

**Michigan Office of Administrative Hearings and Rules**

**Administrative Rules Division (ARD)**

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**REGULATORY IMPACT STATEMENT  
and COST-BENEFIT ANALYSIS (RIS)**

**Agency Information:**

**Department name:**

Licensing and Regulatory Affairs

**Bureau name:**

Cannabis Regulatory Agency

**Name of person filling out RIS:**

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**Rule Set Information:**

**ARD assigned rule set number:**

2023-25 LR

**Title of proposed rule set:**

Marihuana Rules

**Comparison of Rule(s) to Federal/State/Association Standard**

**1. Compare the proposed rules to parallel federal rules or standards set by a state or national licensing agency or accreditation association, if any exist.**

Marijuana is a schedule 1 drug under federal law, so there are no rules regulating its use either medicinally or recreationally. In the absence of federal standards, each state that has legalized marijuana has adopted its own standards.

**A. Are these rules required by state law or federal mandate?**

The Medical Marihuana Facilities Licensing Act (MMFLA), 2016 PA 281, MCL 333.27206, and Michigan Regulation and Taxation of Marihuana Act (MRMTA), 2018 IL 1, MCL 333.27958, require the agency to promulgate rules to facilitate the enforcement of the acts.

**B. If these rules exceed a federal standard, please identify the federal standard or citation, describe why it is necessary that the proposed rules exceed the federal standard or law, and specify the costs and benefits arising out of the deviation.**

There are no federal rules or standards regulating marijuana use.

**2. Compare the proposed rules to standards in similarly situated states, based on geographic location, topography, natural resources, commonalities, or economic similarities.**

The proposed rules are similar to rules in other states with adult-use marijuana programs, for example, Colorado, Oregon, Illinois, and Nevada, and some of the proposed rules specifically mirror rules found in other states. Examples of these similarities include rules regulating license types, security and surveillance systems, safety and testing, packaging and labeling, tracking, and synthetically created cannabinoids. Major differences between the proposed rules and rules in other states are the result of statutory differences. For example, other states with marijuana programs limit the number of licenses that can be issued. Michigan does not.

**A. If the rules exceed standards in those states, please explain why and specify the costs and benefits arising out of the deviation.**

There is a large variation in standards across the 42 states and territories that regulate medical and/or adult-use marijuana because of a lack of established uniform guidance or federal standards. Individual rules will likely exceed requirements in some states and be more lenient than others.

**3. Identify any laws, rules, and other legal requirements that may duplicate, overlap, or conflict with the proposed rules.**

The current rules often unnecessarily duplicate provisions found in the MMFLA and MRTMA. The proposed rules eliminate many of the duplicative provisions. Michigan laws and rules allowing for the growing, sales, and use of marijuana inherently conflict with federal law prohibiting those activities.

**A. Explain how the rules have been coordinated, to the extent practicable, with other federal, state, and local laws applicable to the same activity or subject matter. This section should include a discussion of the efforts undertaken by the agency to avoid or minimize duplication.**

The CRA coordinated with the Michigan Department of Environment, Great Lakes, and Energy (EGLE), Michigan Department of Agriculture and Rural Development (MDARD), and the Michigan Liquor Control Commission (MLCC) to align requirements between departments.

## **Purpose and Objectives of the Rule(s)**

**4. Identify the behavior and frequency of behavior that the proposed rules are designed to alter.**

The proposed rule changes serve three primary purposes: 1. to make substantive changes to the existing rules that will improve the regulation of the marijuana industry, 2. to codify requirements currently enforced by the CRA through guide, bulletin, or policy, and 3. to improve the organization and clarity of rules. The first purpose has dual objectives: to eliminate unnecessary regulations and to add new requirements that are necessary to prevent the inversion of marijuana from illicit sources and the diversion of marijuana to illicit markets, as well as to prevent involvement in the industry of individuals prohibited from owning or operating a marijuana business. The objective of the second purpose is to subject requirements that have previously been adopted by the agency to the review and scrutiny of the rule promulgation process. The third purpose is meant to greatly improve clarity and understanding of the rules, thereby improving ease of compliance.

**A. Estimate the change in the frequency of the targeted behavior expected from the proposed rules.**

The proposed rule changes should improve overall compliance by consolidating requirements currently found in guides, bulletins, and policies; making the rules easier to understand; and strengthening the agency's ability to hold noncompliant licensees accountable.

