

**Annual Administrative Code Supplement**  
**2020 Edition**

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**WORKERS' COMPENSATION AGENCY**

**WORKERS' COMPENSATION HEALTH CARE SERVICES**

**PART 1. GENERAL PROVISIONS**

**R 418.10101**  
Source: 2012 AACS.

**R 418.10102**  
Source: 1998-2000 AACS.

**R 418.10103**  
Source: 2015 AACS.

**R 418.10104**  
Source: 2008 AACS.

**R 418.10105**  
Source: 2003 AACS.

**R 418.10106**  
Source: 2019 AACS.

**R 418.10107**  
Source: 2019 AACS.

**R 418.10108**  
Source: 2017 AACS.

**R 418.10109**  
Source: 2019 AACS.

**R 418.10110**  
Source: 2015 AACS.

**R 418.10111**  
Source: 2017 AACS.

**R 418.10112**  
Source: 1998-2000 AACS.

**R 418.10113**  
Source: 1998-2000 AACS.

**R 418.10114**  
Source: 1998-2000 AACS.

**R 418.10115**  
Source: 2005 AACS.

**R 418.10116**  
Source: 2003 AACS.

**R 418.10117**  
Source: 2019 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 418.10118**  
Source: 2005 AACS.

**R 418.10119**  
Source: 2017 AACS.

**R 418.10120**  
Source: 2005 AACS.

**R 418.10121**  
Source: 2003 AACS.

**PART 2. MEDICINE**

**R 418.10201**  
Source: 1998-2000 AACS.

**R 418.10202**  
Source: 2017 AACS.

**R 418.10203**  
Source: 1998-2000 AACS.

**R 418.10204**  
Source: 1998-2000 AACS.

**R 418.10205**  
Source: 2010 AACS.

**R 418.10206**  
Source: 1998-2000 AACS.

**R 418.10207**  
Source: 2018 AACS.

**R 418.10208**  
Source: 2018 AACS.

**R 418.10209**  
Source: 2017 AACS.

**R 418.10212**  
Source: 2018 AACS.

**R 418.10213**  
Source: 2009 AACS.

**R 418.10214**  
Source: 2018 AACS.

**PART 4. SURGERY**

**R 418.10401**  
Source: 2014 AACS.

**R 418.10403**  
Source: 1998-2000 AACS.

**R 418.10404**

**Annual Administrative Code Supplement**  
**2020 Edition**

Source: 2018 AACS.

**R 418.10405**

Source: 2002 AACS.

**R 418.10406**

Source: 2002 AACS.

**R 418.10407**

Source: 2002 AACS.

**R 418.10410**

Source: 1998-2000 AACS.

**R 418.10411**

Source: 2002 AACS.

**R 418.10415**

Source: 2002 AACS.

**R 418.10416**

Source: 2018 AACS.

**R 418.10417**

Source: 1998-2000 AACS.

**PART 5. RADIOLOGY, RADIATION THERAPY, AND NUCLEAR MEDICINE**

**R 418.10501**

Source: 2002 AACS.

**R 418.10502**

Source: 2002 AACS.

**R 418.10503**

Source: 2002 AACS.

**R 418.10504**

Source: 2014 AACS.

**R 418.10505**

Source: 2017 AACS.

**PART 7. DENTAL**

**R 418.10701**

Source: 2014 AACS.

**PART 9. BILLING**  
**SUBPART A. PRACTITIONER BILLING**

**R 418.10901**

Source: 2019 AACS.

**R 418.10902**

Source: 2019 AACS.

**R 418.10902a**

Source: 2014 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 418.10904**  
Source: 2019 AACS.

**R 418.10905**  
Source: 2018 AACS.

**R 418.10907**  
Source: 2017 AACS.

**R 418.10909**  
Source: 2018 AACS.

**R 418.10911**  
Source: 1998-2000 AACS.

**R 418.10912**  
Source: 2018 AACS.

**R 418.10913**  
Source: 2018 AACS.

**R 418.10915**  
Source: 2017 AACS.

**R 418.10916**  
Source: 2006 AACS.

**R 418.10918**  
Source: 2002 AACS.

**R 418.10920**  
Source: 2018 AACS.

**R 418.10921**  
Source: 2014 AACS.

**R 418.10922**  
Source: 2017 AACS.

**R 418.10923**  
Source: 2015 AACS.

**R 418.10923b**  
Source: 2018 AACS.

**R 418.10924**  
Source: 2003 AACS.

**R 418.10925**  
Source: 2017 AACS.

**R418.10926**  
Source: 2018 AACS.

**PART 10. REIMBURSEMENT**  
**SUBPART A. PRACTITIONER REIMBURSEMENT**

**Annual Administrative Code Supplement**  
**2020 Edition**

- R 418.101001**  
Source: 2006 AACS.
- R 418.101002**  
Source: 2019 AACS.
- R 418.101002a**  
Source: 2014 AACS.
- R 418.101002b**  
Source: 2010 AACS.
- R 418.101003**  
Source: 2018 AACS.
- R 418.101003a**  
Source: 2018 AACS.
- R 418.101003b**  
Source: 2014 AACS.
- R 418.101004**  
Source: 2019 AACS.
- R 418.101005**  
Source: 2017 AACS.
- R 418.101006**  
Source: 2014 AACS.
- R 418.101007**  
Source: 2017 AACS.
- R 418.101008**  
Source: 2015 AACS.
- R 418.101008a**  
Source: 2018 AACS.
- R 418.101008b**  
Source: 2014 AACS.
- R 418.101009**  
Source: 2014 AACS.
- R418.101010**  
Source: 2018 AACS.
- R 418.101015**  
Source: 2015 AACS.
- R 418.101016**  
Source: 2009 AACS.
- R 418.101017**  
Source: 2007 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 418.101018**  
Source: 2007 AACS.

**R 418.101019**  
Source: 2007 AACS.

**R 418.101022**  
Source: 2005 AACS.

**R 418.101023**  
Source: 2017 AACS.

**PART 11. HOSPITAL PAYMENT RATIO**

**R 418.101101**  
Source: 2017 AACS.

**R 418.101102**  
Source: 2005 AACS.

**R 418.101103**  
Source: 2005 AACS.

**R 418.101104**  
Source: 2005 AACS.

**R 418.101105**  
Source: 2005 AACS.

**PART 12. CARRIER'S PROFESSIONAL HEALTH CARE REVIEW PROGRAM**

**R 418.101201**  
Source: 1998-2000 AACS.

**R 418.101203**  
Source: 1998-2000 AACS.

**R 418.101204**  
Source: 2005 AACS.

**R 418.101205**  
Source: 2005 AACS.

**R 418.101206**  
Source: 2010 AACS.

**R 418.101207**  
Source: 2012 AACS.

**R 418.101208**  
Source: 2015 AACS.

**R 418.101209**  
Source: 2005 AACS.

**R 418.101210**  
Source: 2005 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**PART 13. PROCESS FOR RESOLVING DIFFERENCES  
BETWEEN CARRIER AND PROVIDER REGARDING BILL**

**R 418.101301**  
Source: 2014 AACS.

**R 418.101302**  
Source: 1998-2000 AACS.

**R 418.101303**  
Source: 2012 AACS.

**R 418.101304**  
Source: 2017 AACS.

**R 418.101305**  
Source: 2005 AACS.

**PART 14. DATA ACQUISITION**

**R 418.101401**  
Source: 2014 AACS.

**R 418.101402**  
Source: 2005 AACS.

**R 418.101404**  
Source: 2005 AACS.

**PART 15 PROCEDURE CODE AND REIMBURSEMENT TABLES**

**R 418.101501**  
Source: 2018 AACS.

**R 418.101502**  
Source: 2007 AACS.

**R 418.101503**  
Source: 2018 AACS.

**R 418.101504**  
Source: 2009 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**MARIJUANA REGULATORY AGENCY**

**MARIHUANA LICENSES**

**R 420.1 Definitions.**

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) "Applicant" means a person who applies for a marihuana license, subject to paragraphs (i) and (ii):
- (i) For purposes of this definition, an applicant includes a managerial employee of the applicant, a person holding a direct or

**Annual Administrative Code Supplement**  
**2020 Edition**

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, 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.
- (d) “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.
- (e) “Bureau of fire services” or “BFS” means the bureau of fire services in the department of licensing and regulatory affairs.
- (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.
- (g) “Complete application” means an application that includes all of the information required in R 420.2 through R 420.11.
- (h) “Department” means the department of licensing and regulatory affairs.
- (i) “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 issued under the Michigan regulation and taxation of marihuana act.
- (j) “Director” means the director of the department of licensing and regulatory affairs or his or her designee.
- (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



**Annual Administrative Code Supplement**  
**2020 Edition**

license, of any class, issued under the medical marijuana facilities licensing act.

- (ii) A marijuana processor license issued under the Michigan regulation and taxation of marijuana act and a processor license issued under the medical marijuana facilities licensing act.
- (iii) A marijuana retailer license issued under the Michigan regulation and taxation of marijuana act and a provisioning center license issued under the medical marijuana facilities licensing act.
- (iv) A marijuana secure transporter license issued under the Michigan regulation and taxation of marijuana act and a secure transporter license issued under the medical marijuana facilities licensing act.
- (v) A marijuana safety compliance facility license issued under the Michigan regulation and taxation of marijuana act and a safety compliance facility license issued under the medical marijuana facilities licensing act.
- (m) “Excess marijuana grower” means a license issued to a person holding 5 class C marijuana grower licenses and licensed to cultivate marijuana and sell or otherwise transfer marijuana to marijuana establishments.
- (n) “Immature plant” means a nonflowering marijuana 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) “Managerial employee” means those employees who have the ability to control and direct the affairs of the marijuana business or have the ability to make policy concerning the marijuana business, or both.
- (p) “Marijuana business” means 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.
- (q) “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.
- (r) “Marijuana establishment” means a location at which a licensee is licensed to operate a marijuana grower, marijuana safety compliance facility, marijuana processor, marijuana microbusiness, marijuana retailer, marijuana secure transporter, or any other type of marijuana-related business licensed to operate by the agency under the Michigan regulation and taxation of marijuana act.
- (s) “Marijuana event organizer” means a person licensed to apply for a temporary marijuana event license under these rules.
- (t) “Marijuana facility” means a location at which a licensee is licensed to operate under the medical marijuana facilities licensing act.
- (u) “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.
- (v) “Marijuana product” means marijuana or a marijuana-infused product, or both, as those terms are defined in the acts unless otherwise provided for in these rules.
- (w) “Marijuana tracking act” means the marijuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.
- (x) “Marijuana transporter” means a secure transporter under the medical marijuana facilities licensing act or a marijuana secure transporter under the Michigan regulation and taxation of marijuana act, or both.
- (y) “Medical marijuana facilities licensing act” or “MMFLA” means the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.
- (z) “Michigan medical marijuana act” means the Michigan Medical Marijuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.
- (aa) “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.
- (bb) “Proposed marijuana business” means a proposed marijuana establishment under the Michigan regulation and taxation of marijuana act or a proposed marijuana facility under the medical marijuana facilities licensing act, or both.
- (cc) “These rules” means the administrative rules promulgated by the agency under the authority of the medical marijuana facilities licensing act, the marijuana tracking act, the Michigan regulation and taxation of marijuana act, and Executive Reorganization Order No. 2019-2, MCL 333.27001.
- (dd) “Same location” means separate marijuana licenses that are issued to multiple marijuana businesses that are authorized to operate at a single property but with separate business suites, partitions, or addresses.
- (ee) “Special license” means a state license as described under section 8 of the Michigan regulation and taxation of marijuana act, MCL 333.27958, and issued pursuant to section 9 of that act, MCL 333.27959.
- (ff) “Stacked license” means more than 1 marijuana license issued to a single licensee to operate as a class C grower as specified in each license at a marijuana business under the medical marijuana facilities licensing act, or under the Michigan regulation and taxation of marijuana act, or both.
- (gg) “Tag” or “RFID tag” means the unique identification number or Radio Frequency Identification (RFID) issued to a licensee by the agency for tracking, identifying, and verifying marijuana plants, marijuana products, and packages of marijuana product in the statewide monitoring system.
- (hh) “Temporary marijuana event license” means a state license held by a marijuana event organizer under the Michigan

**Annual Administrative Code Supplement**  
**2020 Edition**

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.

History: 2020 MR 12, Eff. June 22, 2020.

Editor's Note: An obvious error in R 420.1 was corrected at the request of the promulgating agency, pursuant to Section 56 of 1969 PA 306, as amended by 2000 PA 262, MCL 24.256. The rule containing the error was published in *Michigan Register*, 2020 MR 12. The memorandum requesting the correction was published in *Michigan Register*, 2020 MR 12.

**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.**

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 marihuana 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 marihuana 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 marihuana license under the acts shall be disclosed only in accordance with the acts.

History: 2020 MR 12, Eff. June 22, 2020.

**R420.3 Application procedure; requirements.**

Rule 3. (1) A person shall apply for a marihuana license on the form created by the agency accompanied by the nonrefundable application fee as prescribed in these rules. Each question on the application must be answered by the applicant, under oath, in its entirety and 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) The agency may request additional disclosures and documentation to be furnished to the agency. The applicant shall submit the information requested by the agency within 5 days pursuant to R. 420.5 or the application may be denied.

History: 2020 MR 12, Eff. June 22, 2020.

**R420.4 Application requirements; financial and criminal background.**

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, including the following:

(a) For an applicant seeking licensure under the medical marihuana facilities licensing act, required information includes, 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.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (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) Each applicant shall disclose all shareholders holding a direct or indirect interest of greater than 5%, officers, and directors in the proposed marihuana facility.
- (vi) The sources and total amount of the applicant's capitalization to operate and maintain the proposed marihuana facility in compliance with R 420.11.
- (vii) 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.
- (viii) Information on the financial ability of the applicant to purchase and maintain adequate liability and casualty insurance in compliance with R 420.10.
- (ix) 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 Michigan regulation and taxation of marihuana act required information includes, but is not limited to, all of the following:
- (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 required by the agency.
- (3) Each applicant shall disclose all shareholders holding a direct or indirect interest of greater than 5%, officers, and directors in the proposed marihuana establishment.
- (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 marihuana 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 medical marihuana facilities licensing act 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 Michigan regulation and taxation of marihuana act shall provide an attestation acknowledging that the applicant must have a physical structure for the marihuana establishment and pass the precensure inspection within 60 days of a complete application being submitted to the agency. Failure to pass the precensure inspection within 60 days of the complete application being submitted to the agency may result in the application begin 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,

**Annual Administrative Code Supplement**  
**2020 Edition**

verifying that the applicant is not delinquent in the payment of sales, excise, or any other taxes.

(16) An applicant seeking licensure under the Michigan regulation and taxation of marihuana act 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

History: 2020 MR 12, Eff. June 22, 2020.

**R. 420.5 Application requirements; complete application.**

Rule 5. (1) A complete application for a marihuana license must include all the information specified in these rules 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) The projected or actual gross receipts.
- (iii) A business plan.
- (iv) The proposed location of the marihuana business.
- (v) 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) An applicant shall pass the preclicensure inspection as determined by the agency and as required in R 420.9.

(d) Confirmation of compliance with any municipal ordinances the municipality may have adopted under the medical marihuana facilities licensing act, or the Michigan regulation and taxation of marihuana act, whichever act is applicable. For purposes of these rules, confirmation of compliance must be on an attestation form prepared by the agency that contains all of the following:

(i) For an applicant seeking licensure under the medical marihuana facilities licensing act, 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) For an applicant seeking licensure under the Michigan regulation and taxation of marihuana act, verification that the municipality has not adopted an ordinance prohibiting marihuana establishments.

(iii) For an applicant seeking licensure under the medical marihuana facilities licensing act, description of any regulations within the municipality that apply to the proposed marihuana business.

(iv) 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.

(v) The date and signature of the applicant.

(vi) The marihuana business name and address.

(vii) Attestation that any changes that occur with municipal approvals, the municipal ordinance, or any violations of a municipal or zoning ordinance will be reported to the agency.

(e) The disclosure of the following persons:

(i) For an applicant seeking licensure under the medical marihuana facilities licensing act, 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 Michigan regulation and taxation of marihuana act, persons who have a direct or indirect ownership interest in the marihuana establishment.

(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.

History: 2020 MR 12, Eff. June 22, 2020.

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

Rule 6. (1) The agency shall issue a state license under the Michigan regulation and taxation of marihuana act to a qualified applicant whose application has been approved for issuance and who pays the required licensure or excess background investigation fees within 10 days of the state license being approved for issuance. Failure to pay the fees required under R

**Annual Administrative Code Supplement**  
**2020 Edition**

420.7 may result in a 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 Michigan regulation and taxation act 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 Michigan regulation and taxation of marihuana act or these rules pursuant to section 7 of the Michigan regulation and taxation of marihuana act, 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 an elected officer of or employee of a federally recognized Indian tribe or to an elected precinct delegate.
- (e) The applicant, if an individual, is not a resident of this state on the date of filing the application for a class A marihuana grower or for a marihuana microbusiness license. The requirements in this subdivision do not apply after December 6, 2021.
- (f) The applicant does not hold a state operating license pursuant to the MMFLA and is applying for a marihuana retailer, marihuana processor, class B marihuana grower, class C marihuana grower, or a marihuana secure transporter license under the Michigan regulation and taxation of marihuana act and these rules. The requirements in this subdivision do not apply after December 6, 2021.
- (g) The agency determines the municipality in which the applicant's proposed marihuana establishment will operate has adopted an ordinance that prohibits marihuana establishments or that the proposed establishment is noncompliant with an ordinance adopted by the municipality under section 6 of the Michigan regulation and taxation of marihuana act, MCL 333.27956.
- (h) The applicant will hold an ownership interest in both a marihuana safety compliance facility or in a marihuana secure transporter and in a marihuana grower, a marihuana processor, a marihuana retailer, or a marihuana microbusiness, in violation of section 9 of the Michigan regulation and taxation of marihuana act, MCL 333.27959.
- (i) The applicant will hold an ownership interest in both a marihuana microbusiness and in a marihuana grower, a marihuana processor, a marihuana retailer, a marihuana safety compliance facility, or a marihuana secure transporter, in violation of section 9 of the Michigan regulation and taxation of marihuana act, MCL 333.27959.
- (j) The applicant will hold an ownership interest in more than 5 marihuana growers or in more than 1 marihuana microbusiness, in violation of section 9 of the Michigan regulation and taxation of marihuana act, MCL 333.27959.
- (k) 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 marihuana 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 shall 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.7 Application; fees; assessment.**

Rule 7. (1) At the beginning of each state fiscal year, the agency may increase the fees collected under the Michigan regulation and taxation of marihuana act 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 \$6,000 upon initial application.

(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:

**Annual Administrative Code Supplement**  
2020 Edition

TABLE 1

<b>State License Type</b>	<b>Initial Licensure Fee</b>	<b>Renewal Fee</b>
Class A Marihuana Grower	\$4,000	Bottom 33% - \$3,000 Middle 33% - \$4,000 Top 33% - \$5,000
Class B Marihuana Grower	\$8,000	Bottom 33% - \$6,000 Middle 33% - \$8,000 Top 33% - \$10,000
Class C Marihuana Grower	\$40,000	Bottom 33% - \$30,000 Middle 33% - \$40,000 Top 33% - \$50,000
Designated Consumption Establishment	\$1,000	\$1,000
Excess Marihuana Grower	\$40,000	Bottom 33% - \$30,000 Middle 33% - \$40,000 Top 33% - \$50,000
Marihuana Event Organizer	\$1,000	\$1,000
Marihuana Microbusiness	\$8,000	Bottom 33% - \$6,000 Middle 33% - \$8,000 Top 33% - \$10,000
Marihuana Processor	\$40,000	Bottom 33% - \$30,000 Middle 33% - \$40,000 Top 33% - \$50,000
Marihuana Retailer	\$25,000	Bottom 33% - \$20,000 Middle 33% - \$25,000 Top 33% - \$30,000
Marihuana Safety Compliance Facility	\$25,000	Bottom 33% - \$20,000 Middle 33% - \$25,000 Top 33% - \$30,000
Marihuana Secure Transporter	\$25,000	Bottom 33% - \$20,000 Middle 33% - \$25,000 Top 33% - \$30,000
Temporary Marihuana Event	See R 420.26	N/A

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

(6) The renewal fees for marihuana grower, excess marihuana grower, and marihuana processor licenses are determined by the gross weight transferred by the licensee. The agency shall determine whether the gross weight transferred by the licensee is in the top third, middle third, or bottom third for gross weight transferred in that fiscal year compared against all other licensees for the license held. The licensee shall then pay the corresponding fee outlined in subrule (4) of this rule.

(7) The renewal fees for marihuana retailers and marihuana microbusiness licenses are determined by the gross retail sales by the licensee. The agency shall determine whether the gross retail sales made by the licensee is in the top third, middle third, or bottom third for gross retail sales in that fiscal year compared against all other licensees for the license held. The licensee shall then pay the corresponding fee outlined in subrule (4) of this rule.

(8) The renewal fee for a marihuana secure transporter license is determined by the net weight transported by the licensee. The agency shall determine whether the net weight transported by the licensee is in the top third, middle third, or bottom third for net weight transported in that fiscal year compared against all other marihuana secure transporter licensees. The licensee shall then pay the corresponding fee outlined in subrule (4) of this rule.

(9) The renewal fee for marihuana safety compliance facilities is determined by the number of tests completed by the licensee. The agency shall determine whether the number of tests completed by the licensee is in the top third, middle third, or bottom third for number of tests completed in that fiscal year compared against all other marihuana safety compliance facilities. The licensee shall then pay the corresponding fee outlined in subrule (4) of this rule.

(10) 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.

(11) The agency shall not issue a marihuana license until a complete application is submitted, the fees required under these

**Annual Administrative Code Supplement**  
**2020 Edition**

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 days of approval of the marihuana license or within 90 days of a complete application being submitted, whichever date is first. An applicant under the MMFLA must pay initial licensure fees within 10 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 Rule 420.12.

History: 2020 MR 12, Eff. June 22, 2020.

Editor's Note: An obvious error in R 420.7 was corrected at the request of the promulgating agency, pursuant to Section 56 of 1969 PA 306, as amended by 2000 PA 262, MCL 24.256. The rule containing the error was published in *Michigan Register*, 2020 MR 12. The memorandum requesting the correction was published in *Michigan Register*, 2020 MR 12.

**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 marihuana business location plan must include, but is not limited to, all of the following:

(a) The type of proposed marihuana business, the location of the marihuana business, a description of the municipality where the marihuana business will be located, and any of the following, if applicable:

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

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

(iii) A marihuana business location plan submitted for an applicant seeking licensure under the Michigan regulation and taxation of marihuana act and these rules must include a statement in the marihuana business location plan that equivalent licenses will operate at the same location.

(b) A diagram of the marihuana business including, but not limited to, all of the following:

(i) The proposed marihuana business's size and dimensions.

(ii) Specifications of the marihuana business.

(iii) Physical address.

(iv) Location of common entryways, doorways, or passageways.

(v) Public entries and exits.

(vi) Limited access areas and restricted access areas within the marihuana business.

(vii) An indication of the distinct areas or structures for separate marihuana businesses at the same location as provided in these rules.

(c) A detailed floor plan and layout that includes 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) Quantities of hazardous materials, such as chemical, flammable/combustible liquids and gases, and the expected daily consumption of the hazardous materials.

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

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

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

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

(h) Zoning classification and zoning information.

(i) If the proposed marihuana business is in a location that contains multiple tenants and any applicable occupancy restrictions.

(j) A proposed security plan that demonstrates the proposed marihuana business meets the security requirements specified in these rules.

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

(3) Any changes or modifications to the marihuana business location plan under this rule must be reported to the agency and

**Annual Administrative Code Supplement**  
**2020 Edition**

may require preapproval by the agency.

(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 the plan at any time during the business's hours of operation and may require that the plan be resubmitted upon renewal.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.9 Prelicensure investigation; proposed marihuana establishment inspection.**

Rule 9. (1) An applicant for a marihuana license shall submit to a prelicensure physical inspection of a proposed marihuana business, 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 in accordance with 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 in accordance with the acts and these rules.

(5) An applicant shall submit proof to the agency 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.

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

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.10 Proof of financial responsibility; insurance.**

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 under the Michigan regulation and taxation of marihuana act, proof of financial responsibility for liability for bodily injury is not required for a marihuana event organizer license. 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.

(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 medical marihuana facilities licensing act 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.11 Capitalization requirements; medical marihuana facilities licensing act.**

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



**Annual Administrative Code Supplement**  
**2020 Edition**

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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.12 Denial of a marihuana license; additional reasons.**

Rule 12. (1) If an applicant fails to comply with the applicable act or these rules, a marihuana license may be denied by the agency as provided under the applicable act and these rules.

(2) In addition to the reasons for denial in the acts, a marihuana license may be denied by the agency 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 precensure 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 satisfy the confirmation of compliance by a municipality in accordance with the acts and these rules.

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

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

(i) The applicant has failed to pay required fees pursuant to these rules.

(j) The applicant has failed to comply with these rules and the application requirements pursuant to these rules.

(k) The applicant has been delinquent with the payment of taxes required under federal, state, or local law for 1 or more years.

(l) The applicant fails to provide notifications or reports to the agency pursuant to these rules.

(m) 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.

(n) For an applicant seeking licensure under the Michigan regulation and taxation of marihuana act, the applicant failed to receive a passing precensure inspection within 60 days of a complete application being submitted to the agency.

(o) For an applicant seeking licensure under the Michigan regulation and taxation of marihuana act, 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.

(p) For an applicant seeking licensure under the Michigan regulation and taxation of marihuana act, 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.

(q) For an applicant seeking licensure under the Michigan regulation and taxation of marihuana act, 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.13 Renewal of marihuana license.**

Rule 13. (1) A marihuana license is issued for a 1-year period and is renewable annually. A licensee shall apply to renew a marihuana license on a form established by the agency. The licensee shall pay the required fee upon submission of the application for renewal. The 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 any additional background investigation charge assessed by the agency under these rules. The agency shall include on the

**Annual Administrative Code Supplement**  
**2020 Edition**

renewal form, a statement requesting renewal of the marihuana license and all of the following information:

- (a) To the extent that information has changed or not been previously reported, updated personal, business, and financial information, as the agency may require, related to the eligibility 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 medical marihuana facilities licensing act required information may also be related to the suitability and general fitness of the licensee and include, without limitation, information regarding the identification, integrity, moral character, reputation, relevant business experience, ability, probity, and financial experience, ability, and responsibility 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.
- (b) A statement under oath by the licensee that the information provided in the licensee's annual renewal form is current, complete, true, and accurate, and that the licensee has fulfilled its obligation under the acts and these rules to notify the agency of any change in information provided in its original marihuana license application and subsequent annual renewal form or forms previously filed, if applicable.
- (c) Attestation by the municipality on a form created by the agency regarding a licensee who submits an application for marihuana license renewal which shall include, but not be limited to, both of the following:
- (i) A description of any violation, if applicable, of an ordinance or a zoning regulation adopted pursuant to section 205 of the medical marihuana facilities licensing act, MCL 333.27205, or section 6 of the Michigan regulation and taxation of marihuana act, MCL 333.27956, committed by the licensee, but only if the violation relates to activities licensed under the acts or these rules.
- (ii) Whether there has been a change to an ordinance or a zoning regulation adopted pursuant to section 205 of the medical marihuana facilities licensing act, MCL 333.27205, or section 6 of the Michigan regulation and taxation of marihuana act, MCL 333.27956, since the marihuana license was issued to the licensee and a description of the change.
- (d) 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 marihuana license renewed and is ready and able to continue conducting its marihuana business in compliance with the acts and these rules throughout the new 1-year time period for which the license is to be renewed.
- (e) Other relevant information and documentation that the agency may require to determine the licensee's eligibility to have its marihuana 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 marihuana license. 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.
- (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 medical marihuana facilities licensing act, 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) If a license renewal application for a license under the medical marihuana facilities licensing act 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 days after the license expiration date if the licensee submits the renewal application to the agency and complies with the other requirements for renewal.
- (6) 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.
- (7) A marihuana licensee who is served with a notice of nonrenewal may request a hearing pursuant to these rules.
- (8) 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.
- (9) 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, in accordance with the acts and these rules.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.14 Notification and reporting.**

**Annual Administrative Code Supplement**  
**2020 Edition**

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 that may require prior authorization by the agency. 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) A description of a violation of an ordinance or a zoning regulation adopted pursuant to section 205 of the medical marihuana facilities licensing act, MCL 333.27205, or section 6 of the Michigan regulation and taxation of marihuana act, 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.

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

(e) Change in entity name.

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

(g) 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 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 1 business day of becoming aware of or within 1 business day of when the applicant should have been aware of any of the following:

(a) Adverse reactions to a marihuana product sold or transferred by any licensee.

(b) Criminal convictions, charges, or civil judgments against an applicant in this state or any other state, federal, or foreign jurisdiction.

(c) Regulatory 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 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) Failure to provide notifications or reports to the agency pursuant to this rule may result in sanctions or fines, or both.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.15 Notifications of diversion, theft, loss, or criminal activity.**

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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.16 Inspection; investigation**

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

**Annual Administrative Code Supplement**  
**2020 Edition**

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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.17 Stacked license.**

Rule 17. (1) A licensee holding a license as a grower under the medical marihuana facilities licensing act, or a marihuana grower under the Michigan regulation and taxation of marihuana act, or both, may apply to stack class C licenses at a marihuana business specified in the marihuana license application. The licensee shall pay a separate initial licensure fee or regulatory assessment, as applicable, for each marihuana license issued and stacked and may be subject to additional fees under these rules.

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

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.18 Changes to licensed 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.

(3) A licensee shall produce written documentation from the municipality approving the proposed new marihuana business location, and confirmation of compliance with any municipal ordinances the municipality adopted under the acts. For purposes of these rules, confirmation of compliance must be on an attestation form prepared by the agency that contains all of the information required in these rules.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.19 Communities disproportionately impacted by marihuana prohibition.**

Rule 19. (1) Pursuant to section 8 of the Michigan regulation and taxation of marihuana act, 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 information about the plan which must include, but not be limited to, all of the following:

(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 not be limited to, all of the following:

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

**Annual Administrative Code Supplement**  
**2020 Edition**

- (b) Waiving or reducing fees for qualified applicants from the communities.
- (c) Increased assistance with the application process for applicants from these communities.
- (d) Coordinating communities', applicants', and licensees' utilization of resources that will allow participation in the marihuana industry.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.20 Financial Statements**

Rule 20. Each licensee under the Michigan regulation and taxation of marihuana act shall transmit to the agency financial statements of the licensee's total operations. 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 shall 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.

History: 2020 MR 12, Eff. June 22, 2020.

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

**R 420.21 Special licenses; eligibility.**

Rule 21. (1) A person may apply to the agency for a special 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 the act, MCL 333.27959, and these rules. A person may apply to the agency for a special license in 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.

(2) An applicant shall meet the requirements of the Michigan regulation and taxation of marihuana act and these rules to be eligible for a special license.

(3) A person that 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.22 Designated consumption establishment license.**

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 marihuana 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.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (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 preclosure 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 marihuana consumption area.
  - (b) 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 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.23 Excess marihuana grower license.**

- Rule 23. (1) An applicant for an excess marihuana grower license is subject to and shall meet the requirements of the Michigan regulation and taxation of marihuana act 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 shall only be issued to a person who holds 5 stacked class C marihuana grower licenses issued by the agency under the Michigan regulation and taxation of marihuana act 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, as applicable.
- (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

**Annual Administrative Code Supplement**  
**2020 Edition**

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 Michigan regulation and taxation of marihuana act and these rules, as applicable.

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

(11) A marihuana grower's application for an excess grower license is exempt from the application fee of \$6,000 under these rules.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.24 Marihuana event organizer license.**

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.

History: 2020 MR 12, Eff. June 22, 2020.

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

Rule 25. (1) A temporary marihuana event license shall only be issued 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 must only be issued for a single day or up to 7 consecutive days. A temporary marihuana event license must 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 only be held at a venue expressly approved by a municipality for the purpose of holding a temporary marihuana event.

(6) 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, but not limited to, 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 each 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. The diagram must clearly indicate all of the following:

(i) Where the temporary marihuana event will be taking 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) 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 licensee who will be participating in the event. Each marihuana retailer or 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 which the temporary marihuana event license is being sought. A temporary marihuana event license is required for any date in which the applicant engages in onsite marihuana product sales or allows

**Annual Administrative Code Supplement**  
**2020 Edition**

onsite marihuana product consumption.

- (g) Contact information for the applicant's designated primary contact person regarding the temporary marihuana event license, including the name, title, address, phone number, and email address of the individual.
- (h) Contact information for a designated contact person or persons who shall be onsite at the event, and reachable by telephone at all times that the event is occurring.
- (i) Written attestation on a form provided by the agency from the municipality authorizing the applicant to engage in onsite marihuana sales to, and onsite consumption by, persons 21 years of age or older at the temporary marihuana event at the proposed location.
- (j) A list of all licensees and employees that 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 shall not participate in the temporary marihuana event.
- (7) An applicant for a temporary marihuana event shall pay all required fees before the agency issues a temporary marihuana event license.
- (8) 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 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.
- (9) A licensed marihuana event organizer shall maintain a clearly legible sign, not less than 7" x 11" 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.
- (10) 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.
- (11) 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.
- (12) 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.
- (13) 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 Michigan regulation and taxation of marihuana act and these rules and any municipal ordinances.
- (14) 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 shall be removed from the premises within the time frame provided by the agency.
- (15) Upon notification from the agency, the marihuana event organizer shall immediately expel from the event any person selling marihuana products without a marihuana retailer or marihuana microbusiness license issued by the agency. The marihuana event organizer or their 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 shall be removed from the premises within the time frame provided by the agency.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.26 Temporary marihuana event fee.**

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 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



**Annual Administrative Code Supplement**  
**2020 Edition**

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's application for a temporary marihuana event license is exempt from the application fee of \$6,000 under these rules.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.27 Temporary marihuana event sales.**

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 age 21 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 Michigan regulation and taxation of marihuana act and these rules, the age and identity of the customer.

(3) All sales of marihuana products at a temporary marihuana event must 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 or 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 separately holds a state license as a marihuana retailer or marihuana microbusiness.

(5) Licensed marihuana retailers or licensed marihuana microbusinesses shall only conduct sales activities 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 or marihuana microbusinesses must prominently display their temporary marihuana event location number and state license 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 being transported at one 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 being 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 Michigan regulation and taxation of marihuana act and these rules for the sale and tracking of marihuana products. This includes, but is not limited to, 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 being returned to the marihuana establishment's inventory at its permanent location. If more than 15 ounces of marihuana or 60 grams of concentrate is being transported at one time, it must be transported using a marihuana secure transporter.

History: 2020 MR 12, Eff. June 22, 2020.

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

Rule 28. (1) A designated consumption establishment 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 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 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 or marihuana event organizer are subject to the inspections and investigations specified in these rules, as applicable.

**Annual Administrative Code Supplement**  
**2020 Edition**

(5) An applicant for or a licensed designated consumption establishment 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.29 Severability.**

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.

History: 2020 MR 12, Eff. June 22, 2020.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**MARIJUANA REGULATORY AGENCY**

**MARIHUANA LICENSEES**

**R 420.101 Definitions.**

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) "Applicant" means a person who applies for a marihuana license, subject to paragraphs (i) and (ii):

(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, 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.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (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.
- (d) “Clone” means a replication of a single parent plant through vegetative propagation.
- (e) “Common ownership” means 2 or more state licenses or two or more equivalent licenses held by one person under the Michigan regulation and taxation of marihuana act.
- (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) “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.
- (h) “Industrial hemp” means that term as defined in section 7106 of the public health code, 1978 PA 368, MCL 333.7106.
- (i) “Industrial hemp research and development act” means the industrial hemp research and development act, 2014 PA 547, MCL 286.841 to 286.859.
- (j) “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.
- (k) “Marihuana establishment” means a location at which a licensee is licensed to operate 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 to operate by the agency under the Michigan regulation and taxation of marihuana act.
- (l) “Marihuana facility” means a location at which a licensee is licensed to operate under the medical marihuana facilities licensing act.
- (m) “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.
- (n) “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.
- (o) “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.
- (p) “Medical marihuana facilities licensing act” or “MMFLA” means the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.
- (q) “Michigan medical marihuana act” means the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.
- (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) “Marihuana tracking act” means the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.
- (t) “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.
- (u) “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.

History: 2020 MR 12, Eff. June 22, 2020.

Editor's Note: An obvious error in R 420.101 was corrected at the request of the promulgating agency, pursuant to Section 56 of 1969 PA 306, as amended by 2000 PA 262, MCL 24.256. The rule containing the error was published in *Michigan Register*, 2020 MR 12. The memorandum requesting the correction was published in *Michigan Register*, 2020 MR 12.

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

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 420.102 Marihuana grower license.**

Rule 2. (1) A marihuana grower license authorizes the marihuana grower to grow 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 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 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.

(9) A marihuana grower may 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.

(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 Michigan regulation and taxation of marihuana act and these rules.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.103 Marihuana processor license.**

Rule 3. (1) A marihuana processor license authorizes purchase or transfer of marihuana or marihuana-infused products from only a licensed marihuana establishment and sale 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 licensee who holds 2 or more marihuana processor licenses with common ownership at different establishments may transfer marihuana product inventory between the licensed marihuana processor establishments. The transferred marihuana product must be entered and tracked in the statewide monitoring system as required in these rules.

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

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.104. Marihuana retailer license.**

Rule 4. (1) A marihuana retailer license authorizes the purchase or transfer of marihuana or marihuana-infused products from only a licensed marihuana establishment and sale 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

**Annual Administrative Code Supplement**  
**2020 Edition**

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) 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.

(4) A licensee who holds 2 or more marihuana retailer licenses with common ownership at different establishments may transfer marihuana product inventory between the licensed marihuana retailer establishments. The transferred marihuana product must be entered and tracked in the statewide monitoring system as required in these rules and any requirements published by the agency.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.105 Marihuana microbusiness license.**

Rule 5. (1) A marihuana microbusiness license authorizes the following:

(a) The cultivation of not more than 150 plants. Only mature marihuana plants are included in the plant count in this subdivision.

(b) The processing and packaging of marihuana.

(c) The retail sale or transfer of marihuana to only an individual 21 years of age or older, but not to other marihuana establishments.

(d) The transfer of 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 enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.

(5) A marihuana microbusiness may 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.

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

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.106 Marihuana secure transporter license.**

Rule 6. (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 enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.

**Annual Administrative Code Supplement**  
**2020 Edition**

(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 must 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 in the licensee's staffing plan.
- (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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.107 Marihuana safety compliance facility license.**

Rule 7. (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, or marihuana microbusiness for testing.
- (2) A marihuana safety compliance facility must be accredited by an entity approved by the agency by 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 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 processes as prescribed in these rules.
  - (d) 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 shall be 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.

History: 2020 MR 12, Eff. June 22, 2020.

**PART 2. LICENSEES UNDER THE MEDICAL MARIHUANA FACILITIES LICENSING ACT**

**R 420.108 Grower license.**

Rule 8. (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) Except as otherwise provided in this subrule, a grower license authorizes sale of 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.
- (3) 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:

**Annual Administrative Code Supplement**  
**2020 Edition**

- (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.
  - (4) A grower license authorizes sale of marihuana, other than seeds, seedlings, tissue cultures, and cuttings, to a processor or a provisioning center.
  - (5) Except as otherwise provided in subrules (2) and (3) and section 505 of the medical marihuana facilities licensing act, MCL 333.27505, a grower license authorizes the grower to transfer marihuana only by means of a secure transporter.
  - (6) 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.
  - (7) A grower shall enter all transactions, current inventory, and other information into the statewide monitoring system as required in the medical marihuana facilities licensing act, these rules, and the marihuana tracking act.
  - (8) 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(1).
- History: 2020 MR 12, Eff. June 22, 2020.

**R 420.109 Processor license.**

- Rule 9. (1) A processor license authorizes purchase of marihuana only from a grower and sale of 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 enters each transfer into the statewide monitoring system.
  - (3) To be eligible for a processor license, the applicant and each investor in the processor must 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 medical marihuana facilities licensing act, these rules, and the marihuana tracking act.
- History: 2020 MR 12, Eff. June 22, 2020.

**R 420.110 Secure transporter license.**

- Rule 10. (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 medical marihuana facilities licensing act, 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 must not have an interest in a grower, processor, provisioning center, or safety compliance facility and must not be a registered qualifying patient or registered primary caregiver.
- (3) A secure transporter shall enter all transactions, current inventory, and other information into the statewide monitoring system as required in the medical marihuana facilities licensing act, 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 one 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 one or more sealed containers and not be accessible while in transit.
  - (f) A secure transporting vehicle must not bear markings or other indication that it is carrying marihuana or a marihuana-infused product.

**Annual Administrative Code Supplement**  
**2020 Edition**

(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 in the licensee's staffing plan.

(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 medical marihuana facilities licensing act.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.111 Provisioning center license.**

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 medical marihuana facilities licensing act, 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 medical marihuana facilities licensing act, MCL 333.27505.

(3) To be eligible for a provisioning center license, the applicant and each investor in the provisioning center must 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) Enter all transactions, current inventory, and other information into the statewide monitoring system as required in the medical marihuana facilities licensing act, 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 medical marihuana facilities licensing act.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.112 Safety compliance facility license; exception for industrial hemp.**

Rule 12. (1) In addition to transfer and testing as authorized in section 203 of the medical marihuana facilities licensing act, 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) 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.

(4) 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 processes as prescribed in these rules.

(e) Enter all transactions, current inventory, and other information into the statewide monitoring system as required in the medical marihuana facilities licensing act, 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 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.



**Annual Administrative Code Supplement**  
**2020 Edition**

- (iii) Oversee day-to-day operations.
- (iv) Validate reporting requirements in the statewide monitoring system.
- (5) 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.  
History: 2020 MR 12, Eff. June 22, 2020.

**R 420.113 Severability.**

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.  
History: 2020 MR 12, Eff. June 22, 2020.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**MARIJUANA REGULATORY AGENCY**

**MARIHUANA OPERATIONS**

**R 420.201 Definitions.**

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 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):
  - (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, 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.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (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 one 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. For marihuana products intended for inhalation, the marihuana concentrate in the e-cigarette or 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 establishment” means a location at which a licensee is licensed to operate 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 to operate by the agency under the Michigan regulation and taxation of marihuana act.
- (t) “Marihuana event organizer” means a person licensed to apply for a temporary marihuana event under these rules.
- (u) “Marihuana facility” means a location at which a licensee is licensed to operate under the medical marihuana facilities licensing act.
- (v) “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.
- (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.
- (x) “Marihuana sales location” refers to a provisioning center under the medical marihuana facilities licensing act or a marihuana retailer or marihuana microbusiness under the Michigan regulation and taxation of marihuana act, or both.
- (y) “Marihuana tracking act” means the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (z) “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.
- (aa) “Medical marihuana facilities licensing act” or “MMFLA” means the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.
- (bb) “Michigan medical marihuana act” means the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.
- (cc) “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.
- (dd) “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.
- (ee) “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.
- (ff) “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.
- (gg) “Restricted access area” means a designated and secure area at a marihuana business where marihuana products are sold, possessed for sale, and displayed for sale.
- (hh) “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.
- (ii) “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.
- (jj) “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.
- (kk) “Tag” or “RFID tag” means the unique identification number or Radio Frequency Identification (RFID) issued to a licensee by the agency for tracking, identifying and verifying marihuana plants, marihuana products, and packages of marihuana product in the statewide monitoring system.
- (ll) “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.

History: 2020 MR 12, Eff. June 22, 2020.

Editor's Note: An obvious error in R 420.201 was corrected at the request of the promulgating agency, pursuant to Section 56 of 1969 PA 306, as amended by 2000 PA 262, MCL 24.256. The rule containing the error was published in *Michigan Register*, 2020 MR 12. The memorandum requesting the correction was published in *Michigan Register*, 2020 MR 12.

**R 420.202 Adoption by reference.**

Rule 2. (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, 2018 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 \$106.00.

(b) National fire protection association (NFPA) standard 58, 2020 edition, entitled “Liquified 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, MI, 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.203 Marihuana licenses; licensees; operations; general.**

Rule 3. (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

**Annual Administrative Code Supplement**  
**2020 Edition**

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 shall 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 the appropriate authorizations from other federal, state, or local agencies as applicable.
    - (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 Michigan regulation and taxation of marihuana act, and these rules.
  - (c) A marihuana business shall have distinct and identifiable areas with designated structures that are contiguous and specific to the marihuana license.
  - (d) A marihuana business shall 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 or 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 and made available to the agency upon request.
  - (g) The marihuana business must be at a fixed location. Mobile marihuana businesses and drive through operations are prohibited. Any sales or transfers of marihuana product by mail order or on consignment are prohibited.
  - (h) A marihuana license issued under the acts, after it has been received by the licensee, 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.

History: 2020 MR 12, Eff. June 22, 2020.

**420.204 Operation at same location.**

Rule 4. (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 shall 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) 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 marihuana product is performed separately from other materials.
  - (c) All marihuana product is stored separately from any other materials located at the site for testing.

History: 2020 MR 12, Eff. June 22, 2020.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 420.205 Equivalent licenses; operation at same location.**

Rule 5. (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 Michigan regulation and taxation of marihuana act, 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.206 Marihuana business; general requirements.**

Rule 6. (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 Michigan regulation and taxation of marihuana act 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.

**Annual Administrative Code Supplement**  
**2020 Edition**

(6) A secure transporter under the medical marihuana facilities licensing act 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. 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 seven days of a laboratory manager no longer being employed at the facility.

(b) Designate an interim laboratory manager within seven days of the laboratory manager's departure. At a minimum, the interim laboratory manager must meet the qualifications of a supervisory analyst. The interim laboratory manager must meet either of the following requirements:

(i) The interim laboratory manager must meet at least one of the qualifications for a laboratory manager.

(ii) The interim laboratory manager must have, at minimum, a bachelor's degree in one of the natural sciences and three 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 three years of full-time laboratory experience.

(c) Hire a permanent laboratory manager within 60 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 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 shall 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.

(10) A marihuana business shall label all marihuana products with the ingredients of the product, in descending order of predominance by weight.

**Annual Administrative Code Supplement**  
**2020 Edition**

(11) All non-marihuana inactive ingredients must be clearly listed on the product label. Inactive ingredients, other than botanically derived 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) A marihuana business shall comply with random quality assurance 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.

(14) 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.

(15) 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R. 420.207 Marihuana delivery; limited circumstances.**

Rule 7. (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 medical marihuana facilities licensing act 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 Michigan regulation and taxation of marihuana act 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 marihuana sales location shall verify that the sale or transfer to marihuana customers is in accordance with these rules.

(b) The marihuana delivery employee may take payment upon delivery and shall deliver the marihuana product.

(c) The amount of marihuana 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 marihuana sales location shall record all transactions in the statewide monitoring system as required in the acts and these rules.

(e) An employee of the marihuana sales location shall make marihuana deliveries only to 1 of the following:

(i) Subject to paragraph (ii), 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 marihuana 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 marihuana sales location pursuant to subrule (1) of this rule may be denied, suspended, or

**Annual Administrative Code Supplement**  
**2020 Edition**

withdrawn by the agency. The marihuana sales location may be subject to other sanctions and fines as provided in the acts and these rules.

(6) A marihuana sales location shall maintain records of all of the following that must be made available to the agency upon request:

(a) For a marihuana sales location licensed under the medical marihuana facilities licensing act, confirmation that the marihuana customer presented his or her valid driver's license or government issued identification bearing a photographic image of the marihuana customer along with his or her marihuana registry card, or temporary marihuana 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 marihuana sales location licensed under the Michigan regulation and taxation of marihuana act, confirmation that the marihuana customer presented his or her valid driver's license or government issued identification bearing a photographic image of the marihuana customer to verify that the marihuana customer is 21 years of age or older at the time of delivery.

(c) Validation that the address for marihuana delivery of a marihuana 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 marihuana product was placed.

(d) Maintenance of the following records for any motor vehicle used for marihuana 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 medical marihuana facilities licensing act, 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 (10) 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) To ensure the integrity of the marihuana sales location operation, 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 shall not be employed as a marihuana delivery employee for



**Annual Administrative Code Supplement**  
**2020 Edition**

more than one marihuana sales location.

(f) A marihuana delivery employee shall not leave the marihuana sales location with marihuana products without at least one 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 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 Michigan regulation and taxation of marihuana act, in making deliveries, shall not transport more than 15 ounces of marihuana or more than 60 grams of marihuana concentrate at one 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.

History: 2020 MR 12, Eff. June 22, 2020.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 420.208 Building and fire safety.**

Rule 8. (1) An applicant's proposed marijuana business and a licensee's marijuana 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 marijuana 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 marijuana business or marijuana 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 marijuana business or marijuana business as provided in the acts and these rules.

(4) An applicant or licensee shall not operate a marijuana business unless the proposed marijuana business or marijuana 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 marijuana business. An applicant or licensee shall comply with the all of the following:

(a) A BFS inspection may be conducted at any reasonable time to ensure fire safety compliance as provided in this rule and subrule (5) of this rule. 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 marijuana 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 his or her authorized designee, may conduct a BFS fire safety inspection of a marijuana business, at any reasonable time to ensure compliance with the national fire protection association (NFPA) standard 1, 2018 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 with 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, and 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

**Annual Administrative Code Supplement**  
**2020 Edition**

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, and marihuana microbusinesses 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, and marihuana microbusiness at any reasonable time.

(b) Have conducted, in addition to any inspections required under the acts and these rules, fire safety inspections that are required 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, or marihuana microbusiness 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 the following license types under the Michigan regulation and taxation of marihuana act:

(a) A marihuana event organizer applicant or licensee.

(b) A temporary marihuana event applicant or licensee.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.209 Security measures; required plan; video surveillance system.**

Rule 9. (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 the requirements of this rule.

(2) A licensee shall ensure that any person at the marihuana business, except for employees of the licensee, are escorted at all times by the licensee or an employee of the licensee when in the limited access areas 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. 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 408.30499.

(4) A licensee shall maintain an 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 still photos.

(6) A licensee shall ensure the video surveillance system does all the following:

(a) Records, at a minimum, the following areas:

(i) Any areas where marihuana products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the marihuana business.

(ii) Limited access areas and security rooms. Transfers between rooms must be recorded.

(iii) Areas storing a surveillance system storage device with not less than 1 camera recording the access points to the secured surveillance recording area.

(iv) The entrances and exits to the building, which must be recorded from both indoor and outdoor vantage points.

(v) The areas of entrance and exit between marihuana businesses at the same location if applicable, including any transfers between marihuana businesses.

(vi) Point of sale areas where marihuana products are sold and displayed for sale.

(vii) Anywhere marihuana or marihuana products are destroyed.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (b) Records at all times images effectively and efficiently of the area under surveillance with a minimum of 720p resolution.
- (7) A licensee shall install each camera so that it 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 the recording from tampering or theft.
- (11) A licensee shall keep surveillance recordings for a minimum of 30 days, except in instances of investigation or inspection by the agency 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.
- (13) A licensee shall maintain a video surveillance system equipped with a failure notification system that provides notification to the licensee of any interruption or failure of the video surveillance system or video surveillance system storage device.
- (14) A licensee shall maintain a log of the recordings, which includes all of the following:
- (a) The identities of the employee or employees responsible for monitoring the video surveillance system.
  - (b) The identity of the employee who removed the recording from the video surveillance system storage device and the time and date removed.
  - (c) The identity of the employee who destroyed any recording.
- (15) The requirements of this rule do not apply to the following license types under the Michigan regulation and taxation of marihuana act:
- (a) A designated consumption establishment applicant or licensee.
  - (b) A marihuana event organizer applicant or licensee.
  - (c) A temporary marihuana event applicant or licensee.
- History: 2020 MR 12, Eff. June 22, 2020.

**R 420.210 Prohibitions.**

- Rule 10. (1) Except for designated consumption establishments or temporary marihuana events licensed under the Michigan regulation and taxation of marihuana act, 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 Michigan regulation and taxation of marihuana act, 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.
- History: 2020 MR 12, Eff. June 22, 2020.

**R 420.211 Marihuana product destruction and waste management.**

- Rule 11. (1) A marihuana product 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 the marihuana product waste with the non-consumable solid waste specified in subdivisions (a) to (h) of this subrule so that the resulting mixture is not less than 50% non-marihuana product waste:
- (a) Paper waste.
  - (b) Plastic waste.
  - (c) Cardboard waste.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (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 that will render the marihuana product waste unusable and unrecognizable.
- (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 compostable waste specified in subdivisions (a) to (d) of this subrule 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 licensee shall manage all waste that is hazardous waste pursuant to 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.
- (5) A licensee shall not sell marihuana waste, marihuana plant waste, or marihuana products that are to be destroyed, or that the agency orders destroyed.
- (6) 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, 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, to accept the material.
  - (d) An in-state municipal solid waste or hazardous waste incinerator that has been permitted under part 55 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5501 to 324.5542.
- (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. 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.
- (10) Under the Michigan regulation and taxation of marihuana act, a licensed 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 Michigan regulation and taxation of marihuana act 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 Michigan regulation and taxation of marihuana act, 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.

History: 2020 MR 12, Eff. June 22, 2020.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 420.212 Storage of marihuana product.**

Rule 12. (1) All marihuana products 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.

(3) All chemicals or solvents must be stored separately from marihuana products and kept 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.

(5) Marihuana products not in final packaging must be stored separately from other types of marihuana product in compliance with these rules.

(6) A marihuana sales location shall store all marihuana products for transfer or sale behind a counter or other barrier separated from stock rooms.

(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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.213 Marihuana microbusiness operation.**

Rule 13. As applicable, a marihuana microbusiness licensee shall operate the corresponding areas of a marihuana microbusiness in compliance with the operation requirements of a marihuana retailer, a marihuana grower, or a marihuana processor as provided for in the Michigan regulation and taxation of marihuana act and these rules. A marihuana microbusiness, if engaging in delivery, shall operate in accordance with R 420.207.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.214 Transfer of marihuana between equivalent licenses.**

Rule 14. (1) To ensure marihuana product is available for customers the agency may authorize licensees who hold equivalent licenses under the Michigan regulation and taxation of marihuana act 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.

History: 2020 MR 12, Eff. June 22, 2020.

Editor's Note: An obvious error in R 420.214 was corrected at the request of the promulgating agency, pursuant to Section 56 of 1969 PA 306, as amended by 2000 PA 262, MCL 24.256. The rule containing the error was published in *Michigan Register*, 2020 MR 12. The memorandum requesting the correction was published in *Michigan Register*, 2020 MR 12.

**R 420. 215 Severability.**

Rule 15. 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.

**Annual Administrative Code Supplement**  
**2020 Edition**

History: 2020 MR 12, Eff. June 22, 2020.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**MARIJUANA REGULATORY AGENCY**

**MARIHUANA SAMPLING AND TESTING**

**R 420.301 Definitions.**

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

- (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) “Bureau of fire services” or “BFS” means the bureau of fire services in the department of licensing and regulatory affairs.
- (f) “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.
- (g) “Final form” means the form a marihuana product is in when it is available for sale by a marihuana sales location. For marihuana products intended for inhalation, the marihuana concentrate in the e-cigarette or vaping device.
- (h) “Good agricultural collection practices” or “GACP-GMP” means the World Health Organizations or American Herbal Products Associations 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 location at which a licensee is licensed to operate 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 to operate 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.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (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-testing” means performing full compliance testing on samples, then not reporting the results to the agency, and reporting results of subsequent testing to the agency.
  - (z) “Proficiency testing” determines the performance of individual laboratories for specific tests or measurements and is used to monitor laboratories’ continuing 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) “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.
  - (cc) “Tag” or “RFID tag” means the unique identification number or Radio Frequency Identification (RFID) issued to a licensee by the agency for tracking, identifying, and verifying marihuana plants, marihuana products, and packages of marihuana product in the statewide monitoring system.
  - (dd) “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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.302 Adoption by reference.**

Rule 2. (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, 21<sup>st</sup> edition. Copies of the adopted provisions are available for inspection and distribution from 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, 2018 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 \$106.00.
  - (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.
- (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, MI, 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R. 420.303 Batch; identification and testing.**

Rule 3. (1) A cultivator shall uniquely identify each immature plant batch with a single plant tag 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 growth span 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) After 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 quarantine a harvest batch from other plants or batches that have test results pending. A harvest batch must be easily distinguishable from other harvest batches until the batch is broken down into packages.

(5) Before the marihuana product leaves the cultivator, except as provided in subrule (6) of this rule, a sample of the harvest batch must be tested by a licensed laboratory as provided in R 420.304 and R 420.305. All test results must indicate passed in



**Annual Administrative Code Supplement**  
**2020 Edition**

the statewide monitoring system before the marihuana is packaged. A marihuana product from harvest batches must not be transferred or sold until tested, packaged, and tagged as required under subrule (4) of this rule. A marihuana product from a harvest batch that fails safety testing may only be sold or transferred under the remediation protocol as provided in R 420.306.

(6) A cultivator may transfer or sell marihuana to a producer without first being tested by a laboratory in order to produce fresh frozen, or if the marihuana product will be refined to a concentrate, with agency approval. After the producer has processed the material, the producer shall have the sample tested pursuant to R 420.304 and R 420.305. The agency may publish guidance for fresh frozen and concentrate production, transfer, and sale.

(7) After test results show a passed test and the harvest batch is packaged, the cultivator shall destroy the individual plant tags. 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 marihuana tracking act, and these rules.

(8) A cultivator shall not transfer or sell any marihuana product that has not been packaged with a package tag attached and recorded in the statewide monitoring system in accordance with the acts, the marihuana tracking act, and these rules.

(9) After a producer receives or purchases a package in the statewide monitoring system, and the producer proceeds to process the marihuana product in accordance with the scope of a producer license, the acts, and these rules, the producer shall give the marihuana product a new package tag anytime the marihuana product changes form or is incorporated into something else.

(10) After a package is created by a producer of the marihuana product in its final form, the producer shall have the sample tested pursuant to R 420.304 and R 420.305. 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 test. 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.

(11) A marihuana sales location may sell or transfer marihuana product only to a marihuana customer under both of the following conditions:

- (a) The marihuana product has received passing test results in the statewide monitoring system.
- (b) The marihuana product bears the label required for retail sale, under the acts and these rules.

History: 2020 MR 12, Eff. June 22, 2020.

**R. 420.304 Sampling; testing.**

Rule 4. (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 allow the collection of samples for testing, according to the following requirements:

(a) The laboratory shall physically sample 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. Prior to September 1, 2020, the maximum harvest batch size is 15 pounds. From September 1, 2020, through December 31, 2020, the maximum harvest batch size is 20 pounds. From January 1, 2021 through March 31, 2021, the maximum harvest batch is 25 pounds. After March 31, 2021, 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 other marihuana products being tested. The laboratory must develop a statistically valid sampling method to collect a representative sample from each batch of marijuana product. The laboratory must have access to the entire batch for the purposes of sampling.

(c) An employee of the marihuana business from which marihuana product test samples are being taken 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.

(d) 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.

(e) After samples have been selected, both the employee of the marihuana business and the employee from the laboratory shall sign and date the chain of custody form, attesting to the sample information below:

**Annual Administrative Code Supplement**  
**2020 Edition**

- (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.
  - (f) The 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.
  - (g) 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 must not be packaged, transferred, or sold until passing test results are entered into the statewide monitoring system.
  - (h) Any marihuana product that a laboratory collects for testing from a licensee under this rule must 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 who engages another laboratory to perform certain safety tests on a subcontracted basis.
  - (i) 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.
  - (j) The agency may publish guidance that shall be followed by marihuana businesses for chain of custody documentation.
- History: 2020 MR 12, Eff. June 22, 2020.

**R. 420.305 Testing; laboratory requirements.**

Rule 5. (1) A laboratory shall do all of the following:

- (a) Become fully accredited 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 and reports of the International Organization for Standardization made available to the agency.
  - (b) Maintain internal standard operating procedures for the required safety tests in subrule (3) of this rule and for sampling of marihuana and marihuana products that conform to ISO/IEC 17025:2017 standards and have been approved by the agency.
  - (c) Maintain a quality control and quality assurance program that conforms to ISO/IEC 17025:2017 standards and meets the requirements established by the agency.
- (2) A laboratory shall use analytical testing methodologies for the required safety tests in subrule (3) of this rule that are validated by an independent third party and may be monitored on an ongoing basis by the agency or a third party. In the absence of reference to compendia or published methods, Appendix K of Official Methods of Analysis authored by the Association of Official Analytical Chemists must be published in full. 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.
- (3) A laboratory shall conduct the required safety tests specified in subdivisions (a) to (i) of this subrule on marihuana product that is part of the harvest batch as specified in R 420.303, except as provided in subrule (4). After the testing on the harvest batch is completed, the agency may publish a guide indicating which of the following safety tests are required based on product type when the marihuana product has changed form:
- (a) Potency analysis performed just as the marihuana product is without any corrective factor taken for moisture content that includes concentrations of the following:
    - (i) Tetrahydrocannabinol (THC).
    - (ii) Tetrahydrocannabinol acid (THC-A).
    - (iii) Cannabidiol (CBD).
    - (iv) Cannabidiol acid (CBD-A).
    - (v) Additional cannabinoids, which may be tested with approval from the agency.
  - (b) Foreign matter inspection.
  - (c) Microbial screening.
  - (d) Chemical residue testing that includes all of the following:
    - (i) Pesticides.
    - (ii) Fungicides.
    - (iii) Insecticides.
  - (e) Heavy metals testing as required in this rule.
  - (f) Residual solvents. The agency shall publish a list of required residual solvents to be tested for and their action limits.
  - (g) Water activity.
  - (h) Under the medical marihuana facilities licensing act, mycotoxin screening if requested by the agency.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (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 an ISO 17065 accreditation body. 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 an accrediting body. 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 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 dispose of the entire batch from which the sample was taken and document the disposal of the sample using the statewide monitoring system pursuant to the acts and these rules.
- (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 days after test completion and dispose of the resulting waste in accordance with R 420.209.
- (9) Potency shall include the following cannabinoid concentrations listed in subdivisions (a) to (f), subject to subdivisions (g) and (h):
- (a) THC concentration.
- (b) THC-A concentration.
- (c) Total THC. The following calculation must be used for calculating Total THC, where M is the mass or mass fraction of delta-9 THC or delta-9 THC-A:  
$$M \text{ total delta-9 THC} = M \text{ delta-9 THC} + 0.877 \times M \text{ delta-9 THC-A.}$$
- (d) 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 Delta-9-THC and CBD in milligrams (mg) per serving under MRTMA and in milligrams (mg) per dose under MMFLA.
- (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 considered to be a failed sample. A marihuana sample that is at or below the action limit is considered to be a passing sample.
- (11) For the purposes of chemical residue testing 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) The agency shall establish a proficiency testing program and designate laboratory participation. All laboratories must participate in the program. A laboratory shall analyze proficiency test samples using the same procedures with the same number of replicate analyses, standards, testing analysts, and equipment as used for marihuana product testing. A laboratory shall successfully analyze a set of proficiency testing samples not less than annually. A laboratory shall have annual proficiency testing submitted directly to the agency from the proficiency testing vendor for review. The agency will not accept copies. All failed proficiency tests must include corrective action documentation and an additional acceptable proficiency test. Proficiency test results must be conveyed as numerical accuracy percentages, not simply as PASS/FAIL results. Actual PASS/FAIL results must be calculated based on accuracy thresholds generated by reproducibility studies specific to each assay.
- (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:

**Annual Administrative Code Supplement**  
**2020 Edition**

(a) Desiccate samples.

(b) Pre-test samples.

(17) A laboratory shall comply with random quality assurance 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 laboratory or designate another laboratory to collect a random sample of a marihuana product in a secure manner to test that sample for compliance pursuant to these rules.

(18) A laboratory may perform terpene analysis on a marihuana product by a method approved by the agency. There are no established safety standards for this analysis.

(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) Under the medical marihuana facilities licensing act, the agency may request mycotoxin testing. A marihuana sample with a value that exceeds the published acceptable level is considered to be a failed sample. A marihuana sample that is below the acceptable value is considered to be a passing sample.

History: 2020 MR 12, Eff. June 22, 2020.

Editor's Note: An obvious error in R 420.305 was corrected at the request of the promulgating agency, pursuant to Section 56 of 1969 PA 306, as amended by 2000 PA 262, MCL 24.256. The rule containing the error was published in *Michigan Register*, 2020 MR 12. The memorandum requesting the correction was published in *Michigan Register*, 2020 MR 12.

**R. 420.306 Testing marihuana product after failed initial safety testing and remediation.**

Rule 6. (1) A laboratory may test marihuana product that has failed initial safety testing, except as indicated under subrule (3) of this rule.

(2) A failed marihuana product must pass 2 separate tests with new samples consecutively to be eligible to proceed to sale or transfer.

(3) The agency may publish a remediation protocol including, but not limited to, the sale or transfer of marihuana product after a failed safety test as provided in these rules.

(4) The marihuana business that provided the sample is responsible for all costs involved in a retest.

History: 2020 MR 12, Eff. June 22, 2020.

**R. 420.307 Research and development testing.**

Rule 7. (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 marihuana business for conducting research and development testing.

(4) The agency may publish guidance for research and development testing that must be followed by all marihuana businesses.

(5) All research and development testing must be entered into the statewide monitoring system.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.308 Severability.**

Rule 8. 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.

History: 2020 MR 12, Eff. June 22, 2020.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**MARIJUANA REGULATORY AGENCY**

**MARIHUANA-INFUSED PRODUCTS AND EDIBLE MARIHUANA PRODUCT**

**R 420.401 Definitions**

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.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (b) "Agency" means the marijuana regulatory agency.
- (c) "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.
- (d) "Final package" means the form a marijuana product is in when it is available for sale by a marijuana sales location.
- (e) "Inactive ingredients" means binding materials, dyes, preservatives, flavoring agents, and any other ingredient that is not derived from the plant Cannabis Sativa L.
- (f) "Marijuana business" refers to 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.
- (g) "Marijuana establishment" means a location at which a licensee is licensed to operate a marijuana grower, marijuana safety compliance facility, marijuana processor, marijuana microbusiness, marijuana retailer, marijuana secure transporter, marijuana designated consumption establishment, or any other type of marijuana-related business licensed to operate by the agency under the Michigan regulation and taxation of marijuana act.
- (h) "Marijuana facility" means a location at which a licensee is licensed to operate under the medical marijuana facilities licensing act.
- (i) "Marijuana product" means marijuana or a marijuana-infused product, or both, as those terms are defined in the acts unless otherwise provided for in these rules.
- (j) "Marijuana sales location" refers to a provisioning center under the medical marijuana facilities licensing act or a marijuana retailer under the Michigan regulation and taxation of marijuana act, or both.
- (k) "Marijuana tracking act" means the marijuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.
- (l) "Medical marijuana facilities licensing act" or "MMFLA" means the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.
- (m) "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.
- (n) "Producer" refers to both a processor under the medical marijuana facilities licensing act and a marijuana processor under the Michigan regulation and taxation of marijuana act.
- (o) "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.
- (p) "These rules" means the administrative rules promulgated by the agency under the authority of the medical marijuana facilities licensing act, the marijuana tracking act, the Michigan regulation and taxation of marijuana act, and Executive Reorganization Order No. 2019-2, MCL 333.27001.
- (q) "Tag" or "RFID tag" means the unique identification number or Radio Frequency Identification (RFID) issued to a licensee by the agency for tracking, identifying, and verifying marijuana plants, marijuana products, and packages of marijuana product in the statewide monitoring system.
- (2) Terms defined in the acts have the same meanings when used in these rules unless otherwise indicated.  
History: 2020 MR 12, Eff. June 22, 2020.

