R 420.808(a).~~

R 420.806 Penalties.

Rule ~~6~~**806**. (1) A person, applicant, or licensee ~~found in violation of~~**that violates** the acts or these rules may be subject to ~~sanctions, including, but not limited to,~~ any of the following **penalties**:

(a) ~~Marihuana license denial~~**Denial of a marihuana license.**

(b) ~~Limitations on~~**Nonrenewal of a marihuana license.**

(c) ~~Fines~~**Suspension of a marihuana license.**

(d) ~~Revocation, suspension, nonrenewal of a license, or an administrative hold on a marihuana license.~~

(e) ~~Orders to cease operations~~**Limitations on a marihuana license.**

(f) ~~Denial of a marihuana license renewal~~**Civil fines.**

(g) **Orders to cease operation.**

(h) **Exclusion from licensure or employment at a marihuana business.**

(i) **Warnings.**

(j) **Another penalty not inconsistent with the acts or these rules.**

(2) ~~A violation of the acts, the marihuana tracking act, or these rules may result in 1 or more of the following:~~

~~–(a) Denial, revocation, or restriction of a marihuana license.~~

~~–(b) Removal of a licensee or an employee of the licensee from the marihuana business.~~

~~–(c) Civil fines up to \$10,000.00 or an amount equal to the daily gross receipts, whichever is greater, against a licensee for each violation of the acts, a final order, or these rules.~~

~~–(d) Civil fines may be assessed for each day the licensee is not in compliance with each violation of the acts or these rules. Assessment of a civil fine is not a bar to the investigation, arrest, charging, or prosecution of an individual for any other violation of the acts or these rules.~~

~~–(e) Civil fines of up to \$5,000.00 may be imposed against an individual licensed under the MMFLA.~~

~~–(f) A violation of any ordinance adopted under section 205 of the MMFLA, MCL 333.27205, by a licensee holding a license under the MMFLA may result in the possible sanctions listed in subdivisions (a) to (e) of this subrule.~~

~~–(g) A violation of any ordinance adopted under section 6 of the MRTMA, MCL 333.27956, by a licensee holding a license under the MRTMA may result in the possible sanctions listed in subdivisions (a) to (d) of this subrule.~~

~~–(3) A marihuana license may be suspended without notice or hearing upon a determination that the safety or health of patrons or employees is jeopardized by continuing a marihuana business' operation.~~

~~–(4) A person operating without a marihuana license shall cease operation and may be subject to sanctions, including, but not limited to, the sanctions in subrules (1) and (2) of this rule, and may be referred to the department of state police and department of attorney general.~~

~~–(5) The agency may impose any other remedies, sanctions, or penalties not inconsistent with the acts or these rules.~~ **(2) A person operating without a marihuana license shall cease operation**

and may be subject to penalties, including, but not limited to, the penalties in subrule (1) of this rule, and may be referred to the department of state police and department of attorney general.

(3) Assessment of a penalty under this rule is not a bar to the investigation, arrest, charging, or prosecution of an individual for another violation of the acts or these rules.

(4) The closure of a marihuana license does not terminate the agency's authority to impose penalties on the licensee.

R 420.806a Penalties; limitations on a marihuana license.

Rule 806a. (1) The agency may impose limitations, including, but not limited to, the following, on a person, applicant, or licensee found in violation of the acts or these rules:

(a) Prohibit a licensee from cultivating, processing, transporting, testing, or selling specified marihuana products.

(b) Require a licensee to implement specified procedures when cultivating, processing, transporting, testing, or selling marihuana.

(c) Prohibit a licensee from engaging in specified activities or utilizing specified processes when cultivating, processing, transporting, testing, or selling marihuana.

(d) Require a licensee to provide additional notification and reporting to the agency.

(e) Prohibit a licensee from conducting business with another licensee or person.

(2) A final order or consent agreement that imposes a limitation on a marihuana license must indicate the specific limitation imposed on the license, the duration of the limitation, and conditions that must be met before the limitation is lifted, if applicable.

R 420.806b Penalties; fines.