**B. Describe the difference between current behavior/practice and desired behavior/practice.**

Licensees are currently required to comply with requirements that are found in statute, rule, guides, bulletins, and policies which are oftentimes redundant, conflicting, or confusing. By consolidating requirements and reorganizing the rules, it will be easier for licensees to understand and comply with applicable requirements.

**C. What is the desired outcome?**

The desired outcomes of the proposed rule changes are to improve compliance through improved clarity, to reduce unnecessary burdens on licensees, to implement requirements necessary to improve product safety and ensure compliance, and to allow the agency to hold noncompliant licensees accountable.

**5. Identify the harm resulting from the behavior that the proposed rules are designed to alter and the likelihood that the harm will occur in the absence of the rule.**

Inversion and diversion of marijuana can result in untested, unsafe products being purchased and consumed by Michigan residents. The risk of these harms has continued to grow as the industry has grown. In the absence of the proposed rule changes, the risk to consumers and to the integrity of the industry will continue to grow. Additionally, the lack of clarity in the existing rules can make compliance more difficult, resulting in disciplinary actions being taken against licensees.

**A. What is the rationale for changing the rules instead of leaving them as currently written?**

The current rules have evolved from emergency rules issued in the early days of marijuana legalization. They are not particularly clear or well-organized, nor do they contain the many requirements found in guides, bulletins, or policies with which licensees must comply. They also fail to contemplate the many changes that have taken place in the rapidly growing marijuana industry. Changes are needed to improve clarity and respond to the changes in the industry.

**6. Describe how the proposed rules protect the health, safety, and welfare of Michigan citizens while promoting a regulatory environment in Michigan that is the least burdensome alternative for those required to comply.**

The proposed rules safeguard consumers of marijuana, a product which is federally illegal and for which there are no federal safety regulations in place. The proposed rule changes will give the agency the tools necessary to ensure compliance with health and safety rules, as well as the authority to hold noncompliant licensees accountable. Certain rules like those prohibiting converting cannabinoids and prescribing requirements for remediation will better ensure consumer health is protected while allowing licensees to engage in innovation and product development.

**7. Describe any rules in the affected rule set that are obsolete or unnecessary and can be rescinded.**

The proposed rule changes will strike a number of requirements from the current rule set, including, but not limited to, removing the requirement for retail locations to have a separate lobby, removing the ownership restrictions on grower licenses, removing the requirement to obtain a license for a consumption-only marijuana event, allowing class A microbusiness to process marijuana, removing restrictions on multi-packs, and allowing designated consumption establishments to incorporate other activities.

## **Fiscal Impact on the Agency**

Fiscal impact is an increase or decrease in expenditures from the current level of expenditures, i.e. hiring additional staff, higher contract costs, programming costs, changes in reimbursements rates, etc. over and above what is currently expended for that function. It does not include more intangible costs for benefits, such as opportunity costs, the value of time saved or lost, etc., unless those issues result in a measurable impact on expenditures.

**8. Please provide the fiscal impact on the agency (an estimate of the cost of rule imposition or potential savings for the agency promulgating the rule).**

The fiscal impact of the proposed rules on the agency will be negligible. They will not necessitate hiring additional staff or purchasing equipment, nor allow for a reduction in staffing or equipment needs. The improved organization and clarity should improve efficiency. Other requirements should also improve staff efficiency by providing the agency with more information and eliminating some currently required tasks, for example, licensing and regulating temporary marihuana events where marihuana is not sold.

**9. Describe whether or not an agency appropriation has been made or a funding source provided for any expenditures associated with the proposed rules.**

No additional funding or appropriation will be required as a result of the proposed rules.

**10. Describe how the proposed rules are necessary and suitable to accomplish their purpose, in relationship to the burden(s) the rules place on individuals. Burdens may include fiscal or administrative burdens, or duplicative acts.**

Many of the proposed changes will remove requirements currently imposed on licensees that have proven to be unnecessary to the administration and enforcement of the relevant acts. Examples include removing the requirement for retail locations to have a separate lobby, removing the ownership restrictions on grower licenses, removing the requirement to obtain a license for a consumption-only marijuana event, allowing class A microbusiness to process marijuana, and allowing designated consumption establishments to incorporate other activities. Other changes will impose additional requirements on licensees to provide the agency with tools it currently lacks to effectively administer and enforce the relevant statutes. Examples include reconciling revenue on a monthly basis and performing audits of inventory twice per year. Instances of noncompliance have resulted from poor recordkeeping that could be addressed by requiring these best practices.