**R 420.402 Adoption by reference.**

Rule 2. (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, 2018 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 \$106.00.
- (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, MI, 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.403 Requirements and restrictions on marijuana-infused products; edible marijuana product.**

**Annual Administrative Code Supplement**  
**2020 Edition**

- Rule 3. (1) A producer shall package and properly label marijuana-infused products before sale or transfer.
- (2) Marijuana-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 marijuana-infused product is homogeneous.
- (3) A producer of marijuana-infused products shall list and record the THC concentration and CBD concentration of marijuana-infused products, as provided in Rule 420.305 and subrule (4) of this rule, 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) Marijuana-infused products that are part of a product recall issued in the statewide monitoring system, or by the agency or other state agency, if applicable, are subject to all of the following requirements:
- (a) Must be immediately pulled from production by the producer of the marijuana-infused product.
- (b) Must be immediately removed from the sales area of a marijuana sales location.
- (c) Must not be sold or transferred.
- (5) Marijuana-infused products must be stored and secured as prescribed under these rules.
- (6) All non-marijuana 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 marijuana-infused product with all of the following:
- (a) The name of the marijuana-infused product.
- (b) The ingredients of the marijuana-infused product, in descending order of predominance by weight.
- (c) The net weight or net volume of the product.
- (d) For an edible marijuana product, the marijuana processor shall comply with subdivisions (a) to (c) of this subrule and all of the following:
- (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.
- (8) A producer of edible marijuana product shall comply with all the following to ensure safe preparation:
- (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 marijuana products must be stored at 40 degrees Fahrenheit, 4.4 degrees Celsius, or below.
- (b) Current Good Manufacturing Practice in Manufacturing, Packaging, or Holding Human Food, 21 CFR part 110. A marijuana business shall ensure that any handling of marijuana product is compliant.
- (c) Keep formulation records for all marijuana products. These records at a minimum must include the recipe, any additional processing in order to be shelf stable, and test results for any ingredients used.
- (d) 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.
- (e) Have an employee who is certified as a Food Protection Manager.
- (f) To ensure compliance with the safe preparation standards under this subrule, comply with 1 or more of the following:
- (i) The FDA food safety modernization act, 21 USC 2201 to 2252.
- (ii) The International Organization for Standardization (ISO), ISO 22000/ISO/TS 22002-1 adopted by reference pursuant to R 420.402.
- (g) 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 shall comply with all the following:
- (a) Edible marijuana product packages shall not be in a shape or labeled in a manner that would appeal to minors aged 17 years or younger. Edible marijuana products shall not be associated with or have cartoons, caricatures, toys, designs, shapes, labels, or packaging that would appeal to minors.

**Annual Administrative Code Supplement**  
**2020 Edition**

(b) Edible marihuana products shall not be easily confused with commercially sold candy. The use of the word candy or candies on the packaging or labeling is prohibited. Edible marihuana products shall not be 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 marihuana products that are geometric shapes and simply fruit flavored are permissible.

(c) An edible marihuana product must be in opaque, child-resistant packages or containers that meet the effectiveness specifications outlined in 16 CFR 1700.15. An edible marihuana product containing more than one serving must be in a resealable package or container that meets the effectiveness specifications outlined in 16 CFR 1700.15.

(10) A producer shall not produce an edible marihuana product that requires time and temperature control for safety. The agency may publish validation guidance for shelf stable edible marihuana product. The agency may request to review the validation study for a shelf stable edible marihuana product. The end product must be a shelf stable edible marihuana product and state the following information:

(a) A product expiration date, upon which the marihuana product is no longer fit for consumption. Once a label with an expiration date has been affixed to a marihuana product, a licensee shall not alter that expiration date or affix a new label with a later expiration date.

(b) Any other information requested by the agency that is not inconsistent with the acts and these rules.

(11) As used in this rule, the term “edible marihuana product” means any marihuana-infused product containing marihuana that is intended for human consumption in a manner other than smoke inhalation.

(12) This rule does not affect the application of any applicable local, state, or federal laws or regulations.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.404 Maximum THC concentration for marihuana-infused products.**

Rule 4. 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420. 405 Severability.**

Rule 5. 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.

History: 2020 MR 12, Eff. June 22, 2020.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**MARIJUANA REGULATORY AGENCY**

**MARIHUANA SALE OR TRANSFER**

**R 420.501 Definitions.**

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 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) “Batch” means all marihuana product of the same variety that has been processed together and exposed to substantially similar conditions throughout processing.

(e) “Cultivator” means 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) “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.

(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 that is in a growing or

**Annual Administrative Code Supplement**  
**2020 Edition**

cultivating medium or in a growing or cultivating container.

- (i) “Internal product sample” means a sample of products possessed by a cultivator, producer, or marihuana sales location that is provided directly to an employee for the purpose of ensuring product quality and making determinations about whether to sell the marihuana product.
  - (j) “Laboratory” refers to a safety compliance facility under the medical marihuana facilities licensing act or a marihuana safety compliance facility under the Michigan regulation and taxation of marihuana act, or both.
  - (k) “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.
  - (l) “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.
  - (m) “Marihuana equivalent” means usable marihuana equivalent as that term is defined in section 3(o) of the Michigan medical marihuana act, MCL 333.26424.
  - (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, 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 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.
  - (q) “Marihuana sales location” refers to a provisioning center under the medical marihuana facilities licensing act, or a marihuana retailer or marihuana microbusiness under the Michigan regulation and taxation of marihuana act, or both.
  - (r) “Marihuana tracking act” means the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.
  - (s) “Medical marihuana facilities licensing act” or “MMFLA” means the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.
  - (t) “Michigan medical marihuana act” means the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.
  - (u) “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.
  - (v) “Package tag” means an RFID tag supplied through the statewide monitoring system for the purpose of identifying a package containing a marihuana product.
  - (w) “Plant” means that term as defined in section 102 of the MMFLA, MCL 333.27102, unless otherwise defined in these rules.
  - (x) “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.
  - (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) “Tag” or “RFID tag” means the unique identification number or Radio Frequency Identification (RFID) issued to a licensee by the agency for tracking, identifying, and verifying marihuana plants, marihuana products, and packages of marihuana products in the statewide monitoring system.
  - (aa) “Trade sample” means a sample of marihuana products provided to licensees by a cultivator or producer for the purpose of 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.502 Tracking identification; labeling requirements; general.**

Rule 2. (1) All marihuana products sold or transferred between marihuana businesses must have the tracking identification numbers that are 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) To ensure access to safe sources of marihuana products, the agency, if alerted in the statewide monitoring system, may place an administrative hold on marihuana products, recall marihuana products, issue safety warnings, and require a marihuana business to provide information material or notifications to a marihuana customer at the point of sale.

(3) A marihuana business shall not sell or transfer marihuana product that has been placed on administrative hold, recalled, or ordered to be destroyed.



**Annual Administrative Code Supplement**  
**2020 Edition**

(4) A marihuana business must verify in the statewide monitoring system, prior to any sale or transfer, that the marihuana product has not been placed on an administrative hold, recalled, or ordered to be destroyed.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.503 Marihuana plant; tracking requirements.**

Rule 3. Before a marihuana plant is sold or transferred, a package tag must be affixed to the plant or plant container and enclosed with 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, if applicable.
- (d) Seed strain, if applicable.
- (e) Universal symbol, if applicable.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.504 Marihuana product sale or transfer; labeling and packaging requirements.**

Rule 4. (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 producer, including business or trade name, and tag and source number 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) The unique identification number for the package or the harvest, if applicable.
  - (d) Date of harvest, if applicable.
  - (e) Name of strain, if applicable.
  - (f) Net weight in United States customary and metric units.
  - (g) 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%.
  - (h) Activation time expressed in words or through a pictogram.
  - (i) Name of the laboratory that performed any test, and any test analysis date.
  - (j) The universal symbol for marihuana product published on the agency's website.
  - (k) A warning that states all the following:
    - (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 licensee under the medical marihuana facilities licensing act 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 being sold by a licensee "For use by individuals 21 years of age or older or registered qualifying patients only. Keep out of reach of children."
- (2) An edible marihuana product sold by a marihuana sales location shall comply with R 420.403(7).

History: 2020 MR 12, Eff. June 22, 2020.

Editor's Note: An obvious error in R 420.504 was corrected at the request of the promulgating agency, pursuant to Section 56 of 1969 PA 306, as amended by 2000 PA 262, MCL 24.256. The rule containing the error was published in *Michigan Register*, 2020 MR 12. The memorandum requesting the correction was published in *Michigan Register*, 2020 MR 12.

**R 420.505 Sale or transfer; marihuana sales location.**

Rule 5. (1) A marihuana sales location may sell or transfer marihuana or a marihuana product to a marihuana customer if all of the following are met:

- (a) The marihuana product has not been placed on administrative hold, recalled, or ordered to be destroyed.
- (b) The licensee confirms that the marihuana 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 medical marihuana facilities licensing act; or bears a photographic image and proof that the individual is 21 years of age or older, under the Michigan regulation and taxation of marihuana act.
- (c) The licensee determines the completed transfer or sale will not exceed the purchasing limit prescribed in R 420.506.
- (d) Any marihuana product that is sold or transferred under this rule has been tested in accordance with R 420.305 and is labeled and packaged for sale or transfer in accordance with R 420.504.

**Annual Administrative Code Supplement**  
**2020 Edition**

(e) A licensee selling marihuana product pursuant to the medical marihuana facilities licensing act verifies with the statewide monitoring system that the registered qualifying patient or registered primary caregiver holds a valid, current, unexpired, and unrevoked registry identification card.

(2) A marihuana sales location shall enter all transactions, current inventory, and other information required by these rules in the statewide monitoring system in compliance with the acts and these rules. The marihuana 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 medical marihuana facilities licensing act may sell or transfer a marihuana product to a visiting qualifying patient if all of the following are met:

(a) The licensee verifies that the visiting qualifying patient has a valid unexpired medical marihuana 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 marihuana.

(b) The licensee confirms that 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 licensee determines, if completed, that any transfer or sale will not exceed the purchasing limit prescribed in R 420.506.

(d) Any marihuana product that is sold or transferred under this rule has been tested in accordance with R 420.305 and is labeled and packaged for sale or transfer in accordance with R 420.504.

(e) As used in this subrule, “visiting qualifying patient” means that term as defined in section 3 of the Michigan medical marihuana act, MCL 333.26423.

(4) A marihuana retailer or microbusiness licensed under the Michigan regulation and taxation of marihuana act 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.506 Purchasing limits; transactions; marihuana sales location.**

Rule 6. (1) Before the sale or transfer of marihuana product to a registered qualifying patient or registered primary caregiver, under the medical marihuana facilities licensing act, 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) For 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 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 is connected through the agency’s registration process.

(2) Before the sale or transfer of marihuana product to a registered qualifying patient or registered primary caregiver, under the medical marihuana facilities licensing act, 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.

(3) A marihuana retailer, under the Michigan regulation and taxation of marihuana act, 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, except that not more than 15 grams of marihuana may be in the form of marihuana concentrate.

(4) A marihuana sales location may sell no more than 3 immature plants to a marihuana customer per transaction.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.507 Marketing and advertising restrictions.**

Rule 7. (1) A marihuana product may only be advertised or marketed in a way that complies with all municipal ordinances, state law, and these rules that regulate signs and advertising.

(2) Marihuana product must not be advertised in a way that is deceptive, false, or misleading. A person shall not make any deceptive, false, or misleading assertions or statements on any marihuana product, sign, or document provided.

(3) Marihuana product marketing, advertising, packaging, and labeling must not contain any claim related to health or health benefits, unless a qualified health claim has received and complies with a Letter of Enforcement Discretion issued by the United States Food and Drug Administration (FDA), or the health claim has been approved under the significant scientific

**Annual Administrative Code Supplement**  
**2020 Edition**

agreement standard by the FDA.

(4) Marihuana product must not be advertised or marketed to members of the public unless the person advertising the product has reliable evidence that no more than 30 percent of the audience or readership for the television program, radio program, internet website, or print publication, is reasonably expected to be under the age listed in subrules (7) and (8) of this rule. Any marihuana product advertised or marketed under this rule must include the warnings listed in R 420.504(1)(k).

(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.

(6) A marihuana product under the medical marihuana facilities licensing act must be marketed or advertised as “medical marihuana” for use only by registered qualifying patients or registered primary caregivers.

(7) A marihuana product under the medical marihuana facilities licensing act must not be marketed or advertised to minors aged 17 years or younger. Sponsorships targeting individuals aged 17 years or younger are prohibited.

(8) A marihuana product under the Michigan regulation and taxation of marihuana act must be marketed or advertised as “marihuana” for use only by individuals 21 years of age or older.

(9) A marihuana product under the Michigan regulation and taxation of marihuana act must not be marketed or advertised to individuals under 21 years of age. Sponsorships targeting individuals under 21 years of age are prohibited.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.508 Trade samples.**

Rule 8. (1) The following licensees may provide trade samples:

(a) A cultivator may provide samples of marihuana products to a producer or a marihuana sales location.

(b) A producer may provide 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:

(a) 15 ounces of marihuana.

(b) 60 grams of marihuana concentrate.

(3) Trade samples must not be sold to another licensee or consumer.

(4) Any sample provided to another licensee or received by a licensee must be recorded in the statewide monitoring system.

(5) Any trade samples provided under this rule must be tested in accordance with these rules prior to being transferred to another licensee.

(6) A licensee is limited to providing the following aggregate amounts of trade samples to another licensee in a 30-day period:

(a) 2.5 ounces of marihuana.

(b) 15 grams of marihuana concentrate.

(7) Any sample given to a licensee must have a label containing the following in a legible font:

(a) A statement that reads: “TRADE SAMPLE NOT FOR RESALE” in bold, capital letters attached to the trade sample.

(b) All other information required in R 420.403.

(8) A licensee who receives a trade sample may distribute the trade sample to its employees to determine whether to purchase the marihuana product.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.509 Internal product samples.**

Rule 9. (1) A cultivator, producer, marihuana sales location, or marihuana microbusiness may provide 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) Any internal product sample provided under this rule must be recorded in the statewide monitoring system.

(4) A cultivator is limited to providing a total of 1 ounce of internal product samples to each of their employees in a 30-day period.

(5) A producer is limited to providing a total of 2 grams of marihuana concentrate and marihuana infused products with a total THC content of 2000 mgs of internal product samples to each of their employees in a 30-day period.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.510 Product development.**

Rule 10. (1) A cultivator or producer may engage in product development. No other marihuana business may engage in product development.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (2) A cultivator may designate marihuana plants for product development. Any marihuana plants designated for product development count towards 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 their product development inventory to a laboratory for research and development testing in accordance with these rules.
- (5) Disciplinary action shall not be taken against a licensee for failed research and development test results on their product development inventory.
- (6) A licensee authorized under this rule to engage in product development 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 transfer to its employees. The licensee shall not transfer or sell product development inventory to a marihuana sales location until after test results in the statewide monitoring system indicate a passed test. Any product development inventory that is not properly transferred to an employee must be destroyed pursuant to these rules.
- (7) The inventory designated for product development may not be consumed or used on the premises of the licensee.
- (8) A licensee shall not transfer or sell inventory designated for product development to a marihuana sales location, or to a marihuana customer, until after test results in the statewide monitoring system indicate a passed test.
- (9) A licensee authorized under this rule to engage in product development may also engage in a research study with a college, university, or hospital approved by the United States Food and Drug Administration and sponsored by a non-profit organization or researcher within an academic institution researching marihuana. A licensee's participation in a research study must be approved by the agency.
- (10) A licensee participating in an approved research study shall track all marihuana product involved in the research study in the statewide monitoring system.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.511 Severability.**

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.

History: 2020 MR 12, Eff. June 22, 2020.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**MARIJUANA REGULATORY AGENCY**

**MARIHUANA EMPLOYEES**

**R 420.601 Definitions.**

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) "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.
- (d) "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.
- (e) "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.
- (f) "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.
- (g) "Marihuana customer" refers to 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.
- (h) "Marihuana establishment" means a location at which a licensee is licensed to operate a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter,

**Annual Administrative Code Supplement**  
**2020 Edition**

marihuana designated consumption establishment, or any other type of marihuana related business licensed to operate by the agency under the Michigan regulation and taxation of marihuana act.

- (i) “Marihuana event organizer” means a person licensed to apply for a temporary marihuana event license under these rules.
  - (j) “Marihuana facility” means a location at which a licensee is licensed to operate under the medical marihuana facilities licensing act.
  - (k) “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.
  - (l) “Marihuana sales location” refers to a provisioning center under the medical marihuana facilities licensing act or a marihuana retailer or marihuana microbusiness under the Michigan regulation and taxation of marihuana act, or both.
  - (m) “Medical marihuana facilities license act” or “MMFLA” means the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.
  - (n) “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.
  - (o) “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.
  - (p) “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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.602 Employees; requirements.**

Rule 2. (1) A licensee shall conduct a criminal history background check on any prospective employee before hiring that individual. A licensee shall 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:

- (a) 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 Michigan regulation and taxation of marihuana act is convicted of an offense involving distribution of a controlled substance to a minor, the licensee shall immediately report the conviction to the agency. The agency shall maintain a list of excluded employees.
- (b) 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.
- (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 and have an employee training manual that includes, but is not limited to, employee safety procedures, employee guidelines, security protocol, and educational training, including, but not limited to, marihuana product information, dosage and purchasing limits if applicable, and educational materials. Copies of these items must be maintained and made available to the agency upon request.
- (e) A licensee under the Michigan regulation and taxation of marihuana act shall, if applicable, include in the employee training manual a responsible operations plan. A responsible operations plan must include a detailed explanation of how employees will monitor and prevent over-intoxication, underage access to the establishment, the illegal sale or distribution of marihuana or marihuana products within the establishment, and any other potential criminal activity on the premises, as applicable. Copies of these items must be maintained and made available to the agency upon request.
- (f) Establish point of sale or transfer procedures for employees at marihuana sales locations performing any transfers or sales to marihuana customers. The point of sale or transfer procedures must include, but are not limited to, training in dosage, marihuana product information, health or educational materials, point of sale training, purchasing limits, cannabidiol (CBD) and tetrahydrocannabinol (THC) information, serving size, and consumption information, including any warnings. Copies of these items must be maintained and made available to the agency upon request.
- (g) Screen prospective employees against a list of excluded employees based on a report or investigation maintained by the agency in accordance with subdivision (a) of this subrule.
- (h) Ensure that employees handle marihuana product in compliance with current good manufacturing practice in manufacturing, packing, or holding human food, 21 CFR part 110, as specified in these rules.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (i) When a registered primary caregiver is hired as an employee of a grower, processor, or secure transporter licensed under the medical marijuana facilities licensing act, withdraw, or ensure the individual withdraws, the individual's registration as a registered primary caregiver in a manner established by the agency.
- (j) If a licensee under the Michigan regulation and taxation of marijuana act, not allow a person under 21 years of age to volunteer or work for the marijuana establishment pursuant to section 11 of the MRTMA, MCL 333.27961.
- (k) If a licensee under the Michigan regulation and taxation of marijuana act, not 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 marijuana 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 marijuana product is stored, processed, or packaged or where hazardous materials are used, handled, or stored. The marijuana 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 marijuana product storage, processing, or packaging.
- (6) As used in this rule, "employee" includes, but is not limited to, hourly employees, contract employees, trainees, or any other person given any type of employee credentials or authorized access to the marijuana business. Trade or professional services provided by individuals not normally engaged in the operation of a marijuana 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 marijuana business, if the 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 marijuana business.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420. 603 Severability.**

Rule 3. 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.

History: 2020 MR 12, Eff. June 22, 2020.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**MARIJUANA REGULATORY AGENCY**

**MARIHUANA HEARINGS**

**R 420.701 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.
- (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 promulgated by the Michigan office of administrative hearings and rules set forth in R 792.10101 to R 792.10137 of the Michigan administrative code.
- (f) "Marijuana business" means 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.
- (g) "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.
- (h) "MOAHR" means the Michigan office of administrative hearings and rules within the department of licensing and regulatory affairs.

**Annual Administrative Code Supplement**  
**2020 Edition**

(i) “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.

(j) “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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.702 Hearing procedures; scope and construction of rules.**

Rule 2. (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) Licensing actions.

(c) A complaint by a licensee.

(2) These rules are construed to secure a fair, efficient, and impartial determination of the issues presented in a manner consistent with due process.

(3) 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, apply.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.703 Public investigative hearing**

Rule 3. (1) An applicant that is denied a marihuana license by the agency may request a public investigative hearing in writing within 21 days of service of notice of the denial.

(2) After the agency receives notice of an applicant’s request for a public investigative hearing, the agency shall provide an opportunity for this hearing at which the applicant may present testimony and evidence to establish suitability for a marihuana license.

(3) The parties shall be given reasonable notice of the public investigative hearing in writing. The notice must include all of the following information:

(a) A statement of the date, hour, place, and nature of the hearing.

(b) A statement of the legal authority and jurisdiction under which the hearing is to be held.

(c) A short and plain statement of the issues involved, and reference to the pertinent sections of the act and rules involved.

(d) A short description of the order and manner of presentation for the hearing.

(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.

(5) The agency, or 1 or more administrative law judges designated and authorized by the agency, shall conduct and preside over the public investigative hearing and shall 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.

(6) Upon 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 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 powers and duties under the act.

(7) 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.

(8) The applicant shall at all times have 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 adequately ensure preservation of an accurate record of the hearing.

(10) Following the public investigative hearing, the agency shall affirm, reverse, or modify in whole or in part the denial of a marihuana license.

(11) The agency’s decision to affirm, reverse, or modify in whole or in part the denial of a marihuana license must be based on the whole record before the agency and not be limited to testimony and evidence submitted at the public investigative hearing.

**Annual Administrative Code Supplement**  
**2020 Edition**

(12) The agency's decision to affirm, reverse, or modify in whole or in part the denial of a marihuana license must be reduced to writing and served upon the applicant and agency within a reasonable time.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.704 Hearing on disciplinary proceedings actions.**

Rule 4. (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 taking 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, may request a contested case hearing in writing within 21 days after service of notice of the intended action.

(3) 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.

(4) The contested case hearing must be conducted by an administrative law judge within the Michigan office of administrative hearings and rules.

(5) Upon timely request of the licensee or the agency in accordance with the Michigan court rules, an assigned administrative law judge may issue 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 powers and duties under the acts and these rules.

(6) The agency has the burden of proving, by a preponderance of the evidence, that sufficient grounds exist for the intended action to suspend, revoke, restrict, or refuse to renew a state license, or to impose a fine, or summarily suspend a state license.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.705 Summary suspension.**

Rule 5. (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 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 rules.

(2) 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 is jeopardized by continuing the marihuana business's operation.

(3) Immediately after the post-suspension hearing, the administrative law judge shall issue a written order granting or denying dissolution of the summary suspension.

(4) 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.

(5) The record created at the post-suspension hearing becomes a part of the record at any subsequent hearing in the contested case.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.706 Complaint by licensee.**

Rule 6. (1) In accordance with the Michigan medical marihuana facilities licensing act, and these rules, a licensee may file a written complaint with the agency regarding any investigative procedures of this state that he or she believes to be unnecessarily disruptive of the marihuana facility operations, as provided in section 302 of the act, MCL 333.27302.

(2) The agency may delegate to a subcommittee of the agency the authority to hear, review, or rule on a licensee complaint.

(3) The agency or its subcommittee may delegate authority to an administrative law judge to hear a licensee's complaint as a contested case in accordance with sections 71 to 79 of the APA, MCL 24.271 to 24.279, and the MAHS general hearing rules.

(4) As the complaining party, a licensee has the burden of proving by a preponderance of the evidence that the investigative procedures of the agency unnecessarily disrupted its marihuana facility operations.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.707 Proposal for decision.**

Rule 7. Following an opportunity for a public investigative hearing or contested case hearing and 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.



**Annual Administrative Code Supplement**  
**2020 Edition**

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.708 Final order.**

Rule 8. (1) The agency 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 the licensee within a reasonable time.

(3) The review decision or order of the agency following an opportunity for 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.709 Severability.**

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.

History: 2020 MR 12, Eff. June 22, 2020.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**MARIJUANA REGULATORY AGENCY**

**MARIHUANA DISCIPLINARY PROCEEDINGS**

**R 420.801 Definitions.**

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 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) "Marihuana business" means both 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.

(e) "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.

(f) "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.

(g) "Marihuana tracking act" means the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.

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

(i) "Michigan medical marihuana act" means the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.

(j) "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.

(k) "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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.802 Notification and reporting.**

Rule 2. (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 that may require prior authorization by the agency. Material changes, include, but are not limited to, the following:

**Annual Administrative Code Supplement**  
**2020 Edition**

- (a) Change in owners, officers, members, or managers.
- (b) Change of processing machinery or equipment.
- (c) A description of a violation of an ordinance or a zoning regulation adopted pursuant to section 205 of the medical marihuana facilities licensing act, MCL 333.27205, or section 6 of the Michigan regulation and taxation of marihuana act, MCL 333.27956, committed by the licensee, but only if the violation relates to activities licensed under the acts, the Michigan medical marihuana act, or these rules.
- (d) The addition or removal of a person named in the application or disclosed.
- (e) Change in entity name.
- (f) Any attempted transfer, sale, or other conveyance of an interest in a marihuana license.
- (g) 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 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) 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 of the following:
  - (a) Adverse reactions to a marihuana product sold or transferred by any licensee.
  - (b) Criminal convictions, charges, or civil judgments against a licensee in this state or any other state, federal, or foreign jurisdiction.
  - (c) Regulatory disciplinary action taken or determined against a licensee by this state or any other state, federal, or foreign jurisdiction, including any pending action.
- (5) The licensee shall notify the agency within 10 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 when an employee has been disciplined or removed from his or her position for misconduct related to marihuana sales or transfers.
- (7) Failure to timely provide notifications or reports to the agency pursuant to this rule may result in sanctions or fines, or both.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.803 Changes to licensed marihuana business.**

- Rule 3. (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 applications fees.
  - (b) Additional inspections by the agency or BFS.
  - (c) Initial licensure fees or regulatory assessment, as applicable, or both.
- (3) A licensee shall produce written documentation from the municipality approving the proposed new marihuana business location, and confirmation of compliance with any municipal ordinances the municipality adopted under the acts. For purposes of these rules, confirmation of compliance must be on an attestation form prepared by the agency that contains all of the information required in these rules.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.804 Notifications of diversion, theft, loss, or criminal activity.**

- Rule 4. (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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.805 Persons subject to penalty; violations.**

- Rule 5. (1) If the agency during a physical site inspection determines violations of the acts or these rules exist, the agency

**Annual Administrative Code Supplement**  
**2020 Edition**

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) The agency may issue a notice of violation, including, but not limited to, warnings, citations, formal complaints, or penalties, for any violations of the acts and applicable rules.

(3) 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.

(4) The agency may forward information regarding violations of the acts or these rules or any other state or federal law to the department of state police, department of attorney general, and the prosecutor for the jurisdiction in which the alleged violation occurred.

(5) 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.

(6) 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 to be destroyed.

(7) A marihuana licensee may be subject to penalties if any person required to be disclosed as an applicant violates the acts or these rules.

(8) 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.

(9) The agency may take action against a licensee for knowingly making misrepresentations to the agency or its contractors during an investigation into the licensee.

(10) 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.806 Penalties.**

Rule 6. (1) A person, applicant, or licensee found in violation of the acts or these rules may be subject to sanctions, including, but not limited to, any of the following:

(a) Marihuana license denial.

(b) Limitations on a marihuana license.

(c) Fines.

(d) Revocation, suspension, nonrenewal of a license, or an administrative hold on a marihuana license.

(e) Orders to cease operations.

(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 medical marihuana facilities licensing act 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 Michigan regulation and taxation of marihuana act 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.807 Warning.**

**Annual Administrative Code Supplement**  
**2020 Edition**

Rule 7. (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 one 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 further action, including the imposition of fines or other sanctions against a licensee, or both.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.808 Formal complaint.**

Rule 8. (1) After an investigation has been conducted and violations have been determined, 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.

(2) The licensee may do either of the following:

(a) Meet with the agency to negotiate a settlement of the matter, or demonstrate compliance prior to holding a contested case hearing, as required by section 92 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.292.

(b) Proceed to a contested case hearing as set forth in these rules and section 71 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.271.

(3) The licensee must request a compliance conference or contested case hearing, or both, within 21 days of receipt of the formal complaint. If the licensee does not respond, the agency shall request a contested case hearing.

(4) If the licensee agrees and accepts the terms negotiated at the compliance conference, the licensee and the agency shall execute a stipulation.

(5) An executed stipulation is subject to review and approval by the executive director of the agency. If the stipulation is approved, the agency shall issue a consent order. If the stipulation is not approved, a compliance conference or a contested case hearing shall be scheduled. The consent order shall be published.

(6) If a licensee does not comply with the terms of a signed and fully executed stipulation and consent order within the time frame listed in the consent order, the licensee's license is suspended until full compliance is demonstrated.

(7) If a compliance conference is not held or does not result in a settlement of a compliance action, a contested case hearing shall be held, pursuant to these rules and the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to MCL 24.328.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420. 809 Severability.**

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.

History: 2020 MR 12, Eff. June 22, 2020.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**MARIJUANA REGULATORY AGENCY**

**INDUSTRIAL HEMP RULES FOR MARIHUANA BUSINESSES**

**R 420.1001 Definitions.**

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

(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 marihuana facilities licensing act or a marihuana safety compliance facility licensed under the Michigan regulation and taxation of marihuana act, or both.

(i) "Marihuana processor" means that term as defined in section 3 of the Michigan regulation and taxation of marihuana act,

**Annual Administrative Code Supplement**  
**2020 Edition**

MCL 333.27953.

- (j) “Marihuana safety compliance facility” means that term as defined in section 3 of the Michigan regulation and taxation of marihuana act, MCL 333.27953.
  - (k) “Marihuana tracking act” means the marihuana 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 marihuana facilities licensing act” or “MMFLA” means the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.
  - (n) “Michigan medical marihuana act” means the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430.
  - (o) “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) “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 marihuana facilities licensing act, MCL 333.27502, and these rules.
  - (r) “Producer” means a processor licensed under the medical marihuana facilities licensing act or a marihuana processor licensed under the Michigan regulation and taxation of marihuana 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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.1002 Testing industrial hemp.**

Rule 2. (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.

(2) A laboratory may perform all tests required or requested in the industrial hemp research and development act and any associated rules promulgated by the Michigan department of agriculture and rural development.

(3) A laboratory shall document all testing performed on industrial hemp products and shall make those records available to the agency upon request.

(4) A laboratory shall maintain industrial hemp product samples separate from any marihuana product samples at all times.

(5) A laboratory may obtain samples of industrial hemp for testing pursuant to the industrial hemp research and development act and any associated rules promulgated by the Michigan department of agriculture and rural development.

(6) A laboratory must report test results as required under the industrial hemp research and development act and any associated rules promulgated by the Michigan department of agriculture and rural development.

(7) A 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.

(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.

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.1003 Processing industrial hemp.**

Rule 3. (1) A producer may handle, process, market, or broker industrial hemp in compliance with the industrial hemp research and development act and any associated rules promulgated 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.

(3) A producer 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.

(4) 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.

**Annual Administrative Code Supplement**  
**2020 Edition**

History: 2020 MR 12, Eff. June 22, 2020.

**R 420.1004 Severability.**

Rule 4. 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.

History: 2020 MR 12, Eff. June 22, 2020.

**MICHIGAN JOBS COMMISSION**  
**MICHIGAN EMPLOYMENT SECURITY AGENCY**  
**EMPLOYMENT SECURITY**  
**PART 1. ADMINISTRATION**

**R 421.1**

Source: 1998-2000 AACS.

**R 421.10**

Source: 1980 AACS.

**R 421.15**

Source: 1996 AACS.

**PART 2. EMPLOYERS**

**R 421.101**

Source: 1980 AACS.

**R 421.105**

Source: 1980 AACS.

**R 421.112**

Source: 2001 AACS.

**R 421.113**

Source: 1998-2000 AACS.

**R 421.115**

Source: 1980 AACS.

**R 421.121**

Source: 2002 AACS.

**R 421.122**

Source: 2002 AACS.

**R 421.123**

Source: 1995 AACS.

**R 421.162**

Source: 2001 AACS.

**R 421.184**

Source: 1980 AACS.

**R 421.190**

Source: 2002 AACS.

**PART 3. CLAIMS**

**R 421.201**  
Source: 2002 AACS.

**R 421.204**  
Source: 2002 AACS.

**R 421.205**  
Source: 2001 AACS.

**R 421.208**  
Source: 2001 AACS.

**R 421.209**  
Source: 1986 AACS.

**R 421.210**  
Source: 2002 AACS.

**R 421.211**  
Source: 1980 AACS.

**R 421.212**  
Source: 1980 AACS.

**R 421.215**  
Source: 1997 AACS.

**R 421.216**  
Source: 2002 AACS.

**R 421.243**  
Source: 1980 AACS.

**R 421.251**  
Source: 1986 AACS.

**R 421.254**  
Source: 1979 AC.

**R 421.269**  
Source: 2001 AACS.

**R 421.270**  
Source: 2001 AACS.

**R 421.301**  
Source: 1997 AACS.

**R 421.302**  
Source: 1980 AACS.

**SECURITY FOR REIMBURSEMENT FINANCING OF  
UNEMPLOYMENT INSURANCE COSTS**

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 421.601**  
Source: 1992 AACS.

**R 421.602**  
Source: 1992 AACS.

**R 421.603**  
Source: 1992 AACS.

**R 421.604**  
Source: 1992 AACS.

**R 421.605**  
Source: 1992 AACS.

**R 421.606**  
Source: 1992 AACS.

**DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**  
**EMPLOYMENT SECURITY BOARD OF REVIEW**  
**RULES OF PRACTICE**

**PART 1. GENERAL PROVISIONS**

**R 421.1101**  
Source: 2015 AACS.

**R 421.1102**  
Source: 2015 AACS.

**R 421.1103**  
Source: 2015 AACS.

**R 421.1104**  
Source: 2015 AACS.

**R 421.1105**  
Source: 2015 AACS.

**R 421.1106**  
Source: 2015 AACS.

**R 421.1107**  
Source: 2015 AACS.

**R 421.1108**  
Source: 2015 AACS.

**R 421.1109**  
Source: 2015 AACS.

**R 421.1110**  
Source: 2015 AACS.

**R 421.1111**  
Source: 2007 AACS.



**Annual Administrative Code Supplement**  
**2020 Edition**

**R 421.1112**  
Source: 1979 AC.

**PART 2. APPEALS TO REFEREES**

**R 421.1201**  
Source: 2015 AACS.

**R 421.1202**  
Source: 2015 AACS.

**R 421.1203**  
Source: 2015 AACS.

**R 421.1204**  
Source: 2015 AACS.

**R 421.1205**  
Source: 2015 AACS.

**R 421.1206**  
Source: 2015 AACS.

**R 421.1207**  
Source: 2015 AACS.

**R 421.1208**  
Source: 2015 AACS.

**R 421.1209**  
Source: 2015 AACS.

**R 421.1210**  
Source: 2015 AACS.

**R 421.1211**  
Source: 2015 AACS.

**R 421.1212**  
Source: 2015 AACS.

**R 421.1213**  
Source: 2015 AACS.

**R 421.1214**  
Source: 2015 AACS.

**PART 3. APPEALS TO APPELLATE COMMISSION**

**R 421.1301**  
Source: 2015 AACS.

**R 421.1302**  
Source: 2015 AACS.

**R 421.1303**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 2015 AACS.

**R 421.1304**

**Source:** 2015 AACS.

**R 421.1305**

**Source:** 2015 AACS.

**R 421.1306**

**Source:** 2015 AACS.

**R 421.1307**

**Source:** 2015 AACS.

**R 421.1308**

**Source:** 2015 AACS.

**R 421.1309**

**Source:** 2015 AACS.

**R 421.1310**

**Source:** 2015 AACS.

**R 421.1311**

**Source:** 2015 AACS.

**R 421.1312**

**Source:** 1988 AACS.

**R 421.1313**

**Source:** 2015 AACS.

**R 421.1314**

**Source:** 2015 AACS.

**R 421.1315**

**Source:** 2015 AACS.

**R 421.1316**

**Source:** 2015 AACS.

**R 421.1317**

**Source:** 2015 AACS.

**EMPLOYMENT RELATIONS COMMISSION**

**PART 1. GENERAL PROVISIONS**

**R 423.101**

**Source:** 2017 AACS.

**R 423.102**

**Source:** 2017 AACS.

**R 423.103**

**Source:** 2014 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 423.104**  
**Source:** 2014 AACS.

**R 423.105**  
**Source:** 2002 AACS.

**R423.106**  
**Source:** 2014 AACS.

**PART 2. MEDIATION OF LABOR DISPUTES**

**R 423.121**  
**Source:** 2002 AACS.

**R 423.122**  
**Source:** 2002 AACS.

**R 423.123**  
**Source:** 2002 AACS.

**R 423.124**  
**Source:** 2014 AACS.

**PART 3. FACT FINDING**

**R 423.131**  
**Source:** 2014 AACS.

**R 423.132**  
**Source:** 2014 AACS.

**R 423.133**  
**Source:** 2014 AACS.

**R 423.134**  
**Source:** 2014 AACS.

**R 423.135**  
**Source:** 2014 AACS.

**R 423.136**  
**Source:** 2014 AACS.

**R 423.137**  
**Source:** 2014 AACS.

**R 423.137a**  
**Source:** 2014 AACS.

**R 423.138**  
**Source:** 2014 AACS.

**PART 4. REPRESENTATION PROCEEDINGS**

**R 423.141**  
**Source:** 2014 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 423.142**  
Source: 2002 AACS.

**R 423.143**  
Source: 2014 AACS.

**R 423.144**  
Source: 2014 AACS.

**R 423.145**  
Source: 2014 AACS.

**R 423.146**  
Source: 2014 AACS.

**R 423.147**  
Source: 2014 AACS.

**R 423.148**  
Source: 2002 AACS.

**R 423.149**  
Source: 2014 AACS.

**R 423.149a**  
Source: 2014 AACS.

**R 423.149b**  
Source: 2002 AACS.

**PART 5. UNFAIR LABOR PRACTICE CHARGES**

**R 423.151**  
Source: 2014 AACS.

**R 423.152**  
Source: 2014 AACS.

**R 423.153**  
Source: 2014 AACS.

**R 423.154**  
Source: 2014 AACS.

**R 423.155**  
Source: 2002 AACS.

**R 423.156**  
Source: 2014 AACS.

**R 423.157**  
Source: 2002 AACS.

**R 423.158**  
Source: 2014 AACS.

**PART 6. MOTION PRACTICE**

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 423.161**  
Source: 2014 AACS.

**R 423.162**  
Source: 2014 AACS.

**R 423.163**  
Source: 2002 AACS.

**R 423.164**  
Source: 2014 AACS.

**R 423.165**  
Source: 2014 AACS.

**R 423.166**  
Source: 2014 AACS.

**R 423.167**  
Source: 2014 AACS.

**PART 7. HEARINGS**

**R 423.171**  
Source: 2014 AACS.

**R 423.172**  
Source: 2014 AACS.

**R 423.173**  
Source: 2014 AACS.

**R 423.174**  
Source: 2014 AACS.

**R 423.175**  
Source: 2014 AACS.

**R 423.176**  
Source: 2014 AACS.

**R 423.176a**  
Source: 2014 AACS.

**R 423.177**  
Source: 2014 AACS.

**R 423.178**  
Source: 2014 AACS.

**R 423.179**  
Source: 2014 AACS.

**PART 8. FILING AND SERVICE OF DOCUMENTS**

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 423.181**  
Source: 2002 AACS.

**R 423.182**  
Source: 2014 AACS.

**R 423.183**  
Source: 2002 AACS.

**R 423.184**  
Source: 2014 AACS.

**R 423.185**  
Source: 2014 AACS.

**PART 9. NOTICE OF PUBLIC SCHOOL STRIKE OR LOCKOUT**

**R 423.191**  
Source: 2017 AACS.

**R 423.191a**  
Source: 2017 AACS.

**R 423.192**  
Source: 2017 AACS.

**R 423.192a**  
Source: 2017 AACS.

**R 423.193**  
Source: 2018 AACS.

**R 423.194**  
Source: 2017 AACS.

**R 423.195**  
Source: 2017 AACS.

**R 423.196**  
Source: 2017 AACS.

**R 423.197**  
Source: 2017 AACS.

**R 423.198**  
Source: 2017 AACS.

**R 423.301**  
Source: 1997 AACS.

**R 423.302**  
Source: 1997 AACS.

**R 423.303**  
Source: 1997 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 423.304**  
Source: 1997 AACS.

**R 423.305**  
Source: 1997 AACS.

**R 423.306**  
Source: 1997 AACS.

**R 423.307**  
Source: 1997 AACS.

**R 423.308**  
Source: 1997 AACS.

**R 423.309**  
Source: 1997 AACS.

**R 423.310**  
Source: 1997 AACS.

**R 423.311**  
Source: 1997 AACS.

**R 423.312**  
Source: 1997 AACS.

**R 423.313**  
Source: 1997 AACS.

**R 423.314**  
Source: 1997 AACS.

**R 423.315**  
Source: 1997 AACS.

**R 423.316**  
Source: 1997 AACS.

**R 423.317**  
Source: 1997 AACS.

**R 423.401**  
Source: 2002 AACS.

**R 423.403**  
Source: 2002 AACS.

**R 423.405**  
Source: 2002 AACS.

**R 423.407**  
Source: 2002 AACS.

**R 423.411**  
Source: 2002 AACS.

**R 423.421**  
Source: 2002 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 423.422**  
**Source:** 2002 AACS.

**R 423.423**  
**Source:** 2002 AACS.

**R 423.431**  
**Source:** 2002 AACS.

**R 423.432**  
**Source:** 2002 AACS.

**R 423.433**  
**Source:** 2002 AACS.

**R 423.434**  
**Source:** 2002 AACS.

**R 423.435**  
**Source:** 2002 AACS.

**R 423.441**  
**Source:** 2002 AACS.

**R 423.442**  
**Source:** 2002 AACS.

**R 423.443**  
**Source:** 2002 AACS.

**R 423.444**  
**Source:** 2002 AACS.

**R 423.445**  
**Source:** 2002 AACS.

**R 423.446**  
**Source:** 2002 AACS.

**R 423.447**  
**Source:** 2002 AACS.

**R 423.448**  
**Source:** 2002 AACS.

**R 423.449**  
**Source:** 2002 AACS.

**R 423.450**  
**Source:** 2002 AACS.

**R 423.451**  
**Source:** 2002 AACS.

**R 423.452**  
**Source:** 2002 AACS.



**Annual Administrative Code Supplement**  
**2020 Edition**

**R 423.453**  
**Source:** 2002 AACS.

**R 423.454**  
**Source:** 2002 AACS.

**R 423.455**  
**Source:** 2002 AACS.

**R 423.456**  
**Source:** 2002 AACS.

**R 423.461**  
**Source:** 2002 AACS.

**R 423.462**  
**Source:** 2002 AACS.

**R 423.463**  
**Source:** 2002 AACS.

**R 423.464**  
**Source:** 2002 AACS.

**R 423.465**  
**Source:** 2002 AACS.

**R 423.466**  
**Source:** 2002 AACS.

**R 423.467**  
**Source:** 2002 AACS.

**R 423.468**  
**Source:** 2002 AACS.

**R 423.469**  
**Source:** 2002 AACS.

**R 423.470**  
**Source:** 2002 AACS.

**R 423.471**  
**Source:** 2002 AACS.

**R 423.472**  
**Source:** 2002 AACS.

**R 423.481**  
**Source:** 2002 AACS.

**R 423.482**  
**Source:** 2002 AACS.

**R 423.483**  
**Source:** 2002 AACS.

**R 423.484**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 2002 AACS.

**ADMINISTRATION OF COMPULSORY ARBITRATION ACT FOR LABOR DISPUTES IN MUNICIPAL  
POLICE AND FIRE DEPARTMENTS**

**R 423.501**

**Source:** 2014 AACS.

**R 423.502**

**Source:** 2014 AACS.

**R 423.503**

**Source:** 2014 AACS.

**R 423.504**

**Source:** 2014 AACS.

**R 423.505**

**Source:** 2014 AACS.

**R 423.506**

**Source:** 2014 AACS.

**R 423.507**

**Source:** 2014 AACS.

**R 423.508**

**Source:** 1995 AACS.

**R 423.509**

**Source:** 2014 AACS.

**R 423.510**

**Source:** 2014 AACS.

**R 423.511**

**Source:** 2014 AACS.

**R 423.512**

**Source:** 2014 AACS.

**R 423.513**

**Source:** 2014 AACS.

**R 423.514**

**Source:** 2014 AACS.

**R 423.515**

**Source:** 2014 AACS.

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**GEOLOGICAL SURVEY DIVISION**

**MINE RECLAMATION**

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 425.1**  
Source: 1979 AC.

**R 425.2**  
Source: 1979 AC.

**R 425.3**  
Source: 1979 AC.

**R 425.4**  
Source: 1979 AC.

**R 425.5**  
Source: 1979 AC.

**R 425.6**  
Source: 1979 AC.

**R 425.7**  
Source: 1979 AC.

**R 425.8**  
Source: 1979 AC.

**R 425.9**  
Source: 1979 AC.

**R 425.10**  
Source: 1979 AC.

**R 425.11**  
Source: 1979 AC.

**R 425.12**  
Source: 1979 AC.

**R 425.15**  
Source: 1979 AC.

**R 425.16**  
Source: 1979 AC.

**PART 2. RECLAMATION OF OPEN PITS**

**R 425.21**  
Source: 1979 AC.

**R 425.22**  
Source: 1979 AC.

**R 425.23**  
Source: 1979 AC.

**R 425.24**  
Source: 1979 AC.

**R 425.25**  
Source: 1979 AC.

**PART 3. RECLAMATION OF STOCKPILES**

**R 425.31**  
Source: 1979 AC.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 425.32**  
Source: 1979 AC.

**R 425.33**  
Source: 1979 AC.

**R 425.34**  
Source: 1979 AC.

**R 425.35**  
Source: 1979 AC.

**PART 4. RECLAMATION OF TAILINGS BASINS AND AUXILIARY LANDS**

**R 425.41**  
Source: 1979 AC.

**R 425.42**  
Source: 1979 AC.

**R 425.43**  
Source: 1979 AC.

**R 425.44**  
Source: 1979 AC.

**R 425.45**  
Source: 1979 AC.

**R 425.46**  
Source: 1979 AC.

**R 425.47**  
Source: 1979 AC.

**R 425.48**  
Source: 1979 AC.

**R 425.49**  
Source: 1979 AC.

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**OFFICE OF GEOLOGICAL SURVEY**

**NONFERROUS METALLIC MINERAL MINING**

**R 425.101**  
Source: 2006 AACS.

**R 425.102**  
Source: 2006 AACS.

**R 425.103**  
Source: 2006 AACS.

**PART 2. PERMITS**

**R 425.201**  
Source: 2006 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 425.202**  
Source: 2006 AACS.

**R 425.203**  
Source: 2006 AACS.

**R 425.204**  
Source: 2006 AACS.

**R 425.205**  
Source: 2006 AACS.

**R 425.206**  
Source: 2006 AACS.

**R 425.207**  
Source: 2006 AACS.

**PART 3. FINANCIAL ASSURANCE**

**R 425.301**  
Source: 2006 AACS.

**R 425.302**  
Source: 2006 AACS.

**R 425.303**  
Source: 2006 AACS.

**R 425.304**  
Source: 2006 AACS.

**R 425.305**  
Source: 2006 AACS.

**R 425.306**  
Source: 2006 AACS.

**R 425.307**  
Source: 2006 AACS.

**R 425.308**  
Source: 2006 AACS.

**R 425.309**  
Source: 2006 AACS.

**PART 4. MINING OPERATIONS**

**R 425.401**  
Source: 2006 AACS.

**R 425.402**  
Source: 2006 AACS.

**R 425.403**  
Source: 2006 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 425.404**  
Source: 2006 AACS.

**R 425.405**  
Source: 2006 AACS.

**R 425.406**  
Source: 2006 AACS.

**R 425.407**  
Source: 2006 AACS.

**R 425.408**  
Source: 2006 AACS.

**R 425.409**  
Source: 2006 AACS.

**PART 5. REPORTS**

**R 425.501**  
Source: 2006 AACS.

**R 425.502**  
Source: 2006 AACS.

**R 425.503**  
Source: 2006 AACS.

**PART 6. MEETINGS AND HEARINGS**

**R 425.601**  
Source: 2006 AACS.

**R 425.602**  
Source: 2006 AACS.

**DEPARTMENT OF AGRICULTURE**  
**RACING COMMISSIONER**  
**GENERAL RULES**

**PART 1. GENERAL PROVISIONS**

**R 431.1001**  
Source: 1991 AACS.

**R 431.1005**  
Source: 1985 AACS.

**R 431.1010**  
Source: 1985 AACS.

**R 431.1015**  
Source: 1985 AACS.

**R 431.1020**  
Source: 1985 AACS.

**Annual Administrative Code Supplement**  
2020 Edition

**R 431.1025**  
Source: 1985 AACS.

**R 431.1027**  
Source: 1985 AACS.

**R 431.1030**  
Source: 1985 AACS.

**R 431.1035**  
Source: 1985 AACS.

**R 431.1045**  
Source: 1985 AACS.

**R 431.1050**  
Source: 1985 AACS.

**R 431.1055**  
Source: 1985 AACS.

**R 431.1060**  
Source: 1985 AACS.

**R 431.1065**  
Source: 1985 AACS.

**R 431.1070**  
Source: 1985 AACS.

**R 431.1075**  
Source: 1985 AACS.

**R 431.1080**  
Source: 1985 AACS.

**R 431.1085**  
Source: 1985 AACS.

**R 431.1090**  
Source: 1985 AACS.

**R 431.1095**  
Source: 1985 AACS.

**R 431.1101**  
Source: 1985 AACS.

**R 431.1105**  
Source: 1985 AACS.

**R 431.1110**  
Source: 1985 AACS.

**R 431.1115**  
Source: 1985 AACS.

**R 431.1120**  
Source: 1985 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 431.1125**  
Source: 1985 AACS.

**R 431.1130**  
Source: 1985 AACS.

**R 431.1135**  
Source: 1985 AACS.

**R 431.1140**  
Source: 1985 AACS.

**R 431.1145**  
Source: 1985 AACS.

**R 431.1150**  
Source: 1985 AACS.

**R 431.1155**  
Source: 1985 AACS.

**R 431.1160**  
Source: 1985 AACS.

**R 431.1165**  
Source: 1985 AACS.

**R 431.1170**  
Source: 1985 AACS.

**R 431.1175**  
Source: 1985 AACS.

**R 431.1180**  
Source: 1985 AACS.

**R 431.1185**  
Source: 1985 AACS.

**R 431.1190**  
Source: 1985 AACS.

**R 431.1195**  
Source: 1985 AACS.

**R 431.1200**  
Source: 1985 AACS.

**R 431.1205**  
Source: 1985 AACS.

**R 431.1210**  
Source: 1985 AACS.

**R 431.1215**  
Source: 1985 AACS.

**R 431.1220**  
Source: 1985 AACS.



**Annual Administrative Code Supplement**  
**2020 Edition**

- R 431.1225**  
Source: 1985 AACS.
- R 431.1230**  
Source: 1985 AACS.
- R 431.1235**  
Source: 1985 AACS.
- R 431.1240**  
Source: 1985 AACS.
- R 431.1245**  
Source: 2009 AACS.
- R 431.1250**  
Source: 1985 AACS.
- R 431.1255**  
Source: 1985 AACS.
- R 431.1260**  
Source: 1985 AACS.
- R 431.1265**  
Source: 1985 AACS.
- R 431.1270**  
Source: 1985 AACS.
- R 431.1275**  
Source: 1985 AACS.
- R 431.1280**  
Source: 1985 AACS.
- R 431.1285**  
Source: 1985 AACS.
- R 431.1290**  
Source: 1985 AACS.
- R 431.1295**  
Source: 1985 AACS.
- R 431.1301**  
Source: 2009 AACS.
- R 431.1325**  
Source: 1991 AACS.
- R 431.1330**  
Source: 1985 AACS.
- R 431.1335**  
Source: 1985 AACS.
- R 431.1340**  
Source: 1985 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 431.1999**  
Source: 1985 AACS.

**PART 2. MUTUELS**

**R 431.2001**  
Source: 1985 AACS.

**R 431.2005**  
Source: 1985 AACS.

**R 431.2010**  
Source: 1985 AACS.

**R 431.2015**  
Source: 1985 AACS.

**R 431.2020**  
Source: 1985 AACS.

**R 431.2025**  
Source: 1985 AACS.

**R 431.2030**  
Source: 1985 AACS.

**R 431.2035**  
Source: 1985 AACS.

**R 431.2040**  
Source: 1985 AACS.

**R 431.2045**  
Source: 1985 AACS.

**R 431.2050**  
Source: 1985 AACS.

**R 431.2055**  
Source: 1985 AACS.

**R 431.2060**  
Source: 1985 AACS.

**R 431. 2061**  
Source: 2003 AACS.

**R 431.2065**  
Source: 1985 AACS.

**R 431.2070**  
Source: 1985 AACS.

**R 431.2075**  
Source: 1985 AACS.

**R 431.2080**  
Source: 1985 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 431.2085**  
Source: 1985 AACS.

**R 431.2090**  
Source: 2007 AACS.

**R 431.2095**  
Source: 1985 AACS.

**R 431.2100**  
Source: 1985 AACS.

**R 431.2105**  
Source: 1985 AACS.

**R 431.2110**  
Source: 1985 AACS.

**R 431.2115**  
Source: 1985 AACS.

**R 431.2120**  
Source: 2007 AACS.

**PART 3. THOROUGHBRED RACING**

**R 431.3001**  
Source: 1985 AACS.

**R 431.3005**  
Source: 1985 AACS.

**R 431.3010**  
Source: 1985 AACS.

**R 431.3015**  
Source: 1985 AACS.

**R 431.3020**  
Source: 1985 AACS.

**R 431.3025**  
Source: 1985 AACS.

**R 431.3030**  
Source: 1985 AACS.

**R 431.3035**  
Source: 1985 AACS.

**R 431.3040**  
Source: 1985 AACS.

**R 431.3045**  
Source: 1985 AACS.

**R 431.3050**  
Source: 1985 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 431.3055**  
Source: 2009 AACS.

**R 431.3060**  
Source: 1985 AACS.

**R 431.3065**  
Source: 1985 AACS.

**R 431.3070**  
Source: 1985 AACS.

**R 431.3075**  
Source: 2009 AACS.

**R 431.3080**  
Source: 1985 AACS.

**R 431.3085**  
Source: 1985 AACS.

**R 431.3090**  
Source: 2009 AACS.

**R 431.3095**  
Source: 1985 AACS.

**R 431.3101**  
Source: 1985 AACS.

**R 431.3105**  
Source: 1985 AACS.

**R 431.3110**  
Source: 2007 AACS.

**R 431.3115**  
Source: 1985 AACS.

**R 431.3120**  
Source: 1985 AACS.

**R 431.3125**  
Source: 1985 AACS.

**R 431.3130**  
Source: 1985 AACS.

**R 431.3135**  
Source: 1985 AACS.

**R 431.3140**  
Source: 1985 AACS.

**R 431.3145**  
Source: 1985 AACS.

**R 431.3150**  
Source: 1985 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 431.3155**  
Source: 1985 AACS.

**R 431.3160**  
Source: 1985 AACS.

**R 431.3165**  
Source: 1985 AACS.

**R 431.3170**  
Source: 1985 AACS.

**R 431.3175**  
Source: 1985 AACS.

**R 431.3180**  
Source: 1985 AACS.

**R 431.3195**  
Source: 1985 AACS.

**R 431.3201**  
Source: 1985 AACS.

**R 431.3205**  
Source: 1985 AACS.

**R 431.3210**  
Source: 1985 AACS.

**R 431.3215**  
Source: 1985 AACS.

**R 431.3220**  
Source: 1985 AACS.

**R 431.3225**  
Source: 1985 AACS.

**R 431.3230**  
Source: 1985 AACS.

**R 431.3235**  
Source: 1985 AACS.

**R 431.3240**  
Source: 1985 AACS.

**R 431.3245**  
Source: 1985 AACS.

**R 431.3250**  
Source: 1985 AACS.

**R 431.3255**  
Source: 1985 AACS.

**R 431.3260**  
Source: 1985 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 431.3265**  
Source: 1985 AACS.

**R 431.3270**  
Source: 1985 AACS.

**R 431.3275**  
Source: 1985 AACS.

**R 431.3280**  
Source: 1985 AACS.

**R 431.3285**  
Source: 1985 AACS.

**R 431.3290**  
Source: 1985 AACS.

**R 431.3295**  
Source: 2009 AACS.

**R 431.3301**  
Source: 1985 AACS.

**R 431.3305**  
Source: 1985 AACS.

**R 431.3310**  
Source: 1989 AACS.

**PART 4. HARNESS RACING**

**R 431.4001**  
Source: 2007 AACS.

**R 431.4005**  
Source: 1985 AACS.

**R 431.4010**  
Source: 1985 AACS.

**R 431.4015**  
Source: 1985 AACS.

**R 431.4020**  
Source: 1985 AACS.

**R 431.4025**  
Source: 1985 AACS.

**R 431.4030**  
Source: 1985 AACS.

**R 431.4035**  
Source: 1985 AACS.

**R 431.4040**  
Source: 1985 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 431.4045**  
Source: 1985 AACS.

**R 431.4050**  
Source: 1985 AACS.

**R 431.4055**  
Source: 1985 AACS.

**R 431.4060**  
Source: 1985 AACS.

**R 431.4065**  
Source: 1985 AACS.

**R 431.4070**  
Source: 1985 AACS.

**R 431.4075**  
Source: 1985 AACS.

**R 431.4080**  
Source: 1985 AACS.

**R 431.4085**  
Source: 1985 AACS.

**R 431.4090**  
Source: 1985 AACS.

**R 431.4095**  
Source: 1985 AACS.

**R 431.4100**  
Source: 1985 AACS.

**R 431.4105**  
Source: 1985 AACS.

**R 431.4110**  
Source: 1985 AACS.

**R 431.4115**  
Source: 1985 AACS.

**R 431.4120**  
Source: 1985 AACS.

**R 431.4125**  
Source: 1985 AACS.

**R 431.4130**  
Source: 1985 AACS.

**R 431.4135**  
Source: 1985 AACS.

**R 431.4140**  
Source: 1985 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 431.4145**  
Source: 1985 AACS.

**R 431.4150**  
Source: 1985 AACS.

**R 431.4155**  
Source: 1985 AACS.

**R 431.4160**  
Source: 1985 AACS.

**R 431.4165**  
Source: 1985 AACS.

**R 431.4170**  
Source: 1985 AACS.

**R 431.4175**  
Source: 1985 AACS.

**R 431.4180**  
Source: 2007 AACS.

**R 431.4185**  
Source: 1985 AACS.

**R 431.4190**  
Source: 1985 AACS.

**R 431.4195**  
Source: 1985 AACS.

**R 431.4200**  
Source: 1985 AACS.

**R 431.4205**  
Source: 2009 AACS.

**R 431.4210**  
Source: 1985 AACS.

**R 431.4215**  
Source: 1985 AACS.

**R 431.4220**  
Source: 1985 AACS.

**R 431.4225**  
Source: 1985 AACS.

**R 431.4230**  
Source: 1985 AACS.

**R 431.4235**  
Source: 1985 AACS.

**R 431.4240**  
Source: 1985 AACS.



**Annual Administrative Code Supplement**  
**2020 Edition**

**R 431.4245**  
Source: 1985 AACS.

**R 431.4250**  
Source: 1985 AACS.

**R 431.4255**  
Source: 1985 AACS.

**R 431.4260**  
Source: 1985 AACS.

**R 431.4265**  
Source: 1985 AACS.

**R 431.4270**  
Source: 1985 AACS.

**R 431.4275**  
Source: 1985 AACS.

**R 431.4280**  
Source: 1985 AACS.

**R 431.4285**  
Source: 1985 AACS.

**R 431.4290**  
Source: 1985 AACS.

**DEPARTMENT OF TREASURY**  
**BUREAU OF STATE LOTTERY**  
**LOTTERY RULES**

**PART 1. GENERAL PROVISIONS**

**R 432.1**  
Source: 2006 AACS.

**R 432.2**  
Source: 2018 AACS.

**R 432.3**  
Source: 2006 AACS.

**R 432.4**  
Source: 2006 AACS.

**R 432.5**  
Source: 2018 AACS.

**R 432.6**  
Source: 2018 AACS.

**R 432.7**  
Source: 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 432.8**  
Source: 2006 AACS.

**R 432.9**  
Source: 2006 AACS.

**R 432.10**  
Source: 2006 AACS.

**R 432.12**  
Source: 2006 AACS.

**R 432.13**  
Source: 2006 AACS.

**R 432.14**  
Source: 1998-2000 AACS.

**R 432.15**  
Source: 2006 AACS.

**R 432.16**  
Source: 2018 AACS.

**R 432.17**  
Source: 2018 AACS.

**R 432.18**  
Source: 2009 AACS.

**R 432.19**  
Source: 1998-2000 AACS.

**R 432.20**  
Source: 2006 AACS.

**R 432.21**  
Source: 2006 AACS.

**R 432.22**  
Source: 1998-2000 AACS.

**PART 2. ON-LINE TERMINALS**

**R 432.31**  
Source: 1998-2000 AACS.

**R 432.32**  
Source: 1998-2000 AACS.

**R 432.33**  
Source: 1998-2000 AACS.

**R 432.34**  
Source: 1998-2000 AACS.

**R 432.35**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 1998-2000 AACS.

**R 432.36**

**Source:** 2006 AACS.

**R 432.37**

**Source:** 2006 AACS.

**R 432.38**

**Source:** 1986 AACS.

**MILLIONAIRE PARTY RULES**

**PART 1. GENERAL PROVISIONS**

**R 432.101**

**Source:** 2014 AACS.

**R 432.102**

**Source:** 2014 AACS.

**R 432.103**

**Source:** 2014 AACS.

**R 432.104**

**Source:** 2014 AACS.

**R 432.105**

**Source:** 2014 AACS.

**R 432.106**

**Source:** 2014 AACS.

**R 432.107**

**Source:** 2014 AACS.

**R 432.108**

**Source:** 2014 AACS.

**R 432.109**

**Source:** 2014 AACS.

**R 432.110**

**Source:** 2014 AACS.

**R 432.111**

**Source:** 2014 AACS.

**R 432.112**

**Source:** 2014 AACS.

**PART 2. GAMING LICENSING**

**R 432.201**

**Source:** 2014 AACS.

**R 432.202**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 2014 AACS.

**R 432.203**

**Source:** 2014 AACS.

**R 432.204**

**Source:** 2014 AACS.

**R 432.205**

**Source:** 2014 AACS.

**R 432.206**

**Source:** 2014 AACS.

**PART 3. MILLIONAIRE PARTY**

**R 432.301**

**Source:** 2014 AACS.

**R 432.302**

**Source:** 2014 AACS.

**R 432.303**

**Source:** 2014 AACS.

**R 432.304**

**Source:** 2014 AACS.

**R 432.305**

**Source:** 2014 AACS.

**R 432.306**

**Source:** 2014 AACS.

**R 432.307**

**Source:** 2014 AACS.

**R 432.308**

**Source:** 2014 AACS.

**R 432.309**

**Source:** 2014 AACS.

**R 432.310**

**Source:** 2014 AACS.

**R 432.311**

**Source:** 2014 AACS.

**R 432.312**

**Source:** 2014 AACS.

**R 432.313**

**Source:** 2014 AACS.

**R 432.314**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 2014 AACS.

**R 432.315**

**Source:** 2014 AACS.

**R 432.316**

**Source:** 2014 AACS.

**R 432.317**

**Source:** 2014 AACS.

**R 432.318**

**Source:** 2014 AACS.

**R 432.319**

**Source:** 2014 AACS.

**R 432.320**

**Source:** 2014 AACS.

**R 432.321**

**Source:** 2014 AACS.

**PART 4. SUPPLIERS**

**R 432.401**

**Source:** 2014 AACS.

**R 432.402**

**Source:** 2014 AACS.

**R 432.403**

**Source:** 2014 AACS.

**R 432.404**

**Source:** 2014 AACS.

**R 432.405**

**Source:** 2014 AACS.

**R 432.406**

**Source:** 2014 AACS.

**R 432.407**

**Source:** 2014 AACS.

**R 432.408**

**Source:** 2014 AACS.

**R 432.409**

**Source:** 2014 AACS.

**R 432.410**

**Source:** 2014 AACS.

**DEPARTMENT OF TREASURY**

**MICHIGAN GAMING CONTROL BOARD**

**INTERNET GAMING RULES**

**PART 1. GENERAL PROVISIONS**

**R 432.611 Definitions.**

Rule 611. As used in these rules:

- (a) “Act” means the lawful internet gaming act, 2019 PA 152, MCL 432.301 to MCL 432.322.
- (b) “Affiliate” means a person that, directly or indirectly, through 1 or more intermediaries, controls or is controlled by an internet gaming operator.
- (c) “Affiliate marketer” means a person involved in promoting, marketing, and directing business to online gaming sites who is compensated based on the volume of customer referrals to an online gaming site or customer activity, including but not limited to, number of registrations, number of depositing registrations, or wagering activity, or both.
- (d) “Agent” means any individual who is employed by any agency of this state, other than the board, the state police, or attorney general, and who is assigned to perform full-time services on behalf of or for the benefit of the board regardless of the title or position held by that individual.
- (e) “Authorized game” means any internet game that the board determines to be suitable for use for wagering through the internet, which must include, but need not be limited to, poker, blackjack, cards, slots, games played with dice or tiles, or both, such as roulette, craps, pai gow, and other games typically offered at a casino. An authorized game does not include any of the following: pick numbers or other lottery games typically offered by the bureau of lottery under the McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL 432.1 to 432.47; a lawful fantasy contest; or any lawful internet sports betting.
- (f) “Authorized participant session” means the period of time that an authorized participant is logged on to an internet gaming platform.
- (g) “Conflict of interest” means a situation, relationship, or association in which the private interest of employees, agents, and contractors of the board may influence the judgment of the employee, agent, or contractor in the performance of his or her public duty under the act.
- (h) “Contractor” means any individual not employed by this state who performs services on behalf of or for the benefit of the board and requires unescorted access to board facilities.
- (i) “Excluded person” means any individual who has been involuntarily placed in the responsible gaming database by the executive director and who is prohibited from establishing an internet wagering account or participating in internet wagering, or both, offered under the act or these rules.
- (j) “Executive Director” means the executive director of the Michigan gaming control board, appointed under section 4 of the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.204.
- (k) “Game server” means a server that contains game software and control programs.
- (l) “Internet gaming network” means the linking of authorized participants of 1 or more Internet gaming operators to participate in peer-to-peer gaming in this state. An internet gaming network does not include linking of authorized participants pursuant to a multijurisdictional internet gaming agreement entered into in accordance with the act.
- (m) “Interactive gaming system” means the hardware, software, firmware, communications technology and other equipment that allows an authorized participant to remotely bet or wager through the internet or a similarly distributed networking environment, and the corresponding equipment related to game outcome determination, the display of the game and game outcomes, and other similar information necessary to facilitate play of the game. The internet gaming platform provides the authorized participant with the means to play authorized games. The internet gaming platform provides the internet gaming operator with the means to review internet wagering accounts, disable games, generate various gaming/financial transaction and account reports, input outcomes for live internet games, and set any configurable parameters. The term does not include computer equipment or communications technology used by an authorized participant to access the interactive gaming system. Unless otherwise specified in these rules, the term internet gaming platform includes the entire interactive gaming system inclusive of remote gaming systems.
- (n) “Key person” means any of the following except as otherwise provided in paragraph (vii):
  - (i) A director of the applicant.
  - (ii) A managerial employee of the applicant that performs the function of principal executive officer, principal operations officer, or principal accounting officer.
  - (iii) A person who holds more than 5% ownership interest in the applicant.
  - (iv) An affiliate of the applicant.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (v) A director of an affiliate of the applicant.
- (vi) A managerial employee of an affiliate of an applicant that performs the function of principal executive officer, principal operations officer, or principal accounting officer.
- (vii) “Key person” does not include an elected or appointed representative of any applicant or licensee that is a federally recognized Indian tribe located in this state unless the representative is also a full-time employee of the applicant’s or licensee’s internet gaming operations. A key person for an Indian tribe includes a primary management official of the applicant who has management responsibilities for the applicant’s internet gaming operations.
- (o) “Licensee” means a person who holds a license under the act.
- (p) “Live game” means a game conducted by a gaming attendant (e.g., dealer, croupier, etc.) or other gaming equipment (e.g., an automated roulette wheel, ball blower, or gaming device), or both, in a live game environment in which authorized participants have the ability to review game play and communicate game decisions through the internet gaming platform. Live games include, but are not limited to, live card games, live table games, and live play of gaming devices, and other live authorized games.
- (q) “Live game environment” means a physical location that utilizes live video streaming technology to provide live games to a remote player device that permits the authorized participant to participate in live streamed games, interact with game attendants, and interact with fellow authorized participants.
- (r) “Peer-to-peer gaming” means all gaming activity, such as poker, where authorized participants are directly competing against each other but not the licensee.
- (s) “Prohibited person” means any excluded person, any voluntarily-excluded person, and all of the following:
  - (i) An individual who is under the age of 21.
  - (ii) Any employee of, or appointee to, the Michigan gaming control board.
  - (iii) Employees of an internet gaming operator. An employee of an internet gaming operator shall not create an internet wagering account or place an internet wager with the internet gaming operator for which he or she is employed unless using a test account under R 432.639a.
  - (iv) Employees of an internet gaming platform provider. An employee of an internet gaming platform provider shall not create an internet wagering account or place an internet wager with the internet gaming operator for which the internet gaming platform provider supplies the internet gaming platform unless using a test account under R 432.639a.
  - (v) Employees or appointees of a tribal gaming regulatory agency with jurisdiction over internet gaming being operated under the tribe’s gaming ordinance and the Indian gaming regulatory act, 18 USC 1166 to 1168 and 25 USC 2701 to 2721.
  - (vi) Occupational licensees and applicants. Occupational licensees and applicants shall not place wagers with the internet gaming operator or internet gaming platform provider for which they are employed or for which they had to qualify.
  - (vii) An individual not in an authorized location to make a wager.
  - (viii) An individual placing an internet wager on behalf of another
  - (ix) An individual wagering in violation of state, tribal, or federal law.
  - (x) Other prohibited persons as determined by the board.
- (t) “Publicly traded corporation” means any corporation or other legal entity regulated by the U.S. Securities and Exchange Commission under the securities exchange act of 1934, 15 USC 78a to 78qq, or securities act of 1933, 15 USC 77a to 77aa.
- (u) “Random number generator” or “RNG” means a computational or physical device, algorithm, or system designed to produce numbers in a manner indistinguishable from random selection. .
- (v) “Remote gaming system” means hardware and software used to provide authorized internet games to an authorized participant on an internet gaming platform. The remote gaming system may contain features common to game offerings, game configurations, the random number generator, and reporting. The remote gaming system may be a standalone system or integrated within another part of the internet gaming platform.
- (w) “Remote player device” means an authorized participant-owned device that at a minimum will be used for the execution of game play. Examples of a remote player device include a personal computer, mobile phone, tablet, etc.
- (x) “Secure transaction file” means a file that contains data that cannot be modified without detection.
- (y) “Self-authentication process” means a method used by a system to verify the validity of software and includes the following:
  - (i) The method requires the calculation of an output digest that is compared to a secure embedded value.
  - (ii) The output digest must be of 128-bit complexity, at a minimum.
  - (iii) Software is authenticated if the calculated digest equals the secure embedded value.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (z) "Self-exclusion list" means a list of individuals who voluntarily excluded themselves from establishing or maintaining an internet wagering account with an internet gaming operator or internet gaming platform provider.
- (aa) "Strong authentication" means a method that has been demonstrated to the satisfaction of the board to effectively provide higher security than a username and password alone.
- (bb) "Suspended account" means an internet wagering account that has been temporarily disabled from engaging in wagering activity.
- (cc) "Targeted mailing" means an advertisement or promotional offer from an internet gaming operator or an internet gaming supplier directed to an individual on the basis of specific criteria, such as being a member or former member of a rewards club or a participant in social games. "Targeted mailing" does not include mass communication, including mailings or e-mailings, made to an entire area or zip code or targeted list, nor does it include an advertisement that arrives in a packet of 5 or more non-gaming advertisements, if the packet of advertisements is addressed to "resident," "occupant," or some similar wording and not to a specific individual. "Targeted mailing" further does not include any "pop-up" advertisement that appears on an individual's computer or mobile device on the basis of his or her IP Address.
- (dd) "Theoretical return to player" or "RTP" means the expected percentage of bets or wagers that a specific game will return to the player in the long run. The RTP can be calculated via either a theoretical or simulated approach. The method used for calculation depends on the game type.
- (ee) "Things of value" means anything of value that may be used to place an internet wager.
- (ff) "Voluntarily-excluded person" means any individual whose name is included, at his or her own request, in the responsible gaming database or on a self-exclusion list, or both.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.612 Terms defined in act.**

Rule 612. Terms defined in the act have the same meaning when used in these rules.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.613 Board duties, jurisdiction, and authority.**

Rule 613. (1) To execute and administer the act for the purpose of licensing, regulating, and enforcing lawful internet gaming, the board may do all of the following:

- (a) Determine its practices and internal policies or procedures.
- (b) Delegate to the executive director all powers and authority to act in the name of the board with respect to all reasonable, necessary, and appropriate actions to administer and carry out the administrative and executive functions of the board including, but not limited to, the power to do any of the following:
  - (i) Execute and enter into contracts on behalf of the board.
  - (ii) Hire and fire employees of the board and administer oaths.
  - (iii) Issue subpoenas for the attendance of witnesses and the production of documents.
  - (iv) Issue and renew licenses.
  - (v) Register vendors.
  - (vi) Conduct investigations, inspections, and audits, share information with law enforcement agencies, conduct hearings, and settle alleged violations of the act and these rules.
  - (vii) Engage in other functions necessary to the proper administration and enforcement of the act and these rules.
  - (viii) Grant requests and waivers, answer inquiries, issue interpretations, and otherwise take any action that is reasonably requested by applicants, licensees, and vendors in furtherance of, and consistent with, the efficient administration and enforcement of the act and these rules, as determined to be necessary or appropriate by the executive director.
- (2) The board may set hiring standards for employees.
- (3) The board has general responsibility for the implementation of the act. The board's duties include, but are not limited to, all of the following:
  - (a) Deciding in a reasonable period of time all license applications.
  - (b) Investigating applicants for licenses or registration. The board may grant licenses or register persons in accordance with the act and these rules.
  - (c) Supervising internet wagering authorized by the act.
  - (d) Investigating alleged violations of the act or these rules and taking appropriate disciplinary action against a licensee or any other person, or instituting appropriate legal action for enforcement, or both.
  - (e) Conducting investigative and contested case hearings, issuing subpoenas, and administering oaths and affirmations to the witnesses to exercise and discharge the powers and duties of the board under the act.
  - (f) Revoking or suspending licenses and registrations, and imposing fines as the board considers necessary and in compliance with applicable laws of this state.