Rule 806b. (1) A civil fine up to \$10,000.00 or an amount equal to the daily gross receipts of the marihuana business, whichever is greater, may be assessed against a licensee for each violation of the acts, a consent order, a final order, or these rules.

(2) A civil fine may be assessed for each day the licensee is in violation of the acts or these rules.

(3) A civil fine of up to \$5,000.00 may be imposed against an individual licensed under the MMFLA.

R 420.806c Penalties; exclusion.

Rule 806c. (1) An individual may be placed on an exclusion list and prohibited from holding a marihuana license or being employed by a marihuana business on a finding of any of the following:

(a) The individual, while licensed or employed by a marihuana business, violated the acts or these rules and the violation could negatively impact public health, safety, and welfare.

(b) The individual was a managerial employee or otherwise responsible for overseeing the operations of a marihuana business when a violation of the acts or these rules occurred that could negatively impact public health, safety, and welfare.

(c) The individual is excluded from obtaining a marihuana license or being employed by a marihuana business in another jurisdiction in the United States and the reason for the individual's exclusion is also grounds for exclusion under this rule.

(d) The individual has been convicted of distribution of a controlled substance to a minor.

(2) If the agency determines that an individual meets the criteria for exclusion, the agency shall notify the individual that the individual is being placed on the exclusion list. The notice must include all of the following information:

(a) The identity of the individual.

(b) A statement describing the circumstances or reasons that the individual is being placed on the exclusion list.

(c) A recommendation as to whether the exclusion is temporary or permanent.

(3) An individual who has been notified by the agency that the individual is being placed on the exclusion list may request a hearing under R 420.704a.

(4) If a hearing is not requested, the agency shall place the person on the exclusion list.

(5) If the notice of exclusion provides for a temporary exclusion, the agency shall set the term of the temporary exclusion.

(6) A marihuana business shall not employ an individual who is placed on the exclusion list.

R 420.806d Penalties; warning.

Rule 806c. (1) The agency may issue a warning to a licensee if the agency determines that the licensee violated the acts, these rules, or an order.

(2) A warning must remain in the licensee's file for 1 year.

R 420.807 ~~Warning~~ Summary suspensions.

~~Rule 7807.~~ (1) ~~The agency may issue a warning to a licensee if the agency determines through an investigation that the licensee violated the acts, these rules, or an order.~~

~~(2) A warning must remain in the licensee's file for 1 year from the date of service.~~

~~(3) A warning may be considered in future licensing actions. Continued or repeated non-compliance or repeated warnings for the same violation may result in issuance of a formal complaint.~~ (1) The agency may summarily suspend a marihuana license if the public health, safety, or welfare requires emergency action because of any of the following:

(a) A marihuana business is in possession of marihuana for which the source cannot be determined.

(b) A marihuana business is in possession of marihuana that the agency determines was obtained from a person that does not hold a marihuana license.

(c) A licensee obstructs an agency investigation by refusing to provide the agency with records that are required to be provided under R 420.801.

(d) A licensee has engaged in other conduct that poses a risk to the public health, safety, or welfare that requires emergency action.

(2) A summary suspension is subject to the requirements of R 420.705 and section 92 of the administrative procedures act, MCL 24.292.

R 420.808 Formal ~~complaint~~complaints.

Rule ~~8808~~. (1) The agency may issue a formal complaint alleging violations of the acts, these rules, or both against a licensee.

(2) The agency shall serve the formal complaint on the licensee by certified mail, return receipt requested, or in person by a representative of the agency.

(3) ~~If the agency issues a formal complaint against a licensee, The~~the licensee may do either of the following:

(a) ~~Meet with the agency to~~**Engage with the agency at a compliance conference and** negotiate a settlement of the matter, or demonstrate compliance ~~prior to~~**before** holding a contested case hearing, as required by section 92 of the administrative procedures act, MCL 24.292.

(b) Proceed to a contested case hearing as set forth in these rules and section 71 of the administrative procedures act, MCL 24.271.

(4) The licensee ~~must~~**shall** request a compliance conference or contested case hearing, ~~or both,~~ within 21 ~~business~~ days ~~of~~**after** receipt of the formal complaint. If the licensee does not respond, the agency shall request a contested case hearing.