**A. Despite the identified burden(s), identify how the requirements in the rules are still needed and reasonable compared to the burdens.**

As stated in question 10, many of the proposed changes will remove requirements currently imposed on licensees. Of the additional requirements being imposed on licensees, a large majority of licensees surveyed about the potential costs of these new requirements indicated they are already doing most of them, and so for them there will be no additional cost. This supports the agency's contention that these are best practices and businesses should already be doing them. For businesses not currently doing them, the additional costs of compliance could be at least partially offset by improved operations and avoiding violations and penalties for noncompliance.

## **Impact on Other State or Local Governmental Units**

**11. Estimate any increase or decrease in revenues to other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Estimate the cost increases or reductions for other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Include the cost of equipment, supplies, labor, and increased administrative costs in both the initial imposition of the rule and any ongoing monitoring.**

The proposed rules will not increase or decrease revenues or costs for other state or local government units.

**12. Discuss any program, service, duty, or responsibility imposed upon any city, county, town, village, or school district by the rules.**

Under the proposed changes, the CRA will no longer regulate events where marijuana is consumed, but not sold. If a local government chooses to allow consumption-only events, the CRA will no longer regulate them. The local government may choose to license or inspect those events.

**A. Describe any actions that governmental units must take to be in compliance with the rules. This section should include items such as record keeping and reporting requirements or changing operational practices.**

The proposed rules will not require governmental units to take any actions to be in compliance.

**13. Describe whether or not an appropriation to state or local governmental units has been made or a funding source provided for any additional expenditures associated with the proposed rules.**

No additional appropriations or funding sources will be required.

## **Rural Impact**

**14. In general, what impact will the rules have on rural areas?**

The proposed rules will not have a measurable unique impact on rural areas.

**A. Describe the types of public or private interests in rural areas that will be affected by the rules.**

The only interests in rural areas that will be affected by these rules will be licensed marijuana businesses.

## **Environmental Impact**

**15. Do the proposed rules have any impact on the environment? If yes, please explain.**

Yes. Changes being made to the waste disposal rules will no longer require marijuana plant waste to be mixed with non-marijuana material. This will reduce the total volume of waste generated by grow facilities and will allow plant waste to more easily be composted. The proposed rules will also allow marijuana businesses to collect and dispose of used vape cartridges by recycling, further reducing the amount of waste generated by the industry.

## **Small Business Impact Statement**

**16. Describe whether and how the agency considered exempting small businesses from the proposed rules.**

The proposed rules are intended to protect the health and safety of marijuana consumers, as well as protect the integrity of the regulated marijuana industry. Rules that may apply differently to different businesses are primarily differentiated by license type, not the size of the business. The agency did not consider exempting small businesses from the rules that are intended to meet those objectives.

**17. If small businesses are not exempt, describe (a) the manner in which the agency reduced the economic impact of the proposed rules on small businesses, including a detailed recitation of the efforts of the agency to comply with the mandate to reduce the disproportionate impact of the rules upon small businesses as described below (in accordance with MCL 24.240(1)(a-d)), or (b) the reasons such a reduction was not lawful or feasible.**

Many small businesses will benefit from the proposed rules, including businesses who qualify for fee reductions through the social equity program, temporary marijuana event organizers who will no longer need to obtain a license for a consumption-only event, and class A marijuana microbusinesses, which will be allowed to engage in processing activities not currently permitted.

**A. Identify and estimate the number of small businesses affected by the proposed rules and the probable effect on small businesses.**

As of November 2024, there were 197 social equity licensees who were eligible for fee reductions through the social equity program. There were 64 marihuana microbusiness, class A microbusiness, and temporary marihuana event organizer licensees that could benefit from the proposed changes to the class A microbusiness license rules and temporary marihuana event rules.

**B. Describe how the agency established differing compliance or reporting requirements or timetables for small businesses under the rules after projecting the required reporting, record-keeping, and other administrative costs.**

The agency did not establish differing timetables, compliance or reporting requirements for small businesses.

However, some license fees are lower for social equity businesses.

**C. Describe how the agency consolidated or simplified the compliance and reporting requirements for small businesses and identify the skills necessary to comply with the reporting requirements.**

The agency simplified compliance for all licensees by improving organization and clarity of the rule set as well as striking existing unnecessary requirements.

**D. Describe how the agency established performance standards to replace design or operation standards required by the proposed rules.**

The agency did not establish performance standards.