**Annual Administrative Code Supplement**  
**2020 Edition**

(g) Imposing fines against individuals, internet gaming operators and internet gaming suppliers for engaging in a fraudulent practice, for each violation of the act, these rules, or any resolution or order of the board, or for any other action that the board determines is a detriment or impediment to internet gaming.

(h) Taking any other action as may be reasonable or appropriate to enforce the act and these rules.

(4) The board may seek and shall receive the cooperation and assistance of other departments and agencies in conducting background investigations and in fulfilling its responsibilities under the act.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.613a Member, employee, or agent of board; conduct generally.**

Rule 613a. (1) By January 31 of each year, each member, the executive director, and all employees of the board shall file 1 or more board disclosure forms. The board shall determine the contents of the form, but it must include such information as necessary to ensure the integrity of internet gaming and disclosure of all relevant financial information. The form may be combined with similar forms required by other acts or rules.

(2) If a member, the executive director, an employee, or an agent of the board negotiates for, or acquires by any means, any interest in a licensee, applicant, or person affiliated with a licensee or applicant, he or she must immediately provide written notice of the details of the interest to the chairperson. The member, executive director, employee, or agent of the board must not act on behalf of the board with respect to that licensee, applicant or person affiliated with the licensee or applicant.

(3) A member, the executive director, an employee, or an agent of the board may enter into any negotiations for employment with a licensee, applicant or affiliate of a licensee or applicant. The member, executive director, employee, agent, licensee, applicant, or affiliate must immediately notify the chairman and the executive director once the invitation to negotiate has been extended. A potential employer asking if an individual would be interested in a position or explaining the nature of a position does not constitute negotiations for employment. Further, an individual completing an employment application does not constitute negotiations for employment. The member, executive director, employee, or agent of the board must not take any action on behalf of the board with respect to that licensee, applicant, or person affiliated with a licensee or applicant while the negotiations are ongoing. All members, the executive director, board employees, agents, and contractors must, to the maximum extent possible, avoid situations, relationships, or associations that may represent or lead to an actual or perceived conflict of interest.

(4) A member, the executive director, an employee, or an agent, or their spouse, may not accept any gift, gratuity, compensation, travel, lodging, or anything of value, directly or indirectly, from any licensee, applicant, or an affiliate or representative of an applicant or licensee, unless the acceptance conforms to a written policy issued by the chairperson. The chairman may exempt attendance at a reception, and food and drink for immediate consumption, from this policy. The policy must be publicly available and shared with all licensees.

(5) A licensee, applicant, or an affiliate or representative of an applicant or licensee, shall not, directly or indirectly, give or offer to give any gift, gratuity, compensation, travel, lodging, or things of value to any member, the executive director, an employee, or an agent of the board that the member, employee, or agent of the board is prohibited from accepting under subrule (4) of this rule.

(6) A licensee, applicant, or an affiliate or representative of an applicant or licensee must not engage in ex parte communications with a member of the board. A member of the board must not engage in any ex parte communications with a licensee, applicant, or affiliate or representative of an applicant or licensee.

(7) Any member, licensee, applicant, or affiliate or representative of a board member, licensee, or applicant who receives any ex parte communication in violation of subrule (6) of this rule, or who is aware of an attempted communication in violation of subrule (6) of this rule, must immediately report details of the communication or attempted communication in writing to the chairperson.

(8) A member, the executive director, an employee, or an agent of the board must not have an internet wagering account or participate in or wager on any internet gaming conducted in this state except as part of the individual's surveillance, security, or other official duty authorized by the board.

(9) Violation of this rule by a licensee, applicant, or affiliate or a representative of a licensee, applicant, or affiliate, may result in denial of an application for licensure, revocation or suspension of a license, or other action by the board.

(10) Violation of this rule does not create a civil cause of action.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.614 Denial or non-renewal hearings.**

Rule 614. (1) A person whose application for a license or a transfer of ownership has been denied, whose license has not been renewed, or who has been denied an approval from the board required in these rules may request a hearing. The hearing must be de novo.

(2) The person must submit an original hearing request, pleading, or other written document to the board, serve each party or

**Annual Administrative Code Supplement**  
**2020 Edition**

attorney of record, and provide a proof of service on each party or attorney of record.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.614a Request for hearing.**

Rule 614a. (1) A request for hearing must meet all of the following requirements:

(a) Be in writing.

(b) State the name, current address, and current telephone number of the petitioner.

(c) State in detail the reasons why, and the facts upon which the petitioner will rely to show that, the petitioner's application for a license should not have been denied, the license should have been renewed, the transfer of ownership should have been approved, or approval should have been granted.

(d) Be signed, verified, and dated. A petitioner must have the verification notarized and include a certification stating, "Under the penalty of perjury, the undersigned has examined this request for hearing and to the best of my knowledge and belief it is true, complete, and correct."

(2) A request for hearing must be submitted within 21 days after service of the notice of denial, notice of nonrenewal, or disapproval. A request for a hearing submitted by certified mail or overnight express mail is considered submitted in a timely manner if it is postmarked no later than 21 days after service of a notice of denial, notice of nonrenewal, or disapproval.

(3) A request for a hearing is considered granted unless denied.

(4) A request for a hearing may be withdrawn by the petitioner. If the request for hearing is withdrawn, then the initial denial, nonrenewal, or disapproval becomes a final board order.

(5) Unless the board denies a request for hearing, the board shall submit the request for hearing to the appropriate state agency.

(6) Default judgment or dismissal may result at any stage of the proceeding.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.614b Proceedings.**

Rule 614b. (1) The burden of proof is at all times on the petitioner. The petitioner has the affirmative responsibility of establishing, by clear and convincing evidence, any of the following:

(a) The petitioner should have been awarded a license.

(b) The license should have been renewed.

(c) The transfer of ownership should have been approved.

(d) Approval should have been granted.

(2) The hearing must be conducted in accordance with the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, except as otherwise provided in these rules or the act.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.614c Prohibition on ex parte communication.**

Rule 614c. A party or its attorney must not communicate directly or indirectly with the hearing officer regarding any pending matter, except upon notice and opportunity for all parties to participate. A party that engages in ex parte communication with the hearing officer may be subject to sanctions and penalties.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.614d Sanctions and penalties.**

Rule 614d. (1) The hearing officer may recommend sanctions and penalties if the hearing officer finds that a party has failed to appear at a scheduled hearing, has acted in bad faith for the purpose of delay, or has otherwise abused the hearing process. Sanctions and penalties include, but are not limited to, a fine or default judgment or a directed finding on 1 or more issues.

(2) If a petitioner refuses to testify on his or her own behalf with respect to any question propounded to him or her, then the hearing officer may infer that the testimony or answer would have been adverse to the case of the petitioner.

(3) If the petitioner or attorney of record fails to answer a subpoena or refuses to testify fully at the request of the board, then the failure may be considered independent grounds for a finding that the petitioner should have been denied a license or the transfer of ownership. The hearing officer may also infer from the failure to answer a subpoena or refusal to testify fully that the testimony would have been adverse to the petitioner.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.614e Recording proceedings; transmittal of record and board action.**

Rule 614e. (1) Oral proceedings involving contested issues must be recorded to ensure the preservation of the testimony. A party may request a transcript of the proceedings. The requesting party must pay for the transcript.

**Annual Administrative Code Supplement**  
**2020 Edition**

(2) Unless otherwise specified by the board, the hearing officer, within 60 days after the conclusion of the hearing, or the submission of post-hearing briefs or proposed findings of fact, shall issue, to the board and to the parties, written findings of fact, conclusions of law, and recommendations. Findings of fact must be based exclusively on testimony, evidence, and matters within the record. The findings of fact must be stated separately.

(3) Unless otherwise agreed to by the parties or as set by the hearing officer, the parties have 21 days after the service of the findings of fact, conclusions of law, and recommendations of the hearing officer to file objections.

(4) Unless otherwise agreed to by the parties or as set by the hearing officer, the parties may file a response to the objections within 21 days after service of the objections.

(5) After the time period for the parties to file objections and responses to those objections, the hearing officer must transmit the entire record to the board.

(6) Before issuing a final order, the board must consider the record as a whole.

(7) After considering the record, the board may take any of the following actions:

(a) Affirm the written recommendations, findings of fact, and conclusions of law submitted by the hearing officer as its final board order.

(b) Issue a final order modifying the written recommendations, findings of fact, and conclusions of law submitted by the hearing officer.

(c) Issue a final order rejecting the written recommendations, findings of fact, and conclusions of law submitted by the hearing officer.

(d) Issue an order remanding the matter, with instructions, to the hearing officer for further proceedings.

(8) The board must serve copies of its orders on the parties.

(9) A board order becomes effective upon service.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.615 Request for declaratory ruling; form; contents.**

Rule 615. (1) An individual who requests a declaratory ruling from the board as to the applicability to an actual state of facts of a statute, rule, resolution, or order administered, promulgated, or issued by the board must do so in writing.

(2) The written request must contain the relevant and material facts along with a reference to the statute, rule, resolution, or order applicable.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.615a Declaratory ruling; notice of issuance; request for information or arguments; hearing.**

Rule 615a. (1) Within 90 days after the receipt of a request for a declaratory ruling, the board shall issue a written notification by regular first-class mail to the petitioner and the petitioner's legal counsel, if any, stating whether or not a declaratory ruling will be issued.

(2) If the board decides to issue a declaratory ruling, the board may do any of the following:

(a) Request more information from the individual.

(b) Request information from other interested parties.

(c) Request information from experts outside the board.

(d) Request oral or written arguments from interested parties.

(e) Hold a hearing upon proper notice to all interested parties.

(f) Decline to issue a declaratory ruling.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.616 Reasons for investigation of, or disciplinary action against, licensee; hearing procedure.**

Rule 616. (1) The board may initiate an investigation or a disciplinary action, or both, against a licensee if the board has reason to believe that at least 1 of the following applies:

(a) The licensee is not maintaining suitability for licensure as provided by the act.

(b) The licensee is not complying with licensure conditions.

(c) The licensee is not complying with all laws, rules, orders, and resolutions.

(2) Before initiating disciplinary proceedings, the board must give notice and an opportunity to show compliance under section 92 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.292.

(3) An internet gaming operator is responsible for the conduct of any licensee it uses to conduct internet wagering under the act. An internet gaming supplier is also responsible for its conduct of internet gaming under the act and these rules. Any violation of the act or the rules by the internet gaming operator in which the internet gaming supplier participated in the

**Annual Administrative Code Supplement**  
**2020 Edition**

action is also considered a violation by the internet gaming supplier, and the board may hold both, or either, accountable for the violation.

(4) The board may initiate a disciplinary proceeding by designating a member or the executive director to conduct a hearing or by initiating proceedings with the appropriate state agency under the contested case provisions of chapter 4 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.271 to 24.288, and the rules promulgated under that chapter.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.616a Actions available to hearing officer.**

Rule 616a. (1) A hearing officer may recommend sanctions and penalties if the hearing officer finds that a party has failed to appear for a scheduled hearing, acted in bad faith for the purpose of delay, or has otherwise abused the hearing process.

(2) If a respondent fails to testify on the respondent's own behalf with respect to any question propounded to the respondent, the hearing officer may infer that the testimony or answer would have been adverse to the case of the respondent.

(3) If the respondent or attorney of record fails to answer a subpoena or refuses to testify fully at the request of the board, the failure may be considered independent grounds for a finding that the respondent should be disciplined. The hearing officer may also infer that the testimony would have been adverse to the respondent.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.616b Actions available to the board.**

Rule 616b. The board may take any of the following disciplinary actions against a licensee:

(a) Suspend, revoke, restrict, or place conditions on the license of a licensee.

(b) Require the removal of a licensee or the removal of an employee of a licensee.

(c) Impose a civil penalty for each violation of the act, rules, orders, or resolutions.

(d) Impose against an occupational licensee, for each violation of the act or these rules, a civil penalty of not more than \$10,000.00 as a result of the violation or attempted violation of the act or these rules.

(e) Any other action considered necessary by the board to ensure compliance with the act or these rules.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.617 Special proceedings.**

Rule 617. (1) The board may suspend a license without notice or hearing if the board determines that the safety or health of persons or employees or the integrity of internet gaming is jeopardized by continuing an operation or that the action is necessary for the immediate preservation of the integrity of internet gaming, public peace, health, safety, morals, good order, or general welfare.

(2) The suspension may remain in effect until the board determines that the cause for suspension has been abated.

(3) Following a hearing, the board may revoke the license upon a determination that satisfactory progress toward abating the hazard has not been made.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.618 Waiver of requirements.**

Rule 618. The board may, in writing, waive, restrict, or alter any requirement or procedure set forth in these rules, if the board determines any of the following:

(a) That the requirement or procedure is impractical or burdensome.

(b) That the waiver, restriction, or alteration is in the best interest of the public and the internet gaming.

(c) That the waiver, restriction, or alteration is not outside the technical requirements necessary to serve the purpose of the requirement or procedure.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**PART 2. LICENSING: OPERATOR, SUPPLIER, OCCUPATIONAL; VENDOR REGISTRATION**

**R 432.621 Required notification of anticipated or actual changes in key person of internet gaming operator and internet gaming supplier.**

Rule 621. An internet gaming operator applicant or licensee must notify the board before any anticipated or actual change in key person. An internet gaming supplier applicant or licensee must notify the board of any change in key person within 30 days after appointment.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.621a Notification of new financial sources of internet gaming platform providers.**

**Annual Administrative Code Supplement**  
**2020 Edition**

Rule 621a. An internet gaming platform provider applicant or licensee must notify the board, in writing, as soon as practicable, after it becomes aware that it intends to enter into a transaction related in any way to its development and operations that may result in any new financial backers, investors, mortgagees, bondholders, or holders of indentures, notes, or other evidences of indebtedness of the applicant or licensee. A publicly traded corporation is considered to have complied with this rule if it has complied with the reporting requirements in R 432.621d.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.621b Notification by applicants or licensees required.**

Rule 621b. (1) An internet gaming operator or internet gaming supplier applicant or licensee, affiliate that has control of an internet gaming operator applicant or licensee, or other person that has control of an internet gaming operator or internet gaming supplier applicant or licensee must notify the board, as soon as practicable after it becomes aware that, with regard to any such company, any person or individual has:

(a) Beneficially acquired more than 5% of any class of the company's equity securities.

(b) The ability to control the company.

(c) The ability to elect 1 or more directors of the company.

(2) To the extent known by the internet gaming operator license or internet gaming supplier license applicant or licensee, the required notification must include the name, business address, phone number, and other personal identification information for each person.

(3) A person applying for or holding an internet gaming operator license or internet gaming supplier license must report to the board the election or appointment of a director or officer of that applicant or licensee or a holding company of that applicant or licensee who is actively and directly engaged in the administration or supervision of that applicant's or licensee's internet gaming operation.

(4) A person who applies for or holds an internet gaming operator license and all other persons covered by this part must file any other document requested by the board to ensure compliance with the act or this part within 30 days after the board request or at another time established by the board.

(5) A publicly traded corporation is considered to have complied with this rule if it has complied with the reporting requirements in R 432.621d.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.621c Required notification of formation, dissolution, or transfer of subsidiaries.**

Rule 621c. (1) An internet gaming operator or internet gaming supplier applicant or licensee, affiliate that has control of an internet gaming operator applicant or licensee, or other person that has control of an internet gaming operator or internet gaming supplier applicant or licensee, must report, in writing, to the board, as soon as practicable, the formation or dissolution of, or any transfer of, a nonpublicly traded or publicly traded interest in an internet gaming operator or internet gaming supplier applicant or licensee, affiliate that has control of an internet gaming operator applicant or licensee, or other person that has control of an internet gaming operator or internet gaming supplier applicant or licensee.

(2) A publicly traded corporation is considered to have complied with this rule if it has complied with the reporting requirements in R 432.621d.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.621d Publicly traded corporation reporting requirements.**

Rule 621d. (1) A publicly traded corporation or other person that applies for or holds an internet gaming operator license or internet gaming supplier license who is a public reporting company under the securities exchange act of 1934, 15 USC 78a to 78qq, or the securities act of 1933, 15 USC 77a to 77aa, must submit a copy of all submissions required by the U.S. Securities and Exchange Commission to the board in a format prescribed by the board. The submissions are due within 14 days of the filing dates required by the U.S. Securities and Exchange Commission.

(2) If a publicly traded corporation or other person that applies for or holds an internet gaming operator license or internet gaming supplier license receives any material document filed with the U.S. Securities and Exchange Commission by any other person relating to the publicly traded corporation, the person must file 1 copy of the document with the board within 14 days after receipt of the material.

(3) A publicly traded corporation or other person that applies for or holds an internet gaming operator license or internet gaming supplier license must file a list of record holders of its voting securities with the board annually.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.621e Exemption for institutional investors.**

Rule 621e. (1) An institutional investor who acquires beneficial ownership of a person that has applied for or holds an

**Annual Administrative Code Supplement**  
**2020 Edition**

internet gaming operator license or internet gaming supplier license must notify the board within 14 days after the institutional investor acquires the interest or files form 13-D or 13-G with the U.S. Securities and Exchange Commission, or both, and must provide additional information, and may be subject to a finding of suitability, as required by the board.

(2) An institutional investor who acquires and holds a less than 25% interest for investment purposes only in a person that has applied for or holds an internet gaming operator license or internet gaming supplier license in this state may, in a manner and form prescribed by the board, file an exemption form to establish exemption from the eligibility and suitability requirements of the act.

(3) The licensee in whom the institutional investor acquires the interest must file an application for approval of the transfer within 30 days after the transfer. Within the same time period, the institutional investor must file either an exemption form if the institutional investor holds the interest for investment purposes only or an application and disclosure forms as part of the licensee's application if the institutional investor does not hold the interest for investment purposes only.

(4) The board may require that any person, including an institutional investor, seeking approval to hold ownership interests subject to this part apply for a finding of suitability in accordance with this rule if the board considers the finding of suitability necessary to ensure compliance with the act and these rules. If the board denies a request for an institutional investor exemption, the institutional investor must, within 30 days, either divest itself of the interest or file application and disclosure forms as part of the relevant licensee's license.

(5) The following activities are considered to be consistent with holding equity securities for investment purposes only under this rule:

(a) Voting, directly or indirectly, through the delivery of a proxy furnished by the board of directors, on all matters voted on by the holders of the voting securities.

(b) Serving as a member of a committee of creditors or security holders formed in connection with a debt restructuring.

(c) Nominating a candidate for election or appointment to the board of directors in connection with a debt restructuring.

(d) Accepting appointment or election as a member of the board of directors in connection with a debt restructuring and serving in that capacity until the conclusion of the member's term.

(e) Making financial and other inquiries of management of the type normally made by securities analysts for information purposes and not to cause a change in its management, policies, or operations.

(f) Other activities that the board determines to be consistent with the investment intent.

(6) If an institutional investor acquires 25% or more ownership interest of a licensee, the institutional investor must notify the board within 14 days of acquiring the ownership interest.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.621f Applicability of part; transfer of ownership interest; limitation.**

Rule 621f. (1) An interest in a person applying for or holding an internet gaming operator license or internet gaming supplier license may only be transferred in accordance with this part.

(2) The following persons must provide notice to the board no later than 30 days after execution of the transfer:

(a) Except for an internet gaming platform provider, a person that transfers or acquires greater than a 5% interest in a person that has applied for or holds an internet gaming operator license or an internet gaming supplier license in this state.

(b) Except for an internet gaming platform provider, a person who, as a result of an acquisition, has acquired an interest totaling greater than 5% in a person that has applied for or holds an internet gaming operator license or an internet gaming supplier license in this state.

(3) Except as stated in subrules (5) and (6) of this rule, the following persons must provide notice to the board 30-days before execution of a transfer:

(a) A person that intends to transfer or acquire greater than a 5% interest in a person that has applied for or holds an internet gaming operator license or internet gaming platform provider in this state.

(b) A person who, as a result of an acquisition, will acquire an interest totaling greater than 5% in a person that has applied for or holds an internet gaming operator license or is an internet gaming platform provider in this state.

(4) The board must determine whether the person acquiring the interest is eligible and suitable under the standards set forth in the act and these rules, unless the board grants the person an institutional-investor exemption under these rules or under section 6(11) or 8(10) of the act, MCL 432.306 and 432.308. Once the board determines that the person acquiring the interest is eligible and suitable under the standards set in the act and these rules, the executive director may approve the transfer.

(5) A transfer of interest to an institutional investor that acquires or will have acquired, upon completion of the transfer, less than 25% of the equity securities of a person that applies for or holds an internet gaming operator license or internet gaming supplier license may occur without first receiving executive director approval if the equity securities are held for investment

**Annual Administrative Code Supplement**  
**2020 Edition**

purposes only but is subject to other requirements of this part.

(6) A transfer of interest in an internet gaming operator or internet gaming supplier licensee may occur if the transfer is between persons the board has found eligible and suitable for licensure during the licensing period in which the transfer occurs. In those cases, approval of the transfer must be requested no later than 30 days after the transfer, and the executive director may decide the application.

(7) If approval of the transfer of interest is denied by the executive director or the person acquiring the interest is found unsuitable by the board, the transferee must divest itself of the interest within 30 days after the date of the order denying approval.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.621g Application for transfer of ownership.**

Rule 621g. (1) A person desiring to acquire an ownership interest in a person applying for or holding an internet gaming operator license or internet gaming supplier license must complete and submit application and disclosure forms, in the manner and form prescribed by the board.

(2) A person desiring to acquire an interest in a person applying for or holding an internet gaming operator license or internet gaming supplier license must present evidence that the person desiring to acquire the interest is eligible and suitable under the standards and criteria for licensure set forth in the act and these rules.

(3) A person applying for or holding an internet gaming operator license or internet gaming supplier license that is attempting to transfer an ownership interest must submit any information or documentation considered necessary by the board to ensure compliance with the act and these rules.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.621h Transfer investigative costs and fees.**

Rule 621h. An investigation fee may be assessed to the extent that there are costs directly associated with the background investigation relating to the person desiring to acquire an interest in an internet gaming operator or internet gaming supplier. Unless otherwise determined by the board, approval may be withheld until full payment of the background investigation fees.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.621i Denials.**

Rule 621i. If an application for a transfer of interest is denied, a notice of denial must be issued.

**R 432.621j Review of information at licensee's or applicant's premises; costs to internet gaming operator and internet gaming supplier.**

Rule 621j. (1) The board may review, at the premises of the custodian of the information, any information that the act or these rules provide for from any of the following entities:

- (a) A license applicant.
- (b) A licensee.
- (c) A key person.

(2) If information is reviewed at the premises of the custodian of the information, the license applicant or licensee must, as soon as practicable, reimburse the board for all licensure investigation expenses incurred in performing the review at the premises of the custodian of the information, including travel, food, and lodging that exceed the amount of the application fee.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.621k Applicant/licensee disclosure of representatives to act on their behalf before the board.**

Rule 621k. (1) An applicant or licensee must file, with the board, a list of persons authorized to act on the applicant's or licensee's behalf as to any matter before the board. An attorney appearing on behalf of an applicant or licensee in a matter before the board must promptly file an appearance identifying his or her client and the matter in which the attorney will appear.

(2) A person holding or applying for a license must establish and identify a representative for the purpose of accepting service of process, notices, and other forms of communication from the board for the person holding or applying for a license.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.622 License classifications.**

Rule 622. (1) The following licenses may be issued under the act and these rules:

**Annual Administrative Code Supplement**  
**2020 Edition**

- (a) Internet gaming operator license.
  - (b) Internet gaming supplier license.
  - (2) The following persons are eligible to hold an internet gaming operator license:
    - (a) A person that holds a casino license under the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.201 to 432.226.
    - (b) An Indian tribe that lawfully conducts class III gaming in a casino located in this state under a facility license issued in accordance with a tribal gaming ordinance approved by the chair of the National Indian Gaming Commission.
    - (3) A person that provides goods or services that directly affect wagering, play, and results of internet games to internet gaming operators is required to hold an internet gaming supplier license. As used in this subrule, "internet gaming supplier" includes, but is not limited to, the following:
      - (a) Internet gaming platform providers.
      - (b) Geofence providers.
      - (c) Providers of software that directly affect wagering, play, the results of an internet game, or the integrity of internet gaming.
      - (d) Providers hosting live internet gaming data.
      - (e) Affiliate marketers that have an agreement based on the sharing of customer revenue.
      - (f) Unless otherwise determined by the board, any other person that meets 1 or more of the following criteria:
        - (i) The person manufactures, supplies, or distributes devices, machines, equipment, items, or articles that meet any of the following provisions:
          - (A) Are specifically designed for use in the conduct of internet gaming.
          - (B) Have the capacity to affect the outcome of an internet wager.
          - (C) Have the capacity to affect the calculation, storage, collection, or control of gross receipts.
        - (ii) The person services or repairs internet gaming wagering devices, machines, equipment, items, or articles impacting the integrity of internet gaming.
        - (iii) The person provides services directly related to the operation, security, surveillance, or management of internet gaming.
        - (iv) The person provides other goods or services determined by the board to be so utilized in, or incidental to, the operation of an internet gaming operator that the person must be licensed as an internet gaming supplier to protect the public and enhance the credibility and integrity of internet gaming in this state.
    - (4) A person must be licensed as an internet gaming supplier before providing goods, software, or services as an internet gaming supplier to an internet gaming operator.
- History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.623 Occupational licensing.**

Rule 623. (1) An individual must have an occupational license if his or her duties directly impact the integrity of internet gaming as determined by the board in its sole discretion, subject to the following:

- (a) The board shall exercise its discretion with respect to any internet gaming operator applicant or licensee that is an Indian tribe consistent with limitations prescribed in the act.
- (b) An internet gaming operator or internet gaming supplier may provide an explanation, such as a job description, to support an allegation that a position should not require an occupational license.
- (c) Elected or appointed officials of a federally recognized Indian tribe located within this state are exempt from any occupational licensing requirement unless they are employees of the tribe's internet gaming operation.
- (2) The following individuals when employed by an internet gaming operator or internet gaming supplier are considered by the board to directly impact the integrity of internet gaming:
  - (a) An individual who has the capability to directly affect the outcome of an internet wager or game.
  - (b) An individual who has the capability of affecting a payout to an authorized participant.
  - (3) An individual applying for an occupational license must complete an application in the manner and form prescribed by the board and submit it together with the required application fee and a written statement from an internet gaming operator or internet gaming supplier indicating that it has employed or will employ the individual if the individual is licensed.
- (4) If a preliminary review of the application and criminal history check does not uncover or indicate any circumstance that may require denial of the application under the licensing standards established in this rule, a temporary occupational license may be issued. The temporary occupational license authorizes the individual to perform the employment duties for which the license is sought, pending action on the license application. A temporary license is valid until the occupational license application is withdrawn or denied, the temporary license is suspended or revoked, or the license is issued by the board.



**Annual Administrative Code Supplement**  
**2020 Edition**

- (5) An individual has the burden to establish by clear and convincing evidence his or her suitability as to character, reputation, integrity, and responsibility.
  - (6) The board may, in its discretion, deny an occupational license to an individual who is or does any of the following:
    - (a) Fails to disclose or states falsely any information requested in the application.
    - (b) Has been convicted of a criminal offense involving gambling, dishonesty, theft, or fraud in any jurisdiction. However, the board may waive this requirement if the conviction occurred more than 5 years before the applicant applies for a license and the board is convinced that the applicant does not pose a threat to the integrity of internet gaming and the applicant otherwise meets the requirements of this rule.
    - (c) Has a history of noncompliance with any regulatory requirements in this state or any other jurisdiction.
    - (d) Lacks the requisite suitability as to integrity and character as determined by the board.
    - (e) Has had a prior gambling related license or license application suspended, restricted, revoked, or denied for just cause in any other jurisdiction.
  - (7) The board shall decide whether to grant or deny the application for an occupational license. The decision must not be arbitrary or capricious.
  - (8) Upon granting the application for an occupational license and payment of the licensing fee, the executive director shall issue the occupational license.
  - (9) The occupational license is not transferable to another individual.
  - (10) An occupational licensee must have on his or her person the license while working for the applicable internet gaming operator or internet gaming supplier in this state during work hours.
  - (11) The board may exempt an individual from any or all of the occupational licensing requirements if any of the following apply:
    - (a) The individual is licensed under the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.201 to MCL 432.226.
    - (b) The individual is licensed under the lawful sports betting act, 2019 PA 149, MCL 432.401 to MCL 432.419.
    - (c) The individual is licensed by another governmental agency.
    - (d) The board determines, in its sole discretion, that licensing is not considered necessary to protect the public interest or accomplish the policies of the act.
  - (12) An individual exempted from occupational licensing may be required to register with the board using a form prescribed by the board.
  - (13) The board may suspend, revoke, summarily suspend, or refuse to renew a license for just cause.
  - (14) An occupational license is valid for 2 years and must be renewed as prescribed by the board. If the occupational licensee files a renewal request and pays the licensing fee in a timely manner and in the manner and form prescribed by the board, the licensee's existing occupational license does not expire until a decision on the application for renewal is made.
- History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.624 Fees, fines, taxes, payments, and assessments.**

- Rule 624. (1) All fees, fines, taxes, payments, and assessments provided for under the act and these rules must be timely submitted to the board by a payment method acceptable to the board, such as a certified check, cashier's check, money order made payable to "State of Michigan," or electronic transfer of funds.
- (2) An internet gaming operator must remit the tax or payment imposed by the act to the board by an electronic transfer of funds. An internet gaming operator licensee must maintain an account at a designated financial institution that is capable of handling electronic fund transfers.
  - (3) The following nonrefundable license application fees must be submitted to the board, together with the required license application form or forms, for the corresponding license classification to which the fees relate:
    - (a) Internet gaming operator license application: \$50,000.00.
    - (b) Internet gaming supplier license application: \$2,500.00.
    - (c) Occupational license application: \$250.00.
  - (4) The license application fee will be used by the board to conduct an appropriate background investigation of the applicant as prescribed by the board, the act, and these rules. No portion of a remitted application fee will be refunded.
  - (5) An additional background investigation charge may be assessed to the extent the board's direct investigative costs exceed the applicant's application fee. Unless otherwise determined by the board, a license may not be issued until payment of the additional assessed charge for completion of the background investigation is received by the board.
  - (6) A licensee may also be assessed the board's direct investigative costs arising from a background investigation for renewal of a license to the extent the costs exceed the application fees. The board may deny a renewal application if the licensee does not pay the additional assessed costs by a date set by the board.
  - (7) The following license fees must be submitted to the board by the applicant upon initial issuance of the license under the

**Annual Administrative Code Supplement**  
**2020 Edition**

act and these rules:

- (a) Internet gaming operator license: \$100,000.00.
- (b) Internet gaming supplier license: \$5,000.00.
- (c) Occupational license: \$250.00.

(8) The following license fees must be submitted to the board by the licensee after the initial license is issued under the act and these rules:

- (a) Internet gaming operator license annual fee: \$50,000.00.
- (b) Internet gaming supplier license annual fee: \$2,500.00.
- (c) Occupational license biennial fee: \$250.00.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.624a Deposit of fees, fines, taxes, payments, and assessments.**

Rule 624a. Except as provided in sections 15 and 15a of the act, MCL 432.315 and 432.315a, all fees, fines, taxes, payments, and assessments imposed by this state under the act and these rules must be deposited into the internet gaming fund.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.625 Investigation process for internet gaming operators and internet gaming suppliers.**

Rule 625. The board shall conduct a background investigation on an applicant subject to the limitations of section 6 of the act, MCL 432.306, when the applicant is an Indian tribe. The board shall also use the information provided in the application and disclosure form or forms as a basis for a background investigation and to evaluate and determine the eligibility and suitability of the applicant to receive an internet gaming operator license or internet gaming supplier license under the licensing standards and criteria provided in the act and these rules. A misrepresentation or omission in the application is cause for the denial, suspension, restriction, or revocation of an internet gaming operator license or internet gaming supplier license by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.625a Persons required to be found eligible and suitable.**

Rule 625a. (1) The board shall not issue or renew an internet gaming operator license or internet gaming supplier license unless every person required by the act and these rules as part of the application for issuance or renewal of the license has first been determined by the board to be eligible and suitable in accordance with the relevant licensing standards set forth in the act and these rules.

(2) Unless otherwise prescribed by the board, the following persons are required to be found eligible and suitable as part of the application for the issuance, or request for renewal, of an internet gaming operator license or internet gaming supplier license:

(a) A person who is required to apply for an internet gaming operator license or internet gaming supplier license under the act and these rules.

(b) A person who is included in the term “applicant” as defined in section 3 of the act, MCL 432.303.

(c) A person who is a key person.

(3) A person required to be found eligible and suitable as part of the application for issuance or renewal of an internet gaming operator license or internet gaming supplier license must complete and file with the board an application and required disclosure forms in the manner and form prescribed by the board.

(4) A person that applies for or holds an internet gaming operator or internet gaming supplier license must ensure that all persons who are required by the act and these rules to establish their eligibility and suitability as part of the applicant's application for the issuance, or the licensee's maintenance or renewal, of the internet gaming operator license or internet gaming supplier license have filed, with the board, all required applications, reports, and disclosure forms in the manner and form prescribed by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.625b License issuance by the board—standards and criteria.**

Rule 625b. (1) Except to the extent the board may require different or additional procedures, an applicant for an internet gaming operator license or internet gaming supplier license is subject to all of the following before licensing:

(a) Application

(b) Background investigation

(c) Action and decision by the board on the application.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (2) A person that is required to be licensed as an internet gaming operator or internet gaming supplier under the act and these rules must, before issuance of an internet gaming operator's or internet gaming supplier's license, produce information, documentation, and assurances to establish all of the following by clear and convincing evidence:
- (a) Its suitability as to character, reputation, integrity, business probity, and financial ability.
  - (b) Its willingness to be subject to the jurisdiction of the board.
  - (c) That the applicant has adequate capitalization and the financial ability and the means to develop, construct, operate, and maintain the applicant's internet gaming operator or internet gaming supplier business in accordance with the act and these rules.
  - (d) That the applicant has adequate capitalization and the financial ability to responsibly pay its secured and unsecured debts in accordance with its financing agreements and other contractual obligations.
  - (e) That the applicant's compliance with casino or casino-related licensing requirements or compacts with this state or any other jurisdiction.
  - (f) That the applicant and all other persons required to be found eligible and suitable as part of the application are eligible and suitable for licensure under the licensing standards, criteria, and requirements.
  - (g) That the applicant, if an individual, and all other individuals required to be found eligible and suitable as part of the application are not less than 21 years of age, unless otherwise approved by the board.
  - (h) That the applicant and all other persons required to be found eligible and suitable as part of the application have not been convicted of any criminal offense involving gaming, theft, dishonesty, or fraud in any jurisdiction. However, the board may waive this requirement if the conviction occurred more than 5 years before the applicant applies for a license and the board is convinced that the applicant does not pose a threat to the integrity of internet gaming and the applicant otherwise meets the requirements of this rule.
  - (i) That the applicant and all other persons required to be found eligible and suitable as part of the application do not appear on the exclusion list of any jurisdiction.
  - (j) That the applicant and all other persons required to be found eligible and suitable as part of the application are in substantial compliance with all local, state, and federal laws.
  - (k) That the applicant has the financial ability to purchase and maintain adequate liability and casualty insurance and to provide an adequate surety bond.
- (3) Subrule (2) of this rule does not apply to an Indian tribe except to the extent authorized by the act. To the extent a non-tribal applicant or licensee will be providing goods and services to an internet gaming operator who is an Indian tribe, that applicant or licensee shall provide information relative to its relationship with the internet gaming operator to determine if it is an arm of the tribe. Arm of the tribe means a tribally-created economic entity owned in part or in whole by the Indian tribe which was intended by the Indian tribe to share in its sovereign immunity and satisfies any relevant legal criteria under federal Indian law for establishing arm of the tribe status.
- (4) Once licensed, a person must comply with the act and these rules. Failure to comply may result in disciplinary action.
- History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.625c Provisional licenses for internet gaming suppliers.**

- Rule 625c. (1) Upon written request of a person applying for an internet gaming supplier's license, the executive director may issue a provisional license to the applicant and permit the applicant to conduct business transactions with, and provide goods and services to, internet gaming operators, if all of the following provisions are complied with:
- (a) A completed application, an application fee, and all required disclosure forms and other required written documentation and materials have been submitted by the applicant.
  - (b) Preliminary review of the application and a criminal history check does not reveal that the applicant or the applicant's affiliate or key person has been convicted of a felony or misdemeanor involving gambling, theft, dishonesty, or fraud, or may otherwise be ineligible or unsuitable to permit licensure under the act or these rules.
  - (c) There is no other apparent deficiency in the application that may require denial of the application.
  - (d) The applicant has a letter of intent to provide goods or services to an internet gaming operator or the applicant shows good cause for being granted a provisional license.
- (2) A provisional license issued under this rule expires on the date provided by the board.
- (3) If the internet gaming supplier's provisional license expires, or is suspended or revoked, the executive director shall forward the applicant's application for an internet gaming supplier license to the board at the conclusion of the background investigation for action on the application.

**Annual Administrative Code Supplement**  
**2020 Edition**

(4) The board may, at its discretion, waive any or all of the provisions listed in subrule (1) of this rule if the applicant is licensed by the board under the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.201 to 432.226, or the lawful sports betting act, 2019 PA 149, MCL 432.401 to 432.419.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.626 Denials.**

Rule 626. (1) If the board denies an application for a license, it shall direct the executive director to issue a notice of denial.

(2) An applicant, including an individual applying for an occupational license, who is served with a notice of denial under these rules may request a contested case hearing as set forth in these rules.

(3) The notice of denial is a finding that the person is ineligible or unsuitable for licensure or is otherwise in violation of the licensing requirements of the act or these rules. When the board denies an application for a license, the person is prohibited from conducting business that would otherwise require licensure.

(4) A person whose application for a license has been denied may not reapply for a period of 1 year from the date on which the board voted to deny the application unless otherwise approved by the board.

(5) A person whose application for a license was denied may seek leave of the board to reapply within the 1-year period by addressing the request to the board. The board may require the person to present oral or written argument outlining why an exception should be made.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.627 Renewal of a license.**

Rule 627. (1) An internet gaming operator or internet gaming supplier license when issued is valid for a 5-year period.

(2) An internet gaming operator or internet gaming supplier licensee may renew its license every 5 years after receiving its initial license.

(3) An internet gaming operator or internet gaming supplier licensee intending to renew its license must, at least 30 days before expiration of its license, submit the annual license renewal fee and application in the manner and form required by the board.

(4) If the board denies the application for renewal, it shall direct the executive director to issue the licensee a notice of nonrenewal.

(5) An internet gaming operator or internet gaming supplier licensee who is served with a notice of nonrenewal under this rule may request a contested case hearing as set forth in these rules.

(6) The notice of nonrenewal is a finding that the internet gaming operator or internet gaming supplier licensee is ineligible or unsuitable for licensure or is otherwise in violation of the licensing requirements of the act or these rules. When the board denies an application for renewal, the person is prohibited from conducting business that would otherwise require licensure.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.628 Application explained; applicant to demonstrate eligibility and suitability.**

Rule 628. (1) An application for a license under the act and these rules is a request by the applicant seeking a revocable privilege. A license must be granted by the board if the applicant meets the licensing requirements of the act and these rules.

(2) An applicant for a license under the act and these rules, at all times, has the burden of demonstrating to the board, by clear and convincing evidence, that the applicant is eligible and suitable to be granted and retain the license for which application is made under the applicable licensing standards and requirements of the act and these rules.

(3) A license issued by the board under the act and these rules is a revocable privilege granted by the board. A person who holds a license does not acquire, and must not be considered to have acquired, a vested property right or other right in the license.

(4) An applicant or licensee must accept any risk of adverse publicity, public notice, notoriety, embarrassment, criticism, financial loss, or other unfavorable or harmful consequences that may occur in connection with, or as a result of, the application and licensing process or the public disclosure of information submitted to the board with a license application or at the board's request under the act and these rules.

(5) An applicant or licensee may claim any privilege afforded by the Constitution or laws of the United States or of this state in refusing to answer questions or provide information requested by the board. However, a claim of privilege with respect to any testimony or evidence pertaining to the eligibility or suitability of an applicant or licensee to be granted or hold a license under the act and these rules may constitute cause for denial, suspension, revocation, or restriction of the license.

(6) An applicant and licensee have a continuing duty to do all of the following:

**Annual Administrative Code Supplement**  
**2020 Edition**

- (a) Notify the board of a material change in the information submitted in the license application submitted by the applicant or licensee or a change in circumstance that may render the applicant or licensee ineligible or unsuitable to hold the license under the licensing standards and requirements of the act and these rules.
- (b) Maintain the applicant's or licensee's eligibility and suitability to be issued and hold the license held or applied for under the act and these rules.
- (c) Provide any information or records requested by the board relating to licensing or regulation; cooperate with the board in investigations, inspections, audits, hearings, and enforcement and disciplinary actions; allow access to its facilities relevant to Michigan internet gaming operation; and comply with all conditions, restrictions, requirements, orders, and rulings of the board in accordance with the act and these rules.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.628a Eligibility and suitability of new key person.**

Rule 628a. An individual required to be found eligible and suitable or licensed under the act or these rules by virtue of his or her position with an internet gaming operator licensee must not perform any duties or exercise any powers of the position until he or she is determined to be eligible and suitable and is licensed by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.628b Duty to disclose violation of licenses.**

Rule 628b. An internet gaming operator and an internet gaming supplier must immediately notify the board, in writing, if it becomes aware that an internet gaming operator, internet gaming supplier, or occupational licensee involved in its internet gaming operations under the act has acted contrary to the act or these rules.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.628c Contracts.**

Rule 628c. The internet gaming operator must maintain all contracts that relate to its Michigan internet gaming operations for 5 years following its expiration. The board must be allowed access to any contract related to its Michigan internet gaming operations entered into by an internet gaming operator upon demand. The internet gaming operator may be required by the board to promptly submit copies of any such contract upon request of the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.629 Vendors.**

Rule 629. (1) All of the following apply regarding vendor registration:

- (a) A vendor who provides goods or services, or both, directly or indirectly, to an internet gaming operator or internet gaming platform provider in connection with its Michigan internet gaming operation may be required to register with the board. Vendors requiring registration include, but are not limited to, the following:
  - (i) Affiliate marketers that do not have an agreement based on the sharing of customer revenue. In connection with its vendor registration, the affiliate marketer must certify it does not promote or market, or both, illegal online gaming sites to individuals located in Michigan. An illegal online gaming site is one that is not licensed to accept wagers from customers located in Michigan or any other state.
  - (ii) Payment processors.
  - (iii) A person that provides over \$100,000.00 worth of goods or services, or both, to any internet gaming operator or internet gaming platform provider in connection with its Michigan internet gaming operations in a calendar year.
  - (iv) Data centers providing physical security and infrastructure.
  - (v) Any other person as considered necessary by the board.
- (b) Unless otherwise provided for by the board, a person must be registered as a vendor before providing goods or services, or both, as a vendor to an internet gaming operator or internet gaming platform provider.
- (c) An internet gaming operator or an internet gaming platform provider is prohibited from using an unregistered vendor to provide goods or services that require a vendor registration.
- (d) Unless otherwise provided for by the board, the following persons are not required to register as a vendor:
  - (i) Insurance companies.
  - (ii) A person or entity that provides legal services.
  - (iii) Entities providing medical related services.
  - (iv) Michigan public institutions of higher education.
  - (v) Public utilities regulated by the Michigan public service commission.
  - (vi) A Michigan or federally chartered depository financial institution.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (vii) A person or business that provides goods or services as a result of the licensee's employees engaging in business travel, including transportation, lodging, food, and fuel providers.
  - (viii) A person who provides employee training or professional development to a licensee.
  - (ix) A person who provides conferences, seminars, publications, or memberships that will directly contribute to the work performance or professional development of the licensee's employees.
  - (e) To register, a vendor must complete and file with the board an application for registration and required disclosure forms in the manner and form prescribed by the board. An application for registration and required disclosure forms must be submitted to the board, together with a nonrefundable application fee of \$200.00 by a payment method acceptable to the board, such as a certified check, cashier's check, money order made payable to "State of Michigan", or electronic fund transfer.
  - (2) All of the following apply regarding renewal of a vendor registration:
    - (a) A vendor must renew its registration every 5 years after initial registration.
    - (b) A vendor intending to renew its registration must, at least 30 days before expiration of its registration, submit the annual registration fee and application in the manner and form required by the board.
  - (3) All of the following apply regarding vendor conduct:
    - (a) A vendor must, at all times, conduct itself in a manner that does not compromise the integrity of internet gaming or violate any applicable provisions of the act and these rules.
    - (b) The board may conduct an investigation to determine if a vendor has acted in a manner that does or could compromise the integrity of internet gaming in this state. The following may be considered during an investigation:
      - (i) Criminal records.
      - (ii) Suspension of licenses, registration certificates, or their equivalent, or any other adverse actions in other jurisdictions.
      - (iii) Business reputation.
      - (iv) Associations with businesses and individuals.
      - (v) Compliance with gaming laws and regulations in Michigan and other jurisdictions.
    - (vi) Any other information considered appropriate by the board.
  - (c) Vendors agree to be subject to the jurisdiction of the board; have a continuing duty to provide information or records requested by the board; must cooperate with the board in any investigation, inspection, audit, or inquiry; and must allow the board access to its facilities that are relevant to Michigan internet gaming operations.
  - (d) If the investigation reveals a vendor's conduct could or does compromise the integrity of internet gaming in this state, the board may issue a cease and desist order, obtain injunctive relief, or take any other action necessary to protect the integrity of internet gaming in this state, or all 3.
  - (e) Vendors have a continuing duty to notify the board of any change in information previously submitted to the board.
- History: 2020 MR 22, Eff. Dec. 2, 2020.

**PART 3. TECHNICAL STANDARDS**

**R 432.631 Geofence requirements.**

Rule 631. (1) All internet wagering transactions must be initiated and received or otherwise made by an authorized participant located in this state or, if the act allows the board to enter into agreements to facilitate, administer, and regulate multijurisdictional internet gaming, another jurisdiction authorized by a multijurisdictional internet gaming agreement. An authorized participant located in another jurisdiction authorized by a multijurisdictional internet gaming agreement must only be allowed to place internet wagers on internet games authorized by the board under the multijurisdictional internet gaming agreement.

(2) To prevent the unauthorized placement of an internet wager by an individual or authorized participant not within this state, the internet gaming operator and its internet gaming platform provider must utilize a geofencing system to reasonably detect the physical location of an individual or authorized participant attempting to access the internet gaming platform and place an internet wager and to monitor and block unauthorized attempts to access the internet gaming platform to place an internet wager when an individual or authorized participant is not within the permitted boundary.

(3) The geofencing system must ensure that an individual or authorized participant is located within the permitted boundary when placing an internet wager, and must be equipped to dynamically monitor the individual's or authorized participant's location and block unauthorized attempts to access the internet gaming platform to place an internet wager throughout the duration of the internet gaming authorized participant session.

(4) The board shall approve all technical specifications for geofencing and any specific requirements related to geofencing technology that is commercially available.

**Annual Administrative Code Supplement**  
**2020 Edition**

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.632 Approval of internet gaming platform and games.**

Rule 632. (1) Except as otherwise determined by the board in writing, an internet gaming platform provider or internet gaming supplier must not distribute an internet gaming platform or internet game to an internet gaming operator unless the item has been approved by the board.

- (2) An internet gaming platform provider may seek approval of its internet gaming platform by submitting an application to the board in the manner and form prescribed by the board.
- (3) If an internet gaming operator does not utilize an internet gaming platform provider and, instead, develops its own internet gaming platform or internet game, the internet gaming operator will be considered both an internet gaming operator and an internet gaming platform provider for the purposes of this part.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.632a Internet gaming platform and internet game submission and approval process.**

Rule 632a. (1) Each internet gaming platform provider must submit its internet gaming platform proposed for use by an internet gaming operator to the board or to an independent lab approved by the board for evaluation. The internet gaming platform provider must provide all information the board requests including, but not limited to, all of the following:

- (a) A complete, comprehensive, and technically accurate description and explanation of the internet gaming platform and its intended use in both technical and lay language. The document must be signed under penalty of perjury.
  - (b) Detailed operating procedures or service manuals, or both, of the internet gaming platform.
  - (c) A summary description of internet game play, system features, and fault conditions.
  - (d) Details of all tests performed on the internet gaming platform, the conditions and standards under which the tests were performed, the test results, and the identity of the individual who conducted each test.
  - (e) A description of all hardware devices.
  - (f) A description of all software including software version.
  - (g) A description of all wagering communications.
  - (h) A description of all third-party integrated systems.
  - (i) Any equipment that is required to perform testing.
  - (j) A detailed description of the risk management framework including, but not limited to:
    - (i) User access controls for all internet gaming personnel.
    - (ii) Information regarding segregation of duties.
    - (iii) Information regarding automated risk management procedures.
    - (iv) Information regarding fraud detection.
    - (v) Controls for ensuring regulatory compliance.
    - (vi) Description of anti-money laundering compliance standards.
- (2) An internet gaming platform provider or internet gaming supplier must submit all internet games, including, but not limited to, slot machine, table, live games, progressives, and peer-to-peer games proposed for use by any internet gaming operator to the board or to an independent lab approved by the board for evaluation.
  - (3) The internet gaming platform provider or internet gaming supplier must provide all information the board requests, including, but not limited to, all the following:
    - (a) A complete, comprehensive, and technically accurate description and explanation of the internet game and its intended use in both technical and lay language. The document must be signed under penalty of perjury.
    - (b) Detailed operating procedures.
    - (c) A description of internet game play, system features, and fault conditions.
    - (d) A description of all software including software version.
    - (e) Complete payable information including payable identification and date code.
    - (f) Detailed information on the RNG.
    - (g) Return to player (RTP) calculation sheet.
    - (h) Rake percentage.
    - (i) Rules of the game.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (4) All internet game software used to conduct internet gaming must be designed with a method to permit the validation of software using a gaming authentication tool or other method approved by the board.
- (5) A submission for board approval of progressive software to be used on an internet gaming platform must also include all of the following at a minimum:
  - (a) Software controlling the internet jackpot.
  - (b) A mechanism to authenticate the software.
  - (c) Rules that will be displayed to the individual or authorized participant that apply to the progressive jackpot.
  - (d) The internet games that are common to a single progressive.
  - (e) The odds of hitting the progressive amount.
  - (f) The reset value of the progressive.
  - (g) The rate of progression for the progressive amount.
  - (h) How the rate of progression is split between the various progressive components.
  - (i) Other information considered necessary and requested in writing by the board to ensure compliance with the act and this part.
- (6) All the following provisions apply to calculation sheets:
  - (a) For each internet game program submitted, the internet gaming platform provider or internet gaming supplier requesting approval must supply calculation sheets that determine the RTP percentage, including base game, bonus games or features, free games, double-up options, progressives, and any other game features included in the RTP calculation.
  - (b) Where different player options such as number of credits, lines bet, or player strategy cause the pay table to vary, a separate calculation for each option is required.
  - (7) The internet gaming platform provider or internet gaming supplier must submit all internet game source code and any special tool, computer equipment, compiling program, or other technical assistance necessary to compile the submitted software. The result of the compiled source code must be identical to that in the storage medium submitted for evaluation.
  - (8) The internet gaming platform provider or internet gaming supplier must provide the board with a method to compensate for or resolve any differences between the compiled program and the submitted program. The internet gaming platform provider or internet game supplier may employ other equivalent methods that ensure the results of the complied source code are identical to the storage medium submitted for evaluation upon written request and approval of the board.
  - (9) Except where the board has provided written notification that approval is not required, an internet gaming operator must install or use an internet gaming platform or internet game, or both that has been approved by the board. An internet gaming operator must not alter the manner in which the internet gaming platform or internet game operates without the prior written approval of the board.
  - (10) After evaluating the internet gaming platform or internet game, the board shall advise the internet gaming platform provider or internet gaming supplier, in writing, of the determination.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.632b Procedures and notification requirements after approval.**

- Rule 632b. (1) If another gaming jurisdiction revokes or otherwise directs discontinuance of the internet gaming platform, any component of the internet gaming platform, an internet game, or an internet game component that has been approved by the board, the internet gaming operator, internet gaming platform provider, or internet gaming supplier must advise the board in writing of the discontinuance within 21 days of the revocation or direction of discontinuance.
- (2) An internet gaming operator, internet gaming operator license applicant, internet gaming platform provider, or internet gaming supplier must immediately notify the board, in writing, of any defects or malfunctions of the internet gaming platform, any component of the internet gaming platform, an internet game, or an internet game component that adversely affects the integrity or conduct of internet wagering or proper reporting of adjusted gross receipts, or that materially affects the operation or safety of, or wagering on, any internet gaming platform, any component of the internet gaming platform, any internet game, or any component of an internet game that has been approved by the board and is utilized by the internet gaming operator or internet gaming operator license applicant.
  - (3) An internet gaming operator, internet gaming platform provider, or internet gaming supplier must maintain all records required under this rule for a minimum of 5 years.
  - (4) The board may require an internet gaming operator to discontinue use of the internet gaming platform, any component of the internet gaming platform, an internet game, or any component of an internet game for any of the following reasons:
    - (a) The internet gaming platform, platform component, internet game, or internet game component does not perform in the manner described in the application and related submission documentation.
    - (b) The internet gaming platform, platform component, internet game, or internet game component is defective or malfunctions frequently.



**Annual Administrative Code Supplement**  
**2020 Edition**

(c) The internet gaming platform, platform component, internet game, or internet game component has a detrimental impact on the conduct or integrity of internet gaming.

(d) The internet gaming platform, platform component, internet game, or internet game component improperly computes adjusted gross receipts.

(5) The board shall provide written notification to the internet gaming operator, internet gaming platform provider, and the internet gaming supplier if the internet gaming platform, platform component, internet game, or internet game component is no longer approved for use.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.633 Internet gaming platform and internet games technical standards.**

Rule 633. (1) An internet gaming platform or internet game, or both, for use to conduct internet gaming must meet the specifications set forth in these rules or other technical specifications as prescribed by the board. Failure to comply with the approved specifications, internal controls, or technical specifications may result in disciplinary action by the board.

(2) Internet gaming operators, internet gaming platform providers, and internet gaming suppliers must comply with, and the board adopts and incorporates by reference, Gaming Laboratories International, LLC Standard GLI-19: Standards for Interactive Gaming Systems, version 3.0, released July 17, 2020, which is available for inspection and distribution at no cost, as of the time of adoption of these rules, at the board's office located at 3062 W. Grand Blvd., Suite L-700, Detroit, Michigan 48202-6062 or Gaming Laboratories International website at <https://gaminglabs.com> and does not include any later amendments or editions. GLI-19 standards are intended to supplement rather than supplant other technical standards and requirements under these rules. Where GLI-19 standards conflict with other requirements provided under these rules, these rules shall control unless otherwise determined by the board.

(3) Before conducting internet gaming, and as otherwise required by the board, an internet gaming platform provider must submit the internet gaming platform used in conjunction with the internet gaming operation to the board or an independent testing laboratory approved by the board for certification testing.

(4) If the internet gaming platform meets or exceeds the technical standards adopted in subrule (2) of this rule, the board or independent testing laboratory approved by the board shall certify the internet gaming platform. Internet gaming operators and internet gaming platform providers are prohibited from offering internet gaming in Michigan without such certification. The internet gaming platform provider is responsible for all costs associated with testing and obtaining such certifications.

(5) All internet games for proposed use must meet or exceed the technical standards adopted in subrule (2) of this rule. Internet gaming operators, internet gaming platform providers, and internet gaming suppliers are prohibited from offering any internet game without written approval by the board. An internet gaming platform provider and internet gaming supplier is responsible for all costs associated with testing and obtaining such approvals.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.633a Additional internet gaming software and platform technical standards.**

Rule 633a. (1) Software utilized for internet gaming must either:

(a) Continuously display the current time in the time zone where the game server is physically located and the time elapsed that an authorized participant has been in the current internet gaming authorized participant session, or

(b) Cause a pop-up notification, at least every half-hour, to be prominently displayed on the remote player device advising the authorized participant of the current time and the amount of time elapsed since his or her log on.

(2) An internet gaming platform must not induce an authorized participant to continue placing internet wagers when play is in session, when the authorized participant attempts to end an internet gaming authorized participant session, or when the authorized participant wins or loses an internet wager.

(3) No auto play feature will be permitted in internet game software unless authorized by the board.

(4) All internet games must operate in accordance with the game rules and internet wagering account terms and conditions approved by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.633b Additional standards for approval of internet games.**

Rule 633b. (1) Each house-banked internet game that requires an internet wager must have an RTP equal to or greater than 80% but not more than 100% unless otherwise authorized by the board. The RTP must be calculated using both the highest and lowest level of skill, where player skill impacts the RTP.

(2) An house-banked internet game must comply with all odds-related requirements prescribed in the technical standards adopted in R 432.633(2), including those prescribed in section 4.7.3 of the referenced technical standards, except that the odds of achieving the highest advertised award that is based solely upon chance must occur at least once in every 50 million games

**Annual Administrative Code Supplement**  
**2020 Edition**

(3) The RTP of a house-banked internet game must not decrease by more than 1/100 of a percentage point with an increased internet wager unless the aggregate total of the decreases in RTP for plays offered by the house-banked internet game is no more than 1/2 of 1 percent.

(4) The projected contribution from a progressive award may not count toward the RTP of a house-banked internet game in order to achieve the minimum RTP as approved by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.634 Location of servers, security, and cloud storage.**

Rule 634. (1) Unless otherwise approved by the board in writing, an internet gaming operator and its internet gaming platform provider must place a server or other equipment that is capable of receiving internet wagers in this state. The location selected must have adequate security, protections, and controls over the servers or other equipment that is capable of receiving internet wagers, including those adopted in R 432.633(2). The internet gaming operator and its internet gaming platform provider must provide the board with information on the location of all servers and other equipment.

(2) The board may approve of the use of cloud storage for duplicate data upon written request of an internet gaming operator or internet gaming platform provider.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.635 Communication standards.**

Rule 635. (1) All internet gaming platforms authorized by the board under these rules must be designed to ensure the integrity and confidentiality of all individual and authorized participant communications and ensure the proper identification of the sender and receiver of all communications.

(2) If communications are performed across a public or third-party network, the internet gaming platform must either encrypt the data packets or utilize a secure communications protocol to ensure the integrity and confidentiality of the transmission.

(3) Internet gaming platform providers must meet or exceed all communication standards prescribed by the board.

(4) Internet gaming platform providers or internet gaming operators, or both must address all communication requirements in the internet gaming platform and internal controls submitted to the board for approval.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.636 Internet gaming data logging standards.**

Rule 636. (1) Internet gaming platforms must employ a mechanism capable of maintaining a separate copy of all information the board requires to be logged. Except as otherwise provided in subrule (2) of this rule, the information must be maintained on a separate and independent logging device capable of being administered by an employee with no incompatible function.

(2) If the internet gaming platform can be configured such that any logged data is contained in a secure transaction file, a separate logging device is not required.

(3) Internet gaming platform providers must meet or exceed all internet gaming data logging standards prescribed by the board. Internet gaming platform providers or internet gaming operators, or both must address all internet gaming data logging requirements in the internet gaming platform and internal controls submitted to the board for approval.

(4) The internet gaming platform must provide a mechanism for the board to query and export, in a format required by the board, all internet gaming platform data related to internet gaming conducted under the act.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.637 Self-monitoring of internet gaming platform critical components.**

Rule 637. An internet gaming platform must, at least once every 24 hours, perform a self-authentication process on all software used to offer, record, and process internet wagers conducted under this act that is identified by the board as a critical component to ensure there have been no unauthorized modifications. If there is an authentication failure, the internet gaming platform must immediately notify the internet gaming operator, internet gaming platform provider, and the board within 24 hours. The results of all self-authentication attempts must be retained by the internet gaming platform for not less than 90 days.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.637a Change approval.**

R. 637a. (1) Any change or modification to the internet gaming platform that impacts a regulated feature of an approved internet gaming platform, unless otherwise permitted by the board, requires submission to and approval by the board before the implementation of the change or modification. Regulated feature includes, but is not limited to, internet gaming platform and internet game software that is validated using a gaming authentication tool or other method approved by the board and all

**Annual Administrative Code Supplement**  
**2020 Edition**

critical component software.

(2) The internet gaming operator and its internet gaming platform provider must submit change control processes that detail evaluation procedures for all updates and changes to equipment and the internet gaming platform to the board for approval. These processes must include details for identifying the criticality of updates and determining the updates that must be submitted to the board or a board approved independent testing laboratory for review and certification.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.638 Internet gaming platform assessment.**

Rule 638. (1) Each internet gaming operator or internet gaming platform provider shall, within 90 days after commencing operations, and annually thereafter, perform an internet gaming platform integrity and security assessment of the internet gaming platform conducted by an independent professional selected by the internet gaming operator or internet gaming platform provider and subject to approval of the board. The scope of the internet gaming platform integrity and security assessment is subject to approval of the board and must include, at a minimum, all of the following:

- (a) A vulnerability assessment of internal, external, and wireless networks with the intent of identifying vulnerabilities of all devices, the internet gaming platform, and applications connected to or present on the networks.
- (b) A penetration test of all internal, external, and wireless networks to confirm if identified vulnerabilities of all devices, the internet gaming platform, and applications are susceptible to compromise.
- (c) A policy and procedures review against the current ISO 27001 standard or another similar standard approved by the board.
- (d) Any other specific criteria or standards for the internet gaming platform integrity and security assessment as prescribed by the board.

(2) The full independent professional's report on the assessment must be submitted to the board and must include all the following:

- (a) Scope of review.
- (b) Name and company affiliation of the individual or individuals who conducted the assessment.
- (c) Date of assessment.
- (d) Findings.
- (e) Recommended corrective action, if applicable.
- (f) Internet gaming operator's or internet gaming platform provider's response to the findings and recommended corrective action.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.639 Internet gaming operators and internet gaming platform provider technical and security standards (controls).**

Rule 639. (1) An internet gaming operator or its internet gaming platform provider, or both must adopt, implement, and maintain technical security standards (controls) that meet or exceed those adopted in R 432.633(2). The technical security standards must apply, at a minimum, to all the following critical components of the internet gaming platform:

- (a) Components that record, store, process, share, transmit, or retrieve sensitive information (e.g., validation numbers, personal identification numbers (PIN), and individual and authorized participant data).
- (b) Components that generate, transmit, or process random numbers used to determine the outcome of games or virtual events.
- (c) Components that store results or the current state of an authorized participant's internet wager.
- (d) Points of entry to and exit from the components provided for in subdivisions (a) to (c) of this subrule and other systems that are able to communicate directly with core critical internet gaming platform components.
- (e) Communication networks that transmit sensitive information involving internet gaming under the act.