(5) If the licensee agrees ~~to~~ and accepts ~~the~~ terms negotiated at ~~the~~a compliance conference, the agency shall submit a proposed consent order and stipulation to the executive director ~~of the agency~~ for review and approval.

(6) If the executive director approves the consent order and stipulation ~~is approved,~~ the agency shall issue ~~a consent~~**and publish the** order. If the **consent order and** stipulation ~~is~~are not approved, ~~a compliance conference or a contested case hearing must be scheduled. The consent order must be published~~**the executive director may provide a counteroffer, or the agency may renegotiate an agreed settlement with the licensee. If the executive director rejects the settlement offer, does not provide a counteroffer, and if the agency does not renegotiate a settlement with the licensee, the agency shall request a contested case hearing be scheduled.**

(7) **The agency shall publish consent orders on its website.**

(78) If a licensee does not timely comply with the terms of a signed and fully executed consent order, the licensee's license is suspended until full compliance is demonstrated.

(89) If a compliance conference is not held or does not result in a settlement ~~of a compliance action,~~ a contested case hearing must be held, ~~pursuant to~~**under** these rules and the administrative procedures act.

R 420.808a ~~Exclusion. Rescinded.~~

Rule ~~8a~~. (1) ~~A person may be excluded from employment at, or participation in, a marijuana business upon a finding of any of the following:~~

~~—(a) The person, while employed by a marijuana business, has engaged in conduct that is in violation of the acts or these rules that could negatively impact public health, safety, and welfare.~~

~~—(b) The person is included on any valid and current exclusion list from another jurisdiction in the United States if the basis for the person's inclusion on the exclusion list would also be grounds for exclusion as set forth in this rule.~~

~~—(c) The person has been convicted of distribution of a controlled substance to a minor in any jurisdiction.~~

~~—(2) Upon a determination that a person comes under any of the criteria for exclusion, the person may be deemed a subject for exclusion and the agency shall file a notice of exclusion. The notice must include all of the following information:~~

~~—(a) The identity of the subject.~~

- ~~—(b) A factual statement including the circumstances or reasons that the person should be placed on the exclusion list.~~
- ~~—(c) A recommendation as to whether the exclusion or ejection is permanent.~~
- ~~—(3) The notice shall also inform the person of the availability of a hearing in compliance with R 420.704a.~~
- ~~—(4) The notice shall be served upon the person the agency is seeking to exclude either by personal delivery or by certified mail, postage prepaid.~~
- ~~—(5) If a hearing is not requested, then the agency shall place the person on the exclusion list.~~
- ~~—(6) If the notice of exclusion provides for a temporary exclusion, then the agency shall set the term of the temporary exclusion.~~
- ~~—(a) A temporary exclusion may not be less than 6 months.~~
- ~~—(b) A temporary exclusion only applies to a person excluded for criteria related to conduct.~~
- ~~—(c) All other exclusions are permanent.~~
- ~~—(7) The exclusion list must be a public record made available to licensees by the agency and must include information deemed necessary by the agency to facilitate identification of the person placed on the exclusion list.~~
- ~~—(8) A person who is placed on the exclusion list or served with a notice of exclusion is prohibited from being employed by or participating in a marijuana business until a determination by the agency or a court to the contrary.~~
- ~~—(9) A marijuana business shall exclude a person from the business that it knows or reasonably should know is on the exclusion list.~~
- ~~—(10) Failure by a marijuana business to exclude a person that it knows or reasonably should know is on the exclusion list may subject the marijuana business to disciplinary proceedings.~~

R 420. 809 Severability. Rescinded.

~~Rule 9. If any rule or subrule of these rules, in whole or in part, is found to be invalid by a court of competent jurisdiction, such decision will not affect the validity of the remaining portion of these rules.~~

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

MARIJUANA REGULATORY AGENCY

MARIJUANA DECLARATORY RULINGS

~~(By authority conferred on the executive director of the marijuana regulatory agency by section 5 of the Michigan Medical Marijuana Act, 2008 IL 1, MCL 333.26425, section 206 of the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27206, sections 7 and 8 of the Michigan Regulation and Taxation of Marijuana Act, 2018 IL 1, MCL 333.27957 and 333.27958, and Executive Reorganization Order No. 2019-2, MCL 333.27001)~~

R 420.821 Definitions. Rescinded.