**18. Identify any disproportionate impact the proposed rules may have on small businesses because of their size or geographic location.**

Some proposed changes may negatively impact small businesses while others may positively impact small businesses. Licensees will be required to maintain better financial and inventory records so that the agency can verify the business' finances comply with other statutory and rule requirements, a problem that continues to impact the industry. However, changes being made to the class A marihuana microbusiness license and temporary marihuana event license will positively impact small businesses. Eliminating the requirement to render plant waste unrecognizable will positively impact small businesses. Likewise, the overall improved organization and clarity of the ruleset should make compliance easier.

**19. Identify the nature of any report and the estimated cost of its preparation by small businesses required to comply with the proposed rules.**

Licensees are required to prepare financial statements that have been reported to cost between \$10,000 and \$20,000, depending on the size of the business. The proposed rules will codify a reduced frequency at which licensees must submit the financial statement from every year to every 3 years.

**20. Analyze the costs of compliance for all small businesses affected by the proposed rules, including costs of equipment, supplies, labor, and increased administrative costs.**

Many of the costs of compliance scale with the size of the business. Of the businesses surveyed, the large majority indicated that the requirement to perform physical audits of inventory twice per year would not increase costs. Costs for the largest businesses could be up to approximately \$220,000 per year.

**21. Identify the nature and estimated cost of any legal, consulting, or accounting services that small businesses would incur in complying with the proposed rules.**

The proposed rules should reduce costs by reducing the frequency at which financial statements must be submitted, as stated in question 19, and should reduce legal and consulting costs by improving the organization and clarity of the rule set. According to a survey of licensees, the requirement to provide a monthly reconciliation of revenue could increase costs for accounting services by \$200 to \$600 per month.

**22. Estimate the ability of small businesses to absorb the costs without suffering economic harm and without adversely affecting competition in the marketplace.**

The proposed rules will generally reduce costs to small businesses, or hold costs the same. Small businesses, specifically social equity businesses, class A marihuana microbusinesses, and marihuana event organizers, will see reduced burdens.

**23. Estimate the cost, if any, to the agency of administering or enforcing a rule that exempts or sets lesser standards for compliance by small businesses.**

The costs to administer or enforce a rule that exempts or sets lesser standards for compliance by a small business could be minimal, but the exact cost would be dependent upon which specific rule may need to be enforced differently for small businesses than for large businesses.

**24. Identify the impact on the public interest of exempting or setting lesser standards of compliance for small businesses.**

As stated in question 17, the proposed rules are intended to protect the health and safety of marijuana consumers, as well as protect the integrity of the regulated marijuana industry. Lowering standards could endanger consumer health, or allow more opportunities for inversion or diversion.

**25. Describe whether and how the agency has involved small businesses in the development of the proposed rules.**

The agency has had several meetings with owners of marihuana microbusinesses or class A marihuana microbusinesses. Proposed changes to the class A microbusiness rules are a direct result of those conversations.

**A. If small businesses were involved in the development of the rules, please identify the business(es).**

The agency published a list of proposed changes in May 2023 and requested licensees and other stakeholders to provide feedback on the proposals. The agency received more than 500 individual comments from businesses of all sizes. As stated in question 25, the agency met with owners of marihuana microbusinesses, class A marihuana microbusinesses, and social equity licensees.

**Cost-Benefit Analysis of Rules (independent of statutory impact)**

**26. Estimate the actual statewide compliance costs of the rule amendments on businesses or groups.**

The majority of the changes being made are organizational or are codifying existing requirements. These changes will not increase compliance costs. Improved organization and clarity may reduce compliance costs. According to a survey of licensees, the requirement to reconcile revenue monthly could cost a business up to \$600 per month. The cost of weighing flower before shipping could cost the largest businesses up to \$5,000 per month, but the large majority of businesses indicated they would not see a cost increase. The cost of performing an audit of inventory twice per year could cost the biggest operators up to \$220,000 per year, but the large majority of businesses indicated they would not see a cost increase.

**A. Identify the businesses or groups who will be directly affected by, bear the cost of, or directly benefit from the proposed rules.**

Licensed marijuana businesses in Michigan. Specifically, retailers, class A marihuana microbusinesses, designated consumption establishments, and marihuana event organizers will directly benefit from the proposed rules.

