

EXECUTIVE REORGANIZATION ORDER
E.R.O. No. 2022-1

333.27002 Renaming of marijuana regulatory agency to cannabis regulatory agency; transfer of authority, powers, duties, functions and responsibilities of the department of agriculture and rural development to license and regulate processor-handlers of industrial hemp to the cannabis regulatory agency; authority to promulgate rules; renaming Michigan council for arts and cultural affairs to Michigan arts and culture council.

The Michigan Department of Agriculture and Rural Development regulates the processing, distribution, and sale of hemp, while the Marijuana Regulatory Agency regulates the processing, distribution, and sale of marijuana.

Consolidating the regulation of the processing, distribution and sale of marijuana and hemp into a single state agency will allow for more effective and efficient administration and enforcement of state laws relating to cannabis. The expertise of the Michigan Department of Agriculture and Rural Development necessitates their continued regulation of the cultivation of hemp.

Changing the organization of the executive branch of state government is necessary in the interests of efficient administration and effectiveness of government.

Section 1 of article 5 of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the governor.

Section 2 of article 5 of the Michigan Constitution of 1963 empowers the governor to make changes in the organization of the executive branch of state government or in the assignment of functions among its units that are necessary for efficient administration.

Acting under the Michigan Constitution of 1963 and Michigan law, I order the following:

1. Renaming the Marijuana Regulatory Agency

(a) The Marijuana Regulatory Agency is renamed the Cannabis Regulatory Agency (the "Agency").

(b) After the effective date of this order, a reference to the Marijuana Regulatory Agency will be deemed to be a reference to the Agency.

(c) After the effective date of this order, a reference to the Executive Director of the Marijuana Regulatory Agency will be deemed to be a reference to the Executive Director of the Agency.

2. Transfers from the Department of Agriculture and Rural Development

(a) All of the authorities, powers, duties, functions, and responsibilities of the Department of Agriculture and Rural Development to license and regulate processor-handlers under the Industrial Hemp Research and Development Act, 2014 PA 547, MCL 286.841 to 286.859, are transferred to the Agency to be administered by the Agency. Section 8 of the Michigan Regulation and Taxation of Marihuana Act ("MRTMA"), 2018 IL 1, MCL 333.27958, grants the Agency the authority to promulgate rules to regulate the cultivation, processing, distribution, and sale of industrial hemp.

(b) The authorities, powers, duties, functions, and responsibilities of the Agency to promulgate rules to regulate the cultivation of industrial hemp under section 8 of MRTMA are transferred by Type II transfer to the Department of Agriculture and Rural Development.

(c) The Agency must exercise all of the authorities, powers, duties, functions, and responsibilities transferred to the Agency by this order or otherwise vested in the Agency by law.

(d) The Agency is responsible for implementing the transfers to the Agency under this order and has the powers and duties necessary to exercise the powers and duties vested in the Agency by this order or otherwise by law.

3. Renaming the Michigan Council for Arts and Cultural Affairs

(a) The Michigan Council for Arts and Cultural Affairs, created by Executive Order 1991-20, MCL 2.132, and transferred to the Michigan Strategic Fund by Executive Order 2009-36, is renamed the Michigan Arts and Culture Council.

(b) After the effective date of this order, a reference to the Michigan Council for Arts and Cultural Affairs will be deemed to be a reference to the Michigan Arts and Culture Council.

4. Definitions

As used in this order:

(a) "Cannabis" means that term as defined under section 2(b) of the Industrial Hemp Research and Development Act, MCL 286.842(b).

(b) "Department of Agriculture and Rural Development" means the principal department of state government created under section 1 of 1921 PA 13, MCL 285.1, and section 175 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.275, and renamed by Executive Order 2011-2, MCL

285.11.

(c) "Department of Licensing and Regulatory Affairs" means the principal department of state government originally created as the Department of Commerce under section 225 of the Executive Organization Act of 1965, 1965 PA 380, as amended, MCL 16.325, renamed as the Department of Consumer and Industry Services by Executive Order 1996-2, MCL 445.2001, renamed the Department of Labor and Economic Growth by Executive Order 2003-18, MCL 445.2011, renamed the Department of Energy, Labor, and Economic Growth by Executive Order 2008-20, MCL 445.2025, and renamed the Department of Licensing and Regulatory Affairs by Executive Order 2011-4, MCL 445.2030.

(d) "Industrial hemp" means that term as defined under section 3(c) of the Michigan Regulation and Taxation of Marihuana Act, MCL 333.27953(c).

(e) "Marijuana Regulatory Agency" is defined in section 3(q) of the Michigan Regulation and Taxation of Marihuana Act, MCL 333.27953(q), to mean the marijuana regulatory agency created under Executive Reorganization Order 2019-2, MCL 333.27001.

(f) "State Budget Director" means the individual appointed by the governor under section 321 of The Management and Budget Act, 1984 PA 431, as amended, MCL 18.1321.

(g) "Type II transfer" means that term as defined under section 3(b) of the Executive Organization Act of 1965, 1965 PA 380, as amended, MCL 16.103(b).

5. Implementation

(a) The Director of the Department of Agriculture and Rural Development and the Executive Director of the Agency must provide executive direction and supervision for the implementation of all transfers to the Agency under this order.

(b) Except as otherwise provided in this order, the functions and responsibilities transferred to the Agency under this order must be administered under the direction and supervision of the Executive Director.

(c) Any records, personnel, property, and unexpended balances of appropriations, allocations, and other funds used, held, employed, available, or to be made available to any entity for the authority, activities, powers, duties, functions, and responsibilities transferred to the Agency under this order, are transferred to the Agency.

(d) The Executive Director must administer the functions and responsibilities transferred to the Agency under this order in such ways as to promote efficient administration and must make internal organizational changes as administratively necessary to complete the realignment of responsibilities under this order.

(e) State departments, agencies, and state officers must fully and actively cooperate with and assist the Executive Director with implementation responsibilities under this order. The Executive Director of the Agency may request the assistance of other state departments, agencies, and officers with respect to personnel, budgeting, procurement, telecommunications, information systems, legal services, and other management-related functions, and the departments, agencies, and officers must provide that assistance.

(f) The State Budget Director must determine and authorize the most efficient manner possible for handling financial transactions and records in this state's financial management system necessary to implement this order.

(g) A rule, regulation, order, contract, or agreement relating to a function or responsibility transferred under this order lawfully adopted or entered into before the effective date of this order must continue to be effective until revised, amended, repealed, or rescinded.

(h) This order does not abate any criminal action commenced by this State before the effective date of this order.

(i) This order is not intended to abate a proceeding commenced by, against, or before an officer or entity affected by this order. A proceeding may be maintained by, against, or before the successor of any officer or entity affected by this order.

(j) If any portion of this order is found to be unenforceable, the unenforceable provision should be disregarded, and the rest of the order should remain in effect as issued.

(k) Consistent with section 2 of article 5 of the Michigan Constitution of 1963, this order is effective April 13, 2022 at 12:01 a.m.

History: 2022, E.R.O. No. 2022-1, Eff. Apr. 13, 2022.

Compiler's note: Executive Reorganization Order No. 2022-1 was promulgated February 11, 2022, as Executive Order No. 2022-1, Eff. Apr. 13, 2022.