~~Rule 21. (1) As used in these rules:~~

- ~~—(a) “Acts” refers to the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, the Michigan Regulation and Taxation of Marijuana Act, 2018 IL 1, MCL~~

~~333.27951 to 333.27967, the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430, and the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904, when applicable.~~

~~—(b) “Agency” means the marijuana regulatory agency.~~

~~—(c) “Contested case hearing” means an administrative hearing conducted by an administrative law judge within the Michigan office of administrative hearings and rules on behalf of the agency in accordance with the acts and these rules.~~

~~—(d) “Marihuana tracking act” means the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.~~

~~—(e) “Medical marihuana facilities licensing act” or “MMFLA” means the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.~~

~~—(f) “Michigan Regulation and Taxation of Marihuana Act” or “MRTMA” means the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.~~

~~—(g) “These rules” means the administrative rules promulgated by the agency under the authority of the medical marihuana facilities licensing act, the marihuana tracking act, the Michigan Regulation and Taxation of Marihuana Act, and Executive Reorganization Order No. 2019-2, MCL 333.27001.~~

~~—(2) Terms defined in the acts have the same meanings when used in these rules unless otherwise indicated.~~

R 420.822 Declaratory rulings. **Rescinded.**

~~Rule 22. (1) Any interested person may request a declaratory ruling as to the applicability to an actual state of facts of a statute, rule, final order, or decision administered, promulgated, or issued by the agency. A request may not relate to a hypothetical fact situation.~~

~~—(2) The request must be on a form provided by the agency and contain all of the following information:~~

~~—(a) The interested person’s name, mailing address, email address, and telephone number.~~

~~—(b) The interested person’s interest in the matter, including assertions regarding the person’s legal standing to request a declaratory ruling.~~

~~—(c) The statute, rule, or order to which the request applies.~~

~~—(d) A complete, accurate, and concise statement of the facts to which the statute, rule, or order may apply.~~

~~—(e) An analysis, legal brief, or memorandum of the issues presented, including reference to any legal authority relied upon, and the interested person’s conclusions.~~

~~—(3) Within 60 calendar days of receipt of the request, the agency shall issue a written notification stating whether or not a declaratory ruling will be issued.~~

~~—(4) If the agency has determined that it will issue a declaratory ruling, then it shall do so within 90 calendar days of the notification date specified in subrule (3) of this rule, unless the agency notifies the interested person in writing of the need for additional time, and the reasons for the additional time.~~

~~—(5) Before the issuance of the declaratory ruling, the agency, in its discretion, may choose to do 1 or more of the following:~~

~~—(a) Seek consultation, comments, or advice from legal counsel, experts within or outside the agency, local, state, or federal governmental agencies, or any other source.~~