Depending on their current SOPs, cultivators and producers may need to adjust processes to comply with additional requirements for reporting in the statewide monitoring system, and producers may need to adjust processes to comply with new rules designed to improve consumer safety, for example, new rules requiring serving sizes be more clear and certificates of analysis be maintained for all non-marijuana ingredients used in consumables, something currently required in MDARD rule.

**B. What additional costs will be imposed on businesses and other groups as a result of these proposed rules (i.e. new equipment, supplies, labor, accounting, or recordkeeping)? Please identify the types and number of businesses and groups. Be sure to quantify how each entity will be affected.**

It is unlikely that the proposed rules will require licensees to purchase new equipment. Additional time and recordkeeping may be required. The cost of these new requirements will vary based on characteristics unique to each business. For example, costs to submit additional types of changes to a marihuana business will vary depending on the frequency and volume of changes a business makes. The costs to reconcile revenue monthly and audit inventory will vary based on the size of the business and the quality of records kept. Additional testing may be required. Licensees that do not currently operate surveillance systems with web-based access may have to update their equipment.

**27. Estimate the actual statewide compliance costs of the proposed rules on individuals (regulated individuals or the public). Include the costs of education, training, application fees, examination fees, license fees, new equipment, supplies, labor, accounting, or recordkeeping.**

Statewide compliance costs are difficult to estimate. Depending on the license type, specific business plans and goals, and the efficiency of a business' processes, costs could be significantly reduced or modestly increased.

Proposed changes that could increase costs include:

- Requiring licensees to reconcile revenue monthly and perform physical audits of inventory every 6 months. Recordkeeping costs will vary depending on the size of the business and the efficiency of processes.
- As stated in question 26, according to a survey of licensees, the requirement to reconcile revenue monthly could cost a business up to \$600 per month.
- The cost of weighing flower before shipping could cost the largest businesses up to \$5,000 per month, but the majority of businesses indicated they would not see a cost increase.
- The cost of performing an audit of inventory twice per year could cost the largest businesses up to \$220,000 per year, but the majority of businesses indicated they would not see a cost increase.
- Requiring growers to have one employee obtain pesticide applicator certification from MDARD. The application fee is \$75.

**A. How many and what category of individuals will be affected by the rules?**

Different license types will have different requirements. As of September 2024, there were the following number of active licenses (note, one business can hold multiple licenses): medical grower A – 28, medical grower B – 13, medical grower C – 1858, medical processor – 113, medical provisioning center – 183, medical secure transporter – 19, medical safety compliance facility – 20, adult-use (AU) grower A – 11, AU grower B – 113, AU grower C – 840, AU excess grower – 67, AU processor – 277, AU retailer – 835, AU class A microbusiness – 12, AU microbusiness – 7, AU secure transporter – 22, AU safety compliance facility – 22, AU designated consumption establishment – 3, AU educational research license – 1, AU marihuana event organizer – 45.

**B. What qualitative and quantitative impact do the proposed changes in rules have on these individuals?**

The improved organization of the rules should make it easier to achieve compliance. Additionally, as stated in question 27, the impact of the rules on a particular business will vary significantly, depending on the type of business and the specific business plans and goals of a business. Some businesses may see a significant reduction in compliance costs. Others might see a modest increase.

**28. Quantify any cost reductions to businesses, individuals, groups of individuals, or governmental units as a result of the proposed rules.**

Statewide compliance costs are difficult to estimate. Depending on the license type, specific business plans and goals, and the efficiency of a business' processes, costs could be significantly reduced or modestly increased.

Proposed changes that could reduce costs include:

- No longer requiring a TME license for consumption only events. The current license cost for these events is \$500 per event.
- Eliminating the requirement for sales locations to have a separate lobby. The value of this proposed changes could be tens of thousands of dollars per location in either reduced construction costs or increased floor space for sales.
- Allowing microbusinesses and class A microbusinesses to engage in product development, potentially increasing a business' value by a case-specific amount.
- Allowing class A microbusinesses to process marihuana, potentially increasing a business' value by a case-specific amount.
- Eliminating the requirement that marihuana plant waste be rendered unusable and unrecognizable. This could save tens of thousands of dollars per location in reduced labor and materials.
- Allowing compliant licensees to submit financial statements every three years, rather than every year. Estimates for the cost of completing a financial statement run from \$10,000 to \$20,000, depending on how many licenses a business holds.
- Allowing licensees to create multi-packs of marihuana products could reduce compliance costs and result in opportunities for increased value. Cost reductions will vary depending on the license type and products created by the licensee.