(2) The following technical security standards are the minimum standards an internet gaming operator or internet gaming platform provider must incorporate into its internal controls:

- (a) Technical security standards addressing internet gaming platform operations and security include, but are not limited to all of the following:
  - (i) Internet Gaming Platform Operations and Security. The internet gaming operator or internet gaming platform provider must adopt, implement, and maintain procedures for, at a minimum, the following:
    - (A) Monitoring the critical components and the transmission of data of the entire internet gaming platform.
    - (B) Maintenance of all aspects of security of the internet gaming platform to ensure secure and reliable communications.
    - (C) Defining, monitoring, documenting, reporting, investigating, responding to, and resolving security incidents.
    - (D) Monitoring and adjusting resource consumption and maintaining a log of the internet gaming platform performance.
    - (E) Investigating, documenting, and resolving malfunctions.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (ii) Physical Location of Servers and Security. The internet gaming platform must be housed in secure locations. Internet gaming operators and their internet gaming platform providers must provide the board with information on the location of all internet gaming platform servers. The secure locations must have sufficient protection from unauthorized access and physical and environmental hazards and be equipped with surveillance and security systems that meet or exceed industry standards.
  - (iii) Internet Gaming Platform Logical Access Controls. The internet gaming platform must be logically secured against unauthorized access.
  - (iv) Internet Gaming Platform User Authorization. The internet gaming platform must be subject to user authorization requirements as required by the board.
  - (v) Server Programming. The internet gaming platform must be sufficiently secure to prevent any user-initiated programming capabilities on the server that may result in unauthorized modifications to the database.
  - (vi) Verification Procedures. Procedures must be in place for verifying on demand that the critical control program components of the internet gaming platform in the production environment are identical to those approved by the board.
  - (vii) Electronic Document Retention System. The internet gaming operator or internet gaming platform provider must establish procedures that ensure that all reports required under the act and these rules are stored in an electronic document retention system.
  - (viii) Asset Management. All assets that house, process, or communicate sensitive information, including those comprising the operating environment of the internet gaming platform or its components, or both, must be accounted for and have a nominated owner or designated management official that is responsible for each asset.
- (b) The technical security standards addressing data security and backup recovery include, but are not limited to, all of the following:
- (i) Data Security. The internet gaming platform must provide a logical means for securing individual and authorized participant data and wagering data, including accounting, reporting, significant event, or other sensitive information, against alteration, tampering, or unauthorized access.
  - (ii) Data Alteration. The alteration of any accounting, reporting, or significant event data relating to internet wagering under the act is not permitted without supervised access controls. If any data is changed, all information required by the board must be documented or logged.
  - (iii) Backup Frequency. Backup scheme implementation relating to information involving internet wagering under the act must occur at least once every day or as otherwise specified by the board.
  - (iv) Storage Medium Backup. Audit logs, internet gaming platform databases, and any other pertinent individual and authorized participant data and wagering data must be stored using reasonable protection methods. The internet gaming platform must be designed to protect the integrity of this data if there is a failure. Redundant copies of this data must be kept on the internet gaming platform with open support for backups and restoration, so that no single failure of any portion of the internet gaming platform would cause the loss or corruption of the data.
  - (v) Internet Gaming Platform Failure. The internet gaming platform must have sufficient redundancy and modularity so that if any single component or part of a component fails, the functions of the internet gaming platform and the process of auditing those functions can continue with no critical data loss. If 2 or more components are linked, the process of all internet gaming operations between the components must not be adversely affected by restart or recovery of either component and upon restart or recovery, the components must immediately synchronize the status of all transactions, data, and configurations with one another.
  - (vi) Accounting and Master Resets. The internet gaming operator or internet gaming platform provider must be able to identify and properly handle the situation where a master reset has occurred on any component that affects internet gaming under the act.
  - (vii) Recovery Requirements. If there is a catastrophic failure when the internet gaming platform cannot be restarted in any other way, it must be possible to restore the internet gaming platform from the last backup point and fully recover. The contents of that backup must contain critical information as required by the board.
  - (viii) Uninterrupted Power Supply (UPS) Support. All internet gaming platform components must be provided with adequate primary power. If the server is a stand-alone application, it must have a UPS connected and must have sufficient capacity to permit a methodical shut-down that retains all individual and authorized participant data and wagering data during a power loss. It is acceptable that the internet gaming platform may be a component of a network that is supported by a network-wide UPS if the server is included as a device protected by the UPS. There must be a surge protection system in use if not incorporated into the UPS itself.
  - (ix) Business Continuity and Disaster Recovery Plan. A business continuity and disaster recovery plan must be in place to recover internet gaming operations conducted under the act if the internet gaming platform's production environment is rendered inoperable.
- (c) Technical security standards addressing communications include, but are not limited to, all of the following:

**Annual Administrative Code Supplement**  
**2020 Edition**

- (i) Connectivity. Only authorized devices are permitted to establish communications between any internet gaming platform components.
- (ii) Communication Protocol. Each component of the internet gaming platform must function as indicated by a documented secure communication protocol.
- (iii) Communication Over Internet/Public Network. Communications between internet gaming platform components must be secure. Individual and authorized participant data, sensitive information, internet wagers, results, financial information, and individual and authorized participant transaction information related to internet gaming conducted under the act must always be encrypted and protected from incomplete transmissions, misrouting, unauthorized message modification, disclosure, duplication, or replay.
- (iv) Wireless Local Area Network (WLAN) Communications. The use of WLAN communications must adhere to applicable requirements specified for wireless devices and is subject to approval by the board.
- (v) Network Security Management. Networks must be logically separated to ensure that there is no network traffic on a network link that cannot be serviced by hosts on that link.
- (vi) Mobile Computing and Communications. Formal policies shall be in place, and appropriate security measures shall be adopted to protect against the risk of using mobile computing and communication facilities. Telecommuting shall not be permitted except under circumstances where the security of the endpoint can be guaranteed.
- (d) Technical security standards addressing third party service providers include, but are not limited to, all of the following:
  - (i) Third-Party Service Communications. Where communications related to internet gaming conducted under the act are implemented with third-party service providers, the internet gaming platform must securely communicate with all third-party service providers utilizing encryption and strong authentication, ensure that all login events are recorded to an audit file, and ensure that all communications do not interfere or degrade normal internet gaming platform functions.
  - (ii) Third-Party Services. The roles and responsibilities of each third-party service provider engaged by the internet gaming operator or internet gaming platform provider must be defined and documented in a manner approved by the board. The internet gaming operator or internet gaming platform provider must have policies and procedures in place for managing third-party service providers and monitoring their adherence to relevant security requirements.
  - (e) Technical security standards addressing technical controls include, but are not limited to, all of the following:
    - (i) Domain Name Service (DNS) Requirements. An internet gaming operator or internet gaming platform provider must establish requirements that apply to servers used to resolve DNS queries used in association with the internet gaming platform.
    - (ii) Cryptographic Controls. An internet gaming operator or internet gaming platform provider must establish and implement a policy for the use of cryptographic controls that ensures the protection of information.
    - (iii) Encryption Key Management. The management of encryption keys must follow defined processes established by the internet gaming operator or internet gaming platform provider and approved by the board.
- (f) The technical security standards addressing remote access and firewalls include, but are not limited to, all of the following:
  - (i) Remote Access Security. Remote access, if approved by the board, must be performed via a secured method, must have the option to be disabled, may accept only the remote connections permissible by the firewall application and internet gaming platform settings, and must be limited to only the application functions necessary for users to perform their job duties.
  - (ii) Remote Access and Guest Accounts Procedures. Remote access and guest accounts procedures must be established that ensure that remote access is strictly controlled.
  - (iii) Remote Access Activity Log. The remote access application must maintain an activity log that updates automatically and records and maintains all remote access information.
  - (iv) Firewalls. All communications, including remote access, must pass through at least 1 approved application-level firewall. This includes connections to and from any non-internet gaming platform hosts used by the internet gaming operator or internet gaming platform provider.
  - (v) Firewall Audit Logs. The firewall application must maintain an audit log and must disable all communications and generate an error if the audit log becomes full. The audit log must contain, at a minimum, all the following information:
    - (A) All changes to configuration of the firewall.
    - (B) All successful and unsuccessful connection attempts through the firewall.
    - (C) The source and destination IP Addresses, Port Numbers, Protocols, and, where possible, MAC Addresses.
  - (vi) Firewall Rules Review. The firewall rules must be periodically reviewed by the internet gaming operator or internet gaming platform provider to verify the operating condition of the firewall and the effectiveness of its security configuration and rule sets and must be performed on all the perimeter firewalls and the internal firewalls.
- (g) Technical security standards addressing change management include, but are not limited to, all of the following:

**Annual Administrative Code Supplement**  
**2020 Edition**

- (i) Program Change Control Procedures. Program change control procedures must ensure that only authorized versions of programs are implemented on the production environment.
- (ii) Software Development Life Cycle. The acquisition and development of new software must follow defined processes established by the internet gaming operator or internet gaming platform provider and subject to review by the board.
- (iii) Patches. All patches should be tested, as applicable, in a development and test environment configured to match the target production environment before being deployed into production. Permitted exceptions and related procedures and controls must be fully addressed.
- (h) Technical security standards addressing periodic security testing include, but are not limited to, all of the following:
  - (i) Technical Security Testing. Periodic technical security tests on the production environment must be performed quarterly or as required by the board to guarantee that no vulnerabilities putting at risk the security and operation of the internet gaming platform exist.
  - (ii) Vulnerability Assessment. The internet gaming operator or the internet gaming platform provider must conduct vulnerability assessments. The purpose of the vulnerability assessment is to identify vulnerabilities, which could be later exploited during penetration testing by making basic queries relating to services running on the internet gaming platform concerned.
  - (iii) Penetration Testing. The internet gaming operator or the internet gaming platform provider must conduct penetration testing. The purpose of the penetration testing is to exploit any weaknesses uncovered during the vulnerability assessment on any publicly exposed applications or internet gaming platform hosting applications processing, transmitting, or storing sensitive information.
  - (iv) Information Security Management System (ISMS) Audit. An audit of the ISMS will be periodically conducted, including all the locations where sensitive information is accessed, processed, transmitted, or stored. The ISMS will be reviewed against common information security principles in relation to confidentiality, integrity, and availability.
  - (v) Cloud Service Audit. An internet gaming operator and its internet gaming platform provider that utilizes a cloud service provider (CSP), if approved by the board, to store, transmit, or process sensitive information must undergo a specific audit as required by the board. The CSP must be reviewed against common information security principles in relation to the provision and use of cloud services, such as ISO/IEC 27017 and ISO/IEC 27018, or equivalent.
- (3) The internet gaming operator or its internet gaming platform provider, or both must include the technical security standards (controls) in the internal controls and internet gaming platform submitted to the board for approval.
- (4) The technical security standards (controls) must:
  - (a) Have a provision requiring review when changes occur to the internet gaming platform.
  - (b) Be approved by the internet gaming operator's or internet gaming platform provider's senior management.
  - (c) Be communicated to all affected employees and relevant external parties.
  - (d) Undergo review at planned intervals.
  - (e) Delineate the responsibilities of the internet gaming operator's staff, the internet gaming platform provider's staff, and the staff of any third parties for the operation, service, and maintenance of the internet gaming platform or its components, or both.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.639a Test accounts.**

Rule 639a. (1) An internet gaming operator or internet gaming platform provider may establish test accounts to be used to test the various components and operation of an internet gaming platform pursuant to internal controls adopted by the internet gaming operator or internet gaming platform provider, which, at a minimum, must address all or the following:

- (a) The procedures for issuing funds used for testing, including the identification of who may issue the funds and the maximum amount of funds that may be issued.
- (b) The procedures for assigning each test account for use by only 1 individual. However, an internet gaming operator may establish a specific scenario or instance of a test account that may be shared by multiple users if each user's activities are separately logged.
- (c) The maintenance of a record for all test accounts, to include when they are active, to whom they are issued, and the employer of the individual to whom they are issued.
- (d) The procedures for auditing testing activity by the internet gaming operator or internet gaming platform provider to ensure the accountability of funds used for testing and proper adjustments to gross receipts.
- (e) The procedures for authorizing and auditing out-of-state test activity.

Peer-to-peer games may be tested by a user with multiple test accounts if authorized participants are not involved in game play.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 432.639b Live games.**

Rule 639b. (1) An internet gaming operator or its internet gaming platform provider must obtain written board approval to conduct live games or other similar type games. Unless otherwise approved by the board in writing, the live game environment used to conduct live games or similar games must be located in this state in a location approved by the board.

(2) The live game service provider may be an internet gaming operator, internet gaming platform provider, or an internet gaming supplier if approved by the board. The live game service provider, shall adopt, implement, and maintain all technical standards adopted in R 432.633(2) including the live game service provider requirements contained in Appendix C.6 of the referenced technical standards

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.639c Progressive jackpots.**

Rule 639c. (1) An internet gaming operator or its internet gaming platform provider may offer a progressive jackpot that increases uniformly in value as the internet game is played based upon an approved rate of progression and is awarded for a specific outcome or event.

(2) The rules governing the award and the value of the progressive award must be readily available to individuals and authorized participants.

(3) An internet gaming operator or its internet gaming platform provider must obtain approval from the board in the form and manner prescribed by the board before offering, modifying, or transferring a progressive jackpot on software approved by the board under these rules.

(4) Two or more linked internet games offering the same progressive jackpot may be of different denominations or have different minimum internet wagers required to win the progressive jackpot, or both, if the probability of winning the progressive jackpot is directly proportional to the minimum internet wager required to win that jackpot. For example, if on the same link, a nickel game requires 20 credits (a \$1.00 wager), a quarter game requires 8 credits (a \$2.00 wager), and a dollar game requires 3 credits (a \$3.00 wager) to win the progressive jackpot, the probability of a winning internet wager must be 3 times more likely on a linked dollar game than on the linked nickel game, and twice as likely on a linked quarter game than on the linked nickel game. Similarly, if among 3 linked quarter denomination games, the first required 2 credits (a 50 cent wager), the second required 4 credits (a \$1.00 wager), and the third required 8 credits (a \$2.00 wager) to play for the progressive jackpot, on each wager, the probability of winning the jackpot would be twice as likely on the second game than on the first game, and 4 times more likely on the third game than on the first game.

(5) The internet gaming operator or its internet gaming platform provider, or both must ensure that progressive jackpot awards that have a reset amount greater than \$5,000.00 are reconciled at least once a month in accordance with approved internal controls unless otherwise required by the board.

(6) An internet gaming operator or its internet gaming platform provider, or both must maintain a detailed record of the monthly reconciliation. An internet gaming operator or its internet gaming platform provider, or both must also reconcile a progressive jackpot before a transfer or modification.

(7) The internet gaming operator or its internet gaming platform provider, or both must investigate the reason for any progressive amount variance exceeding \$100.00 and file an incident report with the board that must include corrective actions proposed or taken to resolve the variance.

(8) An internet gaming operator or its internet gaming platform provider, or both must remove or make the progressive game unavailable to individuals and authorized participants for all occurrences in which a game malfunctions or if otherwise required by the board.

(9) The internet gaming operator or its internet gaming platform provider, or both that chooses to restore a progressive jackpot previously made unavailable pursuant to this rule, must restore the entire progressive jackpot amount. The amount restored must include the entire jackpot, including the seed amount and all previously collected authorized participant contributions.

(10) An internet gaming operator may remove or transfer a progressive jackpot upon obtaining board approval as provided for in this rule and after notification to individuals and authorized participants, which notification must be given not less than 10 days before a transfer or not less than 30 days before a removal.

(11) If a wide area progressive offered on the internet is removed, it must be restored or transferred by the internet gaming platform provider or internet gaming supplier as applicable. The amount restored or transferred must include the entire jackpot, including the seed amount and all previously collected authorized participant contributions.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.639d Internet gaming networks.**

Rule 639d. (1) With the approval of the board, 1 or more internet gaming operators may participate in an internet gaming network as set forth in a written agreement that has been executed by each internet gaming operator. The agreement must

**Annual Administrative Code Supplement**  
**2020 Edition**

include all provisions required by the board.

(2) Each party to an agreement for an internet gaming network must be jointly and severally liable for acts, omissions, and violations of the act or these rules.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**PART 4. AUTHORIZED PARTICIPANT INTERNET WAGERS**

**R 432.641 Authorized participant complaints.**

Rule 641. (1) An internet gaming operator or internet gaming platform provider must include on its internet gaming platform a clear mechanism to advise authorized participants of their right to make a complaint against the internet gaming operator, the internet gaming platform provider, or another authorized participant (when collusion is suspected or when an authorized participant is disruptive or abusive), including information explaining how complaints can be filed, how complaints are resolved, and how the authorized participant may submit a complaint to the board.

(2) An internet gaming operator or internet gaming platform provider must attempt to resolve all complaints with the authorized participant.

(3) An internet gaming operator or internet gaming platform provider must investigate each complaint and provide a response to the authorized participant within 10 calendar days after receipt of the complaint.

(4) In its response, the internet gaming operator or internet gaming platform provider must advise the authorized participant of his or her right to submit the complaint to the board in the form and manner prescribed by the board.

(5) The complaint and the internet gaming operator's or internet gaming platform provider's response must be made in writing.

(6) Unless otherwise directed by the board, for complaints related to internet wagering accounts, game outcomes, or illegal activity related to internet gaming that cannot be resolved to the satisfaction of the authorized participant, the internet gaming operator or internet gaming platform provider must promptly notify the board of the complaint and the internet gaming operator's or internet gaming platform provider's response.

(7) On receipt of a complaint from an authorized participant or notification of an unresolved complaint from an internet gaming operator or internet gaming platform provider, the board may conduct any investigation the board considers necessary and may direct an internet gaming operator or internet gaming platform provider to take any corrective action the board considers appropriate.

(8) An internet gaming operator or internet gaming platform provider must maintain records related to authorized participant complaints for a minimum of 5 years and must provide the records to the board on request.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.642 Bank secrecy act compliance.**

Rule 642. (1) An internet gaming operator or internet gaming platform provider must comply with all provisions of the bank secrecy act of 1970, 31 USC 5311 to 5332, applicable to the internet gaming operator's or internet gaming platform provider's internet gaming operation.

(2) An internet gaming operator or internet gaming platform provider must, with regard to its internet gaming operation, maintain records related to its compliance with the bank secrecy act of 1970, 31 USC 5311 to 5332, including all currency transaction reports, suspicious activity reports, and any supporting documentation, for a minimum of 5 years. The internet gaming operator or internet gaming platform provider must provide the records to the board and any appropriate law enforcement agencies on request consistent with the authorization prescribed in the bank secrecy act of 1970, 31 USC 5311 to 5332, and applicable regulations.

(3) An internet gaming operator or internet gaming platform provider must provide a written notice to the board as soon as the internet gaming operator or internet gaming platform provider becomes aware of a compliance review that is conducted by the Internal Revenue Service under the bank secrecy act of 1970, 31 USC 5311 to 5332, and involves or impacts the internet gaming operator's or internet gaming platform provider's internet gaming operation. The internet gaming operator or internet gaming platform provider must provide a copy of the compliance review report or the equivalent to the board within 10 days after the receipt of the report by the internet gaming operator or internet gaming platform provider.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.643 Integrity monitoring/suspicious behavior.**

Rule 643. (1) An internet gaming operator or internet gaming platform provider must employ personnel responsible for ensuring the operation and integrity of internet gaming and reviewing all reports of suspicious behavior. Unless otherwise



**Annual Administrative Code Supplement**  
**2020 Edition**

directed by the board, an internet gaming operator or internet gaming platform provider must immediately notify the board upon detecting or becoming aware of any of the following:

- (a) Any person participating in internet wagering who is engaging in or attempting to engage in, or who is reasonably suspected of, cheating, theft, embezzlement, collusion, use of funds derived from illegal activity, money laundering, or any other illegal activities, including those activities prohibited in section 13 of the act, MCL 432.313.
  - (b) Any person who is reasonably suspected of misrepresenting their identity or using false identification to establish or attempt to establish an internet wagering account.
  - (c) Suspected criminal activity related to any aspect of internet gaming.
  - (d) Any criminal or disciplinary proceedings commenced against the internet gaming operator or internet gaming platform provider in connection with its internet gaming.
  - (e) Any suspicious internet wagering activity or patterns that indicate a concern regarding the integrity of an internet game or internet wagering.
  - (f) Any other conduct that corrupts the outcome of an internet game or internet wager.
  - (g) Any internet wagers that violate any applicable state or federal law.
- (2) An internet gaming platform provider must promptly notify any affected internet gaming operators on behalf of which it accepts internet wagers of any issues impacting the integrity of internet gaming.
  - (3) The board may require an internet gaming operator or internet gaming platform provider to provide any hardware or software necessary to the board, or to an independent lab approved by the board, for evaluation of its internet gaming offering or to conduct further monitoring of data provided by its internet gaming platform.
  - (4) An internet gaming operator or internet gaming platform provider must maintain records demonstrating its compliance with this rule, including all reports of suspicious behavior and any supporting documentation, for a minimum of 5 years and must provide the records to the board on request.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.644 Reserve requirement.**

Rule 644. (1) An internet gaming operator or internet gaming platform provider must maintain a reserve in the amount necessary to ensure the security of funds held in internet wagering accounts. The reserve must be in the form of:

- (a) Cash or cash equivalents maintained in a U.S. bank account segregated from the internet gaming operator's or internet gaming platform provider's operational funds.
  - (b) An irrevocable letter of credit.
  - (c) A bond.
  - (d) Any other form acceptable to the board.
  - (e) Any combination of the allowable forms described in subdivisions (a) to (d) of this subrule.
- (2) The reserve must be not less than the sum of the following:
    - (a) The daily ending cashable balance of all authorized participants' internet wagering accounts.
    - (b) Pending withdrawals.
    - (c) The sum of all pending internet wagers, funds transferred to an internet game not yet wagered, and pending wins.
  - (3) Funds held in internet wagering accounts must not be automatically transferred by an internet gaming operator or internet gaming platform provider. An internet gaming operator or internet gaming platform provider must not require an authorized participant to transfer funds from his or her internet wagering account, in order to circumvent this rule.
  - (4) Amounts available to authorized participants for play that are not redeemable for cash may be excluded from the reserve computation.
  - (5) On request, the board may allow an internet gaming operator or internet gaming platform provider to combine the reserve for all of its Michigan internet gaming, or all of its Michigan internet sports betting conducted under the lawful sports betting act, 2019 PA 149, MCL 432.401 to 432.419, or both.
  - (6) An internet gaming operator or internet gaming platform provider must have access to all internet wagering account and transaction data to ensure the amount of its reserve is sufficient. Unless otherwise directed by the board, an internet gaming operator or internet gaming platform provider must file a monthly attestation with the board, in the form and manner prescribed by the board, that funds have been safeguarded under this rule.
  - (7) The board may audit an internet gaming operator's or internet gaming platform provider's reserve at any time and may direct an internet gaming operator or internet gaming platform provider to take any action necessary to ensure the purposes of this rule are achieved, including but not limited to requiring the internet gaming operator or internet gaming platform provider to modify the form of its reserve or increase the amount of its reserve.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 432.645 Voiding of internet wagers.**

Rule 645. An internet gaming operator or internet gaming platform provider may not void a completed internet wager without board approval unless a void is necessary to resolve an internet gaming platform or internet game error or malfunction.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.647 Negative internet wagering account balance prohibited.**

Rule 647. An internet gaming platform must employ a mechanism that can detect and prevent any internet wagering or withdrawal activity initiated by an authorized participant that would result in a negative balance of the internet wagering account.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.648 Minimum and maximum internet wager.**

Rule 648. Unless otherwise prescribed by the board, there must be no limitation as to the minimum or maximum internet wager an internet gaming operator or internet gaming platform provider may accept. This rule does not preclude an internet gaming operator or internet gaming platform provider from establishing its own minimum or maximum internet wagers or limiting an authorized participant's internet wager for reasons considered necessary or appropriate by the internet gaming operator or internet gaming platform provider.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.649 Tournaments/contests and bonus and promotional wagering.**

Rule 649. (1) An internet gaming operator or internet gaming platform provider may conduct an internet gaming tournament or contest on an authorized game subject to all of the following:

(a) No internet gaming tournament or contest will be conducted unless the internet gaming operator or internet gaming platform provider, before the first time a tournament or contest type is offered, files written notice with the board of its intent to offer that tournament or contest type. The internet gaming operator or internet gaming platform provider may file a master tournament list with the board to satisfy this requirement.

(b) Each internet gaming operator or internet gaming platform provider must maintain a record of each tournament or contest type it offers, which must address, at a minimum, all of the following:

(i) Internet game type (for example, hold 'em poker).

(ii) Rules concerning tournament or contest play and participation.

(iii) Entry fee amount or amounts per participant.

(iv) Funding source amount or amounts comprising the prize pool (for example, buy-ins, re-buys, or add-ons).

(v) Prize structure on payout.

(vi) Methodology for determining winner or winners.

(2) An internet gaming operator or internet gaming platform provider may conduct internet gaming bonus and promotional wagering offers subject to all of the following:

(a) An internet gaming operator or internet gaming platform provider must maintain a record of all bonus and promotional wagering offers related to internet gaming in an electronic file that is readily available to the board.

(b) All bonus and promotional wagering offers must be stated in clear and unambiguous terms and must be accessible by the authorized participant after the offer is accepted and before completion.

(c) Offer terms and the record of all offers must include all of the following at a minimum:

(i) The date and time the offer is active and expires.

(ii) Authorized participant eligibility, including any limitations on participation.

(iii) Any restriction on withdrawals of funds.

(iv) Wagering requirements and limitations by type of internet game.

(v) The order in which funds are used for internet wagers.

(vi) Eligible internet games.

(vii) Rules regarding cancellation.

(3) An internet gaming platform or internet gaming platform provider must provide a clear and conspicuous method for an authorized participant to cancel his or her participation in a bonus or promotional wagering offer that utilizes restricted gaming credits that cannot be cashed out until a wagering requirement or other restrictions associated with the credits is met. If an authorized participant elects to proceed with cancellation, unrestricted funds remaining in an internet wagering account must be returned according to the terms and conditions.

(4) Once an authorized participant has met the terms of a bonus or promotional wagering offer, an internet gaming operator or internet gaming platform provider must not limit winnings earned while participating in the offer.

**Annual Administrative Code Supplement**  
**2020 Edition**

(5) Internet gaming operators or internet gaming platform providers may utilize celebrity authorized participants or other authorized participants to participate in peer-to-peer games for advertising or publicity purposes. Such authorized participants may have their internet wagering account funded in whole or in part by an internet gaming operator or internet gaming platform provider.

(6) An internet gaming operator or internet gaming platform provider may pay a fee to the celebrity authorized participant. If a celebrity authorized participant is utilized and the celebrity authorized participant generates winnings that the internet gaming operator or internet gaming platform provider does not permit the celebrity authorized participant to retain, the winnings must be included in gross receipts in a manner approved by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**PART 5. INTERNET WAGERING ACCOUNTS**

**R 432.651 Single wagering account in use for internet wagering.**

Rule 651. (1) An internet gaming operator or internet gaming platform provider shall limit each authorized participant to one internet wagering account and username. Each internet wagering account must be all of the following:

- (a) Non-transferable.
- (b) Unique to the authorized participant who establishes the internet wagering account.
- (c) Distinct from any other account number that the authorized participant may have established with the internet gaming operator or internet gaming platform provider except as set forth in subrule (2).

(2) An internet wagering account must be separate and distinct from an internet sports betting account established under the lawful sports betting act, 2019 PA 149, MCL 432.401 to MCL 432.419. Notwithstanding the foregoing, an internet wagering account may be integrated with an internet sports betting account, subject to all of the following conditions:

- (a) Internet gaming transactions must be identified, recorded, accounted for, and reported separately and distinctly from internet sports betting transactions conducted under the lawful sports betting act, 2019 PA 149, MCL 432.401 to MCL 432.419.
- (b) An internet gaming operator or internet gaming platform provider must comply with all applicable provisions of the act and these rules and any other conditions considered appropriate by the board.
- (3) An internet gaming operator or internet gaming platform provider must implement internal controls and publish procedures to terminate all accounts of any individual who establishes or seeks to establish multiple active internet wagering accounts, whether directly or by use of another individual as a proxy.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.651a Age and identity verification.**

Rule 651a. (1) An internet gaming operator or internet gaming platform provider must verify an individual's identity before allowing that individual to create an internet wagering account and place an internet wager.

(2) Only an individual who is 21 years of age or older and not a prohibited person may create an internet wagering account, deposit funds, or participate in internet wagering. The internet gaming operator or internet gaming platform provider must deny the ability to create an internet wagering account, deposit funds, or participate in internet wagering to any individual who is under 21 years of age or is a prohibited person. This subrule shall not be construed to prevent an individual from creating an internet gaming account and depositing funds to such an account even if they are prohibited from placing certain wagers.

(3) An internet gaming operator or internet gaming platform provider must use commercially available and demonstrable standards to confirm that an individual attempting to create an internet wagering account is not a prohibited person.

(4) Third-party service providers may be used for age and identity verification of individuals attempting to create internet wagering accounts.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.651b Data security of age and identity verification information.**

Rule 651b. Details of the age and identity verification process must be kept by the internet gaming operator or internet gaming platform provider in a secure manner approved by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.651c Handling of internet wagering accounts found to be used in fraudulent manner.**

Rule 651c. An internet gaming operator or internet gaming platform provider must have a documented system of internal controls for the handling of authorized participants or other individuals discovered to be using internet wagering accounts in a fraudulent manner, including, but not limited to the following:

**Annual Administrative Code Supplement**  
**2020 Edition**

- (a) The maintenance of information about any authorized participant's activity or other individual's activity, such that if fraudulent activity is detected, the internet gaming operator or internet gaming platform provider and the board have all of the necessary information to take appropriate action.
  - (b) The suspension of any internet wagering account discovered to be providing fraudulent access to prohibited persons.
  - (c) The treatment of deposits, internet wagers, and wins associated with a prohibited person's fraudulent use of an account and the confiscation of any winnings and things of value of a prohibited person in accordance with part 7 of these rules.
- History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.652 Terms and conditions for internet wagering accounts.**

Rule 652. (1) All terms and conditions for internet wagering accounts must be included in the internal controls of the internet gaming operator or internet gaming platform provider and address all aspects of the internet wagering, including, but not limited to all of the following:

- (a) Name of the party or parties with whom the individual is entering into a contractual relationship, including any licensee.
  - (b) Individual's consent to have the internet gaming operator or internet gaming platform provider confirm the individual's age and identity.
  - (c) Rules and obligations applicable to the authorized participant including, but not limited to, all of the following:
    - (i) Prohibition from allowing any other individual to access or use his or her internet wagering account.
    - (ii) Prohibition from engaging in internet wagering activity unless physically present in Michigan or another jurisdiction authorized under a multijurisdictional internet gaming agreement entered into in accordance with the act.
    - (iii) Prohibition from placing an internet wager while physically present in another jurisdiction on an internet game not authorized by the act and a multijurisdictional internet gaming agreement.
    - (iv) Consent to the monitoring and recording by the internet gaming operator, internet gaming platform provider, or the board, or all 3 of any internet wagering communications and geographic location information.
    - (v) Consent to the jurisdiction of this state to resolve any disputes arising out of internet wagering.
    - (vi) Prohibition against utilizing automated computerized software or other equivalent mechanism, such as a "bot," to engage in play.
  - (d) Full explanation of all fees and charges imposed upon an authorized participant related to internet wagering transactions.
  - (e) Availability of internet wagering account statements detailing the authorized participant's internet wagering account activity.
  - (f) Privacy policies, including information access.
  - (g) Legal age policy, including a statement that it is a criminal offense to allow an individual who is under the age of 21 to participate in internet wagering.
  - (h) Full explanation of all rules applicable to dormant internet wagering accounts.
  - (i) Authorized participant's right to set responsible gaming limits and to self-exclude.
  - (j) Authorized participant's right to suspend his or her internet wagering account for a period of no less than 72 hours.
  - (k) Actions that will be taken if an authorized participant becomes disconnected from the internet gaming platform during game play.
  - (l) Notice that a malfunction voids all pays.
  - (m) Estimated time period for withdrawal of funds from an internet wagering account.
  - (2) If the internet gaming terms and conditions are changed, the internet gaming operator or internet gaming platform provider shall require the authorized participant to acknowledge acceptance of the change. Unless otherwise authorized by the board, the authorized participant's acknowledgement must be date and time stamped by the internet gaming platform.
- History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.653 Authorized participant protections.**

Rule 653. (1) An internet gaming operator or internet gaming platform provider must provide an authorized participant protection information page that must be readily accessible to each authorized participant. The authorized participant protection page must be accessible to an authorized participant throughout an authorized participant session. The authorized participant protection page must contain, at a minimum, all of the following:

- (a) Method for changing or retrieving a password or other approved access security feature and the ability to choose "strong authentication" login protection.
- (b) Method for filing a complaint with the internet gaming operator or internet gaming platform provider.
- (c) Method for filing with the board an unresolved complaint after all reasonable means to resolve the complaint with the internet gaming operator or internet gaming platform provider have been exhausted utilizing forms and in the manner prescribed by the board.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (d) Method for obtaining a copy of the internet wagering terms and conditions agreed to when establishing an internet wagering account.
- (e) Method for the authorized participant to obtain his or her internet wagering account and game history from the internet gaming operator or internet gaming platform provider.
- (f) Notification that underage gambling is a criminal offense and that anyone who facilitates an individual under the age of 21 to place an internet wager has committed a criminal offense and must be prohibited from internet gaming.
- (g) Notification that the authorized participant is responsible for configuring his or her terminal's auto-lock feature to protect the terminal from unauthorized use.
- (h) Notification that an authorized participant is prohibited from allowing any other individual to access or use his or her internet wagering account.
- (i) Information about potential risks associated with excessive participation in internet wagering, and where to get help related to gaming responsibly.
- (j) A list of the available authorized participant protection measures that can be invoked by the authorized participant, such as self-imposed limits, and information on how to invoke those measures.
- (k) Mechanisms in place for authorized participants to detect unauthorized use of their internet wagering account, such as the authorized participant reviewing credit card statements against known deposits.
- (l) Other authorized participant protections authorized by the board.
- (2) Authorized participants must be provided with an easy and obvious method to impose limitations for internet wagering parameters including, but not limited to, deposits, wagers, and time-based limitations. The self-imposed limitation method must provide the following functionality:
  - (a) Upon receiving any self-imposed limitation order, the internet gaming operator or internet gaming platform provider must ensure that all specified limits are correctly implemented immediately or at the time that was clearly indicated to the authorized participant.
  - (b) The self-imposed limitations set by an authorized participant must not override more restrictive internet gaming operator or internet gaming platform provider-imposed limitations. The more restrictive limitations must take priority.
  - (c) Once established by an authorized participant and implemented by the internet gaming platform, it must only be possible to reduce the severity of self-imposed limitations upon 24 hours' notice, or as required by the board.
  - (d) Self-imposed limitations must not be compromised by internal status events, such as self-imposed exclusion.
- (3) The self-imposed limitations must be available to the authorized participant immediately after the internet wagering account is created, when placing a deposit into his or her internet wagering account, and upon logging into his or her internet wagering account.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.654 Responsible gaming.**

Rule 654. Each internet gaming operator's website or internet gaming platform must display a responsible gaming logo in a manner approved by the board to direct an authorized participant to the internet gaming operator's website or internet gaming platform responsible gaming page. The responsible gaming page must be accessible to an authorized participant during an authorized participant session and must contain, but is not limited to, the following:

- (a) A prominent message, that states "If you or someone you know has a gambling problem and wants help, call the Michigan Department of Health and Human Services Gambling Disorder Help-line at: 800-270-7117".
- (b) A direct link to the Michigan Gaming Control Board Compulsive/Problem Gambling website (<https://www.michigan.gov/mgcb/0,4620,7-351-79256-231582--,00.html>) and other organizations based in the United States dedicated to helping people with potential gambling problems.
- (c) A clear statement of the internet gaming operator's or internet gaming platform provider's policy and commitment to responsible gaming.
- (d) Other responsible gaming measures required by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.655 Internet wagering account requirements.**

Rule 655. To establish an internet wagering account, an internet gaming operator or internet gaming platform provider must do all of the following:

- (a) Create an electronic authorized participant file, which must, at a minimum, include the following:
  - (i) The authorized participant's legal name.
  - (ii) The authorized participant's date of birth.
  - (iii) The authorized participant's Social Security number, or the last 4 digits of the Social Security number, or an equivalent identification number for a noncitizen authorized participant, such as a passport or taxpayer identification number.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (iv) The authorized participant's internet wagering account number or username.
  - (v) The authorized participant's residential address. A post office box is not acceptable.
  - (vi) The authorized participant's electronic mail address.
  - (vii) The authorized participant's telephone number.
  - (viii) Any other information collected from the authorized participant used to verify his or her identity.
  - (ix) The method used to verify the authorized participant's identity.
  - (x) The date of verification.
- (b) Encrypt all of the following information contained in an electronic authorized participant file:
- (i) Any portion of the authorized participant's Social Security number or equivalent identification number for a noncitizen authorized participant, such as a passport or taxpayer identification number.
  - (ii) The authorized participant's passwords and PINs.
  - (iii) The authorized participant's personal financial information.
- (c) Verify the authorized participant's age and identity and record the date of verification in accordance with any of the following:
- (i) Reliable forms of personal identification specified in the internet gaming operator's or internet gaming platform provider's internal controls.
  - (ii) Other methodology for remote multi-source authentication, which may include third-party and governmental databases, as approved by the board.
  - (d) Record the document number of the government issued identification credential examined, if applicable. If a government issued identification credential is not required for registration, the electronic record that details the process used to confirm the authorized participant's identity must be recorded.
  - (e) Require the authorized participant to establish a password or other access security feature as approved by the board and advise the authorized participant to utilize strong authentication login protection.
  - (f) Record the authorized participant's acceptance of the internet gaming operator's or internet gaming platform provider's internet wagering terms and conditions to participate in internet gaming through the internet gaming operator's or internet gaming platform provider's website.
  - (g) Record the authorized participant's certification that the information provided to the internet gaming operator or internet gaming platform provider is accurate.
  - (h) Record the authorized participant's acknowledgment that the legal age for internet wagering is 21, and that he or she is prohibited from allowing any other individual to access or use his or her internet wagering account.
  - (i) Notify the authorized participant of the establishment of the account via electronic mail.
- History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.655a Internet wagering account funding.**

Rule 655a. An authorized participant's internet wagering account may be funded through the use of any of the following:

- (a) An authorized participant's credit or debit card.
  - (b) An authorized participant's deposit of cash or cash equivalent at a cashiering location approved by the board.
  - (c) An authorized participant's reloadable prepaid card, which has been verified as being issued to the authorized participant and is non-transferable.
  - (d) Promotional credit.
  - (e) Winnings.
  - (f) Adjustments made by the internet gaming operator or internet gaming platform provider with documented notification to the authorized participant.
  - (g) ACH transfer, provided that the internet gaming operator or internet gaming platform provider has security measures and controls to prevent ACH fraud regarding failed ACH deposits.
  - (h) Wire transfer.
  - (i) Any other means approved by the board.
- History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.655b Failed ACH deposits.**

Rule 655b. A failed ACH deposit attempt is not considered fraudulent if the authorized participant has successfully deposited funds via an ACH transfer on a previous occasion with no outstanding chargebacks. Otherwise, the internet gaming operator or internet gaming platform provider shall do all of the following:

- (a) Temporarily block the authorized participant's internet wagering account for investigation of fraud after 5 consecutive failed ACH deposit attempts within a 10-minute period. If there is no evidence of fraud, the block may be vacated.
- (b) Suspend the authorized participant's internet wagering account after 5 additional consecutive failed ACH deposit

**Annual Administrative Code Supplement**  
**2020 Edition**

attempts within a 10-minute period.  
History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.655c Transfer of funds prohibited.**

Rule 655c. An internet gaming operator or internet gaming platform provider must not permit an authorized participant to transfer funds from one authorized participant's internet wagering account to another authorized participant's internet wagering account or any other wagering account belonging to another authorized participant.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.655d Authorized participant account withdrawal.**

Rule 655d. (1) An authorized participant must be allowed to withdraw the funds maintained in his or her internet wagering account, whether the account is open or closed, except as otherwise provided in these rules, or any other applicable state or federal law.

(2) An internet gaming operator or internet gaming platform provider must honor the authorized participant's request to withdraw funds within 10 business days after the request, unless the conditions set forth in subrule (3) of this rule are met.

(3) The internet gaming operator or internet gaming platform provider may decline to honor an authorized participant's request to withdraw funds only if the internet gaming operator or internet gaming platform provider believes in good faith that the authorized participant engaged in either fraudulent conduct or other conduct that would put the internet gaming operator or internet gaming platform provider in violation of the act and these rules. In such cases, the internet gaming operator or internet gaming platform provider must do all of the following:

(a) Provide notice to the authorized participant of the nature of the investigation of the internet wagering account.

(b) Conduct its investigation in a reasonable and expedient fashion, providing the authorized participant additional written notice of the status of the investigation every tenth business day starting from the day the original notice was provided to the authorized participant.

(4) For purposes of this rule, a request for withdrawal is considered honored if it is processed by the internet gaming operator or internet gaming platform provider notwithstanding a delay by a payment processor, credit card issuer, or the custodian of a financial account.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.655e Internet wagering account review requirements.**

Rule 655e. All adjustments to internet wagering accounts for amounts of \$500.00 or less must be periodically reviewed by supervisory personnel as set forth in the internet gaming operator's or internet gaming platform provider's internal controls. All other adjustments must be authorized by supervisory personnel before being entered.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.656 Internet wagering account information.**

Rule 656. (1) An internet gaming platform must provide an account statement with account details to an authorized participant on demand, which must include detailed account activity for at least 6 months. In addition, an internet gaming platform must, upon request, be capable of providing a summary statement of all authorized participant activity during the past 2 years. Information provided on the summary statement must include, but not be limited to, the following:

(a) Deposits to the internet wagering account.

(b) Withdrawals from the internet wagering account.

(c) Win or loss statistics.

(d) Beginning and ending internet wagering account balances.

(e) Self-imposed limit history, if applicable.

(2) An internet gaming operator or internet gaming platform provider must periodically re-verify an authorized participant's identification upon reasonable suspicion that the authorized participant's identification has been compromised.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.657 Internet wagering account closure.**

Rule 657. An internet gaming platform must provide a conspicuous and readily accessible method for an authorized participant to close his or her internet wagering account through the account management or similar page or through the internet gaming platform customer support team. Any balance remaining in an internet wagering account closed by an authorized participant shall be refunded pursuant to the internet gaming operator's or internet gaming platform provider's internal controls.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 432.658 Internet wagering dormant accounts.**

Rule 658. An internet gaming operator or internet gaming platform provider shall consider an internet wagering account to be dormant if the authorized participant has not logged into the internet wagering account for at least 3 years. A dormant internet wagering account must be closed by the internet gaming operator or internet gaming platform provider. Any balance remaining in a dormant internet wagering account must be refunded or escheated in accordance with the internet gaming operator's or internet gaming platform provider's internal controls.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.659 Suspension and restoration of internet wagering accounts.**

Rule 659. (1) An internet gaming platform must employ a mechanism that places an internet wagering account in a suspended mode under any of the following conditions:

- (a) When requested by the authorized participant for a specified period of time, which must not be less than 72 hours.
- (b) When required by the board.
- (c) Upon a determination that an authorized participant is a prohibited person.
- (d) When initiated by an internet gaming operator or internet gaming platform provider that has evidence that indicates any of the following:
  - (i) Illegal activity.
  - (ii) A negative internet wagering account balance.
  - (iii) A violation of the internet wagering account terms and conditions has taken place on an authorized participant's internet wagering account.
- (2) When an internet wagering account is in a suspended mode, the internet gaming platform must do all of the following:
  - (a) Prevent the authorized participant from internet wagering.
  - (b) Prevent the authorized participant from depositing funds unless the account is suspended due to having a negative internet wagering account balance but only to the extent the internet wagering account balance is brought back to zero dollars.
  - (c) Prevent the authorized participant from withdrawing funds from his or her suspended account, unless the suspended mode was initiated by the authorized participant.
  - (d) Prevent the authorized participant from making changes to his or her internet wagering account.
  - (e) Prevent the removal of the internet wagering account from the internet gaming platform.
  - (f) Prominently display to the authorized participant that the internet wagering account is in a suspended mode, the restrictions placed on the internet wagering account, and any further course of action needed to remove the suspended mode.
- (3) A suspended account may be restored for any of the following reasons:
  - (a) Upon expiration of the time period established by the authorized participant.
  - (b) If authorized by the board.
  - (c) When the authorized participant is no longer a prohibited person.
  - (d) When the internet gaming operator or internet gaming platform provider has lifted the suspended status.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**PART 6. AUDIT AND INTERNAL CONTROLS**

**R 432.661 Internal control standards applicability of part.**

Rule 661. This part applies to internet gaming operators and internet gaming platform providers.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.662 Purpose.**

Rule 662. The procedures of the internal control standards are designed to ensure all of the following:

- (a) Assets are safeguarded.
- (b) The financial records of the internet gaming operator and internet gaming platform provider are accurate and reliable.
- (c) The transactions of the internet gaming operator and internet gaming platform provider are performed only in accordance with the act and these rules.
- (d) The transactions are recorded adequately to permit the proper recording of the adjusted gross receipts, fees, and all applicable taxes and payments.
- (e) Accountability of assets is maintained pursuant to generally accepted accounting principles.



**Annual Administrative Code Supplement**  
**2020 Edition**

- (f) Only authorized personnel have access to assets.
- (g) Internet wagering account balances are complete and accurate, and appropriate action is taken with respect to discrepancies.
- (h) Internet wagering accounts and personal identifiable information are adequately protected.
- (i) The functions, duties, and responsibilities are appropriately segregated and performed pursuant to sound practices by competent, qualified personnel and that no employee of the internet gaming operator, the internet gaming platform provider, a supplier, a registered vendor, or a third-party provider is in a position to perpetuate and conceal errors or irregularities in the normal course of the employee's duties.
- (j) Internet gaming is conducted with integrity and in accordance with the act and these rules.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.663 Board approval of internal control standards and requirements.**

Rule 663. (1) Unless otherwise provided for by the board, before beginning internet gaming, an internet gaming operator or internet gaming platform provider, or both, must submit its administrative and accounting procedures in detail in a written system of internal control for board review and written approval. A written system of internal controls must include a detailed narrative description of the administrative and accounting procedures designed to satisfy the requirements of these rules.

(2) The written system of internal controls must address the following items, at a minimum:

- (a) Procedures for responding to a failure of the internet gaming platform (i.e., game, system, communications, or platform malfunction), including procedures for restoring internet gaming. The internet gaming operator or internet gaming platform provider, or both, must also file with the board an incident report for each significant platform failure and document the date, time, and reason for the failure along with the date and time the system is restored.
- (b) User access controls for all internet gaming personnel.
- (c) Segregation of duties.
- (d) Automated and manual risk management procedures.
- (e) Procedures for identifying and reporting fraud and suspicious conduct.
- (f) Procedures to prevent wagering by prohibited persons.
- (g) Procedures for internet gaming operator-imposed or internet gaming platform provider-imposed exclusion of authorized participants, including the following:
  - (i) Providing a notification containing operator-imposed or internet gaming platform provider-imposed exclusion status and general instructions for resolution.
  - (ii) Ensuring that immediately upon executing the operator-imposed or internet gaming platform provider-imposed exclusion order, no new wagers or deposits are accepted from the authorized participant, until such time as the operator-imposed or internet gaming platform provider-imposed exclusion has been revoked.
  - (iii) Ensuring that the authorized participant is not prevented from withdrawing any or all of his or her account balance, if the internet gaming operator or internet gaming platform provider acknowledges that the funds have cleared, and that the reason or reasons for exclusion would not prohibit a withdrawal.
- (h) Description of anti-money laundering compliance standards.
- (i) Process for submitting or receiving approval of all types of internet games and wagers available.
- (j) Description of process for accepting wagers and issuing payouts, plus any additional controls for accepting wagers and issuing payouts in excess of \$10,000.00.
- (k) Description of process for voiding or cancelling wagers and refunding the authorized participant in accordance with these rules.
- (l) Description of process for accepting multiple wagers from one authorized participant in a 24-hour cycle, including process to identify authorized participant structuring of wagers to circumvent recording and reporting requirements.
- (m) Procedure for the recording of and reconciliation of internet gaming transactions.
- (n) Procedures for issuance and acceptance of promotional funds for internet gaming.
- (o) Description of all integrated third-party platforms.
- (p) Procedures for identifying and restricting prohibited persons.
- (q) Description of process to close out dormant accounts.
- (r) Procedures for making adjustments to an internet wagering account, providing a method for an authorized participant to close out an account and how an authorized participant will be refunded after the closure of an account or how funds will be escheated.
- (s) Procedures to verify each authorized participant's physical location pursuant to part 3 of these rules.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (t) Procedures for the security and sharing of personal identifiable information of an authorized participant, funds or financial information in an internet wagering account, and other information as required by the board. The procedures must include the means by which an internet gaming operator or internet gaming platform provider, or both, will provide notice to an authorized participant related to the sharing of personal identifiable information.
  - (u) Detailed responsible gaming measures.
  - (v) Method for securely implementing the responsible gaming database.
  - (w) Methods for securely issuing, modifying, and resetting an authorized participant's account password, personal identification number (PIN), or other approved security feature, if applicable. Any method must include notification to the authorized participant following any modification via electronic or regular mail, text message, or other manner approved by the board. Such methods must include, at a minimum, one of the following:
    - (i) Proof of identity, if in person.
    - (ii) The correct response to 2 or more challenge questions.
    - (iii) Strong authentication.
  - (x) Procedures for receiving, investigating, and responding to all authorized participant complaints.
  - (y) In detail, the location of the internet gaming servers, including any third-party remote location servers, and what controls will be in place to ensure security of the internet gaming servers.
  - (z) Technical security standards (controls) required by these rules.
  - (aa) Procedures for registration of authorized participants and establishing internet wagering accounts, including a procedure for authenticating the age, identity, and physical address of an applicant for an internet wagering account and whether the applicant is prohibited from establishing or maintaining an account under applicable laws or regulations.
  - (bb) Procedures for terminating an internet wagering account and the return of any funds remaining in the internet wagering account to the authorized participant or confiscation of funds in accordance with these rules.
  - (cc) Procedures for the logging in and authentication of an authorized participant to enable the authorized participant to commence internet gaming and the logging off of the authorized participant when the authorized participant has completed play, including a procedure to automatically log an authorized participant out of the internet wagering account after a specified period of inactivity.
  - (dd) Procedures for the crediting and debiting of an internet wagering account.
  - (ee) Procedures for withdrawing funds from an internet wagering account by the authorized participant.
  - (ff) Procedures for the protection of an authorized participant's funds, including the segregation of an authorized participant's funds from operating funds of the internet gaming operator or internet gaming platform provider, or both.
  - (gg) Procedures and security for the calculation and recording of gross receipts, adjusted gross receipts, and winnings.
  - (hh) Procedures and security standards as to receipt, handling, and storage of internet gaming equipment.
  - (ii) Procedures and security standards to protect and respond to an individual's suspected or actual hacking of or tampering with the internet gaming operator's or internet gaming platform provider's internet gaming website or internet gaming devices and associated equipment.
  - (jj) Procedures and appropriate measures implemented to deter, detect, and, to the extent possible, prevent cheating, including collusion, and use of cheating devices, including the use of software programs that make bets according to algorithms.
  - (kk) Procedures to govern emergencies, including suspected or actual cyber-attacks on, hacking of, or tampering with the internet gaming platform, internet gaming website or internet gaming devices and associated equipment. The procedures must include the process for the reconciliation or repayment of an authorized participant's internet wagering account.
  - (ll) Policies and procedures in connection with the internal audit function of its internet gaming operations.
  - (mm) Establishing policies and procedures with respect to credit.
  - (nn) Any other items considered necessary by the board.
- (3) To the extent a third-party is involved in or provides any of the internal controls required in these rules, the internet gaming operator's or internet gaming platform provider's internal controls, or the controls of both of them, must document the roles and responsibilities of the third-party and must include procedures to evaluate the adequacy of and monitor compliance with the third-party's internal control procedures.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.663a Amendments to internal controls.**

Rule 663a. Unless otherwise provided by the board, all of the following provisions apply to amendments to the internal control procedures:

**Annual Administrative Code Supplement**  
**2020 Edition**

(a) Amendments to any portion of the internal control procedures must be submitted to the board for approval. If within 30 days the board has not approved, denied, or otherwise provided written notice, an internet gaming operator or internet gaming platform provider, or both, may implement the amended internal controls as submitted with the board retaining its authority to require further amendment, approval, or denial.

(b) The board may, in writing, approve, deny, or require a revision to the amendment to the internal control procedures. If the internet gaming operator or internet gaming platform provider, is notified of a required revision, the internet gaming operator or internet gaming platform provider must work with the board to address the revision.

(c) If the board requests additional information, clarification, or revision of an amendment to an internal control and the internet gaming operator or internet gaming platform provider, or both, fail to satisfy the request within 30 days after the board request, the board shall consider the amendment denied and it cannot be implemented or, if previously implemented under subdivision (a) of this rule, the internet gaming operator or internet gaming platform provider has 15 days to cease implementation of that amendment. If the internet gaming operator or internet gaming platform provider subsequently wants to pursue the amendment, it must resubmit the request along with the additional information previously requested by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.663b Emergency procedures.**

Rule 663b. (1) In the event of an emergency, the internet gaming operator or internet gaming platform provider, or both, may temporarily amend an internal control procedure. The executive director or his or her designee must be notified that an emergency exists before temporarily amending an internal control procedure.

(2) An internet gaming operator or internet gaming platform provider, or both, must submit the temporary emergency amendment of the internal control procedures to the executive director or his or her designee within 3 days of the amendment. The submission must include the detailed emergency procedures that will be implemented and the time period the emergency procedures will be temporarily in place. Any concerns the board has with the submission must be addressed with the internet gaming operator or internet gaming platform provider, or both.

(3) As soon as the circumstances necessitating the emergency amendment to the internal control procedures abate, an internet gaming operator or internet gaming platform provider, or both, shall resume compliance with the approved internal control procedures.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.663c Failure to comply with requirements.**

Rule 663c. If the board determines that the administrative or accounting procedures or written internal control procedures of the internet gaming operator or internet gaming platform, or both, do not comply with the requirements of these rules or require improvement, the board shall notify the internet gaming operator or internet gaming platform provider, or both, in writing. Within 15 days after receiving the notification, the internet gaming operator or internet gaming platform provider must amend its procedures and written internal control procedures accordingly and must submit, for board approval, a copy of the written internal control procedures, as amended, and a description of any other remedial measure taken.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.664 Compliance with internal controls.**

Rule 664. (1) Internet gaming operators and internet gaming platform providers must comply with all internal controls.

(2) If an internet gaming operator or internet gaming platform provider fails to comply with any provision of its internal controls, the board may initiate a disciplinary action.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.665 Accounting records.**

Rule 665. (1) An internet gaming operator and internet gaming platform provider must maintain complete, accurate, and legible records of all transactions related to their internet gaming, including transactions pertaining to revenues, expenses, assets, liabilities, and equity in conformance with generally accepted accounting principles.

(2) The board may direct an internet gaming operator and internet gaming platform provider to alter the manner in which the records are maintained if the internet gaming operator's and internet gaming platform provider's records are not in accordance with generally accepted accounting principles or if the records are not in sufficient detail.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (3) The accounting records must be maintained using a double entry system of accounting with transactions recorded on the accrual basis and supported by detailed subsidiary records.
- (4) The detailed subsidiary records must include, at a minimum, all of the following:
- (a) Detailed general ledger accounts identifying all revenue, expenses, assets, liabilities, and equity.
  - (b) A record of all investments, advances, loans, and accounts receivable balances due the establishment.
  - (c) A record of all loans and other accounts payable.
  - (d) A record of all accounts receivable written off as uncollectible.
  - (e) Journal entries prepared.
  - (f) Tax work papers used in preparation of any state or federal tax return if applicable.
  - (g) Records supporting the accumulation of the costs for complimentary services and items. A complimentary service or item provided to individuals in the normal course of an internet gaming business must be recorded in an amount based upon the full retail price normally charged for the service or item or as is otherwise consistent with generally accepted accounting principles.
  - (h) Records required by the internal control system.
  - (i) Other records that the board requires to be maintained.
- (5) The internet gaming operator and internet gaming platform provider must maintain all records supporting the adjusted gross receipts.
- (6) If an internet gaming operator or internet gaming platform provider, or both, fails to maintain the records used by it to calculate the adjusted gross receipts, the board may compute and determine the amount upon the basis of an audit conducted by the board using available information.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.665a Annual audits and annual compliance reports.**

Rule 665a. (1) All of the following provisions apply to annual and special audits and other reports:

- (a) The board requires an annual audit of the financial condition of the internet gaming operator's and internet gaming platform provider's total internet gaming operations. For an internet gaming operator licensed as a casino under the Michigan Gaming Control and Revenue Act, the audit prepared pursuant to section 14 of the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.214, satisfies this requirement. An independent certified public accountant must perform the annual audit.
- (b) The annual audit must be performed and presented in accordance with generally accepted accounting principles and contain the opinion of the independent certified public accountant as to its fair preparation and presentation in accordance with generally accepted accounting principles.
- (c) To assure the integrity of internet gaming and compliance with the act and these rules, the board may require a special audit of an internet gaming operator or an internet gaming platform provider, or both, to be conducted by board personnel or an independent certified public accountant. The board shall establish the scope, procedures, and reporting requirements of a special audit. For an internet gaming operator who is an Indian tribe, the scope of the special audit must be limited to the internet gaming operator's internet gaming operations.
- (2) The board shall require annual compliance reports to be prepared by the internet gaming operator or the internet gaming platform provider, or both, and submitted in a manner and form prescribed by the board. The annual compliance report must address all of the following areas:
  - (a) Compliance with procedures to ascertain that adjusted gross receipts are determined and state and local taxes or payments are paid, in conformity with the act and these rules.
  - (b) Compliance with applicable ordinances and agreements with other governmental authorities.
  - (c) Compliance with internal control procedures, accounting procedures, credit procedures, dispute procedures, and board-imposed security and safety requirements.
  - (d) A material deviation from the internal control procedures, accounting procedures, credit and dispute procedures, and board-imposed security and safety requirements.
  - (e) Corrective action taken to resolve deficiencies observed in subdivisions (a) to (d) of this subrule.
  - (f) Other matters required by the board to measure compliance with the act and these rules.
- (3) The board shall determine the date of filing and the number of copies of audits or reports required under this rule. The audits or reports must be received by the board or postmarked no later than the required filing date.
- (4) The reporting year-end of the internet gaming operator and internet gaming platform provider is December 31 unless otherwise approved by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.665b Board access to platform data.**

**Annual Administrative Code Supplement**  
**2020 Edition**

Rule 665b. The internet gaming operator or internet gaming platform provider must provide access to internet gaming platform related data as considered necessary by the board and in a manner approved by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.666 Records retention.**

Rule 666. (1) Each internet gaming operator or internet gaming supplier must maintain, in a place secure from theft, loss, or destruction, adequate records of its business and accounting operations. An internet gaming operator or internet gaming supplier must make the records available to the board, upon request, within a time provided for by the board. An internet gaming operator or internet gaming supplier must hold the records for not less than 5 years. The records must include, but not be limited to, all of the following:

(a) All correspondence with, or reports to, the board or any local, state, tribal, or federal governmental agency.

(b) All correspondence concerning the business of an internet gaming operator or internet gaming supplier.

(2) An internet gaming operator or internet gaming supplier must keep and maintain, in a manner and form required by the board, accurate, complete, and legible records of any books, records, or documents pertaining to, prepared in, or generated by, the internet gaming operator or internet gaming supplier, including, but not limited to, all of the following:

(a) Forms.

(b) Reports.

(c) Accounting records.

(d) Ledgers.

(e) Subsidiary records.

(f) Computer generated data.

(g) Internal audit records.

(h) Correspondence.

(i) Personnel records.

(3) An internet gaming operator or internet gaming supplier must keep and maintain the books, records, or documents in a manner and form approved or required by the board.

(4) An internet gaming operator or internet gaming supplier must organize and index all required records in a manner that enables the board to locate, inspect, review, and analyze the records with reasonable ease and efficiency.

(5) For an internet gaming operator that is an Indian tribe, records required to be maintained under this rule are limited to those records related to the internet gaming operator's internet gaming operations.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.667 Taxes and payments.**

Rule 667. (1) The internet gaming platform must be able to generate reports supporting adjusted gross receipts, wagering liability, winnings, and any other reports considered necessary by the board or as required by the internal controls. The reporting must be done on a form and in the manner prescribed by the board.

(2) An internet gaming operator who fails to remit to the board the tax or payment imposed under the act is liable for payment of a fine, as determined by the board of up to 25% per month of the amounts ultimately found to be due, to be recovered by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.668 Write-offs/amounts returned/disputed credit or debit charges.**

Rule 668. (1) An internet gaming operator shall not receive a deduction from gross receipts unless written approval is granted by the board for the following:

(a) Amounts returned to an authorized participant because of a game, platform, or system malfunction or because the internet wager must be voided because of concerns regarding integrity of the wager or game that were previously included in the computation of gross receipts.

(b) Uncollectible markers or successfully disputed credit or debit card charges that were previously included in the computation of gross receipts. Discretionary write-offs by the internet gaming operator do not constitute an uncollectible marker.

(2) An internet gaming operator must submit for board review and approval a written request, including all supporting documentation, of the deductions it would like to take against gross receipts.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**PART 7. RESPONSIBLE GAMING; PROHIBITED PERSON**

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 432.671 Establishment and maintenance of the responsible gaming database.**

Rule 671. (1) The board shall establish a responsible gaming database that contains a list of individuals who are prohibited from establishing an internet wagering account or participating in internet wagering offered by an internet gaming operator.

(2) The executive director may place an individual's name in the responsible gaming database for any of the following reasons:

(a) The individual has been convicted in any jurisdiction of a felony, a crime of moral turpitude, or a crime involving gaming.

(b) The individual has violated the act or another gaming-related law.

(c) The individual has performed an act or has a notorious or unsavory reputation such that the individual's participation in internet wagering under the act would adversely affect public confidence and trust in internet gaming.

(d) The individual's name is on a valid and current exclusion list maintained by this state or another jurisdiction in the United States.

(e) A court has ordered the placement of an individual's name in the responsible gaming database.

(f) The internet gaming operator or internet gaming platform provider has requested an individual's name be included in the responsible gaming database.

(g) Any other reason the executive director considers appropriate to protect the integrity of internet gaming under the act and these rules.

(3) An internet gaming operator or internet gaming platform provider may request an individual's name be included in the responsible gaming database. The request must be done in the manner and form prescribed by the executive director, but must at a minimum include all of the following:

(a) The individual's name and other identifying information.

(b) The reason why the internet gaming operator or internet gaming platform provider believes the individual should be included.

(c) Any evidence that supports the request.

(d) Any other information requested by the executive director.

(4) If the executive director places an individual in the responsible gaming database, it shall notify the individual. This notification must include the basis for the individual's placement in the responsible gaming database and explain that the individual is prohibited from establishing an internet wagering account or making an internet wager as authorized by the act and these rules.

(5) An excluded person may request a hearing under these rules to contest placement in the responsible gaming database. It is the excluded person's responsibility to prove by clear and convincing evidence why he or she should not be in the responsible gaming database.

(6) Involuntary placement in the responsible gaming database is permanent, unless removed by the executive director. The executive director shall only remove an excluded person from the responsible gaming database if the excluded person no longer satisfies the criteria for placement.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.672 Voluntary placement in the responsible gaming database.**

Rule 672. (1) An individual may have his or her name placed in the responsible gaming database for a period of 1 or 5 years by submitting a request in the manner and form prescribed by the executive director.

(2) An individual seeking voluntary placement in the responsible gaming database must agree to release the state, the board and its employees and agents, the internet gaming operator, the internet gaming platform provider, and each of their respective officers, directors, employees, and agents from any harm, monetary or otherwise, that may arise as a consequence of placing his or her name in the responsible gaming database.

(3) The executive director shall not include an individual in the responsible gaming database until the individual has provided all necessary information.

(4) If an internet gaming operator or internet gaming platform provider prohibits a voluntarily-excluded person in the responsible gaming database from engaging in other forms of gaming authorized by law in this state or in another jurisdiction, the limitation shall only be for the 1 or 5 year placement chosen by the voluntarily-excluded person.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.673 Distribution of the responsible gaming database.**

Rule 673. (1) The executive director shall provide the internet gaming operator and internet gaming platform provider with information the executive director considers necessary to carry out the purposes of the act and these rules.

**Annual Administrative Code Supplement**  
**2020 Edition**

(2) Internet gaming operators and internet gaming platform providers may only use the information as provided for in the internal controls and as is consistent with the act and these rules.

(3) Use of information from the responsible gaming database for a purpose other than what is provided for in the act or these rules may result in disciplinary action by the board against the licensee or a civil fine. Nothing in this part is intended to preclude the disclosure of such information pursuant to subpoena or other legal process.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.674 Self-exclusion list.**

Rule 674. (1) Each internet gaming operator and internet gaming platform provider must establish and maintain a self-exclusion list as prescribed in the act, in these rules, by direction of the executive director, and in accordance with internal controls.

(2) The self-exclusion list must be designed to safeguard the confidentiality of the information.

(3) An individual may have his or her name added to the self-exclusion list maintained by the internet gaming operator or internet gaming platform provider if he or she agrees to release the state, the board and its employees and agents, the internet gaming operator, the internet gaming betting platform provider, and each of their respective officers, directors, employees, and agents from any harm, monetary or otherwise, that may arise as a consequence of placing his or her name in the responsible gaming database or self-exclusion list.

(4) Any individual requesting placement in the self-exclusion list must submit through his or her internet wagering account or by another means authorized by the board, a completed request for self-exclusion.

(5) An internet gaming operator or internet gaming platform provider may disclose the names of voluntarily-excluded persons on the self-exclusion list to a person licensed or registered by the board for the purpose of allowing the third-party to remove the names of such individuals from a targeted mailing or other advertising or promotion to be made on behalf of an internet gaming operator or internet gaming platform provider.

(6) A licensed or registered third-party that obtains the self-exclusion list from an internet gaming operator or internet gaming platform provider is permitted to use the list solely to exclude names and other information from targeted mailings or other advertising or promotion made on behalf of the internet gaming operator or internet gaming platform provider. The third-party to whom the information is disclosed shall not distribute or disclose the information to the public or any other person. Disclosure may result in disciplinary action or civil fine.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.675 Prohibited persons.**

Rule 675. (1) An internet gaming operator and an internet gaming platform provider must make reasonable efforts to prevent a prohibited person from establishing an internet wagering account and not permit the prohibited person to place an internet wager based on the most current information available to the internet gaming operator and internet gaming platform provider. This subrule shall not be construed to prevent an individual from creating an internet gaming account and depositing funds to such an account even if they are prohibited from placing certain wagers.

(2) If an internet gaming operator or internet gaming platform provider detects, or is notified of, an individual suspected of being a prohibited person who had engaged or is engaging in prohibited internet wagering, the internet gaming operator or internet gaming platform provider, or both, must use reasonable measures to verify whether the individual is prohibited or not. If the internet gaming operator or internet gaming platform provider cannot establish by reasonable measures that the individual is prohibited, the individual is presumed to not be a prohibited person for the purposes of this rule.

(3) Upon verification of a prohibited status, the internet gaming operator or internet gaming platform provider, or both, must do both of the following:

(a) Immediately prohibit access to the individual's internet wagering account.

(b) Seize from the individual any winnings or things of value obtained from engaging in internet wagering.

(4) The internal controls of an internet gaming operator or internet gaming platform provider must contain procedures for processing any winnings or things of value confiscated or withheld from a prohibited person.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.676 Duty of internet gaming operator and internet gaming platform provider.**

Rule 676. (1) An internet gaming operator and internet gaming platform provider must make reasonable efforts to prohibit a prohibited person from establishing an internet wagering account and from participating in internet wagering offered under the act and these rules. This subrule shall not be construed to prevent an individual from creating an internet gaming account and depositing funds to such an account even if they are prohibited from placing certain wagers.