~~—(b) Request information or clarification from other interested parties.~~

- ~~—(c) Advise the person requesting the ruling that further clarification of the facts must be provided, or that the agency requires additional time to conduct a review.~~
- ~~—(6) If subrule (5)(c) of this rule is invoked, the agency shall either deny or grant the request within 60 calendar days after receiving satisfactory clarification of facts from the requesting person or from the date the agency notifies the requesting person of the need for additional time.~~
- ~~—(7) The agency shall issue a declaratory ruling only in matters where all the relevant facts are stipulated to by the requesting party and the agency. If relevant facts necessary to issue a declaratory ruling are contested, then a declaratory ruling shall not be issued.~~
- ~~—(8) A denial or adverse decision of a declaratory ruling does not entitle a person to a contested case hearing.~~
- ~~—(9) Requests regarding enforcement issues are not a proper subject for a declaratory ruling.~~
- ~~—(10) The agency may require that a contested case hearing take place instead of issuing a declaratory ruling.~~
- ~~—(11) In the discretion of the agency, a request for declaratory ruling may be denied if the interested person fails to follow the procedure for submission set forth in this rule, if the state of facts is incomplete or inaccurate, if the facts or circumstances relate to a changing situation, if the ruling would not be in the public interest or in furtherance of statutory objectives, or for any other stated reason. The agency shall set forth the reasons for denial of the request in its written notification to the interested person.~~
- ~~—(12) If a declaratory ruling is issued by the agency, it must be in writing, and contain all of the following:~~
 - ~~—(a) The specific facts upon which it is based.~~
 - ~~—(b) The legal authority upon which it is based.~~
 - ~~—(c) The ruling itself.~~
 - ~~—(d) A statement that the ruling is limited to the specific facts presented and to the statute, rule, final decision, or order identified by the interested person or other statute, rule, final decision, or order identified by the agency.~~
 - ~~—(e) A statement that the ruling is binding on the agency and the interested person unless it is altered or set aside by any court.~~
 - ~~—(f) A statement that the agency may not retroactively change the ruling but may prospectively do so in its discretion.~~
- ~~—(13) Nothing in this rule is intended to limit or restrict the agency’s ability to respond to questions or inquiries from licensees or the general public, but any agency response to such questions or inquiries shall not be binding on the agency.~~

R 420.823 Severability Rescinded.

~~Rule 23. If any rule or subrule of these rules, in whole or in part, is found to be invalid by a court of competent jurisdiction, such decision will not affect the validity of the remaining portion of these rules.~~

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

MARIJUANA REGULATORY AGENCY

PART 11. INDUSTRIAL HEMP RULES FOR MARIJUANA BUSINESSES

(By authority conferred on the executive director of the marijuana regulatory agency by section 206 of the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27206, sections 7 and 8 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27957 and 333.27958, and Executive Reorganization Order No. 2019-2, MCL 333.27001)

R 420.1001 Definitions.

Rule ~~41001~~. (1) As used in these rules ~~this part~~:

- ~~—(a) “Agency” means the marijuana regulatory agency.~~
- ~~—(b) “Broker” means that term as defined in section 2 of the industrial hemp research and development act, MCL 286.842.~~
- ~~—(c) “Department” means the department of licensing and regulatory affairs.~~
- ~~—(d) “Grower” means that term as defined in section 2 of the industrial hemp research and development act, MCL 286.842.~~
- ~~—(e) “Handle” means that term as defined in section 2 of the industrial hemp research and development act, MCL 286.842.~~
- ~~—(f) “Industrial hemp” means that term as defined in section 2 of the industrial hemp research and development act, MCL 286.842.~~
- ~~—(g) “Industrial hemp research and development act” means the industrial hemp research and development act, 2014 PA 547, MCL 286.841 to 286.859.~~
- ~~—(h) “Laboratory” means a safety compliance facility licensed under the medical marijuana facilities licensing act or a marijuana safety compliance facility licensed under the Michigan regulation and taxation of marijuana act, or both.~~
- ~~—(i) “Marihuana processor” means that term as defined in section 3 of the Michigan regulation and taxation of marijuana act, MCL 333.27953.~~
- ~~—(j) “Marihuana safety compliance facility” means that term as defined in section 3 of the Michigan regulation and taxation of marijuana act, MCL 333.27953.~~
- ~~—(k) “Marihuana tracking act” means the marijuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.~~
- ~~—(l) “Market” means that term as defined in section 2 of the industrial hemp research and development act, MCL 286.842.~~
- ~~—(m) “Medical marijuana facilities licensing act” or “MMFLA” means the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.~~
- ~~—(n) “Michigan medical marijuana act” means the Michigan Medical Marijuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.~~
- ~~—(o) “Michigan regulation and taxation of marijuana act” or “MRTMA” means the Michigan Regulation and Taxation of Marijuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.~~
- ~~—(p) “Process” “process” means that term as defined in section 2 of the industrial hemp research and development act, MCL 286.842.~~
- ~~—(q) “Processor” means a facility licensed to operate under section 502 of the medical marijuana facilities licensing act, MCL 333.27502, and these rules.~~
- ~~—(r) “Producer” means a processor licensed under the medical marijuana facilities licensing act or a marijuana processor licensed under the Michigan regulation and taxation of marijuana act, or both.~~

~~–(s) “Rules” means the administrative rules promulgated by the agency under the authority of the medical marihuana facilities licensing act, the marihuana tracking act, the Michigan regulation and taxation of marihuana act, and Executive Reorganization Order No. 2019-2, MCL 333.27001.~~

~~–(t) “Safety compliance facility” means a facility licensed to operate under section 505 of the medical marihuana facilities licensing act, MCL 333.27505, and these rules.~~

~~–(2) Terms defined in the acts have the same meanings when used in these rules unless otherwise indicated.~~

R 420.1002 Testing industrial hemp.