**29. Estimate the primary and direct benefits and any secondary or indirect benefits of the proposed rules. Please provide both quantitative and qualitative information, as well as your assumptions.**

As stated in question 28, a number of the proposed changes will result in reduced costs for businesses or opportunities for increased value. Additionally, a number of the proposed rules will directly benefit marijuana consumers by better ensuring marijuana products are safe and strengthening advertising and labeling requirements so that consumers are better informed and children are better protected.

**30. Explain how the proposed rules will impact business growth and job creation (or elimination) in Michigan.**

Overall, the changes should boost business and job growth by reducing existing barriers to growth, including eliminating the license cap. Additionally, the proposed changes will prohibit cannabinoid conversion, a production method that has driven down prices, endangered the stability of the licensed market, raises public health concerns, and is widely opposed by a large segment of the industry. Lastly, the improved structure and organization of the proposed rules should make understanding and compliance more accessible.

**31. Identify any individuals or businesses who will be disproportionately affected by the rules as a result of their industrial sector, segment of the public, business size, or geographic location.**

The rules apply to licensed marijuana businesses. The proposed rules will variously impact large and small businesses by reducing some costs and increasing others. No marijuana businesses would be disproportionately impacted as a result of their industrial sector, business size, or geographic location. No other individuals will be directly affected. Marijuana consumers will be indirectly affected, but no marijuana consumers will be disproportionately affected.

**32. Identify the sources the agency relied upon in compiling the regulatory impact statement, including the methodology utilized in determining the existence and extent of the impact of the proposed rules and a cost-benefit analysis of the proposed rules.**

As stated in question 25A, the agency published a list of proposed changes in May 2023 and requested licensees and other stakeholders to provide feedback on the proposals. The agency received more than 500 individual comments. The agency also relied on informal comments received from licensees about the costs of complying with various existing requirements and proposed requirements. The agency also hosts regular meetings with various stakeholder groups which provide feedback on a variety of topics.

**A. How were estimates made, and what were your assumptions? Include internal and external sources, published reports, information provided by associations or organizations, etc., that demonstrate a need for the proposed rules.**

As stated in question 32, estimates were made based on feedback provided by licensees and stakeholder groups. The agency also surveyed approximately 20 licensees of varying sizes, from small businesses to the largest operators, to determine the potential cost impact of various proposals.

## **Alternative to Regulation**

**33. Identify any reasonable alternatives to the proposed rules that would achieve the same or similar goals.**

The agency is required by statute to promulgate rules that are necessary to implement, administer, and enforce the relevant acts. Section 206 of the MMFLA lists 22 specific topics that must be covered by the rules. Section 8 of the MMRTMA lists 14 specific topics that must be covered by the rules.

**A. Please include any statutory amendments that may be necessary to achieve such alternatives.**

Statute requires the agency to promulgate rules. Statute would need to be amended to revise those requirements to allow for alternatives.

**34. Discuss the feasibility of establishing a regulatory program similar to that proposed in the rules that would operate through private market-based mechanisms. Please include a discussion of private market-based systems utilized by other states.**

The agency is unaware of private market-based mechanisms that would meet the statutory requirements to promulgate rules. All other states that regulate marijuana publish administrative rules or regulations that are enforced by a state agency.

**35. Discuss all significant alternatives the agency considered during rule development and why they were not incorporated into the rules. This section should include ideas considered both during internal discussions and discussions with stakeholders, affected parties, or advisory groups.**



As stated in question 32, the agency published a list of proposed changes in May 2023 and requested licensees and other stakeholders to provide feedback on the proposals. As a result of the feedback, the agency did not include several initial proposals in the draft rules due to the disproportionate burden licensees indicated it would place on their businesses compared to the perceived benefit. The following initial proposals were not included: changing the deadline to submit an application for temporary marihuana event license from 90 days before to 120 days before the event, requiring licensees to identify products with the full statewide monitoring system tag number, requiring growers to report harvest schedules, requiring pre-rolls to be tested in final form, requiring licensees to adhere to recognized third-party cannabis standards, require harvests to be dried and trimmed at the location it was cultivated.

### **Additional Information**

**36. As required by MCL 24.245b(1)(c), please describe any instructions regarding the method of complying with the rules, if applicable.**

Licensees must comply with the requirements for entering information into the statewide monitoring system by using the features of the statewide monitoring system and entering the information into the correct fields as directed by the system vendor. There are no other instructions or specific methods for complying with the rules other than those that are specified in the rules or statutes.