(2) If an internet gaming operator or internet gaming platform provider becomes aware that a prohibited person has established an internet wagering account or has participated in internet wagering, the internet gaming operator or internet

**Annual Administrative Code Supplement**  
**2020 Edition**

gaming platform provider must provide written notice to the executive director. Any wager made by a prohibited person must be cancelled and the internet wagering account used to place the wager must be suspended or closed.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**DEPARTMENT OF TREASURY**  
**MICHIGAN GAMING CONTROL BOARD**  
**INTERNET SPORTS BETTING RULES**  
**PART 1. GENERAL PROVISIONS**

**R 432.711 Definitions.**

Rule 711. As used in these rules:

- (a) "Act" means the lawful sports betting act, 2019 PA 149, MCL 432.401 to 432.419.
- (b) "Affiliate" means a person that, directly or indirectly, through 1 or more intermediaries, controls or is controlled by a sports betting operator.
- (c) "Affiliate marketer" means a person involved in promoting, marketing, and directing business to online gaming sites who is compensated based on the volume of customer referrals to an online gaming site or customer activity, including but not limited to, number of registrations, number of depositing registrations, or wagering activity, or both.
- (d) "Agent" means any individual who is employed by any agency of this state, other than the board, the state police, or attorney general, and who is assigned to perform full-time services on behalf of or for the benefit of the board regardless of the title or position held by that individual.
- (e) "Authorized participant session" means the period of time that an authorized participant is logged on to an internet sports betting platform.
- (f) "Conflict of interest" means a situation, relationship, or association in which the private interest of employees, agents, and contractors of the board may influence the judgment of the employee, agent, or contractor in the performance of his or her public duty under the act.
- (g) "Contractor" means any individual not employed by this state who performs services on behalf of or for the benefit of the board and requires unescorted access to board facilities.
- (h) "Event category" means a specific type of athletic event or other event governed by a specific sports governing body or other oversight body (for example, professional basketball governed by the National Basketball Association).
- (i) "Event wagering system" means the hardware, software, firmware, communications technology, other equipment, as well as the sports betting operator procedures implemented to allow an authorized participant to participate in wagering, and, if supported, the corresponding equipment related to the display of the wager outcomes, and other similar information necessary to facilitate an authorized participant's participation. The event wagering system provides the authorized participant with the means to place and manage wagers. The event wagering system provides the sports betting operator with the means to review internet sports betting accounts, if supported, suspend events, generate various wagering/financial transaction and account reports, input outcomes for events, and set any configurable parameters. The term does not include computer equipment or communications technology used by an authorized participant to access the internet sports betting platform. Unless otherwise specified in these rules, the term internet sports betting platform includes the entire event wagering system.
- (j) "Excluded person" means any individual who has been involuntarily placed in the responsible gaming database by the executive director and who is prohibited from establishing an internet sports betting account or participating in internet sports betting, or both, offered under the act or these rules.
- (k) "Executive Director" means the executive director of the Michigan gaming control board, appointed under section 4 of the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.204.
- (l) "Independent integrity monitoring provider" means an independent person who is registered with the board as a vendor and who receives reports of unusual wagering activity from a sports betting operator or internet sports betting platform provider for the purpose of assisting in identifying suspicious wagering activity.
- (m) "Key person" means any of the following except as otherwise provided in paragraph (vii):
  - (i) A director of the applicant.
  - (ii) A managerial employee of the applicant that performs the function of principal executive officer, principal operations officer, or principal accounting officer.
  - (iii) A person who holds more than 5% ownership interest in the applicant.



**Annual Administrative Code Supplement**  
**2020 Edition**

- (iv) An affiliate of the applicant.
- (v) A director of an affiliate of the applicant.
- (vi) A managerial employee of an affiliate of an applicant that performs the function of principal executive officer, principal operations officer, or principal accounting officer.
- (vii) Key person does not include an elected or appointed representative of any applicant or licensee that is a federally recognized Indian tribe located in this state unless the representative is also a full-time employee of the applicant's or licensee's internet sports betting operations. A key person for an Indian tribe includes a primary management official of the applicant who has management responsibilities for the applicant's internet sports betting operations.
- (n) "Layoff wager" means a wager placed by a sports betting operator or internet sports betting platform provider with another sports betting operator or internet sports betting platform provider for the purpose of offsetting authorized participant internet sports betting wagers.
- (o) "Licensee" means a person who holds a license under the act.
- (p) "Prohibited person" means any excluded person, any voluntarily-excluded person, and all of the following:
  - (i) An individual who is under the age of 21.
  - (ii) Any employee of, or appointee to, the Michigan gaming control board.
- (iii) Employees of a sports betting operator. An employee of a sports betting operator shall not create an internet sports betting account or place an internet sports betting wager with the sports betting operator for which he or she is employed unless using a test account under R 432.739a.
- (iv) Employees of an internet sports betting platform provider. An employee of an internet sports betting platform provider shall not create an internet sports betting account or place an internet sports betting wager with the sports betting operator for which the internet sports betting platform provider supplies the internet sports betting platform unless using a test account under R 432.739a.
- (v) Employees and appointees of a tribal gaming regulatory agency with jurisdiction over internet gaming being operated under such tribe's gaming ordinance and the Indian gaming regulatory act, 25 USC 2701 to 2721.
- (vi) Occupational licensees and applicants. Occupational licensees and applicants shall not place wagers with the sports betting operator or internet sports betting platform provider for which they are employed or for which they had to qualify.
- (vii) An individual not in an authorized location to make a wager.
- (viii) An individual placing an internet sports betting wager on behalf of another.
- (ix) An individual with access to non-public/exclusive information related to an event or an individual who may impact the outcome of an event or wager type is prohibited from wagering on any event overseen by the relevant sports governing body.
- (x) Athletes, coaches, managers, owners, and anyone with sufficient authority to influence the outcome of an event are prohibited from wagering on events overseen by the relevant sports governing body.
- (xi) Employees of a sports governing body or its members teams are prohibited from wagering on any event overseen by the relevant sports governing body.
- (xii) Owners of a sports governing body or member team are prohibited from wagering on any event overseen by the sports governing body or any event in which a member team of that sports governing body participates.
- (xiii) At the board's discretion, an individual on a list provided by a team or sports governing body may be prohibited from wagering on any event overseen by the relevant sports governing body.
- (xiv) An individual wagering in violation of state, tribal, or federal law.
- (xv) Other prohibited persons as determined by the board.
- (q) "Publicly traded corporation" means any corporation or other legal entity regulated by the U.S. Securities and Exchange Commission under the securities exchange act of 1934, 15 USC 78a to 78qq, or securities act of 1933, 15 USC 77a to 77aa.
- (r) "Secure transaction file" means a file that contains data that cannot be modified without detection.
- (s) "Self-authentication process" means a method used by a system to verify the validity of software and includes the following:
  - (i) The method requires the calculation of an output digest that is compared to a secure embedded value.
  - (ii) The output digest must be of 128-bit complexity, at a minimum.
  - (iii) Software is authenticated if the calculated digest equals the secure embedded value.
- (t) "Self-exclusion list" means a list of individuals who voluntarily excluded themselves from establishing or maintaining an internet sports betting account with a sports betting operator or internet sports betting platform provider.
- (u) "Strong authentication" means a method that has been demonstrated to the satisfaction of the board to effectively provide higher security than a username and password alone.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (v) "Suspended account" means an internet sports betting account that has been temporarily disabled from engaging in wagering activity.
- (w) "Suspicious wagering activity" means unusual wagering activity that cannot be explained and is indicative of any of the following:
  - (i) Match-fixing.
  - (ii) The manipulation of an event.
  - (iii) Misuse of inside information.
  - (iv) A potential breach of a sports governing body's internal rules or code of conduct pertaining to sports betting.
  - (v) Any other conduct that corrupts the outcome of an event.
  - (vi) Any other prohibited activity.
- (x) "Targeted mailing" means an advertisement or promotional offer from a sports betting operator or an internet sports betting platform provider directed to an individual on the basis of specific criteria, such as being a member or former member of a rewards club or a participant in social games. "Targeted mailing" does not include mass communication, including mailings or e-mailings, made to an entire area or zip code or targeted list, nor does it include an advertisement that arrives in a packet of 5 or more non-gaming advertisements, if the packet of advertisements is addressed to "resident," "occupant," or some similar wording and not to a specific individual. "Targeted mailing" further does not include any "pop-up" advertisement that appears on an individual's computer or mobile device on the basis of his or her IP Address.
- (y) "Things of value" means anything of value that may be used to place an internet sports betting wager.
- (z) "Unusual wagering activity" means abnormal wagering activity exhibited by one or more authorized participants and considered by a sports betting operator or internet sports betting platform provider as a potential indicator of suspicious wagering activity. Unusual wagering activity may include the size of an authorized participant's internet sports betting wager or increased wagering volume on a particular event or wager type.
- (aa) "Voluntarily-excluded person" means any individual whose name is included, at his or her own request, in the responsible gaming database or on a self-exclusion list, or both.
- (bb) "Wager type" means a type of internet sports betting wager, which may include, but is not limited to, the following:
  - (i) Single-game bets.
  - (ii) Teaser bets.
  - (iii) Parlays.
  - (iv) Over-under.
  - (v) Moneyline.
  - (vi) Pools.
  - (vii) Exchange betting.
  - (viii) In-game betting.
  - (ix) Proposition bets.
  - (x) Straight bets.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.712 Terms defined in act.**

Rule 712. Terms defined in the act have the same meaning when used in these rules.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.713 Board duties, jurisdiction, and authority.**

Rule 713. (1) To execute and administer the act for the purpose of licensing, regulating, and enforcing lawful internet sports betting the board may do all of the following:

- (a) Determine its practices and internal policies or procedures.
- (b) Delegate to the executive director all powers and authority to act in the name of the board with respect to all reasonable, necessary, and appropriate actions to administer and carry out the administrative and executive functions of the board including, but not limited to, the power to do any of the following:
  - (i) Execute and enter into contracts on behalf of the board.
  - (ii) Hire and fire employees of the board and administer oaths.
  - (iii) Issue subpoenas for the attendance of witnesses and the production of documents.
  - (iv) Issue and renew licenses.
  - (v) Register vendors.
  - (vi) Conduct investigations, inspections, and audits, share information with law enforcement agencies, conduct hearings, and settle alleged violations of the act and these rules.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (vii) Engage in other functions necessary to the proper administration and enforcement of the act and these rules.
- (viii) Grant requests and waivers, answer inquiries, issue interpretations, and otherwise take any action that is reasonably requested by applicants, licensees, and vendors in furtherance of, and consistent with, the efficient administration and enforcement of the act and these rules, as determined to be necessary or appropriate by the executive director.
- (2) The board may set hiring standards for employees.
- (3) The board has general responsibility for the implementation of the act. The board's duties include, but are not limited to, all of the following:
  - (a) Deciding in a reasonable period of time all license applications.
  - (b) Investigating applicants for licenses or registration. The board may grant licenses or register persons in accordance with the act and these rules.
  - (c) Supervising sports betting operations authorized by the act.
  - (d) Investigating alleged violations of the act or these rules and taking appropriate disciplinary action against a licensee or any other person, or instituting appropriate legal action for enforcement, or both.
  - (e) Conducting investigative and contested case hearings, issuing subpoenas, and administering oaths and affirmations to the witnesses to exercise and discharge the powers and duties of the board under the act.
  - (f) Revoking or suspending licenses and registrations, and imposing fines as the board considers necessary and in compliance with applicable laws of this state.
  - (g) Imposing fines against individuals, sports betting operators, and sports betting suppliers for engaging in a fraudulent practice, for each violation of the act, these rules, or any resolution or order of the board, or for any other action that the board determines is a detriment or impediment to sports betting.
  - (h) Taking any other action as may be reasonable or appropriate to enforce the act and these rules.
- (4) The board may seek and shall receive the cooperation and assistance of other departments and agencies in conducting background investigations and in fulfilling its responsibilities under the act.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.713a Member, employee, or agent of board; conduct generally.**

- Rule 713a. (1) By January 31 of each year, each member, the executive director, and all employees of the board shall file 1 or more board disclosure forms. The board shall determine the contents of the form, but it must include such information as necessary to ensure the integrity of internet sports betting and disclosure of all relevant financial information. The form may be combined with similar forms required by other acts or rules.
- (2) If a member, the executive director, an employee, or an agent of the board negotiates for, or acquires by any means, any interest in a licensee, applicant, or person affiliated with a licensee or applicant, he or she must immediately provide written notice of the details of the interest to the chairperson. The member, executive director, employee, or agent of the board must not act on behalf of the board with respect to that licensee, applicant, or person affiliated with the licensee or applicant.
  - (3) A member, the executive director, an employee, or an agent of the board may enter into any negotiations for employment with a licensee, applicant, or affiliate of a licensee or applicant. The member, executive director, employee, agent, licensee, applicant, or affiliate must immediately notify the chairman and the executive director once the invitation to negotiate has been extended. A potential employer asking if an individual would be interested in a position or explaining the nature of a position does not constitute negotiations for employment. Further, an individual completing an employment application does not constitute negotiations for employment. The member, executive director, employee, or agent of the board must not take any action on behalf of the board with respect to that licensee, applicant, or person affiliated with a licensee or applicant while the negotiations are ongoing. All members, the executive director, board employees, agents, and contractors must, to the maximum extent possible, avoid situations, relationships, or associations that may represent or lead to an actual or perceived conflict of interest.
  - (4) A member, the executive director, an employee, or an agent or their spouse, may not accept any gift, gratuity, compensation, travel, lodging, or anything of value, directly or indirectly, from any licensee, applicant, or an affiliate or representative of an applicant or licensee, unless the acceptance conforms to a written policy issued by the chairperson. The chairman may exempt attendance at a reception, and food and drink for immediate consumption from this policy. The policy must be publicly available and shared with all licensees.
  - (5) A licensee, applicant, or an affiliate or representative of an applicant or licensee, shall not, directly or indirectly, give or offer to give any gift, gratuity, compensation, travel, lodging, or things of value to any member, the executive director, an employee, or an agent of the board that the member, employee, or agent of the board is prohibited from accepting under subrule (4) of this rule.
  - (6) A licensee, applicant, or an affiliate or representative of an applicant or licensee must not engage in ex parte communications with a member of the board. A member of the board must not engage in any ex parte communications with a licensee, applicant, or affiliate or representative of an applicant or licensee.

**Annual Administrative Code Supplement**  
**2020 Edition**

(7) Any member, licensee, applicant, or affiliate or representative of a board member, licensee, or applicant who receives any ex parte communication in violation of subrule (6) of this rule, or who is aware of an attempted communication in violation of subrule (6) of this rule, must immediately report details of the communication or attempted communication in writing to the chairperson.

(8) A member, the executive director, an employee, or an agent of the board must not have an internet sports betting account or participate in or wager on any sports betting conducted in this state except as part of the individual's surveillance, security, or other official duty authorized by the board.

(9) Violation of this rule by a licensee, applicant, or affiliate or a representative of a licensee, applicant, or affiliate, may result in denial of an application for licensure, revocation or suspension of a license, or other action by the board.

(10) Violation of this rule does not create a civil cause of action.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.714 Denial or non-renewal hearings.**

Rule 714. (1) A person whose application for a license or a transfer of ownership has been denied, whose license has not been renewed, or who has been denied an approval from the board required in these rules may request a hearing. The hearing must be de novo.

(2) The person must submit an original hearing request, pleading, or other written document to the board, serve each party or attorney of record, and provide a proof of service on each party or attorney of record.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.714a Request for hearing.**

Rule 714a. (1) A request for hearing must meet all of the following requirements:

(a) Be in writing.

(b) State the name, current address, and current telephone number of the petitioner.

(c) State in detail the reasons why, and the facts upon which the petitioner will rely to show that, the petitioner's application for a license should not have been denied, the license should have been renewed, the transfer of ownership should have been approved, or approval should have been granted.

(d) Be signed, verified, and dated. A petitioner must have the verification notarized and include a certification stating, "Under the penalty of perjury, the undersigned has examined this request for hearing and to the best of my knowledge and belief, it is true, complete, and correct."

(2) A request for hearing must be submitted within 21 days after service of the notice of denial, notice of nonrenewal, or disapproval. A request for a hearing submitted by certified mail or overnight express mail is considered submitted in a timely manner if it is postmarked no later than 21 days after service of a notice of denial, notice of nonrenewal, or disapproval.

(3) A request for a hearing is considered granted unless denied.

(4) A request for a hearing may be withdrawn by the petitioner. If the request for hearing is withdrawn, then the initial denial, nonrenewal, or disapproval becomes a final board order.

(5) Unless the board denies a request for hearing, the board shall submit the request for hearing to the appropriate state agency.

(6) Default judgment or dismissal may result at any stage of the proceeding.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.714b Proceedings.**

Rule 714b. (1) The burden of proof is at all times on the petitioner. The petitioner has the affirmative responsibility of establishing, by clear and convincing evidence, any of the following:

(a) The petitioner should have been awarded a license.

(b) The license should have been renewed.

(c) The transfer of ownership should have been approved.

(d) Approval should have been granted.

(2) The hearing must be conducted in accordance with the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, except as otherwise provided in these rules or the act.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.714c Prohibition on ex parte communication.**

Rule 714c. A party or its attorney must not communicate directly or indirectly with the hearing officer regarding any pending matter, except upon notice and opportunity for all parties to participate. A party that engages in ex parte communication with the hearing officer may be subject to sanctions and penalties.

**Annual Administrative Code Supplement**  
**2020 Edition**

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.714d Sanctions and penalties.**

Rule 714d. (1) The hearing officer may recommend sanctions and penalties if the hearing officer finds that a party has failed to appear at a scheduled hearing, has acted in bad faith for the purpose of delay, or has otherwise abused the hearing process. Sanctions and penalties include, but are not limited to, a fine or default judgment or a directed finding on 1 or more issues.

(2) If a petitioner refuses to testify on his or her own behalf with respect to any question propounded to him or her, then the hearing officer may infer that the testimony or answer would have been adverse to the case of the petitioner.

(3) If the petitioner or attorney of record fails to answer a subpoena or refuses to testify fully at the request of the board, then the failure may be considered independent grounds for a finding that the petitioner should have been denied a license or the transfer of ownership. The hearing officer may also infer from the failure to answer a subpoena or refusal to testify fully that the testimony would have been adverse to the petitioner.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.714e Recording proceedings; transmittal of record and board action.**

Rule 714e. (1) Oral proceedings involving contested issues must be recorded to ensure the preservation of the testimony. A party may request a transcript of the proceedings. The requesting party must pay for the transcript.

(2) Unless otherwise specified by the board, the hearing officer, within 60 days after the conclusion of the hearing, or the submission of post-hearing briefs or proposed findings of fact, shall issue, to the board and to the parties, written findings of fact, conclusions of law, and recommendations. Findings of fact must be based exclusively on testimony, evidence, and matters within the record. The findings of fact must be stated separately.

(3) Unless otherwise agreed to by the parties or as set by the hearing officer, the parties have 21 days after the service of the findings of fact, conclusions of law, and recommendations of the hearing officer to file objections.

(4) Unless otherwise agreed to by the parties or as set by the hearing officer, the parties may file a response to the objections within 21 days after service of the objections.

(5) After the time period for the parties to file objections and responses to those objections, the hearing officer must transmit the entire record to the board.

(6) Before issuing a final order, the board must consider the record as a whole.

(7) After considering the record, the board may take any of the following actions:

(a) Affirm the written recommendations, findings of fact, and conclusions of law submitted by the hearing officer as its final board order.

(b) Issue a final order modifying the written recommendations, findings of fact, and conclusions of law submitted by the hearing officer.

(c) Issue a final order rejecting the written recommendations, findings of fact, and conclusions of law submitted by the hearing officer.

(d) Issue an order remanding the matter, with instructions, to the hearing officer for further proceedings.

(8) The board must serve copies of its orders on the parties.

(9) A board order becomes effective upon service.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.715 Request for declaratory ruling; form; contents.**

Rule 715. (1) An individual who requests a declaratory ruling from the board as to the applicability to an actual state of facts of a statute, rule, resolution, or order administered, promulgated, or issued by the board, must do so in writing.

(2) The written request must contain the relevant and material facts along with a reference to the statute, rule, resolution, or order applicable.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.715a Declaratory ruling; notice of issuance; request for information or arguments; hearing.**

Rule 715a. (1) Within 90 days after the receipt of a request for a declaratory ruling, the board shall issue a written notification by regular first-class mail to the petitioner and the petitioner's legal counsel, if any, stating whether or not a declaratory ruling will be issued.

(2) If the board decides to issue a declaratory ruling, the board may do any of the

**Annual Administrative Code Supplement**  
**2020 Edition**

following:

- (a) Request more information from the individual.
- (b) Request information from other interested parties.
- (c) Request information from experts outside the board.
- (d) Request oral or written arguments from interested parties.
- (e) Hold a hearing upon proper notice to all interested parties.
- (f) Decline to issue a declaratory ruling.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.716 Reasons for investigation of, or disciplinary action against, licensee; hearing procedure.**

Rule 716. (1) The board may initiate an investigation or a disciplinary action, or both, against a licensee if the board has reason to believe that at least 1 of the following applies:

- (a) The licensee is not maintaining suitability for licensure as provided by the act.
- (b) The licensee is not complying with licensure conditions.
- (c) The licensee is not complying with all laws, rules, orders, and resolutions.
- (2) Before initiating disciplinary proceedings, the board must give notice and an opportunity to show compliance under section 92 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.292.
- (3) A sports betting operator is responsible for the conduct of any licensee it uses to conduct internet sports betting wagering under the act. A sports betting supplier is also responsible for its conduct under the act and these rules. Any violation of the act or these rules by the sports betting operator in which the sports betting supplier participated in the action is also considered a violation by the sports betting supplier, and the board may hold both, or either, accountable for the violation.
- (4) The board may initiate a disciplinary proceeding by designating a member or the executive director to conduct a hearing or by initiating proceedings with the appropriate state agency under the contested case provisions of chapter 4 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.271 to 24.288, and the rules promulgated under that chapter.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.716a Actions available to hearing officer.**

Rule 716a. (1) A hearing officer may recommend sanctions and penalties if the hearing officer finds that a party has failed to appear for a scheduled hearing, acted in

bad faith for the purpose of delay or has otherwise abused the hearing process.

(2) If a respondent fails to testify on the respondent's own behalf with respect to any question propounded to the respondent, the hearing officer may infer that the testimony or answer would have been adverse to the case of the respondent.

(3) If the respondent or attorney of record fails to answer a subpoena or refuses to testify fully at the request of the board the failure may be considered independent grounds for a finding that the respondent should be disciplined. The hearing officer may also infer that the testimony would have been adverse to the respondent.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.716b Actions available to the board.**

Rule 716b. The board may take any of the following disciplinary actions against a licensee:

- (a) Suspend, revoke, restrict, or place conditions on the license of a licensee.
- (b) Require the removal of a licensee or the removal of an employee of a licensee.
- (c) Impose a civil penalty for each violation of the act, rules, orders, or resolutions.
- (d) Impose against an occupational licensee, for each violation of the act or these rules, a civil penalty of not more than \$10,000.00 as a result of the violation or attempted violation of the act or these rules.
- (e) Any other action considered necessary by the board to ensure compliance with the act or these rules.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.717 Special proceedings.**

Rule 717. (1) The board may suspend a license without notice or hearing if the board determines that the safety or health of persons or employees or the integrity of internet sports betting is jeopardized by continuing an operation or that the action is necessary for the immediate preservation of the integrity of internet sports betting, public peace, health, safety, morals, good order, or general welfare.

(2) The suspension may remain in effect until the board determines that the cause for suspension has been abated.

(3) Following a hearing, the board may revoke the license upon a determination that satisfactory progress toward abating the hazard has not been made.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.718 Waiver of requirements.**

Rule 718. The board may, in writing, waive, restrict, or alter any requirement or procedure set forth in these rules, if the board determines any of the following:

- (a) That the requirement or procedure is impractical or burdensome.
- (b) That the waiver, restriction, or alteration is in the best interest of the public and the internet sports betting.
- (c) That the waiver, restriction, or alteration is not outside the technical requirements necessary to serve the purpose of the requirement or procedure.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**PART 2. LICENSING: OPERATOR, SUPPLIER, OCCUPATIONAL; VENDOR REGISTRATION**

**R 432.721 Required notification of anticipated or actual changes in key person of sports betting operator and sports betting supplier.**

Rule 721. A sports betting operator applicant or licensee must notify the board before any anticipated or actual change in key person. A sports betting supplier applicant or licensee must notify the board of any change in key person within 30 days after appointment.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.721a Notification of new financial sources of sports betting platform providers.**

Rule 721a. A sports betting platform provider applicant or licensee must notify the board, in writing, as soon as practicable, after it becomes aware that it intends to enter into a transaction related in any way to its development and operations that may result in any new financial backers, investors, mortgagees, bondholders, or holders of indentures, notes, or other evidences of indebtedness of the applicant or licensee. A publicly traded corporation is considered to have complied with this rule if it has complied with the reporting requirements in R 432.721d.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.721b Notification by applicants or licensees required.**

Rule 721b. (1) A sports betting operator or sports betting supplier applicant or licensee, affiliate that has control of a sports betting operator applicant or licensee, or other person that has control of a sports betting operator or sports betting supplier applicant or licensee must notify the board, as soon as practicable after it becomes aware that, with regard to any such company, any person or individual has:

- (a) Beneficially acquired more than 5% of any class of the company's equity securities.
- (b) The ability to control the company.
- (c) The ability to elect 1 or more directors of the company.

(2) To the extent known by the sports betting operator license or sports betting supplier license applicant or licensee, the required notification must include the name, business address, phone number, and other personal identification information for each person.

(3) A person applying for or holding a sports betting operator license or sports betting supplier license must report to the board the election or appointment of a director or officer of that applicant or licensee or a holding company of that applicant or licensee who is actively and directly engaged in the administration or supervision of that applicant's or licensee's internet sports betting operation.

(4) A person who applies for or holds a sports betting operator license and all other persons covered by this part must file any other document requested by the board to ensure compliance with the act or this part within 30 days after the board request or at another time established by the board.

(5) A publicly traded corporation is considered to have complied with this rule if it has complied with the reporting requirements in R 432.721d.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.721c Required notification of formation, dissolution, or transfer of subsidiaries.**

Rule 721c. (1) A sports betting operator or sports betting supplier applicant or licensee, affiliate that has control of a sports betting operator applicant or licensee, or other person that has control of a sports betting operator or sports betting supplier applicant or licensee, must report, in writing, to the board, as soon as practicable, the formation or dissolution of, or any transfer of, a nonpublicly traded or publicly traded interest in the sports betting operator or sports betting supplier applicant or licensee, affiliate that has control of a sports betting operator applicant or licensee, or other person that has control of a sports betting operator or sports betting supplier applicant or licensee.

**Annual Administrative Code Supplement**  
**2020 Edition**

(2) A publicly traded corporation is considered to have complied with this rule if it has complied with the reporting requirements in R 432.721d.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.721d Publicly traded corporation reporting requirements.**

Rule 721d. (1) A publicly traded corporation or other person that applies for or holds a sports betting operator license or sports betting supplier license who is a public reporting company under the securities exchange act of 1934, 15 USC 78a to 78q, or the securities act of 1933, 15 USC 77a to 77aa, must submit a copy of all submissions required by the U.S. Securities and Exchange Commission to the board in a format prescribed by the board. The submissions are due within 14 days of the filing dates required by the U.S. Securities and Exchange Commission.

(2) If a publicly traded corporation or other person that applies for or holds a sports betting operator license or sports betting supplier license receives any material document filed with the U.S. Securities and Exchange Commission by any other person relating to the publicly traded corporation, the person must file 1 copy of the document with the board within 14 days after receipt of the material.

(3) A publicly traded corporation or other person that applies for or holds a sports betting operator license or sports betting supplier license must file a list of record holders of its voting securities with the board annually.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.721e Exemption for institutional investors.**

Rule 721e. (1) An institutional investor who acquires beneficial ownership of a person that has applied for or holds a sports betting operator license or sports betting supplier license must notify the board within 14 days after the institutional investor acquires the interest or files form 13-D or 13-G with the U.S. Securities and Exchange Commission, or both, and must provide additional information, and may be subject to a finding of suitability, as required by the board.

(2) An institutional investor who acquires and holds a less than 25% interest for investment purposes only in a person that has applied for or holds a sports betting operator license or sports betting supplier license in this state may, in a manner and form prescribed by the board, file an exemption form to establish exemption from the eligibility and suitability requirements of the act.

(3) The licensee in whom the institutional investor acquires the interest must file an application for approval of the transfer within 30 days after the transfer. Within the same time period, the institutional investor must file either an exemption form if the institutional investor holds the interest for investment purposes only or an application and disclosure forms as part of the licensee's application if the institutional investor does not hold the interest for investment purposes only.

(4) The board may require that any person, including an institutional investor, seeking approval to hold ownership interests subject to this part apply for a finding of suitability in accordance with this rule if the board considers the finding of suitability necessary to ensure compliance with the act and these rules. If the board denies a request for an institutional investor exemption, the institutional investor must, within 30 days, either divest itself of the interest or file application and disclosure forms as part of the relevant licensee's license.

(5) The following activities are considered to be consistent with holding equity securities for investment purposes only under this rule:

(a) Voting, directly or indirectly, through the delivery of a proxy furnished by the board of directors, on all matters voted on by the holders of the voting securities.

(b) Serving as a member of a committee of creditors or security holders formed in connection with a debt restructuring.

(c) Nominating a candidate for election or appointment to the board of directors in connection with a debt restructuring.

(d) Accepting appointment or election as a member of the board of directors in connection with a debt restructuring and serving in that capacity until the conclusion of the member's term.

(e) Making financial and other inquiries of management of the type normally made by securities analysts for information purposes and not to cause a change in its management, policies, or operations.

(f) Other activities that the board determines to be consistent with the investment intent.

(6) If an institutional investor acquires 25% or more ownership interest of a licensee, the institutional investor must notify the board within 14 days of acquiring the ownership interest.

**R 432.721f Applicability of part; transfer of ownership interest; limitation.**

Rule 721f. (1) An interest in a person applying for or holding a sports betting operator license or sports betting supplier license may only be transferred in accordance with this part.

(2) The following persons must provide notice to the board no later than 30 days after execution of the transfer:

(a) Except for a sports betting platform provider, a person that transfers or acquires greater than a 5% interest in a person that has applied for or holds a sports betting operator license or sports betting supplier license in this state.



**Annual Administrative Code Supplement**  
**2020 Edition**

- (b) Except for a sports betting platform provider, a person who, as a result of an acquisition, has acquired an interest totaling greater than 5% in a person that has applied for or holds a sports betting operator license or sports betting supplier license in this state.
- (3) Except as stated in subrules (5) and (6) of this rule, the following persons must provide notice to the board 30-days before execution of a transfer:
- (a) A person that intends to transfer or acquire greater than a 5% interest in a person that has applied for or holds a sports betting operator license or sports betting platform provider in this state.
- (b) A person who, as a result of an acquisition, will acquire an interest totaling greater than 5% in a person that has applied for or holds a sports betting operator license or is a sports betting platform provider in this state.
- (4) The board must determine whether the person acquiring the interest is eligible and suitable under the standards set forth in the act and these rules, unless the board grants the person an institutional-investor exemption under these rules or under section 6(13) or 8(10) of the act, MCL 432.406 and 432.408. Once the board determines that the person acquiring the interest is eligible and suitable under the standards set in the act and these rules, the executive director may approve the transfer.
- (5) A transfer of interest to an institutional investor that acquires or will have acquired, upon completion of the transfer, less than 25% of the equity securities of a person that applies for or holds a sports betting operator license or sports betting supplier license may occur without first receiving executive director approval if the equity securities are held for investment purposes only but is subject to other requirements of this part.
- (6) A transfer of interest in a sports betting operator or sports betting supplier licensee may occur if the transfer is between persons the board has found eligible and suitable for licensure during the licensing period in which the transfer occurs. In those cases, approval of the transfer must be requested no later than 30 days after the transfer, and the executive director may decide the application.
- (7) If approval of the transfer of interest is denied by the executive director or the person acquiring the interest is found unsuitable by the board, the transferee must divest itself of the interest within 30 days after the date of the order denying approval.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.721g Application for transfer of ownership.**

Rule 721g. (1) A person desiring to acquire an ownership interest in a person applying for or holding a sports betting operator license or sports betting supplier license must complete and submit application and disclosure forms, in the manner and form prescribed by the board.

(2) A person desiring to acquire an interest in a person applying for or holding a sports betting operator license or sports betting supplier license must present evidence that the person desiring to acquire the interest is eligible and suitable under the standards and criteria for licensure set forth in the act and these rules.

(3) A person applying for or holding a sports betting operator license or sports betting supplier license that is attempting to transfer an ownership interest must submit any information or documentation considered necessary by the board to ensure compliance with the act and these rules.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.721h Transfer investigative costs and fees.**

Rule 721h. An investigation fee may be assessed to the extent that there are costs directly associated with the background investigation relating to the person desiring to acquire an interest in a sports betting operator or sports betting supplier. Unless otherwise determined by the board, approval may be withheld until full payment of the background investigation fees.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.721i Denials.**

Rule 721i. If an application for a transfer of interest is denied, a notice of denial must be issued.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.721j Review of information at licensee's or applicant's premises; costs to sports betting operator and sports betting supplier.**

Rule 721j. (1) The board may review, at the premises of the custodian of the information, any information that the act or these rules provide for from any of the following entities:

- (a) A license applicant.
- (b) A licensee.
- (c) A key person.

**Annual Administrative Code Supplement**  
**2020 Edition**

(2) If information is reviewed at the premises of the custodian of the information, the license applicant or licensee must, as soon as practicable, reimburse the board for all licensure investigation expenses incurred in performing the review at the premises of the custodian of the information, including travel, food, and lodging that exceed the amount of the application fee.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.721k Applicant/licensee disclosure of representatives to act on their behalf before the board.**

Rule 721k. (1) An applicant or licensee must file, with the board, a list of persons authorized to act on the applicant's or licensee's behalf as to any matter before the board. An attorney appearing on behalf of an applicant or licensee in a matter before the board must promptly file an appearance identifying his or her client and the matter in which the attorney will appear.

(2) A person holding or applying for a license must establish and identify a representative for the purpose of accepting service of process, notices, and other forms of communication from the board for the person holding or applying for a license.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.722 License classifications.**

Rule 722. (1) The following licenses may be issued under the act and these rules:

(a) Sports betting operator license.

(b) Sports betting supplier license.

(2) The following persons are eligible to hold a sports betting operator license:

(a) A person that holds a casino license under the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.201 to 432.226.

(b) An Indian tribe that lawfully conducts class III gaming in a casino located in this state under a facility license issued in accordance with a tribal gaming ordinance approved by the chair of the National Indian Gaming Commission.

(3) A person that provides goods or services regarding the operation of internet sports betting to sports betting operators is required to hold a sports betting supplier license. Sports betting supplier includes, but is not limited to, the following:

(a) Internet sports betting platform providers.

(b) Geofence providers.

(c) Sports betting data providers.

(d) Providers of software that directly affects sports betting or the integrity of sports betting in this state.

(e) Providers hosting live sports betting data.

(f) Affiliate marketers that have an agreement based on the sharing of customer revenue.

(g) Unless otherwise determined by the board, any other person that meets 1 or more of the following criteria:

(i) The person manufactures, supplies, or distributes devices, machines, equipment, items, or articles that meet any of the following provisions:

(A) Are specifically designed for use in the conduct of internet sports betting.

(B) Have the capacity to affect the outcome of an internet sports betting wager.

(C) Have the capacity to affect the calculation, storage, collection, or control of gross sports betting receipts.

(ii) The person services or repairs sports betting wagering devices, machines, equipment, items, or articles impacting the integrity of internet sports betting.

(iii) The person provides services directly related to the operation, security, surveillance, or management of internet sports betting.

(iv) The person provides other goods or services determined by the board to be so utilized in, or incidental to, the operation of a sports betting operator that the person must be licensed as a sports betting supplier to protect the public and enhance the credibility and integrity of internet sports betting in this state.

(4) A person must be licensed as a sports betting supplier before providing goods, software, or services as a sports betting supplier to a sports betting operator.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.723 Occupational licensing.**

Rule 723. (1) An individual must have an occupational license if his or her duties directly impact the integrity of internet sports betting as determined by the board in its sole discretion subject to the following:

(a) The board shall exercise its discretion with respect to any sports betting operator applicant or licensee that is an Indian

**Annual Administrative Code Supplement**  
**2020 Edition**

tribe consistent with limitations prescribed in the act.

- (b) A sports betting operator or sports betting supplier may provide an explanation, such as a job description, to support an allegation that a position should not require an occupational license.
- (c) Elected or appointed officials of a federally recognized Indian tribe located within this state are exempt from any occupational licensing requirement unless they are employees of the tribe's internet sports betting operation.
- (2) The following individuals when employed by a sports betting operator or sports betting supplier are considered by the board to directly impact the integrity of internet sports betting:
  - (a) An individual who has the capability to directly affect the outcome of an internet sports betting wager.
  - (b) An individual who has the capability of affecting a payout to an authorized participant.
- (3) An individual applying for an occupational license must complete an application in the manner and form prescribed by the board and submit it together with the required application fee and a written statement from a sports betting operator or sports betting supplier indicating that it has employed or will employ the individual if the individual is licensed.
- (4) If a preliminary review of the application and criminal history check does not uncover or indicate any circumstance that may require denial of the application under the licensing standards established in this rule, a temporary occupational license may be issued. The temporary occupational license authorizes the individual to perform the employment duties for which the license is sought, pending action on the license application. A temporary license is valid until the occupational license application is withdrawn or denied, the temporary license is suspended or revoked, or the license is issued by the board.
- (5) An individual has the burden to establish by clear and convincing evidence his or her suitability as to character, reputation, integrity, and responsibility.
- (6) The board may, in its discretion, deny an occupational license to an individual who is or does any of the following:
  - (a) Fails to disclose or states falsely any information requested in the application.
  - (b) Has been convicted of a criminal offense involving gambling, dishonesty, theft, or fraud in any jurisdiction. However, the board may waive this requirement if the conviction occurred more than 5 years before the applicant applies for a license and the board is convinced that the applicant does not pose a threat to the integrity of internet sports betting and the applicant otherwise meets the requirements of this rule.
  - (c) Has a history of noncompliance with any regulatory requirements in this state or any other jurisdiction.
  - (d) Lacks the requisite suitability as to integrity, and character as determined by the board.
  - (e) Has had a prior gambling related license or license application suspended, restricted, revoked, or denied for just cause in any other jurisdiction.
- (7) The board shall decide whether to grant or deny the application for an occupational license. The decision must not be arbitrary or capricious.
- (8) Upon granting the application for an occupational license and payment of the licensing fee, the executive director shall issue the occupational license.
- (9) The occupational license is not transferable to another individual.
- (10) An occupational licensee must have on his or her person the license while working for the applicable sports betting operator or sports betting supplier in this state during work hours.
- (11) The board may exempt an individual from any or all of the occupational licensing requirements if any of the following apply:
  - (a) The individual is licensed under the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.201 to MCL 432.226.
  - (b) The individual is licensed under the lawful internet gaming act, 2019 PA 152, MCL 432.301 to MCL 432.322.
  - (c) The individual is licensed by another governmental agency.
  - (d) The board determines, in its sole discretion that licensing is not considered necessary to protect the public interest or accomplish the policies of the act.
- (12) An individual exempted from occupational licensing may be required to register with the board using a form prescribed by the board.
- (13) The board may suspend, revoke, summarily suspend, or refuse to renew a license for just cause.
- (14) An occupational license is valid for 2 years and must be renewed as prescribed by the board. If the occupational licensee files a renewal request and pays the licensing fee in a timely manner and in the manner and form prescribed by the board, the licensee's existing occupational license does not expire until a decision on the application for renewal is made.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.724 Fees, fines, taxes, payments, and assessments.**

Rule 724. (1) All fees, fines, taxes, payments, and assessments provided for under the act and these rules must be timely submitted to the board by a payment method acceptable to the board, such as a certified check, cashier's check, money order made payable to "State of Michigan," or electronic transfer of funds.

**Annual Administrative Code Supplement**  
**2020 Edition**

(2) A sports betting operator must remit the tax or payment imposed by the act to the board by an electronic transfer of funds. A sports betting operator licensee must maintain an account at a designated financial institution that is capable of handling electronic fund transfers.

(3) The following nonrefundable license application fees must be submitted to the board, together with the required license application form or forms, for the corresponding license classification to which the fees relate:

(a) Sports betting operator license application: \$50,000.00.

(b) Sports betting supplier license application: \$2,500.00.

(c) Occupational license application: \$250.00.

(4) The license application fee will be used by the board to conduct an appropriate background investigation of the applicant as prescribed by the board, the act, and these rules. No portion of a remitted application fee will be refunded.

(5) An additional background investigation charge may be assessed to the extent the board's direct investigative costs exceed the applicant's application fee. Unless otherwise determined by the board, a license may not be issued until payment of the additional assessed charge for completion of the background investigation is received by the board.

(6) A licensee may also be assessed the board's direct investigative costs arising from a background investigation for renewal of a license to the extent the costs exceed the application fees. The board may deny a renewal application if the licensee does not pay the additional assessed costs by a date set by the board.

(7) The following license fees must be submitted to the board by the applicant upon initial issuance of the license under the act and these rules:

(a) Sports betting operator license: \$100,000.00.

(b) Sports betting supplier license: \$5,000.00.

(c) Occupational license: \$250.00.

(8) The following license fees must be submitted to the board by the licensee after the initial license is issued under the act and these rules:

(a) Sports betting operator license annual fee: \$50,000.00.

(b) Sports betting supplier license annual fee: \$2,500.00.

(c) Occupational license biennial fee: \$250.00.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.724a Deposit of fees, fines, taxes, payments, and assessments.**

Rule 724a. Except as provided in sections 15 and 15a of the act, MCL 432.415 and 432.415a, all fees, fines, taxes, payments, and assessments imposed by this state under the act and these rules must be deposited into the internet sports betting fund.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.725 Investigation process for sports betting operators and sports betting suppliers.**

Rule 725. The board shall conduct a background investigation on an applicant subject to the limitations of section 6 of the act, MCL 432.406, when the applicant is an Indian tribe. The board shall also use the information provided in the application and disclosure form or forms as a basis for a background investigation and to evaluate and determine the eligibility and suitability of the applicant to receive a sports betting operator license or sports betting supplier license under the licensing standards and criteria provided in the act and these rules. A misrepresentation or omission in the application is cause for the denial, suspension, restriction, or revocation of a sports betting operator license or sports betting supplier license by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.725a Persons required to be found eligible and suitable.**

Rule 725a. (1) The board shall not issue or renew a sports betting operator license or sports betting supplier license unless every person required by the act and these rules as part of the application for issuance or renewal of the license has first been determined by the board to be eligible and suitable in accordance with the relevant licensing standards set forth in the act and these rules.

(2) Unless otherwise prescribed by the board, the following persons are required to be found eligible and suitable as part of the application for the issuance, or request for renewal, of a sports betting operator license or sports betting supplier license:

(a) A person who is required to apply for a sports betting operator license or sports betting supplier license under the act and these rules.

(b) A person who is included in the term "applicant" as defined in section 2 of the act, MCL 432.403.

(c) A person who is a key person.

**Annual Administrative Code Supplement**  
**2020 Edition**

(3) A person required to be found eligible and suitable as part of the application for issuance or renewal of a sports betting operator license or sports betting supplier license must complete and file with the board an application and required disclosure forms in the manner and form prescribed by the board.

(4) A person that applies for or holds a sports betting operator or sports betting supplier license must ensure that all persons who are required by the act and these rules to establish their eligibility and suitability as part of the applicant's application for the issuance, or the licensee's maintenance or renewal, of the sports betting operator license or sports betting supplier license have filed, with the board, all required applications, reports, and disclosure forms in the manner and form prescribed by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.725b License issuance by the board—standards and criteria.**

Rule 725b. (1) Except to the extent the board may require different or additional procedures, an applicant for a sports betting operator license or sports betting supplier license is subject to all of the following before licensing:

(a) Application.

(b) Background investigation.

(c) Action and decision by the board on the application.

(2) A person that is required to be licensed as a sports betting operator or sports betting supplier under the act and these rules must, before issuance of a sports betting operator's or sports betting supplier's license, produce information, documentation, and assurances to establish all of the following by clear and convincing evidence:

(a) Its suitability as to character, reputation, integrity, business probity, and financial ability.

(b) Its willingness to be subject to the jurisdiction of the board.

(c) That the applicant has adequate capitalization and the financial ability and the means to develop, construct, operate, and maintain the applicant's sports betting operator or sports betting supplier business in accordance with the act and these rules.

(d) That the applicant has adequate capitalization and the financial ability to responsibly pay its secured and unsecured debts in accordance with its financing agreements and other contractual obligations.

(e) That the applicant's compliance with casino or casino-related licensing requirements or compacts with this state or any other jurisdiction.

(f) That the applicant and all other persons required to be found eligible and suitable as part of the application are eligible and suitable for licensure under the licensing standards, criteria, and requirements.

(g) That the applicant, if an individual, and all other individuals required to be found eligible and suitable as part of the application are not less than 21 years of age, unless otherwise approved by the board.

(h) That the applicant and all other persons required to be found eligible and suitable as part of the application have not been convicted of any criminal offense involving gaming, theft, dishonesty, or fraud in any jurisdiction. However, the board may waive this requirement if the conviction occurred more than 5 years before the applicant applies for a license and the board is convinced that the applicant does not pose a threat to the integrity of internet sports betting and the applicant otherwise meets the requirements of this rule.

(i) That the applicant and all other persons required to be found eligible and suitable as part of the application do not appear on the exclusion list of any jurisdiction.

(j) That the applicant and all other persons required to be found eligible and suitable as part of the application are in substantial compliance with all local, state, and federal laws.

(k) That the applicant has the financial ability to purchase and maintain adequate liability and casualty insurance and to provide an adequate surety bond.

(3) Subrule (2) of this rule does not apply to an Indian tribe except to the extent authorized by the act. To the extent a non-tribal applicant or licensee will be providing goods and services to a sports betting operator who is an Indian tribe, that applicant or licensee shall provide information relative to its relationship with the sports betting operator to determine if it is an arm of the tribe. Arm of the tribe means a tribally-created economic entity owned in part or in whole by the Indian tribe which was intended by the Indian tribe to share in its sovereign immunity and satisfies any relevant legal criteria under federal Indian law for establishing arm of the tribe status.

(4) Once licensed, a person must comply with the act and these rules. Failure to comply may result in disciplinary action.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.725c Provisional licenses for sports betting suppliers.**

Rule 725c. (1) Upon written request of a person applying for a sports betting supplier's license, the executive director may issue a provisional license to the applicant and permit the applicant to conduct business transactions with, and provide goods

**Annual Administrative Code Supplement**  
**2020 Edition**

and services to sports betting operators, if all of the following provisions are complied with:

- (a) A completed application, an application fee, and all required disclosure forms and other required written documentation and materials have been submitted by the applicant.
  - (b) Preliminary review of the application and a criminal history check does not reveal that the applicant or the applicant's affiliate or key person, has been convicted of a felony or misdemeanor involving gambling, theft, dishonesty, or fraud or may otherwise be ineligible or unsuitable to permit licensure under the act or these rules.
  - (c) There is no other apparent deficiency in the application that may require denial of the application.
  - (d) The applicant has a letter of intent to provide goods or services to a sports betting operator or the applicant shows good cause for being granted a provisional license.
- (2) A provisional license issued under this rule expires on the date provided by the board.
  - (3) If the sports betting supplier's provisional license expires, or is suspended or revoked, the executive director shall forward the applicant's application for a sports betting supplier license to the board at the conclusion of the background investigation for action on the application.
  - (4) The board may, at its discretion, waive any or all of the provisions listed in subrule (1) of this rule if the applicant is licensed by the board under the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.201 to 432.226, or the lawful internet gaming act, 2019 PA 152, MCL 432.301 to 432.322.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.726 Denials.**

Rule 726. (1) If the board denies an application for a license, it shall direct the executive director to issue a notice of denial.

- (2) An applicant, including an individual applying for an occupational license, who is served with a notice of denial under these rules may request a contested case hearing as set forth in these rules.
- (3) The notice of denial is a finding that the person is ineligible or unsuitable for licensure or is otherwise in violation of the licensing requirements of the act or these rules. When the board denies an application for a license, the person is prohibited from conducting business that would otherwise require licensure.
- (4) A person whose application for a license has been denied may not reapply for a period of 1 year from the date on which the board voted to deny the application unless otherwise approved by the board.
- (5) A person whose application for a license was denied may seek leave of the board to reapply within the 1-year period by addressing the request to the board. The board may require the person to present oral or written argument outlining why an exception should be made.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.727 Renewal of a license.**

Rule 727. (1) A sports betting operator or sports betting supplier license when issued is valid for a 5-year period.

- (2) A sports betting operator or sports betting supplier licensee may renew its license every 5 years after receiving its initial license.
- (3) A sports betting operator or sports betting supplier licensee intending to renew its license must, at least 30 days before expiration of its license, submit the annual license renewal fee and application in the manner and form required by the board.
- (4) If the board denies the application for renewal, it shall direct the executive director to issue the licensee a notice of nonrenewal.
- (5) A sports betting operator or sports betting supplier licensee who is served with a notice of nonrenewal under this rule may request a contested case hearing as set forth in these rules.
- (6) The notice of nonrenewal is a finding that the sports betting operator or sports betting supplier licensee is ineligible or unsuitable for licensure or is otherwise in violation of the licensing requirements of the act or these rules. When the board denies an application for renewal, the person is prohibited from conducting business that would otherwise require licensure.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.728 Application explained; applicant to demonstrate eligibility and suitability.**

Rule 728. (1) An application for a license under the act and these rules is a request by the applicant seeking a revocable privilege. A license must be granted by the board if the applicant meets the licensing requirements of the act and these rules.

- (2) An applicant for a license under the act and these rules, at all times, has the burden of demonstrating to the board, by clear and convincing evidence, that the applicant is eligible and suitable to be granted and retain the license for which application is made under the applicable licensing standards and requirements of the act and these rules.

**Annual Administrative Code Supplement**  
**2020 Edition**

(3) A license issued by the board under the act and these rules is a revocable privilege granted by the board. A person who holds a license does not acquire, and must not be considered to have acquired, a vested property right or other right in the license.

(4) An applicant or licensee must accept any risk of adverse publicity, public notice, notoriety, embarrassment, criticism, financial loss, or other unfavorable or harmful consequences that may occur in connection with, or as a result of, the application and licensing process or the public disclosure of information submitted to the board with a license application or at the board's request under the act and these rules.

(5) An applicant or licensee may claim any privilege afforded by the Constitution or laws of the United States or of this state in refusing to answer questions or provide information requested by the board. However, a claim of privilege with respect to any testimony or evidence pertaining to the eligibility or suitability of an applicant or licensee to be granted or hold a license under the act and these rules may constitute cause for denial, suspension, revocation, or restriction of the license.

(6) An applicant and licensee have a continuing duty to do all of the following:

(a) Notify the board of a material change in the information submitted in the license application submitted by the applicant or licensee or a change in circumstance that may render the applicant or licensee ineligible or unsuitable to hold the license under the licensing standards and requirements of the act and these rules.

(b) Maintain the applicant's or licensee's eligibility and suitability to be issued and hold the license held or applied for under the act and these rules.

(c) Provide any information or records requested by the board relating to licensing or regulation; cooperate with the board in investigations, inspections, audits, hearings, and enforcement and disciplinary actions; allow access to its facilities relevant to Michigan internet sports betting operations; and comply with all conditions, restrictions, requirements, orders, and rulings of the board in accordance with the act and these rules.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.728a Eligibility and suitability of new key person.**

Rule 728a. An individual required to be found eligible and suitable or licensed under the act or these rules by virtue of his or her position with a sports betting operator licensee must not perform any duties or exercise any powers of the position until he or she is determined to be eligible and suitable and is licensed by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.728b Duty to disclose violation of licenses.**

Rule 728b. A sports betting operator and a sports betting supplier must immediately notify the board, in writing, if it becomes aware that a sports betting operator, sports betting supplier, or occupational licensee involved in its internet sports betting operations under the act has acted contrary to the act or these rules.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.728c Contracts.**

Rule 728c. The sports betting operator must maintain all contracts that relate to its Michigan internet sports betting operations for 5 years following its expiration. The board must be allowed access to any contract entered into by a sports betting operator upon demand. The sports betting operator may be required by the board to promptly submit copies of any such contract upon request of the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.729 Vendors.**

Rule 729. (1) All of the following apply regarding vendor registration:

(a) A vendor who provides goods or services, or both, directly or indirectly, to a sports betting operator or internet sports betting platform provider in connection with its Michigan internet sports betting operation may be required to register with the board. Vendors requiring registration include, but are not limited to, the following:

(i) Affiliate marketers that do not have an agreement based on the sharing of customer revenue.  
In connection with its vendor registration, the affiliate marketer must certify it does not promote or market, or both, illegal sports betting sites to individuals located in Michigan. An illegal sports betting site is one that is not licensed to accept wagers from customers located in Michigan or any other state.

(ii) Independent integrity monitoring providers.

(iii) Payment processors.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (iv) A person that provides over \$100,000.00 worth of goods or services, or both, to any sports betting operator or internet sports betting platform provider in connection with its Michigan internet sports betting operation in a calendar year.
- (v) Data centers providing physical security and infrastructure.
- (vi) Any other person as considered necessary by the board.
- (b) Unless otherwise provided for by the board, a person must be registered as a vendor before providing goods or services, or both, as a vendor to a sports betting operator or sports betting platform provider.
- (c) A sports betting operator or sports betting platform provider is prohibited from using an unregistered vendor to provide goods or services that require a vendor registration.
- (d) Unless otherwise provided for by the board, the following persons are not required to register as a vendor:
  - (i) Insurance companies.
  - (ii) A person or entity that provides legal services.
  - (iii) Entities providing medical related services.
  - (iv) Michigan public institutions of higher education.
  - (v) Public utilities regulated by the Michigan public service commission.
  - (vi) A Michigan or federally chartered depository financial institution.
  - (vii) A person or business that provides goods or services as a result of the licensee's employees engaging in business travel, including transportation, lodging, food, and fuel providers.
  - (viii) A person who provides employee training or professional development to a licensee.
  - (ix) A person who provides conferences, seminars, publications, or memberships that will directly contribute to the work performance or professional development of the licensee's employees.
- (e) To register, a vendor must complete and file with the board an application for registration and required disclosure forms in the manner and form prescribed by the board. An application for registration and required disclosure forms must be submitted to the board, together with a nonrefundable application fee of \$200.00 by a payment method acceptable to the board, such as a certified check, cashier's check, money order made payable to "State of Michigan", or electronic fund transfer.
- (2) All of the following apply regarding renewal of a vendor registration:
  - (a) A vendor must renew its registration every 5 years after initial registration.
  - (b) A vendor intending to renew its registration must, at least 30 days before expiration of its registration, submit the annual registration fee and application in the manner and form required by the board.
- (3) All of the following apply regarding vendor conduct:
  - (f) A vendor must, at all times, conduct itself in a manner that does not compromise the integrity of internet sports betting or violate any applicable provisions of the act and these rules.
  - (g) The board may conduct an investigation to determine if a vendor has acted in a manner that does or could compromise the integrity of internet sports betting in this state. The following may be considered during an investigation:
    - (i) Criminal records.
    - (ii) Suspension of licenses, registration certificates, or their equivalent, or any other adverse actions in other jurisdictions.
    - (iii) Business reputation.
    - (iv) Associations with businesses and individuals.
    - (v) Compliance with gaming laws and regulations in Michigan and other jurisdictions.
    - (vi) Any other information considered appropriate by the board.
  - (h) Vendors agree to be subject to the jurisdiction of the board, have a continuing duty to provide information or records requested by the board, must cooperate with the board in any investigation, inspection, audit, or inquiry, and must allow the board access to its facilities that are relevant to Michigan internet sports betting operations.
  - (i) If the investigation reveals a vendor's conduct could or does compromise the integrity of internet sports betting in this state, the board may issue a cease and desist order, obtain injunctive relief, or take any other action necessary to protect the integrity of internet sports betting in this state, or all 3.
  - (j) Vendors have a continuing duty to notify the board of any change in information previously submitted to the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**PART 3. TECHNICAL STANDARDS**

**R 432.731 Geofence requirements.**

Rule 731. (1) All internet sports betting transactions must be initiated and received or otherwise made by an authorized



**Annual Administrative Code Supplement**  
**2020 Edition**

participant located in this state or, if the board authorizes multijurisdictional internet sports betting in accordance with the act, another jurisdiction in the United States authorized by the multijurisdictional agreement.

- (2) To prevent the unauthorized placement of an internet sports betting wager by an individual not within this state, the internet sports betting platform provider must utilize a geofencing system to reasonably detect the physical location of an individual or authorized participant attempting to access the internet sports betting platform and place an internet sports betting wager and to monitor and block unauthorized attempts to access the internet sports betting platform to place an internet sports betting wager when an individual or authorized participant is not within the permitted boundary.
- (3) The geofencing system must ensure that an individual or authorized participant is located within the permitted boundary when placing an internet sports betting wager, and must be equipped to dynamically monitor the individual's or authorized participant's location and block unauthorized attempts to access the internet sports betting platform to place an internet sports betting wager throughout the duration of the internet sports betting authorized participant session.
- (4) The board shall approve all technical specifications for geofencing and any specific requirements related to geofencing technology that is commercially available.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.732 Approval of internet sports betting platform.**

Rule 732. (1) Except as otherwise determined by the board in writing, an internet sports betting platform provider or sports betting supplier must not distribute an internet sports betting platform to a sports betting operator unless the internet sports betting platform has been approved by the board.

- (2) An internet sports betting platform provider may seek approval of its internet sports betting platform by submitting an application to the board in the manner and form prescribed by the board.
- (3) If a sports betting operator does not utilize an internet sports betting platform provider and, instead, develops its own internet sports betting platform, the sports betting operator is considered both a sports betting operator and an internet sports betting platform provider for the purposes of this part.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.732a Internet sports betting platform submission and approval process.**

Rule 732a. (1) Each internet sports betting platform provider must submit its internet sports betting platform proposed for use by a sports betting operator to the board or to an independent lab approved by the board for evaluation. The internet sports betting platform provider must provide all information the board requests, including, but not limited to, all the following:

- (a) A complete, comprehensive, and technically accurate description and explanation of the internet sports betting platform and its intended use in both technical and lay language. The document must be signed under penalty of perjury.
- (b) Detailed operating procedures or service manuals, or both, of the internet sports betting platform.
- (c) Details of all tests performed on the internet sports betting platform, the conditions and standards under which the tests were performed, the test results, and the identity of the individual who conducted each test.
- (d) A detailed description of the risk management framework including but not limited to:
  - (i) User access controls for all internet sports betting personnel.
  - (ii) Information regarding segregation of duties.
  - (iii) Information regarding automated risk management procedures.
  - (iv) Information regarding fraud detection.
  - (v) Controls for ensuring regulatory compliance.
  - (vi) Description of anti-money laundering compliance standards.
  - (vii) Description of all software applications that comprise the internet sports betting platform.
  - (viii) Description of all event categories and wager types available to be offered by the internet sports betting platform.
  - (ix) Description of all integrated third-party systems.
  - (x) Description of the method to prevent past posting.
- (2) All sports betting software used to accept sports betting wagers must be designed with a method to permit the validation of software using Gaming Authentication Tool or other method approved by the board.
- (3) The internet sports betting platform provider or sports betting supplier must submit all internet sports betting source code and any special tool, computer equipment, compiling program, or other technical assistance necessary to compile the submitted software. The result of the compiled source code must be identical to that in the storage medium submitted for evaluation.
- (4) The internet sports betting platform provider or sports betting supplier must provide the board with a method to compensate for or resolve any differences between the compiled program and the submitted program.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (5) The internet sport betting platform provider or sports betting supplier may employ other equivalent methods that ensure the results of the complied source code are identical to the storage medium submitted for evaluation upon written request and approval of the board.
- (6) Except where the board has provided written notification that approval is not required, a sports betting operator must install or use an internet sports betting platform that has been approved by the board. A sports betting operator must not alter the manner in which the internet sports betting platform operates without the prior written approval of the board.
- (7) After evaluating the internet sports betting platform, the board shall advise the internet sports betting platform provider, in writing, of the determination.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.732b Procedures and notification requirements after approval.**

Rule 732b. (1) If another gaming jurisdiction revokes or otherwise directs discontinuance of the internet sports betting platform or any component of the internet sports betting platform that has been approved by the board, the sports betting operator or internet sports betting platform provider or both must advise the board in writing of the discontinuance within 21 days of the revocation or direction of discontinuance.

- (2) A sports betting operator, sports betting operator applicant, or internet sports betting platform provider must immediately notify the board, in writing, of any defects or malfunctions of the internet sports betting platform or any component of the internet sports betting platform that affects the integrity or conduct of internet sports betting, proper reporting of adjusted gross sports betting receipts, or that materially affects the operation, or safety of, or betting on, any internet sports betting platform or any component of the internet sports betting platform that has been approved by the board and is utilized by the sports betting operator or sports betting operator applicant.
- (3) A sports betting operator and internet sports betting platform provider must maintain all records required under this rule for a minimum of 5 years.
- (4) The board may require a sports betting operator to discontinue use of the internet sports betting platform or any component of the internet sports betting platform for any of the following reasons:
  - (a) The internet sports betting platform or component of the internet sports betting platform does not perform in the manner described in the application and related submission documentation.
  - (b) The internet sports betting platform or component of the internet sports betting platform is defective or malfunctions frequently.
  - (c) The internet sports betting platform or component of the internet sports betting platform has a detrimental impact on the conduct or integrity of internet sports betting.
  - (d) The internet sports betting platform or component of the internet sports betting platform improperly computes adjusted gross sports betting receipts.
- (5) The board shall provide written notification to the internet sports betting platform provider and the sports betting operator if the internet sports betting platform or component of the internet sports betting platform is no longer approved for use.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.733 Internet sports betting platform technical standards.**

Rule 733. (1) An internet sports betting platform for use to conduct internet sports betting must meet the specifications set forth in these rules or other technical specifications as prescribed by the board. Failure to comply with the approved specifications, internal controls, or technical specifications may result in disciplinary action by the board.

(2) Sports betting operators and internet sports betting platform providers must comply with, and the board adopts and incorporates by reference, Gaming Laboratories International, LLC Standard GLI-33: Standards for Event Wagering Systems, version 1.1, released May 14, 2019, which is available for inspection and distribution at no cost, as of the time of adoption of these rules, at the board's office located at 3062 W. Grand Blvd., Suite L-700, Detroit, Michigan 48202-6062 or Gaming Laboratories International website at <https://gaminglabs.com> and does not include any later amendments or editions. GLI-33 standards are intended to supplement rather than supplant other technical standards and requirements under these rules.

(3) Before conducting internet sports betting, and as otherwise required by the board, the internet sports betting platform provider must submit the internet sports betting platform used in conjunction with the internet sports betting operation to the board or an independent testing laboratory approved by the board for certification testing.

(4) If the internet sports betting platform meets or exceeds the technical standard adopted in subrule (2) of this rule, the board or independent testing laboratory approved by the board shall certify the internet sports betting platform. Sports betting operators and internet sports betting platform providers are prohibited from offering internet sports betting in

**Annual Administrative Code Supplement**  
**2020 Edition**

Michigan without such certification. The internet sports betting platform provider is responsible for all costs associated with testing and obtaining such certifications.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.734 Location of servers, security, and cloud storage.**

Rule 734. (1) Unless otherwise approved by the board in writing, a sports betting operator and its internet sports betting platform provider must place a server or other equipment that is capable of receiving internet sports betting wagers in this state. The location selected must have adequate security, protections, and controls over the servers or other equipment that is capable of receiving internet sports betting wagers, including those adopted in R 432.733(2). Sports betting operators and its internet sports betting platform provider must provide the board with information on the location of all servers and other equipment.

(2) The board may approve of the use of cloud storage for duplicate data upon written request of a sports betting operator or internet sports betting platform provider.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.735 Communication standards.**

Rule 735. (1) All internet sports betting platforms authorized by the board under these rules must be designed to ensure the integrity and confidentiality of all individual and authorized participant communications and ensure the proper identification of the sender and receiver of all communications.

(2) If communications are performed across a public or third-party network, the internet sports betting platform must either encrypt the data packets or utilize a secure communications protocol to ensure the integrity and confidentiality of the transmission.

(3) Internet sports betting platform providers must meet or exceed all communication standards prescribed by the board.

(4) Internet sports betting platform providers or sports betting operators, or both must address all communication requirements in the internet sports betting platform and internal controls submitted to the board for approval.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.736 Internet sports betting data logging standards.**

Rule 736. (1) Internet sports betting platforms must employ a mechanism capable of maintaining a separate copy of all information the board requires to be logged. Except as otherwise provided in subrule (2) of this rule, the information must be maintained on a separate and independent logging device capable of being administered by an employee with no incompatible function.

(2) If the internet sports betting platform can be configured such that any logged data is contained in a secure transaction file, a separate logging device is not required.

(3) Internet sports betting platform providers must meet or exceed all internet sports betting data logging standards prescribed by the board.

(4) Internet sports betting platform providers or sports betting operators or both must address all internet sports betting data logging requirements in the internet sports betting platform and internal controls submitted to the board for approval.

(5) The internet sports betting platform must provide a mechanism for the board to query and export, in a format required by the board, all internet sports betting platform data related to internet sports betting conducted under the act.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.737 Self-monitoring of internet sports betting platform critical components.**

Rule 737. An internet sports betting platform must, at least once every 24 hours, perform a self-authentication process on all software used to offer, record, and process internet sports betting wagers under this act that is identified by the board as a critical component of the sports betting platform, to ensure there have been no unauthorized modifications. If there is an authentication failure, the internet sports betting platform must immediately notify the sports betting operator, internet sports betting platform provider, and the board within 24 hours. The results of all self-authentication attempts must be retained by the internet sports betting platform for not less than 90 days.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.737a Change approval.**

Rule 737a. (1) Any change or modification to the internet sports betting platform that impacts a regulated feature of an approved internet sports betting platform, unless otherwise permitted by the board, requires submission to and approval by the board before the implementation of the change or modification. Regulated feature includes, but is not limited to, internet sports betting platform and internet sports betting software that is validated using a gaming authentication tool or other

**Annual Administrative Code Supplement**  
**2020 Edition**

method approved by the board and all critical component software.