~~Rule 21002. (1) A laboratory may perform tests on industrial hemp product as required under the industrial hemp research and development act and any associated rules promulgated by the Michigan department of agriculture and rural development.~~

~~(21) A **marihuana testing** laboratory may perform all tests **on industrial hemp** required or requested ~~in~~**under** the industrial hemp research and development act and any associated rules promulgated **under that act** by the Michigan department of agriculture and rural development.~~

~~(32) A **marihuana testing** laboratory shall document **the results of** all ~~testing~~**tests** performed on industrial hemp products and shall make those records available to the agency upon request.~~

~~(33) A **marihuana testing** laboratory shall ~~maintain~~**store** industrial hemp product samples separate from any marihuana ~~product~~ samples at all times.~~

~~(54) A **marihuana testing** laboratory may obtain samples of industrial hemp for testing pursuant ~~to~~**under** the industrial hemp research and development act and any associated rules promulgated by the Michigan department of agriculture and rural development.~~

~~(65) A **marihuana testing** laboratory ~~must~~**shall** report test results as required under the industrial hemp research and development act and any associated rules promulgated **under that act** by the Michigan department of agriculture and rural development.~~

~~(76) A **marihuana testing** laboratory ~~must not transfer or sell any industrial hemp product obtained for testing to any other facility other than the licensee from whom the sample was obtained~~**shall only transfer industrial hemp obtained for testing to the licensee from whom the sample was obtained.**~~

~~–(8) A laboratory shall enter all transactions, current inventory, and other information into the statewide monitoring system as required by the industrial hemp research and development act and any associated rules promulgated by the Michigan department of agriculture and rural development.~~

R 420.1003 Processing industrial hemp.

~~Rule 31003. (1) A ~~producer~~**processor under the MMFLA** may ~~handle~~**obtain**, process, market, or broker industrial hemp in compliance with the industrial hemp research and development act and any associated rules promulgated **under that act** by the Michigan department of agriculture and rural development.~~

~~–(2) A producer may obtain industrial hemp to process as allowed under the industrial hemp research and development act and any associated rules promulgated by the Michigan department of agriculture and rural development.~~

~~(32) A ~~producer~~**processor under the MMFLA** shall always ~~store~~ industrial hemp separately from marihuana products and in compliance with these rules relating to storage of marihuana~~

~~products promulgated by the agency~~ **maintain records documenting all industrial hemp obtained, processed, marketed, or brokered by the processor.**

(43) A producer shall document all industrial hemp obtained by the facility and ~~shall~~ make those records available to the agency upon request.

~~(5) A producer shall enter all transactions, current inventory, and other information into the statewide monitoring system as required by the industrial hemp research and development act and any associated rules promulgated by the Michigan department of agriculture and rural development.~~

R 420.1004 Severability **Selling industrial hemp.**

Rule ~~41004~~. If any rule or subrule of these rules, in whole or in part, is found to be invalid by a court of competent jurisdiction, such decision will not affect the validity of the remaining portion of these rules. **(1) A marihuana sales location may handle, market, or broker industrial hemp if the marihuana sales location does both of the following:**

(a) Obtains an industrial hemp processor handler license.

(b) Complies with the requirements of the industrial hemp research and development act and rules promulgated under that act.

(2) A marihuana sales location shall always store industrial hemp separately from marihuana and in compliance with R 420.212.

(3) A marihuana sales location that meets the requirements of subrule (1) of this rule shall maintain records documenting all industrial hemp obtained, marketed, or brokered by the marihuana sales location.