(2) The sports betting operator and its internet sports betting platform provider must submit change control processes that detail evaluation procedures for all updates and changes to equipment and the internet sports betting platform to the board for approval. These processes must include details for identifying the criticality of updates and determining the updates that must be submitted to the board or a board approved independent testing laboratory for review and certification.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.738 Internet sports betting platform assessment.**

Rule 738. (1) Each sports betting operator or internet sports betting platform provider shall, within 90 days after commencing operations, and annually thereafter, perform an internet sports betting platform integrity and security assessment of the internet sports betting platform conducted by an independent professional selected by the sports betting operator or internet sports betting platform provider and subject to approval of the board. The scope of the internet sports betting platform integrity and security assessment is subject to approval of the board and must include, at a minimum, all of the following:

- (a) A vulnerability assessment of internal, external, and wireless networks with the intent of identifying vulnerabilities of all devices, the internet sports betting platforms, and applications connected to or present on the networks.
  - (b) A penetration test of all internal, external, and wireless networks to confirm if identified vulnerabilities of all devices, the internet sports betting platforms, and applications are susceptible to compromise.
  - (c) A policy and procedures review against the current ISO 27001 standard or another similar standard approved by the board.
  - (d) Any other specific criteria or standards for the internet sports betting platform integrity and security assessment as prescribed by the board.
- (2) The full independent professional's report on the assessment must be submitted to the board and must include all the following:
- (a) Scope of review.
  - (b) Name and company affiliation of the individual or individuals who conducted the assessment.
  - (c) Date of assessment.
  - (d) Findings.
  - (e) Recommended corrective action, if applicable.
  - (f) Sports betting operator's or internet sports betting platform provider's response to the findings and recommended corrective action.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.739 Sports betting operators and internet sports betting platform provider technical and security standards (controls).**

Rule 739. (1) A sports betting operator or its internet sports betting platform provider, or both must adopt, implement, and maintain technical security standards (controls) that meet or exceed those adopted in R 432.733(2). The technical security standards must apply, at a minimum, to all the following critical components of the internet sports betting platform:

- (a) Components that record, store, process, share, transmit or retrieve sensitive information (e.g., validation numbers, personal identification number (PIN), individual and authorized participant data).
  - (b) Components that store results or the current state of an authorized participant's internet sports betting wager.
  - (c) Points of entry to and exit from the components provided for in subdivisions (a) to (c) of this subrule and other systems that are able to communicate directly with core critical internet sports betting platform components.
  - (d) Communication networks that transmit sensitive information involving sports betting under the act.
- (2) The following technical security standards are the minimum standards a sports betting operator or internet sports betting platform provider must incorporate into its internal controls:
- (a) Technical security standards addressing internet sports betting platform operations and security include, but are not limited to, all of the following:
    - (i) Internet Sports Betting Platform Operations and Security. The sports betting operator or internet sports betting platform provider must adopt, implement, and maintain procedures for, at a minimum, the following:
      - (A) Monitoring the critical components and the transmission of data of the entire internet sports betting platform.
      - (B) Maintenance of all aspects of security of the internet sports betting platform to ensure secure and reliable communications.
      - (C) Defining, monitoring, documenting, reporting, investigating, responding to, and resolving security incidents.
      - (D) Monitoring and adjusting resource consumption and maintaining a log of the internet sports betting platform performance.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (E) Investigating, documenting, and resolving malfunctions.
- (ii) Physical Location of Servers and Security. The internet sports betting platform must be housed in secure locations. Sports betting operators and their internet sports betting platform providers must provide the board with information on the location of all internet sports betting platform servers. The secure locations must have sufficient protection from unauthorized access and physical and environmental hazards and be equipped with surveillance and security systems that meet or exceed industry standards.
- (iii) Internet Sports Betting Platform Logical Access Controls. The internet sports betting platform must be logically secured against unauthorized access.
- (iv) Internet Sports Betting Platform User Authorization. The internet sports betting platform must be subject to user authorization requirements as required by the board.
- (v) Server Programming. The internet sports betting platform must be sufficiently secure to prevent any user-initiated programming capabilities on the server that may result in unauthorized modifications to the database.
- (vi) Verification Procedures. Procedures must be in place for verifying on demand that the critical control program components of the internet sports betting platform in the production environment are identical to those approved by the board.
- (vii) Electronic Document Retention System. The sports betting operator or internet sports betting platform provider must establish procedures that ensure that all reports required under the act and these rules are stored in an electronic document retention system.
- (viii) Asset Management. All assets that house, process, or communicate sensitive information, including those comprising the operating environment of the internet sports betting platform, or its components, or both must be accounted for and have a nominated owner or designated management official that is responsible for each asset.
- (b) Technical security standards addressing data security and backup and recovery include, but are not limited to, all of the following:
  - (i) Data Security. The internet sports betting platform must provide a logical means for securing individual and authorized participant data and wagering data, including accounting, reporting, significant event, or other sensitive information, against alteration, tampering, or unauthorized access.
  - (ii) Data Alteration. The alteration of any accounting, reporting, or significant event data relating to sports betting under the act is not permitted without supervised access controls. If any data is changed, all information required by the board must be documented or logged.
  - (iii) Backup Frequency. Backup scheme implementation relating to information involving sports betting under the act must occur at least once every day or as otherwise specified by the board.
  - (iv) Storage Medium Backup. Audit logs, internet sports betting platform databases, and any other pertinent individual and authorized participant data and wagering data must be stored using reasonable protection methods. The internet sports betting platform must be designed to protect the integrity of this data if there is a failure. Redundant copies of this data must be kept on the internet sports betting platform with open support for backups and restoration, so that no single failure of any portion of the internet sports betting platform would cause the loss or corruption of the data.
  - (v) Internet Sports Betting Platform Failure. The internet sports betting platform must have sufficient redundancy and modularity so that if any single component or part of a component fails, the functions of the internet sports betting platform and the process of auditing those functions can continue with no critical data loss. If 2 or more components are linked, the process of all internet sports betting operations between the components must not be adversely affected by restart or recovery of either component and upon restart or recovery, the components must immediately synchronize the status of all transactions, data, and configurations with one another.
  - (vi) Accounting and Master Resets. The sports betting operator or internet sports betting platform provider must be able to identify and properly handle the situation where a master reset has occurred on any component that affects internet sports betting under the act.
  - (vii) Recovery Requirements. If there is a catastrophic failure when the internet sports betting platform cannot be restarted in any other way, it must be possible to restore the internet sports betting platform from the last backup point and fully recover. The contents of that backup must contain critical information as required by the board.
  - (viii) Uninterrupted Power Supply (UPS) Support. All internet sports betting platform components must be provided with adequate primary power. If the server is a stand-alone application, it must have a UPS connected and must have sufficient capacity to permit a methodical shut-down that retains all individual and authorized participant data and wagering data during a power loss. It is acceptable that the internet sports betting platform may be a component of a network that is supported by a network-wide UPS if the server is included as a device protected by the UPS. There must be a surge protection system in use if not incorporated into the UPS itself.
  - (ix) Business Continuity and Disaster Recovery Plan. A business continuity and disaster recovery plan must be in place to recover internet sports betting operations conducted under the act if the internet sports betting platform's production

**Annual Administrative Code Supplement**  
**2020 Edition**

environment is rendered inoperable.

- (c) Technical security standards addressing communications include, but are not limited to, all of the following:
  - (i) Connectivity. Only authorized sports betting wagering devices are permitted to establish communications between any internet sports betting platform components.
  - (ii) Communication Protocol. Each component of the internet sports betting platform must function as indicated by a documented secure communication protocol.
  - (iii) Communication Over Internet/Public Network. Communications between internet sports betting platform components must be secure. Individual and authorized participant data, sensitive information, internet sports betting wagers, results, financial information, and individual and authorized participant transaction information related to sports betting conducted under the act must always be encrypted and protected from incomplete transmissions, misrouting, unauthorized message modification, disclosure, duplication, or replay.
  - (iv) Wireless Local Area Network (WLAN) Communications. The use of WLAN communications must adhere to applicable requirements specified for wireless devices and is subject to approval by the board.
  - (v) Network Security Management. Networks must be logically separated to ensure that there is no network traffic on a network link that cannot be serviced by hosts on that link.
  - (vi) Mobile Computing and Communications. Formal policies shall be in place, and appropriate security measures shall be adopted to protect against the risk of using mobile computing and communication facilities. Telecommuting shall not be permitted except under circumstances where the security of the endpoint can be guaranteed
- (d) Technical security standards addressing third party service providers include, but are not limited to, all of the following:
  - (i) Third-Party Service Communications. Where communications related to sports betting conducted under the act are implemented with third-party service providers, the internet sports betting platform must securely communicate with all third-party service providers utilizing encryption and strong authentication, ensure that all login events are recorded to an audit file, and ensure that all communications do not interfere or degrade normal internet sports betting platform functions.
  - (ii) Third-Party Services. The roles and responsibilities of each third-party service provider engaged by the sports betting operator or internet sports betting platform provider must be defined and documented in a manner approved by the board. The sports betting operator or internet sports betting platform provider must have policies and procedures in place for managing third-party service providers and monitoring their adherence to relevant security requirements.
- (e) Technical security standards addressing technical controls include, but are not limited to, all of the following:
  - (i) Domain Name Service (DNS) Requirements. A sports betting operator or internet sports betting platform provider must establish requirements that apply to servers used to resolve DNS queries used in association with the internet sports betting platform.
  - (ii) Cryptographic Controls. A sports betting operator or internet sports betting platform provider must establish and implement a policy for the use of cryptographic controls that ensures the protection of information.
  - (iii) Encryption Key Management. The management of encryption keys must follow defined processes established by the sports betting operator or internet sports betting platform provider and approved by the board.
- (f) Technical security standards addressing remote access and firewalls include, but are not limited to, all of the following:
  - (i) Remote Access Security. Remote access, if approved by the board, must be performed via a secured method, must have the option to be disabled, may accept only the remote connections permissible by the firewall application and internet sports betting platform settings, and must be limited to only the application functions necessary for users to perform their job duties.
  - (ii) Remote Access and Guest Accounts Procedures. Remote access and guest accounts procedures must be established that ensure that remote access is strictly controlled.
  - (iii) Remote Access Activity Log. The remote access application must maintain an activity log that updates automatically and records and maintains all remote access information.
  - (iv) Firewalls. All communications, including remote access, must pass through at least 1 approved application-level firewall. This includes connections to and from any non-internet sports betting platform hosts used by the sports betting operator or internet sports betting platform provider.
  - (v) Firewall Audit Logs. The firewall application must maintain an audit log and must disable all communications and generate an error if the audit log becomes full. The audit log must contain, at a minimum, all the following information:
    - (A) All changes to configuration of the firewall.
    - (B) All successful and unsuccessful connection attempts through the firewall.
    - (C) The source and destination IP Addresses, Port Numbers, Protocols, and where possible, MAC Addresses.
- (vi) Firewall Rules Review. The firewall rules must be periodically reviewed by the sports betting operator or internet

**Annual Administrative Code Supplement**  
**2020 Edition**

sports betting platform provider to verify the operating condition of the firewall and the effectiveness of its security configuration and rule sets and must be performed on all the perimeter firewalls and the internal firewalls.

- (g) Technical security standards addressing change management include, but are not limited to, all of the following:
  - (i) Program Change Control Procedures. Program change control procedures must ensure that only authorized versions of programs are implemented on the production environment.
  - (ii) Software Development Life Cycle. The acquisition and development of new software must follow defined processes established by the sports betting operator or internet sports betting platform provider and subject to review by the board.
  - (iii) Patches. All patches should be tested, as applicable, in a development and test environment configured to match the target production environment before being deployed into production. Permitted exceptions and related procedures and controls must be fully addressed.
- (h) Technical security standards addressing periodic security testing include, but are not limited to, all of the following:
  - (i) Technical Security Testing. Periodic technical security tests on the production environment must be performed quarterly or as required by the board to guarantee that no vulnerabilities putting at risk the security and operation of the internet sports betting platform exist.
  - (ii) Vulnerability Assessment. The sports betting operator or the internet sports betting platform provider must conduct vulnerability assessments. The purpose of the vulnerability assessment is to identify vulnerabilities, which could be later exploited during penetration testing by making basic queries relating to services running on the internet sports betting platform concerned.
  - (iii) Penetration Testing. The sports betting operator or the internet sports betting platform provider must conduct penetration testing. The purpose of the penetration testing is to exploit any weaknesses uncovered during the vulnerability assessment on any publicly exposed applications or internet sports betting platform hosting applications processing, transmitting, or storing sensitive information.
  - (iv) Information Security Management System (ISMS) Audit. An audit of the ISMS will be periodically conducted, including all the locations where sensitive information is accessed, processed, transmitted, or stored. The ISMS will be reviewed against common information security principles in relation to confidentiality, integrity, and availability.
  - (v) Cloud Service Audit. A sports betting operator and its internet sports betting platform provider that utilizes a cloud service provider (CSP), if approved by the board, to store, transmit, or process sensitive information must undergo a specific audit as required by the board. The CSP must be reviewed against common information security principles in relation to the provision and use of cloud services, such as ISO/IEC 27017 and ISO/IEC 27018, or equivalent.
- (3) The sports betting operator or its internet sports betting platform provider, or both must include the technical security standards (controls) in the internal controls and internet sports betting platform submitted to the board for approval.
- (4) The technical security standards (controls) must:
  - (a) Have a provision requiring review when changes occur to the internet sports betting platform.
  - (b) Be approved by the sports betting operator's or internet sports betting platform provider's senior management.
  - (c) Be communicated to all affected employees and relevant external parties.
  - (d) Undergo review at planned intervals.
  - (e) Delineate the responsibilities of the sports betting operator's staff, the internet sports betting platform provider's staff, and the staff of any third parties for the operation, service, and maintenance of the internet sports betting platform or its components, or both.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.739a Test Accounts.**

Rule 739a. A sports betting operator or internet sports betting platform provider may establish test accounts to be used to test the various components and operation of an internet sports betting platform pursuant to internal controls adopted by the sports betting operator or internet sports betting platform provider, which, at a minimum, must address all of the following:

- (a) The procedures for issuing funds used for testing, including the identification of who may issue the funds and the maximum amount of funds that may be issued.
- (b) The procedures for assigning each test account for use by only 1 individual. However, a sport betting operator may establish a specific scenario or instance of a test account that may be shared by multiple users if each user's activities are separately logged.
- (c) The maintenance of a record for all test accounts, to include when they are active, to whom they are issued, and the employer of the individual to whom they are issued.
- (d) The procedures for auditing testing activity by the sports betting operator or internet sports betting platform provider to ensure the accountability of funds used for testing and proper adjustments to gross sports betting receipts.
- (e) The procedures for authorizing and auditing out-of-state test activity.

**Annual Administrative Code Supplement**  
**2020 Edition**

History: 2020 MR 22, Eff. Dec. 2, 2020.

**PART 4. AUTHORIZED PARTICIPANT WAGERS**

**R 432.741 Authorized participant complaints.**

Rule 741. (1) A sports betting operator or internet sports betting platform provider must include on its internet sports betting platform a clear mechanism to advise authorized participants of their right to make a complaint against the sports betting operator or internet sports betting platform provider, including information explaining how complaints can be filed, how complaints are resolved, and how the authorized participant may submit a complaint to the board.

(2) A sports betting operator or internet sports betting platform provider must attempt to resolve all complaints with the authorized participant.

(3) A sports betting operator or internet sports betting platform provider must investigate each complaint and provide a response to the authorized participant within 10 calendar days after receipt of the complaint.

(4) In its response, the sports betting operator or internet sports betting platform provider must advise the authorized participant of his or her right to submit the complaint to the board in the form and manner prescribed by the board.

(5) The complaint and the sports betting operator's or internet sports betting platform provider's response must be made in writing.

(6) Unless otherwise directed by the board, for complaints related to internet sports betting accounts, settlement of internet sports betting wagers, or illegal activity related to internet sports betting that cannot be resolved to the satisfaction of the authorized participant, the sports betting operator or internet sports betting platform provider must promptly notify the board of the complaint and the sports betting operator's or internet sports betting platform provider's response.

(7) On receipt of a complaint from an authorized participant or notification of an unresolved complaint from a sports betting operator or internet sports betting platform provider, the board may conduct any investigation the board considers necessary and may direct a sports betting operator or internet sports betting platform provider to take any corrective action the board considers appropriate.

(8) A sports betting operator or internet sports betting platform provider must maintain records related to authorized participant complaints for a minimum of 5 years and must provide the records to the board on request.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.742 Bank secrecy act compliance.**

Rule 742. (1) A sports betting operator or internet sports betting platform provider must comply with all provisions of the bank secrecy act of 1970, 31 USC 5311 to 5332, applicable to the sports betting operator's or internet sports betting platform provider's internet sports betting operation.

(2) A sports betting operator or internet sports betting platform provider must, with regard to its internet sports betting operation, maintain records related to its compliance with the bank secrecy act of 1970, 31 USC 5311 to 5332, including all currency transaction reports, suspicious activity reports, and any supporting documentation, for a minimum of 5 years. The sports betting operator or internet sports betting platform provider must provide the records to the board and any appropriate law enforcement agencies on request consistent with the authorization prescribed in the bank secrecy act of 1970, 31 USC 5311 to 5332, and applicable regulations.

(3) A sports betting operator or internet sports betting platform provider must provide a written notice to the board as soon as the sports betting operator or internet sports betting platform provider becomes aware of a compliance review that is conducted by the Internal Revenue Service under the bank secrecy act of 1970, 31 USC 5311 to 5332, and involves or impacts the sports betting operator's or internet sports betting platform provider's internet sports betting operation. The sports betting operator or internet sports betting platform provider must provide a copy of the compliance review report or the equivalent to the board within 10 days after the receipt of the report by the sports betting operator or internet sports betting platform provider.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.743 Integrity monitoring/suspicious behavior.**

Rule 743. (1) A sports betting operator or internet sports betting platform provider must have internal controls in place to identify unusual wagering activity and promptly report that activity to an independent integrity monitoring provider.

(2) All independent integrity monitoring providers must share information with each other and must disseminate all reports of unusual wagering activity to all member sports betting operators and internet sports betting platform providers. All



**Annual Administrative Code Supplement**  
**2020 Edition**

sports betting operators and internet sports betting platform providers must review these reports and notify the independent integrity monitoring provider whether they have experienced similar activity.

(3) If an independent integrity monitoring provider finds that previously reported unusual wagering activity rises to the level of suspicious wagering activity, it must immediately notify all other independent integrity monitoring providers, its member sports betting operators and internet sports betting platform providers, the board, the appropriate sports governing body, and all other regulatory agencies as directed by the board. All independent integrity monitoring providers receiving a report under this subrule must share such report with their member sports betting operators and internet sports betting platform providers.

(4) A sports betting operator or internet sports betting platform provider receiving a report of suspicious wagering activity must be permitted to suspend wagering on events or wager types related to the report, but may only cancel internet sports betting wagers related to the report after receiving approval from the board.

(5) The board may require a sports betting operator or internet sports betting platform provider to provide any hardware or software necessary to the board, or to an independent lab approved by the board, for evaluation of its internet sports betting offering or to conduct further monitoring of data provided by its internet sports betting platform.

(6) A sports betting operator or internet sports betting platform provider must maintain records of all integrity monitoring services and activities, including all reports of unusual or suspicious wagering activity and any supporting documentation, for a minimum of 5 years and must provide such records to the board on request.

(7) If the board receives information regarding the integrity of events on which internet sports betting wagers are made, the board may, to the extent allowed or provided for in the act and these rules, share such information with a sports betting operator, internet sports betting platform provider, independent integrity monitoring provider, sports governing body, sports team, law enforcement entity, regulatory agency, or other person the board considers appropriate.

(8) An independent integrity monitoring provider must register as a vendor with the board before providing integrity monitoring services to a sports betting operator or internet sports betting platform provider under the act and these rules.

(9) An independent integrity monitoring provider must maintain records of all integrity monitoring services and activities relating directly or indirectly to Michigan internet sports betting, sports betting operators, or internet sports betting platform providers for a minimum of 5 years and must provide the board with access to these records in a manner approved by the board. These records must include, at a minimum:

- (a) All reports of unusual wagering activity.
- (b) If the activity was determined to be suspicious wagering activity.
- (c) The actions taken by the independent integrity monitoring provider.

(10) A sports betting operator or internet sports betting platform provider must maintain the confidentiality of information provided by a sports governing body to the sports betting operator or internet sports betting platform provider related to unusual wagering activity, suspicious wagering activity, or the integrity of an event, unless disclosure is required by the board, any applicable law, or a lawful order of a court of competent jurisdiction.

(11) A sports betting operator or internet sports betting platform provider must employ personnel responsible for ensuring the operation and integrity of internet sports betting and reviewing all reports of suspicious behavior. Unless otherwise directed by the board, a sports betting operator or internet sports betting platform provider must immediately notify the board upon detecting or becoming aware of any of the following:

- (a) Any person participating in internet sports betting who is engaging in or attempting to engage in, or who is reasonably suspected of, cheating, theft, embezzlement, collusion, use of funds derived from illegal activity, money laundering, or any other illegal activities, including those activities prohibited in section 13 of the act, MCL 432.413.
- (b) Any person who is reasonably suspected of misrepresenting their identity or using false identification to establish or attempt to establish an internet sports betting account.
- (c) Suspected criminal activity related to any aspect of internet sports betting.
- (d) Any criminal or disciplinary proceedings commenced against the sports betting operator or internet sports betting platform provider in connection with its internet sports betting operations.
- (e) Any internet sports betting wagers that violate any applicable state or federal law.

(12) An internet sports betting platform provider must promptly notify any affected sports betting operators on behalf of which it accepts internet sports betting wagers of any issues impacting the integrity of internet sports betting.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.744 Reserve requirement.**

Rule 744. (1) A sports betting operator or internet sports betting platform provider must maintain a reserve in the amount necessary to ensure the security of funds held in internet sports betting accounts and the ability to cover the outstanding internet sports betting liability. The reserve must be in the form of:

**Annual Administrative Code Supplement**  
**2020 Edition**

- (a) Cash or cash equivalents maintained in a U.S. bank account segregated from the sports betting operator's or internet sports betting platform provider's operational funds.
- (b) An irrevocable letter of credit.
- (c) A bond.
- (d) Any other form acceptable to the board.
- (e) Any combination of the allowable forms described in subdivisions (a) to (d) of this subrule.
- (2) The reserve must be not less than the sum of the following:
  - (a) The daily ending cashable balance of all authorized participants' internet sports betting accounts.
  - (b) Pending withdrawals.
  - (c) Amounts accepted by the sports betting operator or internet sports betting platform provider on internet sports betting wagers whose outcomes have not been determined.
  - (d) Amounts owed but unpaid on winning internet sports betting wagers through the period established by the sports betting operator or internet sports betting platform provider for honoring winning internet sports betting wagers.
  - (3) Funds held in internet sports betting accounts must not be automatically transferred by a sports betting operator or internet sports betting platform provider. A sports betting operator or internet sports betting platform provider must not require an authorized participant to transfer funds from his or her internet sports betting account, in order to circumvent this rule.
- (4) Amounts available to authorized participants for play that are not redeemable for cash may be excluded from the reserve computation.
- (5) On request, the board may allow a sports betting operator or internet sports betting platform provider to combine the reserve for all of its Michigan internet sports betting or all of its Michigan internet gaming conducted under the lawful internet gaming act, 2019 PA 152, MCL 432.301 to MCL 432.322, or both.
- (6) A sports betting operator or internet sports betting platform provider must have access to all internet sports betting account and transaction data to ensure the amount of its reserve is sufficient. Unless otherwise directed by the board, a sports betting operator or internet sports betting platform provider must file a monthly attestation with the board, in the form and manner prescribed by the board, that funds have been safeguarded under this rule.
- (7) The board may audit a sports betting operator's or internet sports betting platform provider's reserve at any time and may direct a sports betting operator or internet sports betting platform provider to take any action necessary to ensure the purposes of this rule are achieved, including but not limited to requiring the sports betting operator or internet sports betting platform provider to modify the form of its reserve or increase the amount of its reserve.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.745 Authorized and prohibited events and wager types.**

Rule 745. (1) Before any sports betting operator or internet sports betting platform provider may accept internet sports betting wagers on an event category or internet sports betting wagers of a particular wager type, the event category or wager type must be approved by the board. Unless already approved by the board, a request for approval must be submitted by a sports betting operator or internet sports betting platform provider in the form and manner prescribed by the board, subject to the following:

- (a) A request for approval of an event category involving athletic events must include, at a minimum, the name of the sports governing body and, to the extent known by the sports betting operator or internet sports betting platform provider, a description of its policies and procedures regarding event integrity.
- (b) A request for approval of an event category involving events other than athletic events must include:
  - (i) A full description of the event category and the manner in which internet sports betting wagers would be placed and winning internet sports betting wagers would be determined.
  - (ii) A full description of any technology that would be utilized to offer the event category.
  - (iii) Assurance that the event category meets the requirements of subrule (8) of this rule.
  - (iv) Any rules or voting procedures related to the event category.
  - (v) Any other information the board considers necessary.
- (2) The board may require an appropriate test or experimental period, under such terms and conditions the board considers appropriate, before granting final approval to an event category or wager type. The board may subject any technology that would be used to offer an event category or wager type to such testing, investigation, and approval as it considers appropriate.
- (3) A sports governing body or other oversight body may notify the board that it desires to restrict, limit, or exclude wagering on any event category it governs by providing notice in the form and manner prescribed by the board.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (4) The board may grant, deny, limit, restrict, or condition a request made pursuant to this rule for any cause the board considers reasonable. The board may issue an order revoking, suspending, or modifying any approval of an event category or wager type granted under this rule for any cause the board considers reasonable.
- (5) The board shall notify all sports betting operators and internet sports betting platform providers of any additions, deletions, or changes regarding authorized event categories and authorized wager types, which may include publication of a list of authorized event categories and wager types on the board's website.
- (6) A sports betting operator or internet sports betting platform provider must submit to the board a catalogue of the authorized event categories and authorized wager types it intends to offer authorized participants. The catalogue and any subsequent changes must be submitted prior to implementation as directed by the board. The board reserves the right to prohibit the acceptance of any internet sports betting wagers and may order the cancellation of internet sports betting wagers and require refunds on any event category, event, or wager type for which wagering would be contrary to the public policies of the state.
- (7) A sports betting operator or internet sports betting platform provider may not accept internet sports betting wagers on any of the following:
  - (a) Horse races if the internet sports betting on those races is pari-mutuel.
  - (b) Any event played by individuals that are at the high school level or below unless the majority of participants in the event are 18 years of age or older.
  - (c) Roulette, poker, blackjack, a card game, a dice game, or any other game or contest typically offered in a casino other than sports betting.
  - (d) A fantasy contest.
  - (e) The injury of a participant in an event.
  - (f) Any event category, event, or wager type prohibited by the board or by state or federal law.
  - (g) Any event category or wager type not approved by the board.
- (8) A sports betting operator or internet sports betting platform provider must only accept internet sports betting wagers on events and wager types for which:
  - (a) The event can be effectively supervised by a sports governing body or other oversight body.
  - (b) There are integrity safeguards in place.
  - (c) The outcome can be documented and verified.
  - (d) The outcome can be generated by a reliable and independent process.
  - (e) The outcome is not affected by any wager placed.
  - (f) The event and acceptance of the wager type are conducted in conformity with all applicable laws.
  - (g) Wagering on the event and acceptance of the wager type are consistent with the public policy of this state.
- (9) If it is determined that a sports betting operator or internet sports betting platform provider has offered an unauthorized or prohibited event category, event, or wager type, the sports betting operator or internet sports betting platform provider must immediately cancel and refund all internet sports betting wagers associated with the unauthorized or prohibited event category, event, or wager type. The sports betting operator or internet sports betting platform provider must notify the board promptly after cancelling and refunding the internet sports betting wagers.
- (10) A sports betting operator or internet sports betting platform provider must not knowingly accept an internet sports betting wager on an event or wager type whose outcome has already been determined and is publicly known.
- (11) The board may use any information it considers appropriate, including, but not limited to, information received from a sports governing body, to determine whether to authorize or prohibit wagering on a particular event or a particular wager type.
- (12) A sports governing body may request internet sports betting wagering information or may request the board to prohibit internet sports betting wagering on a particular event or a particular wager type. The request must be submitted in the form and manner prescribed by the board and must include all of the following:
  - (a) The identity of the sports governing body and contact information for at least one specific individual who will be the primary point of contact for questions related to the request.
  - (b) A description of the internet sports betting wagering information, event, or wager type that is the subject of the request.
  - (c) Information explaining why granting the request is necessary to protect the integrity of the event, or public confidence in the integrity of the event, that is the subject of the request. This may include information regarding any credible threat to the integrity of the event that is beyond the control of the sports governing body to preemptively remedy or mitigate.
  - (d) Any other information required by the board.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (13) To ensure proper consideration, the request should be sent to the board at least 10 days before the particular event. At any time, however, a sports governing body should report information to the board if it involves allegations of match-fixing, the manipulation of an event, misuse of inside information, or other prohibited activity.
- (14) On receipt of a complete request from a sports governing body under subrule (12) of this rule, the board shall notify all sports betting operators in writing. All sports betting operators must be given an opportunity to respond to the request. The notification must include the date by which written responses must be submitted to the board.
- (15) The board shall promptly review the request, any responses, and any other available information and shall decide on the request before the start of the event, if feasible, or as expeditiously as possible. In making its determination, the board may consult with independent integrity monitoring providers and any other jurisdictions it considers appropriate. The board may grant the request, in its sole discretion, if it determines that granting the request is necessary to protect the integrity of the event, or public confidence in the integrity of the event, that is the subject of the request. The board shall notify, in writing, the sports governing body and all sports betting operators of its decision.
- (16) On request of a sports governing body or sports betting operator, the board may reconsider its decision if there is a material change in the circumstances related to the original request.
- (17) A sports betting operator or internet sports betting platform provider may not place or accept a layoff wager unless the board determines that layoff wagers may be placed and accepted under the act. If layoff wagers are permitted, the sports betting operator or internet sports betting platform provider placing a layoff wager must disclose its identity to the sports betting operator or internet sports betting platform provider accepting the layoff wager. A sports betting operator or internet sports betting platform provider may decline to accept a layoff wager in its sole discretion. Layoff wagers must be placed and accepted in accordance with any other procedures or conditions prescribed by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.746 Data Source and Official League Data.**

Rule 746. (1) All of the following conditions apply to a data source used to offer or settle an internet sports betting wager:

(a) Except as otherwise provided in this part, a sports betting operator or internet sports betting platform provider may use any data source to determine the results of all tier 1 sports bets and tier 2 sports bets, subject to all of the following conditions:

- (i) The data source and corresponding data must be complete, accurate, reliable, timely, and available.
  - (ii) The data source must be appropriate to settle the types of events and types of wagers for which it is used.
  - (iii) Any person that provides data directly to a sports betting operator or internet sports betting platform provider must be licensed by the board as a sports betting supplier.
  - (iv) The data source and corresponding data must meet any other conditions considered appropriate by the board.
- (b) Except as otherwise provided in this part, the board reserves the right to disapprove any data source.
- (c) A sports betting operator or internet sports betting platform provider must have internal controls in place to review the completeness, accuracy, reliability, timeliness, and availability of any data feeds used to offer or settle internet sports betting wagers. In the event an incident or error occurs that results in a loss of communication with data feeds used to offer or settle internet sports betting wagers, the incident or error must be recorded in a log capturing the date and time of the incident or error, the nature of the incident or error, and a description of its impact on the internet sports betting platform's performance. This information must be maintained for a minimum period of 5 years and must be made available to the board on request.

(2) All of the following conditions apply to a sports governing body notification regarding the use of official league data to settle tier 2 sports bets under section 10a of the act, MCL 432.410a:

(a) A sports governing body headquartered in the United States must notify the board in writing if it desires sports betting operators to use official league data to settle tier 2 sports bets under section 10a of the act, MCL 432.410a. The notification must be filed in the form and manner prescribed by the board and must include all of the following:

- (i) Identification information for the sports governing body.
- (ii) Identification and contact information for at least one specific individual who will be the primary point of contact for issues related to the provision of official league data and compliance with the act and these rules.
- (iii) Identification of any designees that are or will be expressly authorized by the sports governing body to provide official league data in Michigan.

(iv) Copies of any contracts relevant to the provision of official league data in Michigan, including all of the following:

(A) Copies of any contracts between the sports governing body and any designees that are or will be expressly authorized by the sports governing body to provide official league data in Michigan.

(B) Copies of any contracts between the sports governing body or its designees and sports betting operators or internet sports betting platform providers in Michigan.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (v) A description of the official league data the sports governing body desires to provide.
  - (vi) Any other information required by the board.
  - (b) A sports governing body may not submit a notification under subdivision (a) of this subrule unless the board has authorized sports betting operators to accept tier 2 wagers on athletic events of the sports governing body.
  - (c) On receipt of a complete notification from a sports governing body under subdivision (a) of this subrule, the board shall notify each sports betting operator within 5 days. The notification must include the date on which the sports betting operator, and any internet sports betting platform provider accepting internet sports betting wagers on behalf of the sports betting operator, is required to use official league data to determine the results of tier 2 sports bets on athletic events of the relevant sports governing body unless one of the exceptions set forth in this part applies. The date must be 60 days after the date of the board's notification. Each sports betting operator is responsible for informing its internet sports betting platform provider of the board's notification and its effective date.
  - (d) Except as otherwise provided in this part, after the date identified in the board's notification under subdivision (c) of this subrule, sports betting operators and internet sports betting platform providers must use only official league data to determine the results of tier 2 sports bets on athletic events sanctioned by the sports governing body that is the subject of the notification.
  - (e) The board shall maintain and may publish a list of all sports governing bodies that provide official league data under this rule.
  - (f) A sports governing body may rescind its notice at any time. Such rescission must be made in writing to the board and all sports betting operators and internet sports betting platform providers to which the sports governing body or its designee provides official league data. On receipt of the rescission, a sports betting operator or internet sports betting platform provider may use any data source that meets the requirements of subrule (1) of this rule to determine the results of tier 2 sports bets on athletic events of the sports governing body.
  - (g) If a sports governing body does not notify the board that it desires sports betting operators to use official league data under this rule, sports betting operators and internet sports betting platform providers may use any data source that meets the requirements of subrule (1) of this rule to determine the results of all tier 2 sports bets on athletic events of the sports governing body.
- (3) If a sports governing body notifies the board of its desire to supply official league data for tier 2 sports bets under subrule (2) of this rule, both of the following apply:
- (a) Official league data must be obtained by a sports betting operator or internet sports betting platform provider pursuant to a written contract with a sports governing body or one or more of its designees, or both. The contract must be filed with the board.
  - (b) A sports governing body or its designee may not unilaterally cancel or modify any material provisions of a contract entered into under this subrule or directly or indirectly cease its provision of official league data to a sports betting operator or internet sports betting platform provider without prior written approval of the board unless the cancellation, modification, or cessation is provided for in and executed in accordance with the terms of the contract or is due to a material breach.
- (4) If a sports governing body notifies the board of its desire to supply official league data for tier 2 sports bets under subrule (2) of this rule, all of the following apply:
- (a) A sports governing body or its designee must provide official league data on commercially reasonable terms.
  - (b) A sports betting operator may petition the board in writing for a determination that the terms under which official league data is or will be provided to the sports betting operator, or an internet sports betting platform provider accepting internet sports betting wagers on behalf of the sports betting operator, by a sports governing body or its designee are not commercially reasonable. The petition may be submitted at any time provided the parties have engaged in good-faith negotiations and the sports betting operator provides written notice to the sports governing body at least 5 business days before filing the petition. The petition must be filed in the form and manner prescribed by the board and must include all of the following:
    - (i) Identification of the sports betting operator and contact information for at least one specific individual who will be the primary point of contact for questions related to the petition.
    - (ii) Identification of the sports governing body.
    - (iii) Copies of any contracts, offer sheets, or other written documentation the sports betting operator alleges to include the commercially unreasonable terms.
    - (iv) Identification of the specific terms the sports betting operator alleges are commercially unreasonable.
    - (v) Detailed information explaining why the sports betting operator believes the terms are not commercially reasonable, including information pertaining to any relevant factors listed in subdivision (h) of this subrule.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (vi) Any evidence or other documentation supporting the sports betting operator's argument that the terms are not commercially reasonable.
- (vii) Information explaining how the sports betting operator, or an internet sports betting platform provider accepting internet sports betting wagers on behalf of the sports betting operator, does or will settle tier 2 sports bets on athletic events of the sports governing body in the absence of official league data.
- (viii) Any other information the sports betting operator believes the board should consider.
- (ix) Any other information required by the board.
- (c) From the date a petition is filed until the date the board issues a determination, the sports betting operator, and an internet sports betting platform provider accepting internet sports betting wagers on behalf of the sports betting operator, may use any data source that meets the requirements of subrule (1) of this rule to determine the results of tier 2 sports bets on athletic events of the sports governing body.
- (d) The board may, in its discretion, jointly consider multiple petitions if they involve the same sports governing body and substantially similar allegations.
- (e) Except as otherwise provided in subdivision (m) of this subrule, on receipt of a complete petition, the board shall immediately forward the petition to the relevant sports governing body. The sports governing body must be given an opportunity to respond to the petition in writing. The response must be submitted to the board within 30 days after the board forwards the petition to the sports governing body or as otherwise directed by the board. The response must be filed in the form and manner prescribed by the board and must include all of the following:
  - (i) Identification of the sports governing body and contact information for at least one specific individual who will be the primary point of contact for questions related to the response.
  - (ii) Detailed responses to each of the sports betting operator's allegations.
  - (iii) Detailed information explaining why the sports governing body believes the terms identified in the petition are commercially reasonable, including information pertaining to any relevant factors listed in subdivision (h) of this subrule.
  - (iv) Any evidence or other documentation supporting the sports governing body's argument that the terms are commercially reasonable.
  - (v) Any other information the sports governing body believes the board should consider.
  - (vi) Any other information required by the board.
- (f) If the sports governing body does not submit a response within 30 days or as otherwise directed by the board, or fails to submit a response that meets the requirements of subdivision (e) of this subrule, the board may decide the petition in favor of the sports betting operator.
- (g) The board may request any additional information from a sports betting operator, an internet sports betting platform provider accepting internet sports betting wagers on behalf of a sports betting operator, or a sports governing body that the board considers necessary to evaluate a petition or response filed under this subrule. The board may, in its discretion, schedule a hearing before deciding a petition.
- (h) The board may consider the following factors to determine whether official league data is or will be provided by a sports governing body on commercially reasonable terms:
  - (i) Whether the sports governing body's official league data is available to the sports betting operator, or an internet sports betting platform provider accepting internet sports betting wagers on behalf of the sports betting operator, from more than one authorized source and whether it is offered under materially different terms.
  - (ii) Market information regarding the purchase of data used to settle tier 2 sports bets by any licensed entities from any authorized data source, including sports governing bodies or their designees, in this state or any other jurisdiction.
  - (iii) Any characteristics of the official league data and any alternate data sources, including but not limited to, both of the following:
    - (A) The nature, quantity, quality, integrity, completeness, accuracy, reliability, availability, and timeliness of the data.
    - (B) The quality, complexity, integrity, and reliability of the process used to collect the data.
  - (iv) The extent to which sports governing bodies or their designees have made data used to settle tier 2 sports bets available to sports betting operators and internet sports betting platform providers accepting internet sports betting wagers on behalf of sports betting operators.
  - (v) The availability and cost of comparable, lawfully derived data from other data sources.
  - (vi) Whether any terms of the contract or offer sheet are uncompetitive in nature, are economically unfeasible, or place an undue burden on the sports betting operator or internet sports betting platform provider accepting internet sports betting wagers on behalf of the sports betting operator.
  - (vii) Any other factors the board considers appropriate.
- (i) The board shall issue a determination within 120 days after the board receives a petition from a sports betting operator under this subrule. The determination must be sent in writing to the sports betting operator and the sports governing

**Annual Administrative Code Supplement**  
**2020 Edition**

body. A sports betting operator is responsible for notifying its internet sports betting platform provider of the board's determination.

(j) If the board determines that the sports betting operator has successfully demonstrated that the sports governing body does not or will not provide official league data on commercially reasonable terms, the sports betting operator, and an internet sports betting platform provider accepting internet sports betting wagers on behalf of the sports betting operator, may use any data source that meets the requirements of subrule (1) of this rule to determine the results of tier 2 sports bets on athletic events of the sports governing body.

(k) If the board determines that the sports betting operator has not successfully demonstrated that the sports governing body does not or will not provide official league data on commercially reasonable terms, the sports betting operator, and an internet sports betting platform provider accepting internet sports betting wagers on behalf of the sports betting operator, must use only official league data to determine the results of tier 2 sports bets on athletic events sanctioned by the sports governing body.

(l) On request of a sports betting operator or sports governing body, the board may reconsider a determination reached under this subrule if the sports betting operator or sports governing body can demonstrate that there has been a material change in terms or other circumstances related to the original petition.

The board may, in its discretion, apply a determination reached under this subrule to any subsequently filed petitions that involve the same sports governing body and contain substantially similar allegations.

(5) If a sports governing body and its designees cannot provide a feed of official league data to determine the results of a particular type of tier 2 sports bet for which official league data would otherwise be required under subrule (2) of this rule, sports betting operators and internet sports betting platform providers may use any data source that meets the requirements of subrule (1) of this rule to determine the results of the particular type of tier 2 sports bet. This subrule applies until the official league data necessary to determine the results of the particular type of tier 2 sports bet becomes available on commercially reasonable terms.

(6) Before a sports governing body and its designees may provide or be involved in the provision of official league data under subrule (2) of this rule, all of the following conditions apply:

(a) A sports governing body or designee that provides official league data directly to a sports betting operator or internet sports betting platform provider must be licensed by the board as a sports betting supplier.

(b) A sports governing body or designee that is not licensed as a sports betting supplier must not provide official league data directly to a sports betting operator or internet sports betting platform provider.

(c) A sports governing body or designee that does not provide official league data directly to a sports betting operator or internet sports betting platform provider but is otherwise involved in the provision of official league data, as determined by the board, must be approved in writing by the board.

(d) A sports governing body or designee that is not approved by the board must not be involved in the provision of official league data to a sports betting operator or internet sports betting platform provider.

(e) Involvement in the provision of official league data includes, but is not limited to, all of the following:

(i) Supplying, packaging, or providing official league data to a sports betting supplier who provides the data directly to a sports betting operator or internet sports betting platform provider.

(ii) Creating, generating, producing, augmenting, or modifying official league data that is intended for or known to be used for packaging, supply, or use by a sports betting supplier or vendor under these rules.

(iii) Any method involving or resulting in the use of official league data by a sports betting operator, internet sports betting platform provider, or a sports betting supplier.

(f) A request for approval under this subrule must consist of the following:

(i) A completed registration form providing the sports governing body's or designee's office address and contact information of each primary employee involved in the provision of official league data.

(ii) A list of all designees authorized by the sports governing body to supply official league data in Michigan.

(iii) An acknowledgement that approval is conditioned upon the sports governing body's or designee's compliance with all applicable provisions of the act and these rules.

(iv) Any other information related to the provision of official league data required by the board, subject to the following:

(A) The board may, in its discretion, request information from the sports governing body or designee if the information is directly related to its process for creating, generating, producing, augmenting, modifying, supplying, packaging, or providing official league data, including procedures designed to ensure the completeness, accuracy, reliability, timeliness, availability, and integrity of the official league data.

(B) Information requested by the board must be limited to the organizational units and processes involved in the provision of official league data.

**Annual Administrative Code Supplement**  
**2020 Edition**

(C) The board shall not investigate or request information regarding employees of a sports governing body not involved in the provision of official league data or the owners of a sports governing body's member teams.

(g) The board shall grant a request for approval under this subrule if the sports governing body or designee provides the information set forth in subdivision (f) of this subrule and the sports governing body or designee complies with all of the following:

(i) The sports governing body or designee complies with all applicable provisions of the act and these rules.

(ii) The sports governing body or designee agrees to and timely provides, on written request of the board, information and records related to its provision of official league data.

(iii) The sports governing body or designee cooperates with investigations conducted by the board regarding the provision of official league data.

(iv) The sports governing body or designee creates, generates, produces, augments, modifies, supplies, packages, or provides official league data that is generally complete, accurate, reliable, timely, and available based on relevant and applicable standards.

(h) None of these rules may be interpreted to include official league data that is used, packaged, sold, produced, or provided in ways separate from sports betting under the act.

(i) If a sports governing body and its designees have not obtained all sports betting supplier licenses and approvals required by this subrule, sports betting operators and internet sports betting platform providers may use any data source that meets the requirements of subrule (1) of this rule to determine the results of tier 2 sports bets on athletic events of the sports governing body. This applies until the sports governing body and its designees have obtained all sports betting supplier licenses and approvals required by this subrule.

(j) A sports governing body and its designees are not required to obtain approval under this subrule if sports betting operators and internet sports betting platform providers are not required to use official league data to determine the results of tier 2 sports bet on athletic events of the sports governing body under subrule (2) of this rule.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.746a Acceptance of wagers.**

Rule 746a. (1) Available wagers must be displayed to authorized participants on the sports betting operator's or internet sports betting platform provider's internet sports betting platform. The display must include the odds and a brief description of the event and wagering proposition.

(2) A sports betting operator or internet sports betting platform provider may not accept an internet sports betting wager on an event unless a wagering proposition is posted on the sports betting operator's or internet sports betting platform provider's internet sports betting platform.

(3) A sports betting operator or internet sports betting platform provider may not set lines or odds or offer wagering propositions designed for the purposes of ensuring that an authorized participant will win an internet sports betting wager or a series of internet sports betting wagers, unless the lines, odds, or wagering propositions are offered in connection with a promotion conducted in accordance with these rules.

(4) Unless otherwise directed by the board, there is no limitation as to the minimum or maximum internet sports betting wager a sports betting operator or internet sports betting platform provider may accept. This rule does not preclude a sports betting operator or internet sports betting platform provider from establishing its own minimum or maximum internet sports betting wagers or limiting an authorized participant's internet sports betting wager for reasons considered necessary or appropriate by the sports betting operator or internet sports betting platform provider.

(5) Unless otherwise approved by the board, an internet sports betting platform shall provide for an authorized participant to review and confirm all wagering information before an internet sports betting wager is accepted.

(6) On completion of an internet sports betting wager, a virtual internet sports betting wager record must be provided to or made available to the authorized participant. The record must contain at a minimum the following information:

(a) The date and time the internet sports betting wager was placed.

(b) The date and time the event is expected to occur.

(c) Any authorized participant choices involved in the internet sports betting wager as follows:

(i) Internet sports betting wager selection.

(ii) Type of internet sports betting wager and line postings.

(iii) Any special condition or conditions applying to the internet sports betting wager.

(iv) Payout.

(d) Total amount wagered, including any promotional or bonus credits, if applicable.

(e) Identification of the event and wagering proposition.

(f) Unique identification number of the internet sports betting wager record.



**Annual Administrative Code Supplement**  
**2020 Edition**

- (7) Except as otherwise provided in these rules or applicable state or federal law, a sports betting operator or internet sports betting platform provider must pay winning authorized participants following the completion of the event or portion of the event on which the wagering proposition was contingent.
- (8) A sports betting operator or internet sports betting platform provider may, in its discretion, cancel an accepted internet sports betting wager for obvious error. Obvious error must be defined in the sports betting operator's or internet sports betting platform provider's internal controls.
- (9) A sports betting operator or internet sports betting platform provider must cancel an internet sports betting wager made by a prohibited person and confiscate the funds pursuant to part 7 of these rules. A sports betting operator or internet sports betting platform provider must cancel a wager under this subrule when the sports betting operator or internet sports betting platform provider becomes aware or should have been aware that the individual who made the internet sports betting wager is a prohibited person.
- (10) Except as otherwise provided in this part, a sports betting operator or internet sports betting platform provider may not unilaterally cancel an accepted internet sports betting wager without prior written approval of the board.  
History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.747 Negative Internet Sports Betting Account Balance Prohibited.**

Rule 747. An internet sports betting platform must employ a mechanism that can detect and prevent any internet sports betting wagering or withdrawal activity initiated by an authorized participant that would result in a negative balance of the internet sports betting account.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.748 House rules.**

Rule 748. (1) A sports betting operator or internet sports betting platform provider must adopt comprehensive house rules, which must be approved by the board. The house rules must address the following items regarding internet sports betting wagers, at a minimum:

- (a) Types of internet sports betting wagers accepted.
  - (b) Minimum and maximum internet sports betting wagers.
  - (c) Description of the process for handling incorrectly posted events, odds, internet sports betting wagers, or results.
  - (d) Method for calculation and payment of winning internet sports betting wagers.
  - (e) Effect of schedule changes.
  - (f) Method of notifying authorized participants of odds or proposition changes.
  - (g) Acceptance of internet sports betting wagers at other than posted terms.
  - (h) Procedures related to pending winning internet sports betting wagers.
  - (i) Method of contacting the sports betting operator or internet sports betting platform provider for questions and complaints.
  - (j) Description of prohibited persons and events and wager types on which internet sports betting wagers may not be accepted under the act and these rules.
  - (k) Methods of funding a wager.
  - (l) Maximum payouts; however, such limits must only be established through limiting the amount of an internet sports betting wager and cannot be applied to reduce the amount paid to an authorized participant as a result of a winning internet sports betting wager.
  - (m) A policy by which the sports betting operator or internet sports betting platform provider can cancel internet sports betting wagers for obvious errors pursuant to the sports betting operator's or internet sports betting platform provider's internal controls, which must include a definition and procedures for obvious errors.
  - (n) Parlay wager related rules.
  - (o) Rules and procedures for wagering communications.
  - (p) Any other house rule related information the board determines necessary.
- (2) The house rules must clearly state what is to occur when an event or any component of an event on which internet sports betting wagers are accepted is canceled, including the handling of internet sports betting wagers with multiple selections, such as parlays, where one or more of these selections is canceled.
  - (3) The house rules, together with any other information the board considers appropriate, must be conspicuously displayed on the sports betting operator's and its internet sports betting platform provider's internet sports betting website or internet sports betting platform, included in the terms and conditions of internet sports betting accounts, and copies must be made readily available to individuals and authorized participants.
  - (4) Amendments to the house rules must be approved by the board. Failure by a licensee to act in accordance with the house

**Annual Administrative Code Supplement**  
**2020 Edition**

rules may result in disciplinary action.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.749 Tournaments/contests, bonus and promotional wagering, advertising, and player loyalty programs.**

Rule 749. (1) A sports betting operator or internet sports betting platform provider may conduct an internet sports betting tournament or contest subject to all of the following:

(a) No internet sports betting tournament or contest shall be conducted unless the sports betting operator or internet sports betting platform provider, before the first time a tournament or contest type is offered, files written notice with the board of its intent to offer that tournament or contest type. The sports betting operator or internet sports betting platform provider may file a master tournament list with the board to satisfy this requirement.

(b) Each sports betting operator or internet sports betting platform provider must maintain a record of each tournament or contest type it offers, which must address, at a minimum, all of the following:

- (i) Events and wager types.
- (ii) Rules concerning tournament or contest play and participation.
- (iii) Entry fee amount or amounts per participant.
- (iv) Funding source amount or amounts comprising the prize pool (for example, buy-ins, re-buys, or add-ons).
- (v) Prize structure on payout.
- (vi) Methodology for determining winner or winners.

(2) A sports betting operator or internet sports betting platform provider may conduct internet sports betting bonus and promotional wagering offers subject to all of the following:

(a) A sports betting operator or internet sports betting platform provider must maintain a record of all bonus and promotional wagering offers related to internet sports betting in an electronic file that is readily available to the board.

(b) All bonus and promotional wagering offers must be stated in clear and unambiguous terms and must be accessible by the authorized participant after the offer is accepted and before completion.

(c) Offer terms and the record of all offers must include all of the following at a minimum:

- (i) The date and time the offer is active and expires.
- (ii) Authorized participant eligibility, including any limitations on participation.
- (iii) Any restriction on withdrawals of funds.
- (iv) Wagering requirements and limitations on events or wager types.
- (v) The order in which funds are used for wagers.
- (vi) Eligible events or wager types.
- (vii) Rules regarding cancellation.

(3) A sports betting operator or internet sports betting platform provider must provide a clear and conspicuous method for an authorized participant to cancel his or her participation in a bonus or promotional wagering offer that utilizes restricted gaming credits that cannot be cashed out until a wagering requirement or other restrictions associated with the credits is met. If an authorized participant elects to proceed with cancellation, unrestricted funds remaining in an authorized participant's internet sports betting account must be returned according to the terms and conditions.

(4) Once an authorized participant has met the terms of a bonus or promotional wagering offer, a sports betting operator or internet sports betting platform provider must not limit winnings earned while participating in the offer.

(5) All tournaments or contests, bonus and promotional wagering, advertising, and player loyalty programs offered or conducted by a sports betting operator or internet sports betting platform provider on the internet sports betting platform must comply with the technical standards adopted in R 432.733(2), as applicable.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**PART 5. INTERNET SPORTS BETTING ACCOUNTS**

**R 432.751 Single wagering account in use for internet sports betting.**

Rule 751. (1) A sports betting operator or internet sports betting platform provider shall limit each authorized participant to one internet sports betting account and username. Each internet sports betting account must be all of the following:

- (a) Non-transferable.
- (b) Unique to the authorized participant who establishes the internet sports betting account.
- (c) Distinct from any other account number that the authorized participant may have established with the sports betting operator or internet sports betting platform provider except as provided for in subrule (2).

(2) An internet sports betting account must be separate and distinct from an internet wagering account established under the lawful internet gaming act, 2019 PA 152, MCL 432.301 to MCL 432.322. Notwithstanding the foregoing, an internet sports betting account may be integrated with an internet wagering account, subject to all of the following conditions:

**Annual Administrative Code Supplement**  
**2020 Edition**

(c) Internet sports betting transactions must be identified, recorded, accounted for, and reported separately and distinctly from internet gaming transactions conducted under the lawful internet gaming act, 2019 PA 152, MCL 432.301 to MCL 432.322.

(d) A sports betting operator or internet sports betting platform provider must comply with all applicable provisions of the act and these rules and any other conditions considered appropriate by the board.

(3) A sports betting operator or internet sports betting platform provider must implement internal controls and publish procedures to terminate all accounts of any individual who establishes or seeks to establish multiple active internet sports betting accounts, whether directly or by use of another individual as a proxy.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.751a Age and identity verification.**

Rule 751a. (1) A sports betting operator or internet sports betting platform provider must verify an individual's identity before allowing that individual to create an internet sports betting account and place an internet sports betting wager.

(2) Only an individual who is 21 years of age or older and not a prohibited person may create an internet sports betting account, deposit funds, or participate in internet sports betting wagering. The sports betting operator or internet sports betting platform provider must deny the ability to create an internet sports betting account, deposit funds, or participate in internet sports betting wagering to any individual who is under 21 years of age or is a prohibited person. This subrule shall not be construed to prevent an individual from creating an internet sports betting account and depositing funds to such an account even if they are prohibited from placing certain wagers.

(3) A sports betting operator or internet sports betting platform provider must use commercially available and demonstrable standards to confirm that an individual attempting to create an internet sports betting account is not a prohibited person.

(4) Third-party service providers may be used for age and identity verification of individuals attempting to create internet sports betting accounts.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.751b Data security of age and identity verification information.**

Rule 751b. Details of the age and identity verification process must be kept by the sports betting operator or internet sports betting platform provider in a secure manner approved by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.751c Handling of internet sports betting accounts found to be used in fraudulent manner.**

Rule 751c. A sports betting operator or internet sports betting platform provider must have a documented system of internal controls for the handling of authorized participants or other individuals discovered to be using internet sports betting accounts in a fraudulent manner, including but not limited to the following:

(a) The maintenance of information about any authorized participant's activity or other individual's activity, such that if fraudulent activity is detected, the sports betting operator or internet sports betting platform provider and the board have all of the necessary information to take appropriate action.

(b) The suspension of any internet sports betting account discovered to be providing fraudulent access to prohibited persons.

(c) The treatment of deposits, internet sports betting wagers, and wins associated with a prohibited person's fraudulent use of an account and the confiscation of any winnings and things of value of a prohibited person in accordance with part 7 of these rules.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.752 Terms and conditions for internet sports betting accounts.**

Rule 752. (1) All terms and conditions for internet sports betting accounts must be included in the internal controls of the sports betting operator or internet sports betting platform provider and address all aspects of the internet sports betting operation, including, but not limited to all of the following:

(a) Name of the party or parties with whom the individual is entering into a contractual relationship, including any licensee.

(b) Individual's consent to have the sports betting operator or internet sports betting platform provider confirm the individual's age and identity.

(c) Rules and obligations applicable to the authorized participant including, but not limited to, all of the following:

(i) Prohibition from allowing any other individual to access or use his or her internet sports betting account.

(ii) Prohibition from engaging in internet sports betting activity unless physically present in Michigan or another jurisdiction authorized under a multijurisdictional sports betting agreement.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (iii) Consent to the monitoring and recording by the sports betting operator, internet sports betting platform provider, or the board, or all 3 of any internet sports betting communications and geographic location information.
- (iv) Consent to the jurisdiction of this state to resolve any disputes arising out of internet sports betting.
- (v) Prohibition against utilizing automated computerized software or other equivalent mechanism, such as a "bot," to engage in play.
- (d) Full explanation of all fees and charges imposed upon an authorized participant related to internet sports betting transactions.
- (e) Availability of internet sports betting account statements detailing the authorized participant's internet sports betting account activity.
- (f) Privacy policies, including information access.
- (g) Legal age policy, including a statement that it is a criminal offense to allow an individual who is under the age of 21 to participate in internet sports betting.
- (h) Full explanation of all rules applicable to dormant internet sports betting accounts.
- (i) Authorized participant's right to set responsible gaming limits and to self-exclude.
- (j) Authorized participant's right to suspend his or her internet sports betting account for a period of no less than 72 hours.
- (k) Actions that will be taken if an authorized participant becomes disconnected from the internet sports betting platform during game play.
- (l) Notice that a malfunction voids all pays.
- (m) Estimated time period for withdrawal of funds from internet sports betting account.
- (2) If the internet sports betting terms and conditions are changed, the sports betting operator or internet sports betting platform provider shall require the authorized participant to acknowledge acceptance of the change. Unless otherwise authorized by the board, the authorized participant's acknowledgement must be date and time stamped by the internet sports betting platform.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.753 Authorized participant protections.**

Rule 753. (1) A sports betting operator or internet sports betting platform provider must provide an authorized participant protection information page that must be readily accessible to each authorized participant. The authorized participant protection page must be accessible to an authorized participant throughout an authorized participant session. The authorized participant protection page must contain, at a minimum, all of the following:

- (a) Method for changing or retrieving a password or other approved access security feature and the ability to choose "strong authentication" login protection.
- (b) Method for filing a complaint with the sports betting operator or internet sports betting platform provider.
- (c) Method for filing with the board an unresolved complaint after all reasonable means to resolve the complaint with the sports betting operator or internet sports betting platform provider have been exhausted utilizing forms and in the manner prescribed by the board.
- (d) Method for obtaining a copy of the internet sports betting terms and conditions agreed to when establishing an internet sports betting account
- (e) Method for the authorized participant to obtain his or her internet sports betting account and game history from the sports betting operator or internet sports betting platform provider.
- (f) Notification that underage gambling is a criminal offense and that anyone who facilitates an individual under the age of 21 to place an internet sports betting wager has committed a criminal offense and must be prohibited from internet sports betting.
- (g) Notification that the authorized participant is responsible for configuring his or her terminal's auto-lock feature to protect the terminal from unauthorized use.
- (h) Notification that an authorized participant is prohibited from allowing any other individual to access or use his or her internet sports betting account.
- (i) Information about potential risks associated with excessive participation in internet sports betting, and where to get help related to betting responsibly.
- (j) A list of the available authorized participant protection measures that can be invoked by the authorized participant, such as self-imposed limits, and information on how to invoke those measures.
- (k) Mechanisms in place for authorized participants to detect unauthorized use of their internet sports betting account, such as the authorized participant reviewing credit card statements against known deposits.
- (l) Other authorized participant protections authorized by the board.
- (2) Authorized participants must be provided with an easy and obvious method to impose limitations for internet sports

**Annual Administrative Code Supplement**  
**2020 Edition**

betting parameters including, but not limited to, deposits, wagers and time-based limitations. The self-imposed limitation method must provide the following functionality:

- (a) Upon receiving any self-imposed limitation order, the sports betting operator or internet sports betting platform provider must ensure that all specified limits are correctly implemented immediately or at the time that was clearly indicated to the authorized participant.
  - (b) The self-imposed limitations set by an authorized participant must not override more restrictive sports betting operator or internet sports betting platform provider-imposed limitations. The more restrictive limitations must take priority.
  - (c) Once established by an authorized participant and implemented by the internet sports betting platform, it must only be possible to reduce the severity of self-imposed limitations upon 24 hours' notice, or as required by the board.
  - (d) Self-imposed limitations must not be compromised by internal status events, such as self-imposed exclusion.
- (3) The self-imposed limitations must be available to the authorized participant immediately after the internet sports betting account is created, when placing a deposit into his or her internet sports betting account, and upon logging into his or her internet sports betting account.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.754 Responsible gaming.**

Rule 754. Each sports betting operator's website or internet sports betting platform must display a responsible gaming logo in a manner approved by the board to direct an authorized participant to the sports betting operator's website or internet sports betting platform responsible gaming page. The responsible gaming page must be accessible to an authorized participant during an authorized participant session and must contain, but is not limited to, the following:

- (a) A prominent message that states "If you or someone you know has a gambling problem and wants help, call the Michigan Department of Health and Human Services Gambling Disorder Help-line at: 800-270-7117".
- (b) A direct link to the Michigan Gaming Control Board Compulsive/Problem Gambling website (<https://www.michigan.gov/mgcb/0,4620,7-351-79256-231582--,00.html>) and other organizations based in the United States dedicated to helping people with potential gambling problems.
- (c) A clear statement of the sports betting operator's or internet sports betting platform provider's policy and commitment to responsible gaming.
- (d) Other responsible gaming measures required by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.755 Internet sports betting account requirements.**

Rule 755. To establish an internet sports betting account, a sports betting operator or internet sports betting platform provider must do all of the following:

- (a) Create an electronic authorized participant file, which must, at a minimum, include the following:
  - (i) The authorized participant's legal name.
  - (ii) The authorized participant's date of birth.
  - (iii) The authorized participant's Social Security number, or the last 4 digits of the Social Security number, or an equivalent identification number for a noncitizen authorized participant, such as a passport or taxpayer identification number.
  - (iv) The authorized participant's internet sports betting account number or username.
  - (v) The authorized participant's residential address. A post office box is not acceptable.
  - (vi) The authorized participant's electronic mail address.
  - (vii) The authorized participant's telephone number.
  - (viii) Any other information collected from the authorized participant used to verify his or her identity.
  - (ix) The method used to verify the authorized participant's identity.
  - (x) The date of verification.
- (b) Encrypt all of the following information contained in an electronic authorized participant file:
  - (i) Any portion of the authorized participant's Social Security number or equivalent identification number for a noncitizen authorized participant, such as a passport or taxpayer identification number.
  - (ii) The authorized participant's passwords and PINs.
  - (iii) The authorized participant's personal financial information.
- (c) Verify the authorized participant's age and identity and record the date of verification in accordance with any of the following:
  - (i) Reliable forms of personal identification specified in the sports betting operator's or internet sports betting platform provider's internal controls.
  - (ii) Other methodology for remote multi-source authentication, which may include third-party and governmental databases, as approved by the board.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (d) Record the document number of the government issued identification credential examined, if applicable. If a government issued identification credential is not required for registration, the electronic record that details the process used to confirm the authorized participant's identity must be recorded.
  - (e) Require the authorized participant to establish a password or other access security feature as approved by the board and advise the authorized participant to utilize strong authentication login protection.
  - (f) Record the authorized participant's acceptance of the sports betting operator's or internet sports betting platform provider's internet sports betting terms and conditions to participate in internet sports betting through the sports betting operator's or internet sports betting platform provider's website.
  - (g) Record the authorized participant's certification that the information provided to the sports betting operator or internet sports betting platform provider is accurate.
  - (h) Record the authorized participant's acknowledgment that the legal age for internet sports betting is 21, and that he or she is prohibited from allowing any other individual to access or use his or her internet sports betting account.
  - (i) Notify the authorized participant of the establishment of the account via electronic mail.
- History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.755a Internet sports betting account funding.**

Rule 755a. An authorized participant's internet sports betting account may be funded through the use of any of the following:

- (a) An authorized participant's credit or debit card.
- (b) An authorized participant's deposit of cash or cash equivalent at a cashiering location approved by the board.
- (c) An authorized participant's reloadable prepaid card, which has been verified as being issued to the authorized participant and is non-transferable.
- (d) Promotional credit.
- (e) Winnings.
- (f) Adjustments made by the sports betting operator or internet sports betting platform provider with documented notification to the authorized participant.
- (g) ACH transfer, provided that the sports betting operator or internet sports betting platform provider has security measures and controls to prevent ACH fraud regarding failed ACH deposits.
- (h) Wire transfer.
- (i) Any other means approved by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.755b Failed ACH deposits.**

Rule 755b. A failed ACH deposit attempt is not considered fraudulent if the authorized participant has successfully deposited funds via an ACH transfer on a previous occasion with no outstanding chargebacks. Otherwise, the sports betting operator or internet sports betting platform provider shall do all of the following:

- (a) Temporarily block the authorized participant's internet sports betting account for investigation of fraud after 5 consecutive failed ACH deposit attempts within a 10-minute period. If there is no evidence of fraud, the block may be vacated.
- (b) Suspend the authorized participant's internet sports betting account after 5 additional consecutive failed ACH deposit attempts within a 10-minute period.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.755c Transfer of funds prohibited.**

Rule 755c. A sports betting operator or internet sports betting platform provider must not permit an authorized participant to transfer funds from one authorized participant's internet sports betting account to another authorized participant's internet sports betting account or any other wagering account belonging to another authorized participant.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.755d Authorized participant account withdrawal.**

Rule 755d. (1) An authorized participant must be allowed to withdraw the funds maintained in his or her internet sports betting account, whether the account is open or closed, except as otherwise provided in these rules, or any other applicable state or federal laws.

(2) A sports betting operator or internet sports betting platform provider must honor the authorized participant's request to withdraw funds within 10 business days after the request, unless the conditions set forth in subrule (3) of this rule are met.

(3) The sports betting operator or internet sports betting platform provider may decline to honor an authorized participant's

**Annual Administrative Code Supplement**  
**2020 Edition**

request to withdraw funds only if the sports betting operator or internet sports betting platform provider believes in good faith that the authorized participant engaged in either fraudulent conduct or other conduct that would put the sports betting operator or internet sports betting platform provider in violation of the act and these rules. In such cases, the sports betting operator or internet sports betting platform provider must do all of the following:

- (a) Provide notice to the authorized participant of the nature of the investigation of the internet sports betting account.
  - (b) Conduct its investigation in a reasonable and expedient fashion, providing the authorized participant additional written notice of the status of the investigation every tenth business day starting from the day the original notice was provided to the authorized participant.
- (4) For purposes of this rule, a request for withdrawal is considered honored if it is processed by the sports betting operator or internet sports betting platform provider notwithstanding a delay by a payment processor, credit card issuer, or the custodian of a financial account.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.755e Internet sports betting account review requirements.**

Rule 755e. All adjustments to internet sports betting accounts for amounts of \$500.00 or less must be periodically reviewed by supervisory personnel as set forth in the sports betting operator's or internet sports betting platform provider's internal controls. All other adjustments must be authorized by supervisory personnel before being entered.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.756 Internet sports betting account information.**

Rule 756. (1) An internet sports betting platform must provide an account statement with account details to an authorized participant on demand, which must include detailed account activity for at least 6 months. In addition, an internet sports betting platform must, upon request, be capable of providing a summary statement of all authorized participant activity during the past 2 years. Information provided on the summary statement must include but not be limited to the following:

- (a) Deposits to the internet sports betting account.
- (b) Withdrawals from the internet sports betting account.
- (c) Win or loss statistics.
- (d) Beginning and ending internet sports betting account balances.
- (e) Self-imposed limit history, if applicable.

(2) A sports betting operator or internet sports betting platform provider must periodically re-verify an authorized participant's identification upon reasonable suspicion that the authorized participant's identification has been compromised.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.757 Internet sports betting account closure.**

Rule 757. An internet sports betting platform must provide a conspicuous and readily accessible method for an authorized participant to close his or her internet sports betting account through the account management or similar page or through the internet sports betting platform customer support team. Any balance remaining in an authorized participant's internet sports betting account closed by an authorized participant must be refunded pursuant to the sports betting operator's or internet sports betting platform provider's internal controls.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.758 Internet sports betting dormant accounts.**

Rule 758. A sports betting operator or internet sports betting platform provider shall consider an authorized participant internet sports betting account to be dormant if the authorized participant has not logged into the internet sports betting account for at least 3 years. A dormant internet sports betting account must be closed by the sports betting operator or internet sports betting platform provider. Any balance remaining in a dormant internet sports betting account must be refunded or escheated in accordance with the sports betting operator's or internet sports betting platform provider's internal controls.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.759 Suspension and restoration of internet sports betting accounts.**

Rule 759. (1) An internet sports betting platform must employ a mechanism that places an internet sports betting account in a suspended mode under the following conditions:

- (a) When requested by the authorized participant for a specified period of time, which must not be less than 72 hours.
- (b) When required by the board.
- (c) Upon a determination that an authorized participant is a prohibited person.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (d) When initiated by a sports betting operator or internet sports betting platform provider that has evidence that indicates any of the following:
- (i) Illegal activity.
  - (ii) A negative internet sports betting account balance.
  - (iii) A violation of the internet sports betting account terms and conditions has taken place on an authorized participant's internet sports betting account.
- (2) When an internet sports betting account is in a suspended mode, the internet sports betting platform must do all of the following:
- (a) Prevent the authorized participant from internet sports betting.
  - (b) Prevent the authorized participant from depositing funds unless the account is suspended due to having a negative internet sports betting account balance but only to the extent the internet sports betting account balance is brought back to zero dollars.
  - (c) Prevent the authorized participant from withdrawing funds from his or her internet sports betting account, unless the suspended mode was initiated by the authorized participant.
  - (d) Prevent the authorized participant from making changes to his or her internet sports betting account.
  - (e) Prevent the removal of the internet sports betting account from the internet sports betting platform.
  - (f) Prominently display to the authorized participant that the internet sports betting account is in a suspended mode, the restrictions placed on the internet sports betting account, and any further course of action needed to remove the suspended mode.
- (3) A suspended account may be restored for any of the following reasons:
- (a) Upon expiration of the time period established by the authorized participant.
  - (b) If authorized by the board.
  - (c) When the authorized participant is no longer a prohibited person.
  - (d) When the sports betting operator or internet sports betting platform provider has lifted the suspended status.
- History: 2020 MR 22, Eff. Dec. 2, 2020.

**PART 6. AUDIT AND INTERNAL CONTROLS**

**R 432.761 Internal control standards applicability of part.**

Rule 761. This part applies to sports betting operators and internet sports betting platform providers.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.762 Purpose.**

Rule 762. The procedures of the internal control standards are designed to ensure all of the following:

- (a) Assets are safeguarded.
- (b) The financial records of the sports betting operator and internet sports betting platform provider are accurate and reliable.
- (c) The transactions of the sports betting operator and internet sports betting platform provider are performed only in accordance with the act and these rules.
- (d) The transactions are recorded adequately to permit the proper recording of the adjusted gross sports betting receipts, fees, and all applicable taxes and payments.
- (e) Accountability of assets is maintained pursuant to generally accepted accounting principles.
- (f) Only authorized personnel have access to assets.
- (g) Internet sports betting account balances are complete and accurate, and appropriate action is taken with respect to discrepancies.
- (h) Internet sports betting accounts and personal identifiable information are adequately protected.
- (i) The functions, duties, and responsibilities are appropriately segregated and performed pursuant to sound practices by competent, qualified personnel and that no employee of the sports betting operator, the internet sports betting platform provider, a supplier, a registered vendor, or a third-party provider is in a position to perpetuate and conceal errors or irregularities in the normal course of the employee's duties.
- (j) Internet sports betting is conducted with integrity and in accordance with the act and these rules.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.763 Board approval of internal control standards and requirements.**



**Annual Administrative Code Supplement**  
**2020 Edition**

Rule 763. (1) Unless otherwise provided for by the board, before beginning internet sports betting operations, a sports betting operator or internet sports betting platform provider, or both must submit its administrative and accounting procedures in detail in a written system of internal control for board review and written approval. A written system of internal controls must include a detailed narrative description of the administrative and accounting procedures designed to satisfy the requirements of these rules.

- (2) The written system of internal controls must address the following items, at a minimum:
- (a) Procedures for responding to a failure of the sports betting platform (i.e., game, system, communications, or platform malfunction), including procedures for restoring internet sports betting operations. The sports betting operator or internet sports betting platform provider, or both, must also file with the board an incident report for each significant platform failure and document the date, time, and reason for the failure along with the date and time the system is restored.
  - (b) User access controls for all sports betting personnel.
  - (c) Segregation of duties.
  - (d) Automated and manual risk management procedures.
  - (e) Procedures for identifying and reporting fraud and suspicious conduct including identifying unusual wagering activity and reporting that activity to an independent integrity monitoring provider.
  - (f) Procedures to prevent wagering by prohibited persons.
  - (g) Procedures for sports betting operator-imposed or internet sports betting platform provider-imposed exclusion of authorized participants, including the following:
    - (i) Providing a notification containing operator-imposed or internet sports betting platform provider-imposed exclusion status and general instructions for resolution.
    - (ii) Ensuring that immediately upon executing the operator-imposed or internet sports betting platform provider-imposed exclusion order, no new wagers or deposits are accepted from the authorized participant, until such time as the operator-imposed or internet sports betting platform provider-imposed exclusion has been revoked.
    - (iii) Ensuring that the authorized participant is not prevented from withdrawing any or all of his or her account balance, if the sports betting operator or internet sports betting platform provider acknowledges that the funds have cleared, and that the reason or reasons for exclusion would not prohibit a withdrawal.
  - (h) Description of anti-money laundering compliance standards.
  - (i) Process for submitting or receiving approval of all event categories and wager types available.
  - (j) Description of process for accepting wagers and issuing payouts, plus any additional controls for accepting wagers and issuing payouts in excess of \$10,000.00.
  - (k) Description of process for voiding or cancelling wagers and refunding the authorized participant in accordance with these rules.
  - (l) Description of process for accepting multiple wagers from one authorized participant in a 24-hour cycle, including process to identify authorized participant structuring of wagers to circumvent recording and reporting requirements.
  - (m) Procedure for the recording of and reconciliation of internet sports betting transactions.
  - (n) Procedures for issuance and acceptance of promotional funds for internet sports betting.
  - (o) Description of all integrated third-party platforms.
  - (p) Procedures for identifying and restricting prohibited persons.
  - (q) Description of process to close out dormant accounts.
  - (r) Procedures for making adjustments to an internet sports betting account, providing a method for an authorized participant to close out an account and how an authorized participant will be refunded after the closure of an account or how funds will be escheated.
  - (s) Procedures to verify each authorized participant's physical location pursuant to part 3 of these rules.
  - (t) Procedures for the security and sharing of personal identifiable information of an authorized participant, funds or financial information in an internet sports betting account, and other information as required by the board. The procedures must include the means by which a sports betting operator or internet sports betting platform provider, or both will provide notice to an authorized participant related to the sharing of personal identifiable information.
  - (u) Detailed responsible gaming measures.
  - (v) Method for securely implementing the responsible gaming database.
  - (w) Methods for securely issuing, modifying, and resetting an authorized participant's account password, personal identification number (PIN), or other approved security feature, if applicable. Any method must include notification to the authorized participant following any modification via electronic or regular mail, text message, or other manner approved by the board. Such methods must include, at a minimum, one of the following:
    - (i) Proof of identity, if in person.
    - (ii) The correct response to 2 or more challenge questions.
    - (iii) Strong authentication.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (x) Procedures for receiving, investigating, and responding to all authorized participant complaints.
  - (y) In detail, the location of the sports betting servers, including any third-party remote location servers, and what controls will be in place to ensure security of the sports betting servers.
  - (z) Description of the process for line setting and line moving.
  - (aa) Technical security standards (controls) required by these rules.
  - (bb) Procedures for registration of authorized participants and establishing internet sports betting accounts, including a procedure for authenticating the age, identity and physical address of an applicant for an internet sports betting account, and whether the applicant is prohibited from establishing or maintaining an account under applicable laws or regulations.
  - (cc) Procedures for terminating an internet sports betting account and the return of any funds remaining in the internet sports betting account to the authorized participant or confiscation of funds in accordance with these rules.
  - (dd) Procedures for the logging in and authentication of an authorized participant to enable the authorized participant to commence sports betting and the logging off of the authorized participant when the authorized participant has completed play, including a procedure to automatically log an authorized participant out of the internet sports betting account after a specified period of inactivity.
  - (ee) Procedures for the crediting and debiting of an internet sports betting account.
  - (ff) Procedures for withdrawing funds from an internet sports betting account by the authorized participant.
  - (gg) Procedures for the protection of an authorized participant's funds, including the segregation of an authorized participant's funds from operating funds of the sports betting operator or internet sports betting platform provider, or both.
  - (hh) Procedures and security for the calculation and recording of gross sports betting receipts, adjusted gross sports betting receipts, and winnings.
  - (ii) Procedures and security standards as to receipt, handling, and storage of sports betting equipment.
  - (jj) Procedures and security standards to protect and respond to an individual's suspected or actual hacking of or tampering with the sports betting operator's or internet sports betting platform provider's internet sports betting website or sports betting devices and associated equipment.
  - (kk) Procedures and appropriate measures implemented to deter, detect, and, to the extent possible, prevent cheating, including collusion, and use of cheating devices, including the use of software programs that make bets according to algorithms.
  - (ll) Procedures to govern emergencies, including suspected or actual cyber-attacks on, hacking of, or tampering with the internet sports betting platform, internet sports betting website, or sports betting devices and associated equipment. The procedures must include the process for the reconciliation or repayment of an authorized participant's internet sports betting account.
  - (mm) Policies and procedures in connection with the internal audit function of its internet sports betting operations.
  - (nn) Establishing policies and procedures with respect to credit.
  - (oo) Any other items considered necessary by the board.
- (3) To the extent a third-party is involved in or provides any of the internal controls required in these rules, the sports betting operator's or internet sports betting platform provider's controls, or the controls of both of them must document the roles and responsibilities of the third-party and must include procedures to evaluate the adequacy of and monitor compliance with the third-party's internal control procedures.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.763a Amendments to internal controls.**

Rule 763a. Unless otherwise provided by the board, all of the following provisions apply to amendments to the internal control procedures:

- (a) Amendments to any portion of the internal control procedures must be submitted to the board for approval. If within 30 days the board has not approved, denied, or otherwise provided written notice, a sports betting operator or internet sports betting platform provider, or both, may implement the amended internal controls as submitted with the board retaining its authority to require further amendment, approval, or denial.
- (b) The board may, in writing, approve, deny, or require a revision to the amendment to the internal control procedures. If the sports betting operator or sports betting platform provider is notified of a required revision, the sports betting operator or internet sports betting platform provider must work with the board to address the revision.
- (c) If the board requests additional information, clarification, or revision of an amendment to an internal control and the sports betting operator or internet sports betting platform provider, or both, fail to satisfy the request within 30 days after the

**Annual Administrative Code Supplement**  
**2020 Edition**

board request, the board shall consider the amendment denied and it cannot be implemented or, if previously implemented under subdivision (a) of this rule, the sports betting operator or internet sports betting platform provider has 15 days to cease implementation of that amendment. If the sports betting operator or internet sports betting platform provider subsequently wants to pursue the amendment, it must resubmit the request along with the additional information previously requested by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.763b Emergency procedures.**

Rule 763b. (1) In the event of an emergency, the sports betting operator or internet sports betting platform provider, or both, may temporarily amend an internal control procedure. The executive director or his or her designee must be notified that an emergency exists before temporarily amending an internal control procedure.

(2) A sports betting operator or internet sports betting platform provider, or both, must submit the temporary emergency amendment of the internal control procedures to the executive director or his or her designee within 3 days of the amendment. The submission must include the detailed emergency procedures that will be implemented and the time period the emergency procedures will be temporarily in place. Any concerns the board has with the submission must be addressed with the sports betting operator or internet sports betting platform provider, or both.

(3) As soon as the circumstances necessitating the emergency amendment to the internal control procedures abate, a sports betting operator or internet sports betting platform provider, or both, shall resume compliance with the approved internal control procedures.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.763c Failure to comply with requirements.**

Rule 763c. If the board determines that the administrative or accounting procedures or written internal control procedures of the sports betting operator or internet sports betting platform provider, or both do not comply with the requirements of these rules or requires improvement, the board shall notify the sports betting operator or internet sports betting platform provider, or both, in writing. Within 15 days after receiving the notification, the sports betting operator or internet sports betting platform provider must amend its procedures and written internal control procedures accordingly and must submit, for board approval, a copy of the written internal control procedures, as amended, and a description of any other remedial measure taken.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.764 Compliance with internal controls.**

Rule 764. (1) Sports betting operators and internet sports betting platform providers must comply with all internal controls.

(2) If a sports betting operator or internet sports betting platform provider fails to comply with any provision of its internal controls, the board may initiate a disciplinary action.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.765 Accounting records.**

Rule 765. (1) A sports betting operator and internet sports betting platform provider must maintain complete, accurate, and legible records of all transactions related to their internet sports betting operations, including transactions pertaining to revenues, expenses, assets, liabilities, and equity in conformance with generally accepted accounting principles.

(2) The board may direct a sports betting operator and internet sports betting platform provider to alter the manner in which the records are maintained if the sports betting operator's and internet sports betting platform provider's records are not in accordance with generally accepted accounting principles or if the records are not in sufficient detail.

(3) The accounting records must be maintained using a double entry system of accounting with transactions recorded on the accrual basis and supported by detailed subsidiary records.

(4) The detailed subsidiary records must include, at a minimum, all of the following:

- (a) Detailed general ledger accounts identifying all revenue, expenses, assets, liabilities, and equity.
- (b) A record of all investments, advances, loans, and accounts receivable balances due the establishment.
- (c) A record of all loans and other accounts payable.
- (d) A record of all accounts receivable written off as uncollectible.
- (e) Journal entries prepared.
- (f) Tax work papers used in preparation of any state or federal tax return if applicable.

**Annual Administrative Code Supplement**  
**2020 Edition**

(g) Records supporting the accumulation of the costs for complimentary services and items. A complimentary service or item provided to individuals in the normal course of a sports betting business must be recorded in an amount based upon the full retail price normally charged for the service or item or as is otherwise consistent with generally accepted accounting principles.

(h) Records required by the internal control system.

(i) Other records that the board requires to be maintained.

(5) The sports betting operator and internet sports betting platform provider must maintain all records supporting the adjusted gross sports betting receipts.

(6) If a sports betting operator or internet sports betting platform provider, or both, fails to maintain the records used by it to calculate the adjusted gross sports betting receipts, the board may compute and determine the amount upon the basis of an audit conducted by the board using available information.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.765a Annual audits and annual compliance reports.**

Rule 765a. (1) All of the following provisions apply to annual and special audits and other reports:

(a) The board requires an annual audit of the financial condition of the sports betting operator's and internet sports betting platform provider's total internet sports betting operations. For a sports betting operator licensed as a casino under the Michigan Gaming Control and Revenue Act, the audit prepared pursuant to section 14 of the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.214, satisfies this requirement. An independent certified public accountant must perform the annual audit.

(b) The annual audit must be performed and presented in accordance with generally accepted accounting principles and contain the opinion of the independent certified public accountant as to its fair preparation and presentation in accordance with generally accepted accounting principles.

(c) To assure the integrity of internet sports betting and compliance with the act and these rules, the board may require a special audit of a sports betting operator or an internet sports betting platform provider, or both, to be conducted by board personnel or an independent certified public accountant. The board shall establish the scope, procedures, and reporting requirements of a special audit. For a sports betting operator who is an Indian tribe, the scope of the special audit must be limited to the sports betting operator's internet sports betting operations.

(2) The board shall require annual compliance reports to be prepared by the sports betting operator or the internet sports betting platform provider, or both, and submitted in a manner and form prescribed by the board. The annual compliance report must address all of the following areas:

(a) Compliance with procedures to ascertain that adjusted gross sports betting receipts are determined and state and local taxes or payments are paid, in conformity with the act and these rules.

(b) Compliance with applicable ordinances and agreements with other governmental authorities.

(c) Compliance with internal control procedures, accounting procedures, credit procedures, dispute procedures, and board-imposed security and safety requirements.

(d) A material deviation from the internal control procedures, accounting procedures, credit and dispute procedures, and board-imposed security and safety requirements.

(e) Corrective action taken to resolve deficiencies observed in subdivisions (a) to (d) of this subrule.

(f) Other matters required by the board to measure compliance with the act and these rules.

(3) The board shall determine the date of filing and the number of copies of audits or reports required under this rule. The audits or reports must be received by the board or postmarked no later than the required filing date.

(4) The reporting year-end of the sports betting operator and internet sports betting platform provider is December 31 unless otherwise approved by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.765b Board access to platform data.**

Rule 765b. The sports betting operator or internet sports betting platform provider must provide access to internet sports betting platform related data as considered necessary by the board and in a manner approved by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.766 Records retention.**

Rule 766. (1) Each sports betting operator or sports betting supplier must maintain, in a place secure from theft, loss, or destruction, adequate records of its business and accounting operations. A sports betting operator or sports betting supplier must make the records available to the board, upon request, within a time provided for by the board. A sports betting operator or sports betting supplier must hold the records for not less than 5 years. The records must include, but not be limited to, all

**Annual Administrative Code Supplement**  
**2020 Edition**

of the following:

- (a) All correspondence with, or reports to, the board or any local, state, tribal, or federal governmental agency.
- (b) All correspondence concerning the business of a sports betting operator or sports betting supplier.
- (2) A sports betting operator or sports betting supplier must keep and maintain, in a manner and form required by the board, accurate, complete, and legible records of any books, records, or documents pertaining to, prepared in, or generated by, the sports betting operator or sports betting supplier, including but not limited to, all of the following:
  - (a) Forms.
  - (b) Reports.
  - (c) Accounting records.
  - (d) Ledgers.
  - (e) Subsidiary records.
  - (f) Computer generated data.
  - (g) Internal audit records.
  - (h) Correspondence.
  - (i) Personnel records.
- (3) A sports betting operator or sports betting supplier must organize and index all required records in a manner that enables the board to locate, inspect, review, and analyze the records with reasonable ease and efficiency.
- (4) For a sports betting operator that is an Indian tribe, records required to be maintained under this rule are limited to those records related to the sports betting operator's internet sports betting operations.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.767 Taxes and payments.**

Rule 767. (1) The internet sports betting platform must be able to generate reports supporting adjusted gross sports betting receipts, wagering liability, winnings, and any other reports considered necessary by the board or as required by the internal controls. The reporting must be done on a form and in the manner prescribed by the board.

(2) If the amount of adjusted gross sports betting receipts for a month is a negative figure, the sports betting operator shall not remit a sports betting tax or payment for that month. Any negative adjusted gross sports betting receipts must be carried over and calculated as a deduction on the tax form or payment form on the subsequent months until the negative figure has been brought to a zero balance.

(3) A sports betting operator who fails to remit to the board the tax or payment imposed under the act is liable for payment of a fine, as determined by the board of up to 25% per month of the amounts ultimately found to be due, to be recovered by the board.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.768 Write-offs/amounts returned/disputed credit or debit charges.**

Rule 768. (1) A sports betting operator shall not receive a deduction from gross sports betting receipts unless written approval is granted by the board for the following:

(a) Amounts returned to an authorized participant because of a game, platform, or system malfunction or because the internet sports betting wager must be voided because of concerns regarding integrity of the wager or game that were previously included in the computation of gross sports betting receipts.

(b) Uncollectible markers or successfully disputed credit or debit card charges that were previously included in the computation of gross sports betting receipts. Discretionary write-offs by the sports betting operator do not constitute an uncollectible marker.

(2) A sports betting operator must submit for board review and approval a written request, including all supporting documentation, of the deductions it would like to take against gross sports betting receipts.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**PART 7. RESPONSIBLE GAMING; PROHIBITED PERSON**

**R 432.771 Establishment and maintenance of the responsible gaming database.**

Rule 771. (1) The board shall establish a responsible gaming database that contains a list of individuals who are prohibited from establishing an internet sports betting account or participating in internet sports betting offered by a sports betting operator.

(2) The executive director may place an individual's name in the responsible gaming database for any of the following reasons:

**Annual Administrative Code Supplement**  
**2020 Edition**

- (a) The individual has been convicted in any jurisdiction of a felony, a crime of moral turpitude, or a crime involving gaming.
  - (b) The individual has violated the act or another gaming-related law.
  - (c) The individual has performed an act or has a notorious or unsavory reputation such that the individual's participation in sports betting under the act would adversely affect public confidence and trust in sports betting.
  - (d) The individual's name is on a valid and current exclusion list maintained by this state or another jurisdiction in the United States.
  - (e) A court has ordered the placement of an individual's name in the responsible gaming database.
  - (f) The sports betting operator or internet sports betting platform provider has requested an individual's name be included in the responsible gaming database.
  - (g) Any other reason the executive director considers appropriate to protect the integrity of internet sports betting under the act and these rules.
- (3) A sports betting operator or internet sports betting platform provider may request an individual's name be included in the responsible gaming database. The request must be done in the manner and form prescribed by the executive director, but must at a minimum include all of the following:
- (a) The individual's name and other identifying information.
  - (b) The reason why the sports betting operator or internet sports betting platform provider believes the individual should be included.
  - (c) Any evidence that supports the request.
  - (d) Any other information requested by the executive director.
- (4) If the executive director places an individual in the responsible gaming database, it shall notify the individual. This notification must include the basis for the individual's placement in the responsible gaming database and explain that the individual is prohibited from establishing an internet sports betting account or participating in internet sports betting offered under the act and these rules.
- (5) An excluded person may request a hearing under these rules to contest placement in the responsible gaming database. It is the excluded person's responsibility to prove by clear and convincing evidence why he or she should not be in the responsible gaming database.
- (6) Involuntary placement in the responsible gaming database is permanent, unless removed by the executive director. The executive director shall only remove an excluded person from the responsible gaming database if the excluded person no longer satisfies the criteria for placement.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.772 Voluntary placement in the responsible gaming database.**

Rule 772. (1) An individual may have his or her name placed in the responsible gaming database for a period of 1 or 5 years by submitting a request in the manner and form prescribed by the executive director.

(2) An individual seeking voluntary placement in the responsible gaming database must agree to release the state, the board and its employees and agents, the sports betting operator, the internet sports betting platform provider, and each of their respective officers, directors, employees and agents from any harm, monetary or otherwise, that may arise as a consequence of placing his or her name in the responsible gaming database.

(3) The executive director shall not include an individual in the responsible gaming database until the individual has provided all necessary information.

(4) If a sports betting operator or internet sports betting platform provider prohibits a voluntarily-excluded person in the responsible gaming database from engaging in other forms of gaming authorized by law in this state or in another jurisdiction, that limitation shall only be for the 1 or 5 year placement chosen by the voluntarily-excluded person.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.773 Distribution of the responsible gaming database.**

Rule 773. (1) The executive director shall provide the sports betting operator and internet sports betting platform provider with information the executive director considers necessary to carry out the purposes of the act and these rules.

(2) Sports betting operators and internet sports betting platform providers may only use the information as provided for in the internal controls and as is consistent with the act and these rules.

(3) Use of information from the responsible gaming database for a purpose other than what is provided for in the act or these rules may result in disciplinary action by the board against the licensee or a civil fine. Nothing in this part is intended to preclude the disclosure of such information pursuant to subpoena or other legal process.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 432.774 Self-exclusion list.**

Rule 774. (1) Each sports betting operator and internet sports betting platform provider must establish and maintain a self-exclusion list as prescribed in the act, in these rules, by direction of the executive director, and in accordance with internal controls.

(2) The self-exclusion list must be designed to safeguard the confidentiality of the information.

(3) An individual may have his or her name added to the self-exclusion list maintained by the sports betting operator or internet sports betting platform provider if he or she agrees to release the state, the board and its employees and agents, the sports betting operator, the internet sports betting platform provider, and each of their respective officers, directors, employees and agents from any harm, monetary or otherwise, that may arise as a consequence of placing his or her name in the responsible gaming database or self-exclusion list.

(4) Any individual requesting placement in the self-exclusion list must submit through his or her internet sports betting account or by another means authorized by the board, a completed request for self-exclusion.

(5) A sports betting operator or internet sports betting platform provider may disclose the names of voluntarily-excluded persons on the self-exclusion list to a person licensed or registered by the board for the purpose of allowing the third-party to remove the names of such individuals from a targeted mailing or other advertising or promotion to be made on behalf of a sports betting operator or internet sports betting platform provider.

(6) A licensed or registered third-party that obtains the self-exclusion list from a sports betting operator or internet sports betting platform provider is permitted to use the list solely to exclude names and other information from targeted mailings or other advertising or promotion made on behalf of the sports betting operator or internet sports betting platform provider. The third-party to whom the information is disclosed shall not distribute or disclose the information to the public or any other person. Disclosure may result in disciplinary action or civil fine.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.775 Prohibited persons.**

Rule 775. (1) A sports betting operator and an internet sports betting platform provider must make reasonable efforts to prevent a prohibited person from establishing an internet sports betting account and not permit the prohibited person to place an internet sports betting wager. This subrule shall not be construed to prevent an individual from creating an internet sports betting account and depositing funds to such an account even if they are prohibited from placing certain wagers.

(2) If a sports betting operator or internet sports betting platform provider detects, or is notified of, an individual suspected of being a prohibited person who had engaged or is engaging in prohibited internet sports betting, the sports betting operator or internet sports betting platform provider, or both, must use reasonable measures to verify whether the individual is prohibited or not. If the sports betting operator or internet sports betting platform provider cannot establish by reasonable measures that the individual is prohibited, the individual is presumed to not be a prohibited person for the purposes of this rule.

(3) Upon verification of a prohibited status, the sports betting operator or internet sports betting platform provider, or both, must do both of the following:

(a) Immediately prohibit access to the individual's internet sports betting account.

(b) Seize from the individual any winnings or things of value obtained from engaging in internet sports betting.

(4) The internal controls of a sports betting operator or internet sports betting platform provider must contain procedures for processing any winnings or things of value confiscated or withheld from a prohibited person.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**R 432.776 Duty of sports betting operator and internet sports betting platform provider.**

Rule 776. (1) A sports betting operator and internet sports betting platform provider must make reasonable efforts to prohibit a prohibited person from establishing an internet sports betting account and from participating in internet sports betting offered under the act and these rules. This subrule shall not be construed to prevent an individual from creating an internet sports betting account and depositing funds to such an account even if they are prohibited from placing certain wagers.

(2) If a sports betting operator or internet sports betting platform provider becomes aware that a prohibited person has established an internet sports betting account or has participated in internet sports betting, the sports betting operator or internet sports betting platform provider must provide written notice to the executive director. Any wager made by a prohibited person must be cancelled and the internet sports betting account used to place the wager must be suspended or closed.

History: 2020 MR 22, Eff. Dec. 2, 2020.

**DEPARTMENT OF STATE**

**BUREAU OF ELECTIONS**

**Annual Administrative Code Supplement  
2020 Edition**

**CASINO INTEREST REGISTRATION**

- R 432.1001**  
Source: 1998-2000 AACS.
- R 432.1002**  
Source: 1998-2000 AACS.
- R 432.1003**  
Source: 1998-2000 AACS.

**DEPARTMENT OF TREASURY  
MICHIGAN GAMING CONTROL BOARD**

**CASINO GAMING**

**PART 1. DEFINITIONS**

- R 432.1101**  
Source: 2019 AACS.
- R 432.1102**  
Source: 2019 AACS.
- R 432.1103**  
Source: 2019 AACS.
- R 432.1104**  
Source: 2019 AACS.
- R 432.1105**  
Source: 2019 AACS.
- R 432.1106**  
Source: 2019 AACS.
- R 432.1107**  
Source: 2019 AACS.
- R 432.1108**  
Source: 2019 AACS.
- R 432.1109**  
Source: 1998-2000 AACS.

**PART 2. GENERAL PROVISIONS**

- R 432.1201**  
Source: 1998-2000 AACS.
- R 432.1202**  
Source: 1998-2000 AACS.
- R 432.1203**  
Source: 1998-2000 AACS.



**Annual Administrative Code Supplement**  
**2020 Edition**

- R 432.1204**  
Source: 2019 AACS.
- R 432.1205**  
Source: 1998-2000 AACS.
- R 432.1206**  
Source: 1998-2000 AACS.
- R 432.1207**  
Source: 1998-2000 AACS.
- R 432.1208**  
Source: 1998-2000 AACS.
- R 432.1209**  
Source: 1998-2000 AACS.
- R 432.1210**  
Source: 2019 AACS.
- R 432.1211**  
Source: 1998-2000 AACS.
- R 432.1212**  
Source: 2019 AACS.
- R 432.1213**  
Source: 1998-2000 AACS.
- R 432.1214**  
Source: 2019 AACS.
- R 432.1215**  
Source: 2019 AACS.
- R 432.1216**  
Source: 2019 AACS.
- R 432.1217**  
Source: 1998-2000 AACS.
- R 432.1218**  
Source: 1998-2000 AACS.
- R 432.1219**  
Source: 1998-2000 AACS.
- R 432.1220**  
Source: 2019 AACS.
- R 432.1221**  
Source: 2019 AACS.
- R 432.1222**  
Source: 1998-2000 AACS.
- R 432.1223**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 1998-2000 AACS.

**R 432.1224**

**Source:** 2019 AACS.

**R 432.1225**

**Source:** 1998-2000 AACS.

**R 432.1226**

**Source:** 1998-2000 AACS.

**R 432.1227**

**Source:** 1998-2000 AACS.

**R 432.1228**

**Source:** 1998-2000 AACS.

**R 432.1229**

**Source:** 1998-2000 AACS.

**R 432.1230**

**Source:** 1998-2000 AACS.

**R 432.1231**

**Source:** 1998-2000 AACS.

**R 432.1232**

**Source:** 1998-2000 AACS.

**PART 3. LICENSES**

**R 432.1301**

**Source:** 1998-2000 AACS.

**R 432.1302**

**Source:** 2019 AACS.

**R 432.1303**

**Source:** 2019 AACS.

**R 432.1304**

**Source:** 2019 AACS.

**R 432.1305**

**Source:** 1998-2000 AACS.

**R 432.1306**

**Source:** 2019 AACS.

**R 432.1307**

**Source:** 2019 AACS.

**R 432.1308**

**Source:** 2019 AACS.

**R 432.1309**

**Source:** 1998-2000 AACS.

**R 432.1310**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 1998-2000 AACS.

**R 432.1311**

**Source:** 1998-2000 AACS.

**R 432.1312**

**Source:** 2019 AACS.

**R 432.1313**

**Source:** 1998-2000 AACS.

**R 432.1314**

**Source:** 1998-2000 AACS.

**R 432.1315**

**Source:** 1998-2000 AACS.

**R 432.1316**

**Source:** 2019 AACS.

**R 432.1317**

**Source:** 1998-2000 AACS.

**R 432.1318**

**Source:** 1998-2000 AACS.

**R 432.1319**

**Source:** 1998-2000 AACS.

**R 432.1320**

**Source:** 1998-2000 AACS.

**R 432.1321**

**Source:** 2019 AACS.

**R 432.1322**

**Source:** 2019 AACS.

**R 432.1323**

**Source:** 2019 AACS.

**R 432.1324**

**Source:** 2019 AACS.

**R 432.1325**

**Source:** 2019 AACS.

**R 432.1326**

**Source:** 2019 AACS.

**R 432.1327**

**Source:** 2019 AACS.

**R 432.1328**

**Source:** 1998-2000 AACS.

**R 432.1329**

**Source:** 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 432.1330**  
Source: 2019 AACS.

**R 432.1331**  
Source: 2019 AACS.

**R 432.1332**  
Source: 2019 AACS.

**R 432.1333**  
Source: 2019 AACS.

**R 432.1334**  
Source: 2019 AACS.

**R 432.1335**  
Source: 1998-2000 AACS.

**R 432.1336**  
Source: 2019 AACS.

**R 432.1337**  
Source: 2019 AACS.

**R 432.1338**  
Source: 2019 AACS.

**R 432.1339**  
Source: 2019 AACS.

**R 432.1340**  
Source: 2019 AACS.

**R 432.1341**  
Source: 2019 AACS.

**PART 4. PUBLIC OFFERING OF DEBT OR EQUITY FOR MICHIGAN CASINOS**

**R 432.1401**  
Source: 2008 AACS.

**R 432.1402**  
Source: 2019 AACS.

**R 432.1403**  
Source: 2008 AACS.

**R 432.1404**  
Source: 2008 AACS.

**R 432.1405**  
Source: 2019 AACS.

**R 432.1406**  
Source: 2019 AACS.

**R 432.1407**  
Source: 2008 AACS.

**Annual Administrative Code Supplement  
2020 Edition**

**PART 5. TRANSFER OF OWNERSHIP**

- R 432.1501**  
Source: 2019 AACS.
- R 432.1502**  
Source: 1998-2000 AACS.
- R 432.1503**  
Source: 1998-2000 AACS.
- R 432.1504**  
Source: 2019 AACS.
- R 432.1505**  
Source: 1998-2000 AACS.
- R 432.1506**  
Source: 1998-2000 AACS.
- R 432.1507**  
Source: 1998-2000 AACS.
- R 432.1508**  
Source: 2019 AACS.
- R 432.1509**  
Source: 2019 AACS.
- R 432.1510**  
Source: 1998-2000 AACS.
- R 432.1511**  
Source: 2019 AACS.

**PART 6. EXCLUSION OF PERSONS**

- R 432.1601**  
Source: 1998-2000 AACS.
- R 432.1602**  
Source: 1998-2000 AACS.
- R 432.1603**  
Source: 1998-2000 AACS.
- R 432.1604**  
Source: 1998-2000 AACS.
- R 432.1605**  
Source: 1998-2000 AACS.

**PART 7. DENIAL AND EXCLUSION HEARINGS**

- R 432.1701**  
Source: 2019 AACS.
- R 432.1702**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 2019 AACS.

**R 432.1703**

**Source:** 1998-2000 AACS.

**R 432.1704**

**Source:** 2019 AACS.

**R 432.1705**

**Source:** 1998-2000 AACS.

**R 432.1706**

**Source:** 2019 AACS.

**R 432.1707 C**

**Source:** 2019 AACS.

**R 432.1708**

**Source:** 1998-2000 AACS.

**R 432.1709**

**Source:** 1998-2000 AACS.

**R 432.1710**

**Source:** 1998-2000 AACS.

**R 432.1711**

**Source:** 1998-2000 AACS.

**R 432.1712**

**Source:** 2019 AACS.

**R 432.1713**

**Source:** 2019 AACS.

**R 432.1714**

**Source:** 2008 AACS.

**R 432.1715**

**Source:** 2019 AACS.

**PART 8. CONDUCT OF GAMING/GAMING EQUIPMENT**

**R 432.1801**

**Source:** 1998-2000 AACS.

**R 432.1802**

**Source:** 1998-2000 AACS.

**R 432.1803**

**Source:** 2019 AACS.

**R 432.1804**

**Source:** 2019 AACS.

**R 432.1805**

**Source:** 1998-2000 AACS.

**R 432.1806**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 1998-2000 AACS.

**R 432.1807**

**Source:** 1998-2000 AACS.

**R 432.1808**

**Source:** 1998-2000 AACS.

**R 432.1809**

**Source:** 1998-2000 AACS.

**R 432.1810**

**Source:** 1998-2000 AACS.

**R 432.1811**

**Source:** 2019 AACS.

**Rule 432.1812**

**Source:** 2019 AACS.

**R 432.1813**

**Source:** 2019 AACS.

**R 432.1814**

**Source:** 1998-2000 AACS.

**R 432.1815**

**Source:** 1998-2000 AACS.

**R 432.1816**

**Source:** 2019 AACS.

**R 432.1817**

**Source:** 2019 AACS.

**R 432.1818**

**Source:** 1998-2000 AACS.

**R 432.1819**

**Source:** 2019 AACS.

**R 432.1820**

**Source:** 2019 AACS.

**R 432.1821**

**Source:** 2019 AACS.

**R 432.1822**

**Source:** 2019 AACS.

**R 432.1823**

**Source:** 2019 AACS.

**R 432.1824**

**Source:** 2019 AACS.

**R 432.1825**

**Source:** 2019 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

- R 432.1826**  
Source: 2019 AACS.
- R 432.1827**  
Source: 1998-2000 AACS.
- R 432.1828**  
Source: 2019 AACS.
- R 432.1829**  
Source: 2019 AACS.
- R 432.1830**  
Source: 2019 AACS.
- R 432.1831**  
Source: 2019 AACS.
- R 432.1832**  
Source: 2019 AACS.
- R 432.1833**  
Source: 2019 AACS.
- R 432.1834**  
Source: 2019 AACS.
- R 432.1835**  
Source: 2019 AACS.
- R 432.1836**  
Source: 2019 AACS.
- R 432.1837**  
Source: 1998-2000 AACS.
- R 432.1838**  
Source: 2019 AACS.
- R 432.1839**  
Source: 2019 AACS.
- R 432.1840**  
Source: 2019 AACS.
- R 432.1841**  
Source: 2019 AACS.
- R 432.1842**  
Source: 2019 AACS.
- R 432.1843**  
Source: 2019 AACS.

**PART 9. INTERNAL CONTROL PROCEDURES**

- R 432.1901**  
Source: 1998-2000 AACS.



**Annual Administrative Code Supplement**  
**2020 Edition**

**R 432.1902**  
Source: 1998-2000 AACS.

**R 432.1903**  
Source: 2019 AACS.

**R 432.1904**  
Source: 2019 AACS.

**R 432.1905**  
Source: 2019 AACS.

**R 432.1906**  
Source: 1998-2000 AACS.

**R 432.1907**  
Source: 2008 AACS.

**PART 10. SECURITY AND SURVEILLANCE**

**R 432.11001**  
Source: 2019 AACS.

**R 432.11002**  
Source: 2019 AACS.

**R 432.11003**  
Source: 2019 AACS.

**R 432.11004**  
Source: 2019 AACS.

**R 432.11005**  
Source: 2019 AACS.

**R 432.11006**  
Source: 2019 AACS.

**R 432.11007**  
Source: 2019 AACS.

**R 432.11008**  
Source: 2019 AACS.

**R 432.11009**  
Source: 2019 AACS.

**R 432.11010**  
Source: 2019 AACS.

**R 432.11011**  
Source: 2019 AACS.

**R 432.11012**  
Source: 2019 AACS.

**R 432.11013**  
Source: 2019 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 432.11014**  
Source: 2019 AACS.

**R 432.11015**  
Source: 2019 AACS.

**R 432.11016**  
Source: 2019 AACS.

**R 432.11017**  
Source: 2019 AACS.

**R 432.11018**  
Source: 2019 AACS.

**PART 11. SEIZURE, FORFEITURE AND DISCIPLINARY HEARINGS**

**R 432.11101**  
Source: 1998-2000 AACS.

**R 432.11102**  
Source: 1998-2000 AACS.

**R 432.11103**  
Source: 1998-2000 AACS.

**R 432.11104**  
Source: 1998-2000 AACS.

**R 432.11105**  
Source: 1998-2000 AACS.

**R 432.11106**  
Source: 1998-2000 AACS.

**R 432.11107**  
Source: 1998-2000 AACS.

**R 432.11108**  
Source: 1998-2000 AACS.

**R 432.11109**  
Source: 1998-2000 AACS.

**PART 12. ACCOUNTING RECORDS AND PROCEDURES**

**R 432.11201**  
Source: 1998-2000 AACS.

**R 432.11202**  
Source: 2019 AACS.

**R 432.11203**  
Source: 2019 AACS.

**R 432.11204**  
Source: 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 432.11205**  
Source: 1998-2000 AACS.

**R 432.11206**  
Source: 1998-2000 AACS.

**R 432.11207**  
Source: 1998-2000 AACS.

**R 432.11208**  
Source: 2019 AACS.

**R 432.11209**  
Source: 1998-2000 AACS.

**PART 13. CREDIT**

**R 432.11301**  
Source: 1998-2000 AACS.

**R 432.11302**  
Source: 1998-2000 AACS.

**R 432.11303**  
Source: 1998-2000 AACS.

**R 432.11304**  
Source: 2019 AACS.

**R 432.11305**  
Source: 1998-2000 AACS.

**R 432.11306**  
Source: 1998-2000 AACS.

**R 432.11307**  
Source: 1998-2000 AACS.

**R 432.11308**  
Source: 2019 AACS.

**R 432.11309**  
Source: 2019 AACS.

**R 432.11310**  
Source: 1998-2000 AACS.

**R 432.11311**  
Source: 1998-2000 AACS.

**R 432.11312**  
Source: 1998-2000 AACS.

**PART 14. MOVEMENT OF GAMING EQUIPMENT**

**R 432.11401**  
Source: 2019 AACS.

**R 432.11402**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 2019 AACS.

**R 432.11403**

**Source:** 1998-2000 AACS.

**R 432.11404**

**Source:** 2019 AACS.

**R 432.11405**

**Source:** 2019 AACS.

**R 432.11406**

**Source:** 1998-2000 AACS.

**PART 15. DISPUTE PROCEDURES**

**R 432.11501**

**Source:** 2019 AACS.

**R 432.11502**

**Source:** 2019 AACS.

**R 432.11503**

**Source:** 2019 AACS.

**PART 16. DISASSOCIATED PERSONS**

**R 432.11601**

**Source:** 2019 AACS.

**R 432.11602**

**Source:** 2019 AACS.

**DEPARTMENT OF TREASURY**

**COMMISSIONER OF THE BUREAU OF STATE LOTTERY**

**CHARITABLE GAMING**

**R 432.21101**

**Source:** 2014 AACS.

**R 432.21102**

**Source:** 2014 AACS.

**R 432.21103**

**Source:** 1998-2000 AACS.

**R 432.21104**

**Source:** 1998-2000 AACS.

**R 432.21105**

**Source:** 1998-2000 AACS.

**R 432.21106**

**Source:** 1998-2000 AACS.

**R 432.21107**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 1998-2000 AACS.

**R 432.21108**

**Source:** 1998-2000 AACS.

**R 432.21109**

**Source:** 2014 AACS.

**R 432.21110**

**Source:** 2014 AACS.

**R 432.21111**

**Source:** 1998-2000 AACS.

**R 432.21112**

**Source:** 1998-2000 AACS.

**R 432.21113**

**Source:** 1998-2000 AACS.

**R 432.21199**

**Source:** 1998-2000 AACS.

**R 432.21201**

**Source:** 2014 AACS.

**R 432.21202**

**Source:** 2003 AACS.

**R 432.21203**

**Source:** 1998-2000 AACS.

**R 432.21204**

**Source:** 2003 AACS.

**R 432.21205**

**Source:** 1998-2000 AACS.

**R 432.21206**

**Source:** 1998-2000 AACS.

**R 432.21207**

**Source:** 1998-2000 AACS.

**R 432.21208**

**Source:** 2014 AACS.

**R 432.21301**

**Source:** 2003 AACS.

**R 432.21302**

**Source:** 1998-2000 AACS.

**R 432.21303**

**Source:** 1998-2000 AACS.

**R 432.21304**

**Source:** 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 432.21305**

**Source:** 2007 AACS.

**R 432.21306**

**Source:** 1998-2000 AACS.

**R 432.21307**

**Source:** 1998-2000 AACS.

**R 432.21308**

**Source:** 1998-2000 AACS.

**R 432.21309**

**Source:** 1998-2000 AACS.

**R 432.21310**

**Source:** 2003 AACS.

**R 432.21311**

**Source:** 1998-2000 AACS.

**R 432.21312**

**Source:** 2003 AACS.

**R 432.21313**

**Source:** 2007 AACS.

**R 432.21314**

**Source:** 2003 AACS.

**R 432.21315**

**Source:** 1998-2000 AACS.

**R 432.21316**

**Source:** 2007 AACS.

**R 432.21317**

**Source:** 2007 AACS.

**R 432.21318**

**Source:** 2003 AACS.

**R 432.21319**

**Source:** 2003 AACS.

**R 432.21320**

**Source:** 1998-2000 AACS.

**R 432.21321**

**Source:** 2003 AACS.

**R 432.21322**

**Source:** 2003 AACS.

**R 432.21323**

**Source:** 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 432.21324**  
Source: 2003 AACS.

**R 432.21325**  
Source: 1998-2000 AACS.

**R 432.21326**  
Source: 2007 AACS.

**R 432.21327**  
Source: 2007 AACS.

**R 432.21328**  
Source: 2003 AACS.

**R 432.21329**  
Source: 2003 AACS.

**R 432.21330**  
Source: 2003 AACS.

**R 432.21331**  
Source: 2007 AACS.

**R 432.21332**  
Source: 2007 AACS.

**R432.21333**  
Source: 2010 AACS.

**R 432.21334**  
Source: 2003 AACS.

**R 432.21335**  
Source: 2007 AACS.

**R 432.21336**  
Source: 2007 AACS.

**R 432.21401**  
Source: 2014 AACS.

**R 432.21401a**  
Source: 2014 AACS.

**R 432.21402**  
Source: 2014 AACS.

**R 432.21403**  
Source: 2014 AACS.

**R 432.21404**  
Source: 2014 AACS.

**R 432.21405**  
Source: 2014 AACS.

**R 432.21406**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 2014 AACS.

**R 432.21407**

**Source:** 2014 AACS.

**R 432.21408**

**Source:** 2014 AACS.

**R 432.21409**

**Source:** 2014 AACS.

**R 432.21410**

**Source:** 2014 AACS.

**R 432.21411**

**Source:** 2014 AACS.

**R 432.21412**

**Source:** 2014 AACS.

**R 432.21413**

**Source:** 2014 AACS.

**R 432.21414**

**Source:** 2014 AACS.

**R 432.21415**

**Source:** 2014 AACS.

**R 432.21416**

**Source:** 2014 AACS.

**R 432.21417**

**Source:** 2014 AACS.

**R 432.21418**

**Source:** 2014 AACS.

**R 432.21419**

**Source:** 2014 AACS.

**R 432.21420**

**Source:** 2014 AACS.

**R 432.21501**

**Source:** 2014 AACS.

**R 432.21502**

**Source:** 1998-2000 AACS.

**R 432.21503**

**Source:** 2014 AACS.

**R 432.21504**

**Source:** 1998-2000 AACS.



**Annual Administrative Code Supplement**  
2020 Edition

**R 432.21505**  
Source: 1998-2000 AACS.

**R 432.21506**  
Source: 1998-2000 AACS.

**R 432.21507**  
Source: 2003 AACS.

**R 432.21508**  
Source: 1998-2000 AACS.

**R 432.21509**  
Source: 1998-2000 AACS.

**R 432.21510**  
Source: 2003 AACS.

**R 432.21511**  
Source: 1998-2000 AACS.

**R 432.21512**  
Source: 1998-2000 AACS.

**R 432.21513**  
Source: 1998-2000 AACS.

**R 432.21514**  
Source: 2018 AACS.

**R 432.21515**  
Source: 2003 AACS.

**R 432.21516**  
Source: 2018 AACS.

**R 432.21517**  
Source: 2003 AACS.

**R 432.21518**  
Source: 2003 AACS.

**R 432.21519**  
Source: 2003 AACS.

**R 432.21520**  
Source: 2010 AACS.

**R 432.21521**  
Source: 2003 AACS.

**R 432.21522**  
Source: 2003 AACS.

**R 432.21601**  
Source: 2014 AACS.

**R 432.21602**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 1998-2000 AACS.

**R 432.21603**

**Source:** 2003 AACS.

**R 432.21604**

**Source:** 2003 AACS.

**R 432.21605**

**Source:** 2003 AACS.

**R 432.21606**

**Source:** 2003 AACS.

**R 432.21607**

**Source:** 2003 AACS.

**R 432.21608**

**Source:** 2003 AACS.

**R 432.21609**

**Source:** 2007 AACS.

**R 432.21610**

**Source:** 2003 AACS.

**R 432.21611**

**Source:** 2003 AACS.

**R 432.21612**

**Source:** 2003 AACS.

**R 432.21613**

**Source:** 1998-2000 AACS.

**R 432.21614**

**Source:** 2003 AACS.

**R 432.21615**

**Source:** 1998-2000 AACS.

**R 432.21616**

**Source:** 2003 AACS.

**R 432.21617**

**Source:** 2014 AACS.

**R 432.21618**

**Source:** 2003 AACS.

**R 432.21619**

**Source:** 2003 AACS.

**R 432.21620**

**Source:** 2003 AACS.

**R 432.21621**

**Source:** 2007 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 432.21622**  
Source: 2007 AACS.

**R 432.21623**  
Source: 2014 AACS.

**R 432.21624**  
Source: 2003 AACS.

**R 432.21701**  
Source: 2014 AACS.

**R 432.21702**  
Source: 1998-2000 AACS.

**R 432.21703**  
Source: 1998-2000 AACS.

**R 432.21704**  
Source: 1998-2000 AACS.

**R 432.21705**  
Source: 1998-2000 AACS.

**R 432.21706**  
Source: 1998-2000 AACS.

**R 432.21707**  
Source: 1998-2000 AACS.

**R 432.21708**  
Source: 1998-2000 AACS.

**R 432.21709**  
Source: 1998-2000 AACS.

**R 432.21710**  
Source: 2003 AACS.

**R 432.21711**  
Source: 1998-2000 AACS.

**R 432.21712**  
Source: 1998-2000 AACS.

**R 432.21713**  
Source: 2003 AACS.

**R 432.21714**  
Source: 2014 AACS.

**R 432.21715**  
Source: 2003 AACS.

**R 432.21716**  
Source: 2003 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 432.21717**  
**Source:** 2003 AACS.

**R 432.21718**  
**Source:** 1998-2000 AACS.

**R 432.21719**  
**Source:** 1998-2000 AACS.

**R 432.21720**  
**Source:** 2014 AACS.

**R 432.21721**  
**Source:** 2003 AACS.

**R 432.21801**  
**Source:** 2014 AACS.

**R 432.21802**  
**Source:** 1998-2000 AACS.

**R 432.21803**  
**Source:** 2003 AACS.

**R 432.21804**  
**Source:** 2014 AACS.

**R 432.21805**  
**Source:** 2014 AACS.

**R 432.21806**  
**Source:** 2014 AACS.

**R 432.21807**  
**Source:** 2003 AACS.

**R 432.21808**  
**Source:** 2003 AACS.

**R 432.21809**  
**Source:** 2003 AACS.

**R 432.21810**  
**Source:** 2003 AACS.

**R 432.21811**  
**Source:** 2014 AACS.

**R 432.21812**  
**Source:** 2014 AACS.

**R 432.21813**  
**Source:** 2014 AACS.

**R 432.21814**  
**Source:** 2010 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 432.21901**  
Source: 2003 AACS.

**R 432.21902**  
Source: 1998-2000 AACS.

**R 432.21903**  
Source: 1998-2000 AACS.

**R 432.21904**  
Source: 2003 AACS.

**R 432.21905**  
Source: 2003 AACS.

**R 432.21906**  
Source: 2003 AACS.

**R 432.21907**  
Source: 2003 AACS.

**R 432.21908**  
Source: 2003 AACS.

**R 432.21909**  
Source: 2003 AACS.

**R 432.21910**  
Source: 2003 AACS.

**R 432.21911**  
Source: 2003 AACS.

**R 432.22001**  
Source: 2003 AACS.

**R 432.22002**  
Source: 1998-2000 AACS.

**R 432.22003**  
Source: 2003 AACS.

**R 432.22004**  
Source: 2007 AACS.

**R 432.22005**  
Source: 2007 AACS.

**R 432.22006**  
Source: 2007 AACS.

**R 432.22007**  
Source: 2010 AACS.

**R 432.22008**  
Source: 2003 AACS.

**SPECIAL LICENSES FOR SALE OF ALCOHOLIC LIQUOR**

**Annual Administrative Code Supplement**  
**2020 Edition**

**AT RETAIL FOR CONSUMPTION ON PREMISES**

- R 436.571**  
Source: 1998-2000 AACS.
- R 436.572**  
Source: 1998-2000 AACS.
- R 436.573**  
Source: 1998-2000 AACS.
- R 436.574**  
Source: 1998-2000 AACS.
- R 436.575**  
Source: 1998-2000 AACS.
- R 436.578**  
Source: 1998-2000 AACS.
- R 436.580**  
Source: 1998-2000 AACS.
- R 436.581**  
Source: 1998-2000 AACS.
- R 436.582**  
Source: 1998-2000 AACS.

**GENERAL RULES**

- R 436.1001**  
Source: 2016 AACS.
- R 436.1003**  
Source: 2016 AACS.
- R 436.1005**  
Source: 2011 AACS.
- R 436.1007**  
Source: 1980 AACS.
- R 436.1009**  
Source: 2011 AACS.
- R 436.1011**  
Source: 2016 AACS.
- R 436.1012**  
Source: 2016 AACS.
- R 436.1013**  
Source: 1980 AACS.
- R 436.1015**  
Source: 2016 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

- R 436.1017**  
Source: 2011 AACS.
- R 436.1019**  
Source: 1980 AACS.
- R 436.1021**  
Source: 1980 AACS.
- R 436.1023**  
Source: 2016 AACS.
- R 436.1025**  
Source: 2016 AACS.
- R 436.1027**  
Source: 2016 AACS.
- R 436.1129**  
Source: 2005 AACS.
- R 436.1031**  
Source: 1980 AACS.
- R 436.1033**  
Source: 2011 AACS.
- R 436.1035**  
Source: 2016 AACS.
- R 436.1037**  
Source: 2003 AACS.
- R 436.1039**  
Source: 2016 AACS.
- R 436.1041**  
Source: 2016 AACS.
- R 436.1043**  
Source: 2016 AACS.
- R 436.1045**  
Source: 2016 AACS.
- R 436.1047**  
Source: 2016 AACS.
- R 436.1048**  
Source: 2016 AACS.
- R 436.1049**  
Source: 2003 AACS.
- R 436.1050**  
Source: 2016 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 436.1051**  
Source: 2016 AACS.

**R 436.1053**  
Source: 2016 AACS.

**R 436.1055**  
Source: 1980 AACS.

**R 436.1057**  
Source: 2004 AACS.

**R 436.1059**  
Source: 2016 AACS.

**R 436.1060**  
Source: 2003 AACS.

**R 436.1061**  
Source: 1980 AACS.

**R 436.1062**  
Source: 2016 AACS.

**R 436.1063**  
Source: 1980 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**LIQUOR CONTROL COMMISSION**

**LICENSING QUALIFICATIONS**

**R 436.1101**  
Source: 1997 AACS.

**R 436.1103**  
Source: 1979 AC.

**R 436.1105**  
Source: 2004 AACS.

**R 436.1107**  
Source: 2010 AACS.

**R 436.1109**  
Source: 2004 AACS.

**R 436.1110**  
Source: 2004 AACS.

**R 436.1111**  
Source: 1979 AC.

**R 436.1113**



**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 1998-2000 AACS.

**R 436.1115**

**Source:** 1998-2000 AACS.

**R 436.1117**

**Source:** 2017 AACS.

**R 436.1119**

**Source:** 1987 AACS.

**R 436.1121**

**Source:** 1998-2000 AACS.

**R 436.1123**

**Source:** 2004 AACS.

**R 436.1125**

**Source:** 1985 AACS.

**R 436.1127**

**Source:** 1979 AC.

**R 436.1129**

**Source:** 2004 AACS.

**R 436.1131**

**Source:** 1998-2000 AACS.

**R 436.1133**

**Source:** 2018 AACS.

**R 436.1135**

**Source:** 2004 AACS.

**R 436.1137**

**Source:** 1979 AC.

**R 436.1139**

**Source:** 1979 AC.

**R 436.1141**

**Source:** 1979 AC.

**R 436.1142**

**Source:** 1990 AACS.

**R 436.1143**

**Source:** 2004 AACS.

**R 436.1145**

**Source:** 1979 AC.

**R 436.1147**

**Source:** 1979 AC.

**R 436.1149**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 2004 AACS.

**R 436.1151**

**Source:** 1997 AACS.

**SPECIAL PERMITS FOR HOSPITALS AND INSTITUTIONS**

**R 436.1251**

**Source:** 1981 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**LIQUOR CONTROL COMMISSION**

**ADVERTISING**

**R 436.1301**

**Source:** 1997 AACS.

**R 436.1303**

**Source:** 1979 AC.

**R 436.1305**

**Source:** 1979 AC.

**R 436.1307**

**Source:** 1979 AC.

**R 436.1309**

**Source:** 1989 AACS.

**R 436.1311**

**Source:** 2016 AACS.

**R 436.1313**

**Source:** 1998-2000 AACS.

**R 436.1315**

**Source:** 1989 AACS.

**R 436.1317**

**Source:** 1992 AACS.

**R 436.1321**

**Source:** 2014 AACS.

**R 436.1323**

**Source:** 1979 AC.

**R 436.1325**

**Source:** 1979 AC.

**R 436.1327**

**Source:** 1997 AACS.

**R 436.1329**

**Source:** 1994 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

- R 436.1331**  
Source: 1979 AC.
- R 436.1333**  
Source: 1998-2000 AACS.
- R 436.1335**  
Source: 2013 AACS.
- R 436.1337**  
Source: 1997 AACS.
- R 436.1339**  
Source: 1979 AC.

**ON-PREMISES LICENSES**

- R 436.1401**  
Source: 1980 AACS.
- R 436.1403**  
Source: 1980 AACS.
- R 436.1405**  
Source: 1998-2000 AACS.
- R 436.1407**  
Source: 1998-2000 AACS.
- R 436.1409**  
Source: 2009 AACS.
- R 436.1411**  
Source: 2009 AACS.
- R 436.1413**  
Source: 1980 AACS.
- R 436.1415**  
Source: 1980 AACS.
- R 436.1417**  
Source: 1980 AACS.
- R 436.1419**  
Source: 1998-2000 AACS.
- R 436.1421**  
Source: 1980 AACS.
- R 436.1423**  
Source: 1980 AACS.
- R 436.1425**  
Source: 2012 AACS.
- R 436.1427**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 1980 AACS.

**R 436.1429**

**Source:** 1998-2000 AACS.

**R 436.1431**

**Source:** 1980 AACS.

**R 436.1433**

**Source:** 1980 AACS.

**R 436.1435**

**Source:** 1998-2000 AACS.

**R 436.1437**

**Source:** 1998-2000 AACS.

**R 436.1438**

**Source:** 1985 AACS.

**OFF-PREMISES LICENSES**

**R 436.1501**

**Source:** 1980 AACS.

**R 436.1503**

**Source:** 1981 AACS.

**R 436.1505**

**Source:** 2003 AACS.

**R 436.1507**

**Source:** 1980 AACS.

**R 436.1509**

**Source:** 1998-2000 AACS.

**R 436.1511**

**Source:** 1998-2000 AACS.

**R 436.1513**

**Source:** 1980 AACS.

**R 436.1515**

**Source:** 1980 AACS.

**R 436.1517**

**Source:** 1980 AACS.

**R 436.1519**

**Source:** 1980 AACS.

**R 436.1521**

**Source:** 1980 AACS.

**R 436.1523**

**Source:** 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 436.1525**  
Source: 1980 AACS.

**R 436.1527**  
Source: 2001 AACS.

**R 436.1529**  
Source: 1980 AACS.

**R 436.1531**  
Source: 1998-2000 AACS.

**R 436.1533**  
Source: 2010 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**LIQUOR CONTROL COMMISSION**

**BEER**

**R 436.1601**  
Source: 2017 AACS.

**R 436.1603**  
Source: 1997 AACS.

**R 436.1605**  
Source: 2017 AACS.

**R 436.1607**  
Source: 2017 AACS.

**R 436.1609**  
Source: 2017 AACS.

**R 436.1611**  
Source: 2017 AACS.

**R 436.1613**  
Source: 2017 AACS.

**R 436.1615**  
Source: 2017 AACS.

**R 436.1617**  
Source: 2017 AACS.

**R 436.1621**  
Source: 2017 AACS.

**R 436.1623**  
Source: 1997 AACS.

**R 436.1625**  
Source: 1979 AC.

**R 436.1627**

**Annual Administrative Code Supplement**  
**2020 Edition**

Source: 1979 AC.

**R 436.1629**

Source: 2010 AACS.

**R 436.1631**

Source: 2017 AACS.

**R 436.1632**

Source: 1989 AACS.

**R 436.1633**

Source: 1979 AC.

**R 436.1635**

Source: 1989 AACS.

**R 436.1641**

Source: 2017 AACS.

**R 436.1643**

Source: 1997 AACS.

**R 436.1645**

Source: 1979 AC.

**R 436.1651**

Source: 1998-2000 AACS.

**R 436.1659**

Source: 1979 AC.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**LIQUOR CONTROL COMMISSION**

**WINES**

**R 436.1701**

Source: 2017 AACS.

**R 436.1702**

Source: 2017 AACS.

**R 436.1703**

Source: 2017 AACS.

**R 436.1704**

Source: 2017 AACS.

**R 436.1705**

Source: 2017 AACS.

**R 436.1707**

Source: 1979 AC.

**R 436.1708**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 2017 AACS.

**R 436.1711**

**Source:** 1979 AC.

**R 436.1712**

**Source:** 2017 AACS.

**R 436.1714**

**Source:** 1998-2000 AACS.

**R 436.1716**

**Source:** 1979 AC.

**R 436.1717**

**Source:** 1998-2000 AACS.

**R 436.1719**

**Source:** 2017 AACS.

**R 436.1720**

**Source:** 2017 AACS.

**R 436.1721**

**Source:** 1979 AC.

**R 436.1722**

**Source:** 1980 AACS.

**R 436.1723**

**Source:** 1997 AACS.

**R 436.1723a**

**Source:** 1989 AACS.

**R 436.1724**

**Source:** 1979 AC.

**R 436.1725**

**Source:** 2017 AACS.

**R 436.1726**

**Source:** 1983 AACS.

**R 436.1727**

**Source:** 1979 AC.

**R 436.1728**

**Source:** 1979 AC.

**R 436.1731**

**Source:** 1998-2000 AACS.

**R 436.1735**

**Source:** 2017 AACS.

**R 436.1749**

**Source:** 1979 AC.

**Annual Administrative Code Supplement**  
**2020 Edition**

**SPIRITS**

- R 436.1801**  
Source: 1979 AC.
- R 436.1802**  
Source: 1998-2000 AACS.
- R 436.1803**  
Source: 1979 AC.
- R 436.1805**  
Source: 1979 AC.
- R 436.1807**  
Source: 1979 AC.
- R 436.1809**  
Source: 1979 AC.
- R 436.1811**  
Source: 1979 AC.
- R 436.1813**  
Source: 1979 AC.
- R 436.1815**  
Source: 1979 AC.
- R 436.1817**  
Source: 1979 AC.
- R 436.1819**  
Source: 1979 AC.
- R 436.1821**  
Source: 1979 AC.
- R 436.1823**  
Source: 1979 AC.
- R 436.1825**  
Source: 2011 AACS.
- R 436.1827**  
Source: 1998-2000 AACS.
- R 436.1829**  
Source: 2011 AACS.

**VENDOR REPRESENTATIVE AND SALESMEN**

- R 436.1851**  
Source: 1997 AACS.
- R 436.1853**  
Source: 1998-2000 AACS.



**Annual Administrative Code Supplement**  
**2020 Edition**

- R 436.1855**  
Source: 1979 AC.
- R 436.1857**  
Source: 1979 AC.
- R 436.1859**  
Source: 1998-2000 AACCS.
- R 436.1861**  
Source: 1985 AACCS.
- R 436.1863**  
Source: 1979 AC.
- R 436.1865**  
Source: 2010 AACCS.
- R 436.1869**  
Source: 1979 AC.

**HEARING AND APPEAL PRACTICE**

- R 436.1901**  
Source: 2004 AACCS.
- R 436.1903**  
Source: 1979 AC.
- R 436.1905**  
Source: 2004 AACCS.
- R 436.1907**  
Source: 2004 AACCS.
- R 436.1909**  
Source: 1988 AACCS.
- R 436.1910**  
Source: 2004 AACCS.
- R 436.1911**  
Source: 2004 AACCS.
- R 436.1913**  
Source: 2004 AACCS.
- R 436.1915**  
Source: 2004 AACCS.
- R 436.1917**  
Source: 2004 AACCS.
- R 436.1919**  
Source: 1979 AC.

**Annual Administrative Code Supplement**  
**2020 Edition**

- R 436.1921**  
Source: 2004 AACS.
- R 436.1923**  
Source: 2004 AACS.
- R 436.1925**  
Source: 2004 AACS.
- R 436.1927**  
Source: 1979 AC.
- R 436.1929**  
Source: 1979 AC.
- R 436.1931**  
Source: 2004 AACS.
- R 436.1933**  
Source: 1979 AC.
- R 436.1935**  
Source: 1979 AC.
- R 436.1951**  
Source: 2003 AACS.
- R 436.1953**  
Source: 2003 AACS.
- R 436.1955**  
Source: 2003 AACS.
- R 436.1957**  
Source: 1979 AC.
- R 436.1959**  
Source: 2003 AACS.
- R 436.1961**  
Source: 1979 AC.
- R 436.1963**  
Source: 2003 AACS.
- R 436.1971**  
Source: 1979 AC.
- R 436.1973**  
Source: 1979 AC.
- R 436.1975**  
Source: 1979 AC.

**DECLARATORY RULINGS**

**FINANCIAL RESPONSIBILITY**

**Annual Administrative Code Supplement**  
**2020 Edition**

- R 436.2001**  
Source: 2003 AACS.
- R 436.2003**  
Source: 1988 AACS.
- R 436.2005**  
Source: 1988 AACS.
- R 436.2007**  
Source: 1988 AACS.
- R 436.2009**  
Source: 1988 AACS.
- R 436.2011**  
Source: 2003 AACS.
- R 436.2013**  
Source: 1988 AACS.
- R 436.2015**  
Source: 2003 AACS.
- R 436.2017**  
Source: 2003 AACS.
- R 436.2019**  
Source: 1988 AACS.
- R 436.2021**  
Source: 1988 AACS.

**DEPARTMENT OF STATE**  
**BUREAU OF DRIVER AND VEHICLE RECORDS**  
**EXPEDITING REGULAR SEARCH PROCESS**

- R 440.1**  
Source: 2002 AACS.
- R 440.2**  
Source: 2002 AACS.
- R 440.3**  
Source: 2002 AACS.
- R 440.4**  
Source: 2002 AACS.
- R 440.5**  
Source: 2002 AACS.
- R 440.6**  
Source: 2002 AACS.

**PART 1. GENERAL PROVISIONS**

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 440.101**  
Source: 2002 AACS.

**R 440.102**  
Source: 2002 AACS.

**R 440.103**  
Source: 2002 AACS.

**R 440.104**  
Source: 2002 AACS.

**R 440.105**  
Source: 2002 AACS.

**R 440.106**  
Source: 2002 AACS.

**R 440.107**  
Source: 2002 AACS.

**PART 2. ACCEPTANCE AND REFUSAL OF DOCUMENTS**

**R 440.201**  
Source: 2002 AACS.

**R 440.202**  
Source: 2002 AACS.

**R 440.203**  
Source: 2002 AACS.

**R 440.204**  
Source: 2002 AACS.

**R 440.205**  
Source: 2002 AACS.

**R 440.206**  
Source: 2002 AACS.

**R 440.207**  
Source: 2002 AACS.

**PART 3. UCC INFORMATION MANAGEMENT SYSTEM**

**R 440.301**  
Source: 2002 AACS.

**R 440.302**  
Source: 2002 AACS.

**R 440.303**  
Source: 2002 AACS.

**R 440.304**  
Source: 2002 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 440.305**  
Source: 2002 AACS.

**R 440.306**  
Source: 2002 AACS.

**R 440.307**  
Source: 2002 AACS.

**R 440.308**  
Source: 2002 AACS.

**R 440.309**  
Source: 2002 AACS.

**R 440.310**  
Source: 2002 AACS.

**R 440.311**  
Source: 2002 AACS.

**R 440.312**  
Source: 2002 AACS.

**PART 4. FILING AND DATA ENTRY PROCEDURES**

**R 440.401**  
Source: 2002 AACS.

**R 440.402**  
Source: 2002 AACS.

**R 440.403**  
Source: 2002 AACS.

**R 440.404**  
Source: 2002 AACS.

**R 440.405**  
Source: 2002 AACS.

**R 440.406**  
Source: 2002 AACS.

**R 440.407**  
Source: 2002 AACS.

**R 440.408**  
Source: 2002 AACS.

**R 440.409**  
Source: 2002 AACS.

**R 440.410**  
Source: 2002 AACS.

**R 440.411**  
Source: 2002 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 440.412**  
Source: 2002 AACS.

**R 440.413**  
Source: 2002 AACS.

**R 440.414**  
Source: 2002 AACS.

**R 440.415**  
Source: 2002 AACS.

**R 440.416**  
Source: 2002 AACS.

**PART 5. SEARCH REQUESTS AND REPORTS**

**R 440.501**  
Source: 2002 AACS.

**R 440.502**  
Source: 2002 AACS.

**R 440.503**  
Source: 2002 AACS.

**R 440.504**  
Source: 2002 AACS.

**R 440.505**  
Source: 2002 AACS.

**R 440.506**  
Source: 2002 AACS.

**R 440.508**  
Source: 2002 AACS.

**R 440.509**  
Source: 2002 AACS.

**R 440.510**  
Source: 2002 AACS.

**SIZE CLASSIFICATION RULES**

**R 445.1**  
Source: 1979 AC.

**R 445.3**  
Source: 1979 AC.

**DEPARTMENT OF ATTORNEY GENERAL**

**CONSUMER PROTECTION AND CHARITABLE TRUSTS DIVISION**

**FRANCHISES**

**R 445.101**  
Source: 1979 AC.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 445.201**  
Source: 1979 AC.

**R 445.202**  
Source: 1979 AC.

**R 445.203**  
Source: 1979 AC.

**R 445.204**  
Source: 1979 AC.

**R 445.205**  
Source: 1979 AC.

**R 445.206**  
Source: 1979 AC.

**R 445.207**  
Source: 1979 AC.

**R 445.208**  
Source: 1979 AC.

**R 445.209**  
Source: 1979 AC.

**R 445.210**  
Source: 1979 AC.

**R 445.211**  
Source: 1979 AC.

**R 445.301**  
Source: 1979 AC.

**R 445.302**  
Source: 1979 AC.

**R 445.303**  
Source: 1979 AC.

**R 445.304**  
Source: 1979 AC.

**R 445.305**  
Source: 1979 AC.

**R 445.401**  
Source: 1979 AC.

**R 445.402**  
Source: 1979 AC.

**R 445.403**  
Source: 1979 AC.

**R 445.404**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 1979 AC.

**R 445.405**

**Source:** 1979 AC.

**R 445.501**

**Source:** 1979 AC.

**R 445.502**

**Source:** 1979 AC.

**R 445.503**

**Source:** 1979 AC.

**R 445.504**

**Source:** 1979 AC.

**R 445.505**

**Source:** 1979 AC.

**R 445.506**

**Source:** 1979 AC.

**R 445.507**

**Source:** 1979 AC.

**R 445.508**

**Source:** 1979 AC.

**R 445.509**

**Source:** 1979 AC.

**R 445.510**

**Source:** 1979 AC.

**R 445.511**

**Source:** 1979 AC.

**R 445.512**

**Source:** 1979 AC.

**R 445.513**

**Source:** 1979 AC.

**R 445.514**

**Source:** 1979 AC.

**R 445.601**

**Source:** 1979 AC.

**R 445.602**

**Source:** 1979 AC.

**R 445.603**

**Source:** 1979 AC.

**R 445.604**

**Source:** 1979 AC.



**Annual Administrative Code Supplement**  
**2020 Edition**

- R 445.605**  
Source: 1979 AC.
- R 445.606**  
Source: 1979 AC.
- R 445.607**  
Source: 1979 AC.
- R 445.608**  
Source: 1979 AC.
- R 445.701**  
Source: 1979 AC.
- R 445.702**  
Source: 1979 AC.
- R 445.703**  
Source: 1979 AC.
- R 445.704**  
Source: 1979 AC.
- R 445.705**  
Source: 1979 AC.
- R 445.706**  
Source: 1979 AC.
- R 445.707**  
Source: 1979 AC.
- R 445.708**  
Source: 1979 AC.
- R 445.709**  
Source: 1979 AC.
- R 445.710**  
Source: 1979 AC.
- R 445.801**  
Source: 1979 AC.
- R 445.802**  
Source: 1979 AC.
- R 445.803**  
Source: 1979 AC.
- R 445.804**  
Source: 1979 AC.
- R 445.901**  
Source: 1979 AC.

**FINANCIAL INSTITUTIONS BUREAU**

**MORTGAGE AND HOME IMPROVEMENT LENDING PRACTICES**

**R 445.1001**  
Source: 1995 AACS.

**R 445.1002**  
Source: 1995 AACS.

**R 445.1003**  
Source: 1997 AACS.

**R 445.1004**  
Source: 1995 AACS.

**R 445.1005**  
Source: 1995 AACS.

**R 445.1006**  
Source: 1997 AACS.

**R 445.1007**  
Source: 1997 AACS.

**R 445.1008**  
Source: 1997 AACS.

**R 445.1009**  
Source: 1997 AACS.

**R 445.1010**  
Source: 1997 AACS.

**R 445.1011**  
Source: 1995 AACS.

**R 445.1012**  
Source: 1997 AACS.

**R 445.1013**  
Source: 1997 AACS.

**R 445.1014**  
Source: 1997 AACS.

**R 445.1015**  
Source: 1997 AACS.

**R 445.1016**  
Source: 1997 AACS.

**R 445.1017**  
Source: 1997 AACS.

**R 445.1018**  
Source: 1997 AACS.

**R 445.1019**

**Annual Administrative Code Supplement**  
**2020 Edition**

Source: 1997 AACS.

**R 445.1020**

Source: 1997 AACS.

**R 445.1021**

Source: 1997 AACS.

**R 445.1022**

Source: 1995 AACS.

**R 445.1023**

Source: 1997 AACS.

**R 445.1024**

Source: 1995 AACS.

**R 445.1025**

Source: 1997 AACS.

**R 445.1026**

Source: 1997 AACS.

**R 445.1027**

Source: 1997 AACS.

**R 445.1028**

Source: 1997 AACS.

**R 445.1029**

Source: 1997 AACS.

**R 445.1030**

Source: 1995 AACS.

**R 445.1031**

Source: 1997 AACS.

**R 445.1032**

Source: 1997 AACS.

**R 445.1033**

Source: 1997 AACS.

**R 445.1034**

Source: 1997 AACS.

**R 445.1035**

Source: 1995 AACS.

**R 445.1036**

Source: 1995 AACS.

**R 445.1037**

Source: 1995 AACS.

**R 445.1038**

Source: 1997 AACS.

**Annual Administrative Code Supplement**  
2020 Edition

**DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**  
**MANUFACTURING DEVELOPMENT GROUP**  
**EMPLOYEE-OWNED CORPORATION REVOLVING LOAN FUND**

**R 450.801**  
Source: 1987 AACS.

**R 450.802**  
Source: 1987 AACS.

**R 450.803**  
Source: 1987 AACS.

**R 450.804**  
Source: 1987 AACS.

**R 450.805**  
Source: 1987 AACS.

**R 450.806**  
Source: 1987 AACS.

**R 450.807**  
Source: 1987 AACS.

**R 450.808**  
Source: 1987 AACS.

**R 450.809**  
Source: 1987 AACS.

**R 450.810**  
Source: 1987 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**  
**CORPORATIONS, SECURITIES, AND COMMERCIAL LICENSING BUREAU**

**SECURITIES**

**PART 1. DEFINITIONS**

**R 451.1.1**  
Source: 2019 AACS.

**R 451.1.2**  
Source: 2019 AACS.

**PART 2. EXEMPTIONS FROM REGISTRATION OF SECURITIES**

**R 451.2.1**  
Source: 2019 AACS.

**R 451.2.2**  
Source: 2019 AACS.

**R 451.2.3**

**Annual Administrative Code Supplement**  
**2020 Edition**

Source: 2019 AACS.

**R 451.2.4**

Source: 2019 AACS.

**R 451.2.5**

Source: 2019 AACS.

**PART 3. REGISTRATION OF SECURITIES AND NOTICE FILINGS OF FEDERAL COVERED SECURITIES**

**R 451.3.1**

Source: 2019 AACS.

**R 451.3.2**

Source: 2019 AACS.

**R 451.3.3**

Source: 2019 AACS.

**R 451.3.4**

Source: 2019 AACS.

**R 451.3.5**

Source: 2019 AACS.

**R 451.3.6**

Source: 2019 AACS.

**R 451.3.7**

Source: 2019 AACS.

**PART 4. BROKER-DEALERS, AGENTS, INVESTMENT ADVISERS, INVESTMENT ADVISER  
REPRESENTATIVES, AND FEDERAL COVERED INVESTMENT ADVISERS**

**R 451.4.1**

Source: 2019 AACS.

**R 451.4.2**

Source: 2019 AACS.

**R 451.4.3**

Source: 2019 AACS.

**R 451.4.4**

Source: 2019 AACS.

**R 451.4.5**

Source: 2019 AACS.

**R 451.4.6**

Source: 2019 AACS.

**R 451.4.7**

Source: 2019 AACS.

**R 451.4.8**

Source: 2019 AACS.

**R 451.4.9**

**Annual Administrative Code Supplement**  
**2020 Edition**

Source: 2019 AACS.

**R 451.4.10**

Source: 2019 AACS.

**R 451.4.11**

Source: 2019 AACS.

**R 451.4.12**

Source: 2019 AACS.

**R 451.4.13**

Source: 2019 AACS.

**R 451.4.14**

Source: 2019 AACS.

**R 451.4.15**

Source: 2019 AACS.

**R 451.4.16**

Source: 2019 AACS.

**R 451.4.17**

Source: 2019 AACS.

**R 451.4.18**

Source: 2019 AACS.

**R 451.4.19**

Source: 2019 AACS.

**R 451.4.20**

Source: 2019 AACS.

**R 451.4.21**

Source: 2019 AACS.

**R 451.4.22**

Source: 2019 AACS.

**R 451.4.23**

Source: 2019 AACS.

**R 451.4.24**

Source: 2019 AACS.

**R 451.4.25**

Source: 2019 AACS.

**R 451.4.26**

Source: 2019 AACS.

**R 451.4.27**

Source: 2019 AACS.

**R 451.4.28**

Source: 2019 AACS.

**PART 6. ADMINISTRATION AND JUDICIAL REVIEW**

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 451.6.1**  
Source: 2019 AACS.

**R 451.6.2**  
Source: 2019 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**  
**CORPORATIONS, SECURITIES, AND COMMERCIAL LICENSING BUREAU**  
**SECURITIES**

**PART 2. REGISTRATION OF BROKER-DEALERS, AGENTS AND INVESTMENT ADVISERS**

**R 451.601.1**  
Source: 2014 AACS.

**R 451.601.2**  
Source: 2014 AACS.

**R 451.601.3**  
Source: 2014 AACS.

**R 451.601.4**  
Source: 2014 AACS.

**R 451.602.1**  
Source: 2019 AACS.

**R 451.602.2**  
Source: 2019 AACS.

**R 451.602.3**  
Source: 2019 AACS.

**R 451.602.4**  
Source: 2019 AACS.

**R 451.602.5**  
Source: 1997 AACS.

**R 451.602.5a**  
Source: 1997 AACS.

**R 451.602.6**  
Source: 2019 AACS.

**R 451.602.7**  
Source: 2019 AACS.

**R 451.602.8**  
Source: 2019 AACS.

**R 451.602.9**  
Source: 1997 AACS.

**R 451.602.10**  
Source: 1997 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 451.602.11**  
Source: 1997 AACS.

**R 451.602.12**  
Source: 1997 AACS.

**R 451.602.13**  
Source: 1997 AACS.

**R 451.602.14**  
Source: 1997 AACS.

**R 451.603.1**  
Source: 2019 AACS.

**R 451.603.2**  
Source: 2019 AACS.

**R 451.603.4**  
Source: 2014 AACS.

**R 451.603.5**  
Source: 2019 AACS.

**R 451.604.1**  
Source: 2019 AACS.

**R 451.604.2**  
Source: 2019 AACS.

**R 451.604.3**  
Source: 2019 AACS.

**R 451.604.4**  
Source: 1997 AACS.

**R 451.605.1**  
Source: 1997 AACS.

**R 451.605.2**  
Source: 2014 AACS.

**PART 3. REGISTRATION OF SECURITIES**

**R 451.702.1**  
Source: 2014 AACS.

**R 451.703.1**  
Source: 2014 AACS.

**R 451.703.2**  
Source: 2014 AACS.

**R 451.704.1**  
Source: 2019 AACS.

**R 451.704.2**  
Source: 2019 AACS.



**Annual Administrative Code Supplement**  
**2020 Edition**

- R 451.705.1**  
Source: 2014 AACS.
  
- R 451.705.2**  
Source: 1983 AACS.
  
- R 451.705.3**  
Source: 2014 AACS.
  
- R 451.705.4**  
Source: 2019 AACS.
  
- R 451.705.5**  
Source: 1997 AACS.
  
- R 451.705.6**  
Source: 2019 AACS.
  
- R 451.705.7**  
Source: 2014 AACS.
  
- R 451.706.1**  
Source: 2019 AACS.
  
- R 451.706.2**  
Source: 2019 AACS.
  
- R 451.706.3**  
Source: 1997 AACS.
  
- R 451.706.4**  
Source: 2019 AACS.
  
- R 451.706.5**  
Source: 1997 AACS.
  
- R 451.706.6**  
Source: 1997 AACS.
  
- R 451.706.7**  
Source: 1997 AACS.
  
- R 451.706.8**  
Source: 2019 AACS.
  
- R 451.706.9**  
Source: 1997 AACS.
  
- R 451.706.10**  
Source: 1997 AACS.
  
- R 451.706.11**  
Source: 1997 AACS.
  
- R 451.706.12**  
Source: 1997 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 451.706.13**  
Source: 1997 AACS.

**R 451.706.14**  
Source: 1997 AACS.

**R 451.706.15**  
Source: 1997 AACS.

**R 451.706.16**  
Source: 1997 AACS.

**R 451.706.17**  
Source: 1997 AACS.

**R 451.706.18**  
Source: 1997 AACS.

**R 451.706.19**  
Source: 1997 AACS.

**R 451.706.20**  
Source: 1997 AACS.

**R 451.706.23**  
Source: 1997 AACS.

**R 451.706.24**  
Source: 1997 AACS.

**R 451.706.25**  
Source: 2014 AACS.

**R 451.706.26**  
Source: 2019 AACS.

**PART 4. GENERAL PROVISIONS**

**R 451.801.1**  
Source: 2014 AACS.

**R 451.801.2**  
Source: 2014 AACS.

**R 451.801.3**  
Source: 2019 AACS.

**R 451.801.4**  
Source: 2019 AACS.

**R 451.801.5**  
Source: 1997 AACS.

**R 451.802.1**  
Source: 1997 AACS.

**R 451.802.2**  
Source: 2019 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

- R 451.802.3**  
Source: 1997 AACS.
- R 451.803.1**  
Source: 1997 AACS.
- R 451.803.2**  
Source: 2014 AACS.
- R 451.803.3**  
Source: 2019 AACS.
- R 451.803.4**  
Source: 2014 AACS.
- R 451.803.5**  
Source: 2019 AACS.
- R 451.803.6**  
Source: 1984 AACS.
- R 451.803.7**  
Source: AACS 2014.
- R 451.803.8**  
Source: 2019 AACS.
- R 451.803.9**  
Source: 2014 AACS.
- R 451.803.10**  
Source: 2019 AACS.
- R 451.803.11**  
Source: 2019 AACS.
- R 451.812.1**  
Source: 2014 AACS.
- R 451.812.2**  
Source: 2014 AACS.
- R 451.813.1**  
Source: 1991 AACS.
- R 451.814.1**  
Source: 2014 AACS.
- R 451.817.1**  
Source: 2019 AACS.
- R 451.818.1**  
Source: 2014 AACS.

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

**DEBT MANAGEMENT**

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 451.1221 Definitions.**

Rule 1. As used in these rules:

- (a) "Act" means the debt management act, 1975 PA 148, MCL 451.411 to 451.437.
- (b) "Certified counselor" means that term as defined in section 2(b) of the act, MCL 451.412.
- (c) "Department" means the department of insurance and financial services.
- (d) "Firm" means a debt management licensee or exempt person.
- (e) "Monthly amortizable amount" means the payment made in equal monthly amounts, extinguishing the fees and charges stated in the contract, less the \$50.00 initial fee. No more than 1 monthly fee may be taken in any calendar month.
- (f) "Rate" means the percentage of a firm's fees or charges in relation to the debt to be liquidated during the life of the contract.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1222 Application for license or exemption order; renewal application.**

Rule 2. (1) The application for license or exemption order must be on the form prescribed by the department.

- (2) The application must be accompanied by the financial statements of the applicant for its last fiscal year and as of a date not more than 45 days prior to the filing.
- (3) Financial statements, for the purposes of this rule, must include a balance sheet and income statement prepared in accordance with generally accepted accounting principles.
- (4) Payment of fees must be made by a check payable to the "State of Michigan."
- (5) The original application must be accompanied by a business history form for each officer and director if an association or corporation, for each partner if a partnership, for each member if a limited liability company, and for each proprietor, counselor, and officer manager. A credit report on the firm must also be submitted.
- (6) A firm that has operated without interruption during the past year under a license or exemption order pursuant to section 4(2) of the act, MCL 451.414, may file a renewal application on the form prescribed by the department.
- (7) The application must request a license or exemption order for each location from which the business of debt management is conducted.
- (8) In the event of a change of business form, a new application must be filed prior to the effective date of the change. The application must include payment of a new fee as on renewal application.
- (9) The department shall not accept for filing an application with a name that would cause confusion with the name of an existing firm or governmental agency or cause confusion about services to be received from a licensee.

History: 1979 AC; 1985 AACS; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1223 Amended application.**

Rule 3. (1) A proposed change of name of a firm must be filed with the department for approval prior to effecting the change. The department shall not accept a name change that would be confusing with the name of an existing firm or governmental agency, or cause confusion about services to be received from a licensee. An amended application must be filed contemporaneously with the name change.

(2) A firm shall file an amended application with the department within 5 days of the occurrence of any of the following:

- (a) If a firm is a corporation, a change in its officers or directors.
  - (b) If a firm is a partnership, a change in its partners.
  - (c) If a firm is a sole proprietorship, a change in ownership.
  - (d) If a firm is limited liability company, a change in its members.
  - (e) Conviction of an officer, director, partner, member, or sole proprietor of the firm of a felony or misdemeanor involving moral turpitude.
  - (f) Insolvency, filing in bankruptcy, receivership, or assignment for the benefit of creditors of the licensee.
- (3) If a firm transfers its debt management business to another office at a different address, its license applies to its new office only if the following requirements are met:
- (a) The department amends its application to reflect the effective date of the transfer.
  - (b) The firm ceases to conduct debt management business at the old address on the date indicated, and has notified its clients of the change of address not less than 5 days prior to the change.
  - (c) The surety company has notified the department that the bond furnished pursuant to the act applies in full force and effect to the new office after the date of the transfer.
  - (d) The firm has submitted its license certificate or order to the department for reissuance to cover the new office, and the license or order has been so reissued.

(4) The firm shall promptly file an amended application upon the occurrence of any material event affecting the accuracy of the information contained in the current application.

**Annual Administrative Code Supplement**  
**2020 Edition**

(5) If the partnership agreement of a firm provides for the substitution, withdrawal, or addition of partners of the partnership without winding up the partnership business, it is not necessary to obtain a new license or exemption order because of substitutions, withdrawals, or additions if evidence satisfactory to the department is furnished as to the following:

- (a) That the surety bond furnished pursuant to the act shall continue in full force and effect.
- (b) The financial responsibility, experience, character, and general fitness of new partners. The licensee shall furnish an executed business history form for each new partner.
- (c) That the withdrawal or substitution of new partners will not render the partnership insolvent.
- (d) That at least 2/3 in number and interest of those who were partners when the license was applied for and issued are continuing as partners of the partnership, or that 1 of the original partners remains in a 2-person partnership and a new partner is added simultaneously with the departure of original partner.
- (6) A change in the ownership of a sole proprietorship firm terminates the license and requires the filing of a new application and the issuance of a new license before continuance of the debt management business.
- (7) If the firm seeks to open an additional branch office, it shall amend its current application to reflect the address of the additional office and the name of the office manager. The licensee or exempted person shall file the appropriate forms with the department and pay the statutory fee.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1224**

**Source:** 1997 AACS.

**R 451.1225 Notice of termination of bond.**

Rule 5. If a surety company gives 30 days' notice of termination of a bond, the firm, if continuing in the debt management business, shall furnish a satisfactory new bond before the expiration of the 30 days. Failure to maintain a bond is cause for issuance of a summary suspension order.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1226 Debt management contract; budget analysis format; creditors agreement form.**

Rule 6. (1) The applicant shall file a copy of its proposed debt management contract for debtors at the time of filing its application for review and acceptance by the department.

- (2) The applicant shall file a copy of its proposed budget analysis format with the department.
- (3) A true copy of the budget analysis must be provided to each debtor before a contract is signed.
- (4) The applicant shall file a copy of its proposed creditor's agreement form with the department.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1227 Books and records.**

Rule 7. The firm shall make and keep current the following books and records relating to its business:

- (a) Journals or other records of original entry containing an itemized daily record of all payments and receipts for, or on behalf of, debtors of the firm, all receipts and disbursements of cash, and all other debits and credits.
- (b) Ledgers or other records reflecting all assets, liabilities, income, expense, and capital accounts.
- (c) Ledger accounts or other records, itemizing separately as to each debtor all receipts from the debtor, payments to the firm, and disbursements on behalf of the debtor, the creditor's representative contacted, the response obtained or whether there has been a response within 14 days after the mailing of the creditor consent form, any revised or special conditions or arrangements conditioning the consent, and the date at which the required consents were secured.
- (d) A complaint file containing copies of all written complaints made to the firm by debtors.
- (e) Personnel files for all employees, listing name, current home address, home phone number, social security number, and a record of all compensation.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1228 Financial reports; audit.**

Rule 8. (1) The department may at any time require the filing of special financial or other operational reports if it finds that such filing is in the public interest and for the protection of debtors.

(2) If a firm services more than 100 debtors, an audit is required of the firm annually. The audit must be done pursuant to an approved audit plan submitted by an independent accountant and accepted by the department in writing.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 451.1229 Rescinded.**

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1230**

**Source:** 1979 AC.

**R 451.1231 Rescinded.**

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1232 Rescinded.**

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1233 Renewal applications.**

Rule 13. Renewal applications must be filed with the department by December 1 of each year. Failure to file by that date will result in the expiration of the license or order.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1234 Dishonest or unethical business conduct.**

Rule 14. Dishonest or unethical business conduct, as provided in section 9 of the act, MCL 451.419, includes, but is not limited to, the following:

- (a) Failure to promptly refund a debtor's money upon written cancellation of a contract.
- (b) Borrowing money from a debtor.
- (c) Giving preference to creditors for the convenience or benefit of the firm rather than the primary benefit of the debtor.
- (d) Receiving money from the debtor, except as provided in the contract with the debtor, which contract has been accepted as to form and content by the department.
- (e) Failing to promptly record on the books of the firm any transaction involving funds of the debtor.
- (f) Paying funds of a debtor to a fictitious creditor.
- (g) Accepting a rebate, kickback, or other remuneration for payment of a debtor's obligations, except under a plan approved by the department and fully disclosed to the debtor.
- (h) Using debtors' funds as compensating balances for loans.
- (i) Making erasures or changes on the portion of the client account card used for recording payments received from the debtor, on checks issued to creditors, on fees taken, or on the dates of such entries. If a correction is needed, the error must have 1 line drawn through it and be initialed by an individual authorized by the licensee who did not make the correction or change. All entries must be made with ink, be typewritten, or be made by other machine entry.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1235 Posting statutory provision, address, and phone number; filing fee schedule and amendments thereto.**

Rule 15. (1) The firm shall prominently post at each business location and website the provisions of sections 13(1) and (2), 14(1), and 18 of the act, MCL 451.423, 451.424, and 451.428, as well as the address and phone number of the department.

(2) The firm shall annually file with the department its fee schedule or a schedule of its range of fees, and shall file amendments to that schedule 5 days prior to any change in fees charged to the debtor.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1236 Employment qualifications.**

Rule 16. Except as approved by the administrator, a firm shall not knowingly employ as an office manager or counselor a person who has done any of the following:

- (a) Been convicted of a crime involving moral turpitude, which includes forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any other like offense.
- (b) Violated or failed to comply with a provision of the act, or a rule or order promulgated or issued pursuant to the act.
- (c) Had a license to engage in the business of debt management revoked or suspended in this state or another state for any reason other than failure to pay licensing fees.
- (d) Defaulted in the payment of money collected for others, including the discharge of debts, because of bankruptcy proceedings. The director of the department may, at his or her discretion, waive this restriction if provided with evidence of justifiable cause for the bankruptcy, plus convincing evidence of the fitness of the bankrupt party to carry out his or her functions under the act.

**Annual Administrative Code Supplement**  
**2020 Edition**

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1237 Procedures; review.**

Rule 17. (1) Each firm shall prepare and maintain a manual detailing the procedures for compliance with the act.

(2) Each certified counselor of the firm shall be provided with the manual.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1238 License.**

Rule 18. (1) A license must be issued for each main office and branch office rendering debt management service.

(2) Whenever a licensee or exempt person discontinues the business of debt management, whether totally or at a specific location, the license certificate, or exemption order, must be mailed to the department within 5 days. An explanation of the reason for discontinuance, a statement of any amounts remaining in the client trust account, and the plan and timetable for disbursement must accompany the license certificate, or exemption order, unless all accounts are transferred, without interruption in service, to another of the firm's branches.

(3) A license must not be terminated for a firm unless it is revoked or unless all payments due creditors or debtors have been made, and the department issues an order terminating the license.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1239 Budget analysis.**

Rule 19. (1) A copy of the budget analysis must be retained in the debtor's file for a period of 6 years after the last transaction.

(2) The budget analysis must be signed by a certified counselor of the firm who participated in the preparation of the analysis.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1240 Certification of compliance.**

Rule 20. (1) Every contract must set forth, in bold type, the set-up and cancellation fee provisions and amounts, and advise the prospective client to note these carefully before signing the contract.

(2) The department may approve the accumulation of debtor's funds in payment of obligations which are required to be paid in large lump sums, such as income and property taxes, insurance premiums, and house payments. All such accumulations, however, must be designated for a specific purpose and must not be used to pay for fees and charges, including the close out fee of the firm.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1241 Reconciliation.**

Rule 21. (1) The trust account reconciliation must contain provisions for recording and identifying the balance in each debtor's account, the balance from the bank statement, the check number and amount of each outstanding check, the date and amount of deposits not yet credited by the bank, the reconciled bank balance, the balance from the checkbook, and a detailed breakdown of any differences.

(2) Remedial action, as provided in section 15(5) of the act, MCL 451.425, must be either an immediate replacement of funds, or an immediate cessation of business until sufficient funds are placed in the account.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1242 Statement of disbursements.**

Rule 22. The statement prepared in compliance with section 16(1)(e) of the act, MCL 451.426, must be prepared as of a date no earlier than the date of the first full distribution to creditors under the contract.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1243 Separate remuneration prohibition; waiver or modification.**

Rule 23. All requests for waiver or modification of the separate remuneration prohibition of section 19(h) of the act, MCL 451.429, must be made in writing to the, setting forth in detail the need for such waiver or modification; the persons or entities from which the benefit will be solicited or sought; the amount or percentage of contribution solicited from donors in the capacity of creditor for a debtor; any relationship, affiliation, or connection creating an actual or potential conflict of interest between the parties involved; and any reciprocal arrangements made or to be made. The department shall examine the proposal promptly and shall, within 15 days, notify the licensee or exempted

**Annual Administrative Code Supplement**  
**2020 Edition**

person of its decision, or of the necessity for additional information. All such decisions must be in writing and must give the effective date of the declaratory ruling.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1244 Rescinded.**

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1245 Charges for other services.**

Rule 25. (1) A firm or affiliate thereof shall not charge a debtor for any services or goods, or make other charges, unless the firm or affiliate has filed with the department a plan setting forth the basis of charges, and the department has determined that such charges in the future do not result in an excessive fee in violation of section 18 of the act, MCL 451.428.

(2) If a firm or affiliate thereof proposes to alter its plan of charges, the amended plan must be filed with the department and approved prior to use.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 451.1246**

Source: 1979 AC.

**STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES**

**HEARINGS**

**R 451.1901**

Source: 2006 AACS.

**R 451.1902**

Source: 2006 AACS.

**R 451.1903**

Source: 2006 AACS.

**R 451.1904**

Source: 2006 AACS.

**R 451.1905**

Source: 2006 AACS.

**R 451.1906**

Source: 2006 AACS.

**R 451.1907**

Source: 2006 AACS.

**R 451.1908**

Source: 2006 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**DIRECTOR'S OFFICE**

**PROCEDURAL RULES**

**PART 1. GENERAL PROVISIONS**

**R 451.2101 Rescinded.**



**Annual Administrative Code Supplement**  
**2020 Edition**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2102 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2103 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**PART 2. BUREAU ORGANIZATION**

**R 451.2201 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2202 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2203 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**PART 3. INTERPRETATIVE OPINIONS AND DECLARATORY RULINGS**

**R 451.2301 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2302 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2303**

**Source:** 2001 AACS.

**R 451.2304**

**Source:** 2001 AACS.

**PART 4. OPPORTUNITY TO SHOW COMPLIANCE**

**R 451.2401 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2402 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2403 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2404 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2405 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2406 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2407 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 451.2408 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**PART 5. COMMENCEMENT OF PROCEEDINGS AND CONTESTED CASES**

**R 451.2501 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2502 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2503 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2504 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2505 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2506 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2507 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2508 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2509 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2510 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2511 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**PART 6. PLEADINGS, MOTION PRACTICE, AND INTERVENTION**

**R 451.2601 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2602 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2603 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2604 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2605 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2606 Rescinded.**

**Annual Administrative Code Supplement**  
**2020 Edition**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2607 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2608 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2609 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2610 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2611 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2612 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2613 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2614 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2615 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2616 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2617 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2618 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**PART 7. JOINT AND CONSOLIDATED PROCEEDINGS**

**R 451.2701 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2702 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**PART 9. PREHEARING CONFERENCES**

**R 451.2901 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2902 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2903 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 451.2904 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2905 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**PART 10. CONDUCT OF HEARINGS**

**R 451.3001 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3002 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3003 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3004 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3005 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3006 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3007 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3008 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3009 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3010 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3011 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**PART 12. DECISIONS**

**R 451.3201 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3202 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3203 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3204 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**PART 13. PRESIDING OFFICER**

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 451.3301 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3302 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3303 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3304 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3305 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**PART 14. MISCONDUCT BY ATTORNEYS, AUTHORIZED REPRESENTATIVES, AND PARTIES**

**R 451.3401 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**PART 15. PUBLIC HEARINGS**

**R 451.3501 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3502 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.3503 Rescinded.**

History: 1983 AACS; 2020 MR 14, Eff. Aug 4, 2020.

**R 451.2504**

Source: 1983 AACS.

**R 451.2505**

Source: 1983 AACS.

**R 451.2506**

Source: 1983 AACS.

**R 451.2507**

Source: 1983 AACS.

**R 451.2508**

Source: 1983 AACS.

**R 451.2509**

Source: 1983 AACS.

**R 451.2510**

Source: 1983 AACS.

**R 451.2511**

Source: 1983 AACS.

**PART 6. PLEADINGS, MOTION PRACTICE, AND INTERVENTION**

**R 451.2601**  
Source: 1983 AACS.

**R 451.2602**  
Source: 1983 AACS.

**R 451.2603**  
Source: 1983 AACS.

**R 451.2604**  
Source: 1983 AACS.

**R 451.2605**  
Source: 1983 AACS.

**R 451.2606**  
Source: 1983 AACS.

**R 451.2607**  
Source: 1983 AACS.

**R 451.2608**  
Source: 1983 AACS.

**R 451.2609**  
Source: 1983 AACS.

**R 451.2610**  
Source: 1983 AACS.

**R 451.2611**  
Source: 1983 AACS.

**R 451.2612**  
Source: 1983 AACS.

**R 451.2613**  
Source: 1983 AACS.

**R 451.2614**  
Source: 1983 AACS.

**R 451.2615**  
Source: 1983 AACS.

**R 451.2616**  
Source: 1983 AACS.

**R 451.2617**  
Source: 1983 AACS.

**R 451.2618**  
Source: 1983 AACS.

**Annual Administrative Code Supplement**  
2020 Edition

**PART 7. JOINT AND CONSOLIDATED PROCEEDINGS**

**R 451.2701**  
Source: 1983 AACS.

**R 451.2702**  
Source: 1983 AACS.

**PART 9. PREHEARING CONFERENCE**

**R 451.2901**  
Source: 1983 AACS.

**R 451.2902**  
Source: 1983 AACS.

**R 451.2903**  
Source: 1983 AACS.

**R 451.2904**  
Source: 1983 AACS.

**R 451.2905**  
Source: 1983 AACS.

**PART 10. CONDUCT OF HEARINGS**

**R 451.3001**  
Source: 1983 AACS.

**R 451.3002**  
Source: 1983 AACS.

**R 451.3003**  
Source: 1983 AACS.

**R 451.3004**  
Source: 1983 AACS.

**R 451.3005**  
Source: 1983 AACS.

**R 451.3006**  
Source: 1983 AACS.

**R 451.3007**  
Source: 1983 AACS.

**R 451.3008**  
Source: 1983 AACS.

**R 451.3009**  
Source: 1983 AACS.

**R 451.3010**  
Source: 1983 AACS.

**R 451.3011**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 1983 AACS.

**PART 12. DECISIONS**

**R 451.3201**

**Source:** 1983 AACS.

**R 451.3202**

**Source:** 1983 AACS.

**R 451.3203**

**Source:** 1983 AACS.

**R 451.3204**

**Source:** 1983 AACS.

**PART 13. PRESIDING OFFICER**

**R 451.3301**

**Source:** 1983 AACS.

**R 451.3302**

**Source:** 1983 AACS.

**R 451.3303**

**Source:** 1983 AACS.

**R 451.3304**

**Source:** 1983 AACS.

**R 451.3305**

**Source:** 1983 AACS.

**PART 14. MISCONDUCT BY ATTORNEYS, AUTHORIZED REPRESENTATIVES, AND PARTIES**

**R 451.3401**

**Source:** 1983 AACS.

**PART 15. PUBLIC HEARINGS**

**R 451.3501**

**Source:** 1983 AACS.

**R 451.3502**

**Source:** 1983 AACS.

**R 451.3503**

**Source:** 1983 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**  
**CORPORATIONS, SECURITIES, AND COMMERCIAL LICENSING**  
**CEMETERY REGULATION**  
**GENERAL RULES**



**Annual Administrative Code Supplement**  
2020 Edition

**PART 1. GENERAL PROVISIONS**

**R 456.101**  
Source: 2015 AACS.

**R 456.111**  
Source: 2015 AACS.

**PART 2. PERMITS, REGISTRATIONS, LICENSES, AND RECORDS**

**R 456.121**  
Source: 2015 AACS.

**R 456.122**  
Source: 2015 AACS.

**R 456.123**  
Source: 2015 AACS.

**R 456.124**  
Source: 2015 AACS.

**R 456.125**  
Source: 2015 AACS.

**R 456.126**  
Source: 2015 AACS.

**PART 3. ENDOWED CARE FUND, MERCHANDISE FUND, AUDITS, REPORTS, AND SALES**

**R 456.131**  
Source: 2015 AACS.

**R 456.132**  
Source: 2015 AACS.

**R 456.133**  
Source: 2015 AACS.

**R 456.134**  
Source: 2015 AACS.

**R 456.135**  
Source: 1998-2000 AACS.

**R 456.136**  
Source: 2015 AACS.

**R 456.137**  
Source: 2015 AACS.

**R 456.138**  
Source: 2015 AACS.

**R 456.139**  
Source: 2015 AACS.

**Annual Administrative Code Supplement**  
2020 Edition

**PART 4. CASKETS, EARTH BURIALS, ENTOMBMENTS, AND CREMATIONS**

- R 456.141**  
Source: 2015 AACS.
- R 456.142**  
Source: 2015 AACS.
- R 456.143**  
Source: 1998-2000 AACS.
- R 456.144**  
Source: 2015 AACS.
- R 456.145**
- R 456.146**  
Source: 2015 AACS.

**PART 5. GROUNDS, FACILITIES, AND BUILDINGS**

- R 456.151**  
Source: 2015 AACS.
- R 456.152**  
Source: 2015 AACS.
- R 456.153**  
Source: 2015 AACS.
- R 456.154**  
Source: 2015 AACS.

**PART 6. MERCHANDISE TRUSTS**

- R 456.161**  
Source: 2015 AACS.
- R 456.162**  
Source: 2015 AACS.
- R 456.163**  
Source: 2015 AACS.
- R 456.164**  
Source: 2015 AACS.
- R 456.165**  
Source: 2015 AACS.
- R 456.166**  
Source: 2015 AACS.
- R 456.167**  
Source: 2015 AACS.

**PART 9. HEARINGS**

**R 456.191**  
Source: 2015 AACS.

**R 456.192**  
Source: 2015 AACS.

**R 456.193**  
Source: 2015 AACS.

**R 456.194**  
Source: 2015 AACS.

**R 456.195**  
Source: 2015 AACS.

**R 456.196**  
Source: 2015 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES, AND COMMERCIAL LICENSING BUREAU**

**CEMETERY REGULATION**

**GENERAL RULES**

**PART 1. GENERAL PROVISIONS**

**R 456.1101**  
Source: 2015 AACS.

**PART 2. APPLICATION**

**R 456.1201**  
Source: 2015 AACS.

**R 456.1202**  
Source: 2015 AACS.

**PART 3. REPORTING AND RECORDS**

**R 456.1301**  
Source: 2015 AACS.

**R 456.1302**  
Source: 2015 AACS.

**R 456.1303**  
Source: 2015 AACS.

**PART 4. ENDOWMENT AND PERPETUAL CARE TRUST AGREEMENTS**

**Annual Administrative Code Supplement  
2020 Edition**

**R 456.1401**  
Source: 2015 AACS.

**PART 5. MERCHANDISE TRUST FUNDS**

**R 456.1501**  
Source: 2015 AACS.

**R 456.1502**  
Source: 2015 AACS.

**R 456.1503**  
Source: 2015 AACS.

**PART 6. AUDIT**

**R 456.1601**  
Source: 2015 AACS.

**PART 7. ANNUAL REPORT**

**R 456.1701**  
Source: 2015 AACS.

**R 456.1702**  
Source: 2015 AACS.

**PART 8. DISCIPLINARY ACTIONS AND HEARINGS**

**R 456.1801**  
Source: 2015 AACS.

**R 456.1802**  
Source: 2015 AACS.

**R 456.1803**  
Source: 2015 AACS.

**PUBLIC SERVICE COMMISSION  
INFORMAL REPARATION DOCKET CASES BEFORE COMMISSION**

**R 460.1**  
Source: 2006 AACS.

**R 460.2**  
Source: 2006 AACS.

**R 460.3**  
Source: 2006 AACS.

**R 460.4**  
Source: 2006 AACS.

**R 460.5**  
Source: 2006 AACS.

**R 460.6**  
Source: 2006 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.7**  
Source: 2006 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**PUBLIC SERVICE COMMISSION**

**MISS DIG UNDERGROUND FACILITY DAMAGE PREVENTION AND SAFETY**

**R 460.11**  
Source: 2016 AACS.

**R 460.14**  
Source: 2016 AACS.

**R 460.17**  
Source: 2016 AACS.

**R 460.20**  
Source: 2016 AACS.

**R 460.24**  
Source: 2016 AACS.

**R 460.28**  
Source: 2016 AACS.

**R 460.32**  
Source: 2016 AACS.

**R 460.40**  
Source: 2016 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**PUBLIC SERVICE COMMISSION**

**CONSUMER STANDARDS AND BILLING PRACTICES**

**FOR ELECTRIC AND NATURAL GAS SERVICE**

**R 460.101**  
Source: 2017 AACS.

**R 460.101a**  
Source: 2017 AACS.

**R 460.102**  
Source: 2017 AACS.

**R 460.102a**  
Source: 2017 AACS.

**R 460.102b**  
Source: 2017 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.103**  
Source: 2007 AACS.

**R 460.104**  
Source: 2007 AACS.

**R 460.105**  
Source: 2007 AACS.

**PART 2. APPLICATION FOR SERVICE**

**R 460.106**  
Source: 2017 AACS.

**R 460.107**  
Source: 2017 AACS.

**PART 3. DEPOSITS AND GUARANTEE TERMS AND CONDITIONS**

**R 460.108**  
Source: 2017 AACS.

**R 460.109**  
Source: 2017 AACS.

**R 460.110**  
Source: 2017 AACS.

**R 460.111**  
Source: 2017 AACS.

**R 460.111a**  
Source: 2017 AACS.

**R 460.112**  
Source: 2017 AACS.

**PART 4. METER READING PROCEDURES, METER ACCURACY, METER ERRORS AND METER RELOCATION**

**R 460.113**  
Source: 2017 AACS.

**R 460.114**  
Source: 2017 AACS.

**R 460.115**  
Source: 2017 AACS.

**R 460.116**  
Source: 2017 AACS.

**PART 5. BILLING AND PAYMENT STANDARDS**

**R 460.117**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 2017 AACS.

**R 460.118**

**Source:** 2017 AACS.

**R 460.119**

**Source:** 2017 AACS.

**R 460.120**

**Source:** 2017 AACS.

**R 460.121**

**Source:** 2017 AACS.

**R 460.122**

**Source:** 2017 AACS.

**R 460.123**

**Source:** 2017 AACS.

**R 460.124**

**Source:** 2017 AACS.

**R 460.125**

**Source:** 2017 AACS.

**R 460.126**

**Source:** 2017 AACS.

**R 460.126a**

**Source:** 2017 AACS.

**R 460.126b**

**Source:** 2017 AACS.

**PART 6. VOLUNTARY TERMINATION OF SERVICE**

**R 460.127**

**Source:** 2017 AACS.

**PART 7. ENERGY ASSISTANCE AND SHUTOFF PROTECTION PROGRAMS FOR RESIDENTIAL CUSTOMERS**

**R 460.128**

**Source:** 2017 AACS.

**R 460.129**

**Source:** 2017 AACS.

**R 460.130**

**Source:** 2017 AACS.

**R 460.130a**

**Source:** 2017 AACS.

**R 460.131**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 2017 AACS.

**R 460.132**

**Source:** 2017 AACS.

**R 460.133**

**Source:** 2017 AACS.

**R 460.134**

**Source:** 2017 AACS.

**R 460.135**

**Source:** 2017 AACS.

**PART 8. PROCEDURES FOR SHUTOFF AND RESTORATION OF SERVICE**

**R 460.136**

**Source:** 2017 AACS.

**R 460.137**

**Source:** 2019 AACS.

**R 460.138**

**Source:** 2017 AACS.

**R 460.139**

**Source:** 2017 AACS.

**R 460.140**

**Source:** 2017 AACS.

**R 460.141**

**Source:** 2017 AACS.

**R 460.142**

**Source:** 2017 AACS.

**R 460.143**

**Source:** 2017 AACS.

**R 460.144**

**Source:** 2017 AACS.

**PART 9. CUSTOMER RELATIONS AND UTILITY PROCEDURES**

**R 460.145**

**Source:** 2017 AACS.

**R 460.146**

**Source:** 2017 AACS.

**R 460.147**

**Source:** 2017 AACS.

**R 460.148**

**Source:** 2017 AACS.



**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.149**  
Source: 2017 AACS.

**R 460.150**  
Source: 2017 AACS.

**R 460.151**  
Source: 2017 AACS.

**R 460.152**  
Source: 2017 AACS.

**R 460.153**  
Source: 2017 AACS.

**PART 10. DISPUTES, HEARINGS AND SETTLEMENTS**

**R 460.154**  
Source: 2017 AACS.

**R 460.155**  
Source: 2019 AACS.

**R 460.156**  
Source: 2017 AACS.

**R 460.157**  
Source: 2017 AACS.

**R 460.158**  
Source: 2017 AACS.

**R 460.159**  
Source: 2017 AACS.

**PART 11. APPEAL PROCEDURES**

**R 460.160**  
Source: 2017 AACS.

**R 460.161**  
Source: 2017 AACS.

**R 460.162**  
Source: 2017 AACS.

**R 460.163**  
Source: 2017 AACS.

**R 460.164**  
Source: 2017 AACS.

**R 460.165**  
Source: 2017 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.166**  
Source: 2017 AACS.

**R 460.167**  
Source: 2017 AACS.

**R 460.168**  
Source: 2017 AACS.

**R 460.169**  
Source: 2017 AACS.

**MERGERS AND ACQUISITIONS**

**R 460.301**  
Source: 2011 AACS.

**R 460.302**  
Source: 2011 AACS.

**R 460.303**  
Source: 2011 AACS.

**DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**

**PUBLIC SERVICE COMMISSION**

**ELECTRIC INTERCONNECTION STANDARDS**

**R 460.481**  
Source: 2009 AACS.

**R 460.482**  
Source: 2009 AACS.

**R 460.483**  
Source: 2009 AACS.

**R 460.484**  
Source: 2009 AACS.

**R 460.485**  
Source: 2009 AACS.

**R 460.486**  
Source: 2009 AACS.

**R 460.487**  
Source: 2009 AACS.

**R 460.488**  
Source: 2009 AACS.

**R 460.489**  
Source: 2009 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**ELECTRICAL SERVICE**

- R 460.511**  
Source: 1979 AC.
- R 460.512**  
Source: 1979 AC.
- R 460.513**  
Source: 1979 AC.
- R 460.514**  
Source: 1979 AC.
- R 460.515**  
Source: 1979 AC.
- R 460.516**  
Source: 1979 AC.
- R 460.517**  
Source: 1979 AC.
- R 460.518**  
Source: 1979 AC.
- R 460.519**  
Source: 1979 AC.

**DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH**

**PUBLIC SERVICE COMMISSION**

**ELECTRIC INTERCONNECTION AND NET METERING STANDARDS**

**PART 1. GENERAL PROVISIONS**

- R 460.601a**  
Source: 2009 AACS.
- R 460.601b**  
Source: 2009 AACS.
- R 460.602**  
Source: 2009 AACS.
- R 460.604**  
Source: 2009 AACS.
- R 460.606**  
Source: 2009 AACS.
- R 460.608**  
Source: 2009 AACS.
- R 460.610**  
Source: 2009 AACS.
- R 460.612**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 2009 AACS.

**PART 2. INTERCONNECTION STANDARDS**

**R 460.615**

**Source:** 2009 AACS.

**R 460.618**

**Source:** 2009 AACS.

**R 460.620**

**Source:** 2009 AACS.

**R 460.622**

**Source:** 2009 AACS.

**R 460.624**

**Source:** 2009 AACS.

**R 460.626**

**Source:** 2009 AACS.

**R 460.628**

**Source:** 2009 AACS.

**PART 3. NET METERING STANDARDS**

**R 460.640**

**Source:** 2009 AACS.

**R 460.642**

**Source:** 2009 AACS.

**R 460.644**

**Source:** 2009 AACS.

**R 460.646**

**Source:** 2009 AACS.

**R 460.648**

**Source:** 2009 AACS.

**R 460.650**

**Source:** 2009 AACS.

**R 460.652**

**Source:** 2009 AACS.

**R 460.654**

**Source:** 2009 AACS.

**R 460.656**

**Source:** 2009 AACS.

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

**PUBLIC SERVICE COMMISSION**

**Annual Administrative Code Supplement**  
2020 Edition

**SERVICE QUALITY AND RELIABILITY STANDARDS  
FOR ELECTRIC DISTRIBUTION SYSTEMS**

**PART 1. GENERAL PROVISIONS**

**R 460.701**  
Source: 2004 AACS.

**R 460.702**  
Source: 2004 AACS.

**R 460.703**  
Source: 2004 AACS.

**PART 2. UNACCEPTABLE LEVELS OF PERFORMANCE**

**R 460.721**  
Source: 2004 AACS.

**R 460.722**  
Source: 2004 AACS.

**R 460.723**  
Source: 2004 AACS.

**R 460.724**  
Source: 2004 AACS.

**PART 3. RECORDS AND REPORTS**

**R 460.731**  
Source: 2004 AACS.

**R 460.732**  
Source: 2004 AACS.

**R 460.733**  
Source: 2004 AACS.

**R 460.734**  
Source: 2004 AACS.

**PART 4. FINANCIAL INCENTIVES AND PENALTIES**

**R 460.741**  
Source: 2004 AACS.

**R 460.742**  
Source: 2004 AACS.

**R 460.743**  
Source: 2004 AACS.

**R 460.744**  
Source: 2004 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.745**  
Source: 2004 AACS.

**R 460.746**  
Source: 2004 AACS.

**R 460.747**  
Source: 2004 AACS.

**R 460.748**  
Source: 2004 AACS.

**PART 5. WAIVERS AND EXCEPTIONS**

**R 460.751**  
Source: 2004 AACS.

**R 460.752**  
Source: 2004 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**PUBLIC SERVICE COMMISSION**

**ELECTRICAL SUPPLY AND COMMUNICATION LINES AND ASSOCIATED EQUIPMENT**

**R 460.811**  
Source: 1988 AACS.

**R 460.812**  
Source: 1988 AACS.

**R 460.813**  
Source: 2017 AACS.

**R 460.814**  
Source: 1988 AACS.

**R 460.815**  
Source: 1988 AACS.

**PRODUCTION AND TRANSMISSION OF NATURAL GAS**

**R 460.851**  
Source: 1979 AC.

**R 460.852**  
Source: 1979 AC.

**R 460.853**  
Source: 1979 AC.

**R 460.854**  
Source: 1979 AC.

**R 460.855**  
Source: 1979 AC.

**Annual Administrative Code Supplement**  
**2020 Edition**

- R 460.856**  
Source: 1979 AC.
- R 460.857**  
Source: 1979 AC.
- R 460.858**  
Source: 1979 AC.
- R 460.859**  
Source: 1979 AC.
- R 460.860**  
Source: 1979 AC.
- R 460.861**  
Source: 1979 AC.
- R 460.862**  
Source: 1979 AC.
- R 460.863**  
Source: 1979 AC.
- R 460.864**  
Source: 1979 AC.
- R 460.865**  
Source: 1979 AC.
- R 460.866**  
Source: 1979 AC.
- R 460.867**  
Source: 1979 AC.
- R 460.868**  
Source: 1979 AC.
- R 460.869**  
Source: 1979 AC.
- R 460.870**  
Source: 1979 AC.
- R 460.871**  
Source: 1979 AC.
- R 460.872**  
Source: 1979 AC.
- R 460.873**  
Source: 1979 AC.
- R 460.874**  
Source: 1979 AC.
- R 460.875**  
Source: 1979 AC.

**Annual Administrative Code Supplement**  
2020 Edition

**DEPARTMENT OF TRANSPORTATION**  
**BUREAU OF URBAN AND PUBLIC TRANSPORTATION**  
**RAILROADS**

**R 460.1451**  
Source: 2016 AACS.

**R 460.1452**  
Source: 2016 AACS.

**R 460.1453**  
Source: 2016 AACS.

**R 460.1454**  
Source: 2016 AACS.

**R 460.1455**  
Source: 2016 AACS.

**R 460.1456**  
Source: 2016 AACS.

**R 460.1457**  
Source: 2016 AACS.

**R 460.1458**  
Source: 2016 AACS.

**R 460.1459**  
Source: 2016 AACS.

**SANITATION AND SHELTER FOR RAILROAD EMPLOYEES**

**R 460.1461**  
Source: 1979 AC.

**R 460.1462**  
Source: 1979 AC.

**R 460.1463**  
Source: 1979 AC.

**R 460.1464**  
Source: 1979 AC.

**R 460.1465**  
Source: 1979 AC.

**R 460.1466**  
Source: 1979 AC.

**R 460.1467**  
Source: 1979 AC.



**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.1468**  
Source: 1979 AC.

**R 460.1469**  
Source: 1979 AC.

**R 460.1470**  
Source: 1979 AC.

**R 460.1471**  
Source: 1979 AC.

**R 460.1472**  
Source: 1979 AC.

**R 460.1473**  
Source: 1979 AC.

**R 460.1474**  
Source: 1979 AC.

**R 460.1475**  
Source: 1979 AC.

**R 460.1476**  
Source: 1979 AC.

**R 460.1477**  
Source: 1979 AC.

**R 460.1478**  
Source: 1979 AC.

**R 460.1479**  
Source: 1979 AC.

**R 460.1480**  
Source: 1979 AC.

**R 460.1481**  
Source: 1979 AC.

**STANDARDIZATION OF ELECTRICALLY OPERATED HALF-ROADWAY GATES**

**R 460.1491**  
Source: 2011 AACS.

**R 460.1492**  
Source: 2011 AACS.

**R 460.1493**  
Source: 2011 AACS.

**R 460.1494**  
Source: 2011 AACS.

**R 460.1495**  
Source: 2011 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.1496**  
Source: 2011 AACS.

**R 460.1497**  
Source: 2011 AACS.

**R 460.1498**  
Source: 2011 AACS.

**R 460.1499**  
Source: 2011 AACS.

**R 460.1500**  
Source: 2011 AACS.

**TRACK MOTOR CAR**

**R 460.1511**  
Source: 2011 AACS.

**R 460.1512**  
Source: 2011 AACS.

**R 460.1513**  
Source: 2011 AACS.

**R 460.1514**  
Source: 2011 AACS.

**INSPECTION OF TRACKS UPON WHICH PASSENGER TRAINS OPERATED**

**R 460.1521**  
Source: 2011 AACS.

**R 460.1522**  
Source: 2011 AACS.

**R 460.1523**  
Source: 2011 AACS.

**R 460.1524**  
Source: 2011 AACS.

**R 460.1525**  
Source: 2011 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**PUBLIC SERVICE COMMISSION**

**BILLING PRACTICES APPLICABLE TO NON-RESIDENTIAL ELECTRIC AND GAS CUSTOMERS**

**PART 1. GENERAL PROVISIONS**

**R 460.1601**  
Source: 2017 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.1602**  
Source: 2017 AACS.

**R 460.1603**  
Source: 2017 AACS.

**R 460.1604**  
Source: 2017 AACS.

**R 460.1605**  
Source: 2017 AACS.

**PART 2. APPLICATION FOR SERVICE**

**R 460.1606**  
Source: 2017 AACS.

**PART 3. GENERAL CUSTOMER DEPOSIT CONDITIONS**

**R 460.1607**  
Source: 2017 AACS.

**PART 4. METER READING, ESTIMATED BILLS, BILLING ADJUSTMENTS, VOLUNTARY  
TERMINATION, AND METER RELOCATION**

**R 460.1608**  
Source: 2017 AACS.

**R 460.1609**  
Source: 2017 AACS.

**R 460.1610**  
Source: 2017 AACS.

**R 460.1611**  
Source: 2017 AACS.

**PART 5. BILLING AND PAYMENTS**

**R 460.1612**  
Source: 2017 AACS.

**R 460.1613**  
Source: 2017 AACS.

**R 460.1614**  
Source: 2017 AACS.

**R 460.1615**  
Source: 2017 AACS.

**R 460.1616**  
Source: 2017 AACS.

**R 460.1617**  
Source: 2017 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**PART 6. CUSTOMER RELATIONS AND UTILITY PROCEDURES**

**R 460.1618**  
Source: 2017 AACS.

**R 460.1619**  
Source: 2017 AACS.

**R 460.1620**  
Source: 2017 AACS.

**R 460.1621**  
Source: 2017 AACS.

**R 460.1622**  
Source: 2017 AACS.

**R 460.1623**  
Source: 2017 AACS.

**PART 7. SHUTOFFS AND RESTORATION**

**R 460.1624**  
Source: 2017 AACS.

**R 460.1625**  
Source: 2017 AACS.

**R 460.1626**  
Source: 2017 AACS.

**PART 8. DISPUTED CLAIMS, HEARINGS AND SETTLEMENT AGREEMENTS**

**R 460.1628**  
Source: 2017 AACS.

**R 460.1629**  
Source: 2017 AACS.

**R 460.1630**  
Source: 2017 AACS.

**R 460.1631**  
Source: 2017 AACS.

**R 460.1632**  
Source: 2017 AACS.

**R 460.1633**  
Source: 2017 AACS.

**R 460.1634**  
Source: 2017 AACS.

**R 460.1635**  
Source: 2017 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.1636**  
Source: 2017 AACS.

**R 460.1637**  
Source: 2017 AACS.

**R 460.1638**  
Source: 2017 AACS.

**R 460.1639**  
Source: 2017 AACS.

**R 460.1640**  
Source: 2017 AACS.

**FILING PROCEDURES FOR ELECTRIC, WATER, STEAM, AND GAS UTILITIES**

**PART 1. GENERAL PROVISIONS**

**R 460.2011**  
Source: 2007 AACS.

**R 460.2012**  
Source: 2007 AACS.

**R 460.2013**  
Source: 1981 AACS.

**PART 2. RATE BOOK**

**R 460.2021**  
Source: 2007 AACS.

**R 460.2022**  
Source: 2007 AACS.

**R 460.2023**  
Source: 2007 AACS.

**R 460.2024**  
Source: 2007 AACS.

**PART 3. SPECIAL CONTRACTS**

**R 460.2031**  
Source: 2007 AACS.

**BILLING PRACTICES APPLICABLE TO NON-RESIDENTIAL ELECTRIC AND GAS CUSTOMERS**

**R 460.2071**  
Source: 2008 AACS.

**R 460.2072**  
Source: 2008 AACS.

**R 460.2074**  
Source: 2008 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.2075**  
Source: 2008 AACS.

**R 460.2076**  
Source: 2008 AACS.

**R 460.2077**  
Source: 2008 AACS.

**R 460.2078**  
Source: 2008 AACS.

**R 460.2079**  
Source: 2008 AACS.

**R 460.2080**  
Source: 2008 AACS.

**R 460.2081**  
Source: 2008 AACS.

**R 460.2082**  
Source: 2008 AACS.

**R 460.2083**  
Source: 2008 AACS.

**R 460.2084**  
Source: 2008 AACS.

**R 460.2085**  
Source: 2008 AACS.

**R 460.2086**  
Source: 2008 AACS.

**CONSUMER STANDARDS AND BILLING PRACTICES**  
**ELECTRIC AND GAS RESIDENTIAL SERVICE**

**R 460.2101**  
Source: 2007 AACS.

**R 460.2102**  
Source: 2007 AACS.

**R 460.2103**  
Source: 2007 AACS.

**R 460.2104**  
Source: 2007 AACS.

**R 460.2105**  
Source: 2007 AACS.

**R 460.2111**  
Source: 2007 AACS.

**R 460.2112**

**Annual Administrative Code Supplement**  
**2020 Edition**

Source: 2007 AACS.

**R 460.2113**

Source: 2007 AACS.

**R 460.2114**

Source: 2007 AACS.

**R 460.2115**

Source: 2007 AACS.

**R 460.2116**

Source: 2007 AACS.

**R 460.2117**

Source: 2007 AACS.

**R 460.2118**

Source: 2007 AACS.

**R 460.2119**

Source: 2007 AACS.

**R 460.2120**

Source: 2007 AACS.

**R 460.2121**

Source: 2007 AACS.

**R 460.2122**

Source: 2007 AACS.

**R 460.2123**

Source: 2007 AACS.

**R 460.2124**

Source: 2007 AACS.

**R 460.2125**

Source: 2007 AACS.

**R 460.2131**

Source: 2007 AACS.

**R 460.2132**

Source: 2007 AACS.

**R 460.2133**

Source: 2007 AACS.

**R 460.2134**

Source: 2007 AACS.

**R 460.2135**

Source: 2007 AACS.

**R 460.2136**

Source: 2007 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.2137**  
Source: 2007 AACS.

**R 460.2141**  
Source: 2007 AACS.

**R 460.2142**  
Source: 2007 AACS.

**R 460.2143**  
Source: 2007 AACS.

**R 460.2144**  
Source: 2007 AACS.

**R 460.2145**  
Source: 2007 AACS.

**R 460.2146**  
Source: 2007 AACS.

**R 460.2147**  
Source: 2007 AACS.

**R 460.2148**  
Source: 2007 AACS.

**R 460.2149**  
Source: 2007 AACS.

**R 460.2150**  
Source: 2007 AACS.

**R 460.2151**  
Source: 2007 AACS.

**R 460.2152**  
Source: 2007 AACS.

**R 460.2153**  
Source: 2007 AACS.

**R 460.2154**  
Source: 2007 AACS.

**R 460.2155**  
Source: 2007 AACS.

**R 460.2161**  
Source: 2007 AACS.

**R 460.2162**  
Source: 2007 AACS.

**R 460.2163**  
Source: 2007 AACS.

**R 460.2164**



**Annual Administrative Code Supplement**  
**2020 Edition**

Source: 2007 AACS.

**R 460.2165**  
Source: 2007 AACS.

**R 460.2166**  
Source: 2007 AACS.

**R 460.2167**  
Source: 2007 AACS.

**R 460.2168**  
Source: 2007 AACS.

**R 460.2169**  
Source: 2007 AACS.

**R 460.2170**  
Source: 2007 AACS.

**R 460.2171**  
Source: 2007 AACS.

**R 460.2172**  
Source: 2007 AACS.

**R 460.2173**  
Source: 2007 AACS.

**R 460.2174**  
Source: 2007 AACS.

**R 460.2181**  
Source: 2007 AACS.

**R 460.2182**  
Source: 2007 AACS.

**R 460.2183**  
Source: 2007 AACS.

**R 460.2184**  
Source: 2007 AACS.

**R 460.2185**  
Source: 2007 AACS.

**R 460.2186**  
Source: 2007 AACS.

**R 460.2187**  
Source: 2007 AACS.

**R 460.2188**  
Source: 2007 AACS.

**R 460.2189**  
Source: 2007 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.2190**  
Source: 2007 AACCS.

**R 460.2191**  
Source: 2007 AACCS.

**R 460.2192**  
Source: 2007 AACCS.

**R 460.2199**  
Source: 2007 AACCS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**PUBLIC SERVICE COMMISSION**

**TECHNICAL STANDARDS FOR GAS SERVICE**

**PART 1. GENERAL PROVISIONS**

**R 460.2301 Definitions.**

Rule 1. As used in these rules:

- (a) "Approved by the commission" means that a commission order has been issued.
- (b) "British thermal unit" means the quantity of heat that must be added to 1 avoirdupois pound of pure water to raise its temperature from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit under standard pressure. Standard pressure is 30 inches mercury at 32 degrees Fahrenheit or 14.73 pounds per square inch absolute and with acceleration due to gravity equal to 32.174 feet per second per second.
- (c) "Commission" means the Michigan public service commission.
- (d) "Cubic foot of gas" means either of the following:
  - (i) For billing purposes, a standard cubic foot of gas is that quantity of dry gas that, at a temperature of 60 degrees Fahrenheit and an absolute pressure of 14.65 pounds per square inch, occupies 1 cubic foot. The commission may, however, approve a different absolute pressure base.
  - (ii) For testing purposes, such as testing for heating value, a standard cubic foot of gas is that quantity of gas that, when saturated with water vapor at a temperature of 60 degrees Fahrenheit and an absolute pressure of 14.73 pounds per square inch, occupies 1 cubic foot.
- (e) "Customer" means an individual, firm, association, or corporation excluding other gas utilities, or any agency of the federal, state, county, or municipal government that purchases or otherwise receives gas or transportation services, or both, on the utility's system.
- (f) "Hazardous condition" means any condition that the utility determines poses an immediate and serious threat to the health, safety, or welfare of a customer or the general public and that requires immediate action.
- (g) "Meter" means a device owned by a utility that is used in measuring a quantity of gas.
- (h) "Meter accuracy" means the volume that is measured by a meter as a percent of the actual volume that flowed through the meter as measured by a working standard.
- (i) "Meter error" means a failure to accurately measure and record all of the natural gas used that is required by the applicable rate or rates.
- (j) "Mixed gas" means a gas that is produced by mixing natural gas with any of the following:
  - (i) Air.
  - (ii) Inert gas.
  - (iii) Liquefied petroleum gas.
  - (iv) Other flammable gas.
  - (v) Substitute natural gas.
- (k) "Premises" means an individual piece of land or real estate that is not separated by public roads, streets, or alleys, including buildings and other appurtenances on that land or real estate.
- (l) "Potentially hazardous condition" means any condition that the utility determines has the potential to become a hazardous condition, but that does not require immediate action, including, but not limited to, any of the following:

**Annual Administrative Code Supplement**  
**2020 Edition**

- (i) Customer failure to permit the utility to perform inspections and maintenance on the utility's facilities in or on the customer's premises.
- (ii) Customer alterations or modifications of the utility's facilities located in or on the customer's premises.
- (iii) Customer construction of a structure or appurtenance near or over the main, service line piping, or meter set assembly so that the utility's facilities are not in compliance with the provisions of R 460.20101 to R 460.20606 of the Michigan gas safety standards or the utility's standards.
- (iv) Customer failure to correct or replace gas utilization equipment or gas fuel line piping that has been previously identified and classified as potentially hazardous by the utility.
- (m) "Rate book" means the assembled rate schedules, rules, regulations, and standard forms of the utility as filed with the commission and available on the commission's website.
- (n) "Required access" means access that is necessary to conduct any of the following:
  - (i) Routine inspections and maintenance.
  - (ii) Meter readings of gas usage.
  - (iii) Scheduled replacement, repairs, relocation, or disconnection of branch service lines or other changes with respect to service lines and meter assembly piping.
- (o) "Substitute natural gas" means gas that is interchangeable and compatible with natural gas and that is manufactured from carbon and hydrogen-bearing materials.
- (p) "Utility" means a person, firm, corporation, cooperative, association, or agency that is subject to the jurisdiction of the commission and that delivers or distributes and sells gas to the public for heating, power, or other residential, commercial, or industrial purposes.

History: 1979 AC; 1993 AACS; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2302 Application, intention, and interpretation of rules; utility rules and regulations.**

Rule 2. (1) These rules apply to a gas utility that operates within the state of Michigan and that is subject to the jurisdiction of the commission.

(2) These rules are intended to promote safe and adequate gas service to the public, to provide technical standards for uniform and reasonable practices by gas utilities, to encourage efficiency and economy, and to establish a basis for determining the reasonableness of such demands as may be made by the public upon gas utilities.

(3) Questions that concern the application or interpretation of these rules and disagreements with respect to any service rules and regulations that are promulgated by a gas utility shall be referred to the commission for a ruling.

(4) A utility shall adopt reasonable rules and regulations, subject to commission approval, governing its relations with customers. The rules and regulations must not be inconsistent with these rules and any other rules of the commission. A utility's rules and regulations must constitute an integral part of the utility's rate book.

(5) Upon written request of a customer, utility, or on its own motion, the commission may waive any requirements of these rules when it determines the waiver will further the effective and efficient administration of these rules and is in the public interest.

History: 1979 AC; 1993 AACS; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2303**

Source: 1979 AC.

**PART 2. RECORDS, REPORTS, AND OTHER INFORMATION**

**R 460.2321 Retention of records.**

Rule 21. All records that are required to be made or maintained pursuant to these rules must be preserved by the utility for a period of time specified in R 460.2501 to R 460.2582. If a time period is not specified in these rules or in R 460.2501 to R 460.2582, all records must be preserved by the utility for, at a minimum, 1 year after the records are completed.

History: 1979 AC; 1993 AACS; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2322**

Source: 1979 AC.

**R 460.2323 Reports and records generally.**

Rule 23. (1) Volumetric data that is contained in any report must define the pressure, temperature, and water saturation upon which the data is based.

**Annual Administrative Code Supplement**  
**2020 Edition**

(2) In addition to reports or records that are required to be filed with the commission pursuant to these rules, a utility shall provide the commission with a current list of the name, title, address, telephone number, and email address of the person who should be contacted in connection with all of the following:

- (a) General management duties.
- (b) Customer complaints that relate to operations.
- (c) Construction, maintenance, operations, and emergencies during office and nonoffice hours for each major operating headquarters.
- (d) Meter tests and repairs.

History: 1979 AC; 1993 AACs; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2324 Security reporting.**

Rule 24. (1) To inform the commission regarding matters that may affect the security or safety of persons or property, whether public or private, a utility must do both of the following:

(a) Provide a written or oral annual report, individually or jointly with other utilities, to designated members of the commission staff regarding the utility's cybersecurity program and related risk planning. This report on the threat assessment and preparedness strategy must contain all of the following information:

- (i) An overview of the program describing the utility's approach to cybersecurity awareness and protection.
- (ii) A description of cybersecurity awareness training efforts for the utility's staff members, specialized cybersecurity training for cybersecurity personnel, and participation by the utility's cybersecurity staff in emergency preparedness exercises in the previous calendar year.
- (iii) An organizational diagram of the utility's cybersecurity organization, including positions and contact information for primary and secondary cybersecurity emergency contacts.
- (iv) A description of the utility's communications plan regarding unauthorized actions that result in loss of service, financial harm, or breach of sensitive business or customer data, including the utility's plan for notifying the commission and customers.
- (v) A redacted summary of any unauthorized actions that resulted in material loss of service, financial harm, or breach of sensitive business or customer data, including the parties that were notified of the unauthorized action and any remedial actions undertaken.
- (vi) A description of the risk assessment tools and methods used to evaluate, prioritize, and improve cybersecurity capabilities, including work completed pursuant to R 460.2345.
- (vii) General information about current emergency response plans regarding cybersecurity incidents, domestic preparedness strategies, threat assessments, and vulnerability assessments.

(b) In addition to the information required under subdivision (a) of this subrule, an investor-owned public utility must include in its annual report to the Michigan public service commission an overview of major investments in cybersecurity during the previous calendar year and plans and rationale for major investments in cybersecurity anticipated for the next calendar year.

(2) As soon as reasonably practicable and prior to any public notification, a utility must orally report the confirmation of a cybersecurity incident to a designated member of the commission staff and to the Michigan fusion center, unless prohibited by law or court order or instructed otherwise by official law enforcement personnel, if any of the following occurred:

- (a) A person intentionally interrupted the production, transmission, or distribution of natural gas.
- (b) A person extorted money or other things of value from the utility through a cybersecurity attack.
- (c) A person caused a denial of service in excess of 12 hours.
- (d) A security breach, as defined by section 3(b) of the identity theft protection act, 2004 PA 452, MCL 445.63(b), prior to public and customer notification.
- (e) At the utility's discretion, any other cybersecurity incident, attack, or threat that the utility deems notable, unusual, or significant.

(3) As used in subrule (2) of this rule, "person" means any individual, firm, corporation, educational institution, financial institution, governmental entity, or legal or other entity.

(4) As used in subrule (2)(c) of this rule, "denial of service" means, for a utility, a successful attempt to prevent a legitimate user from accessing electronic information made accessible by the utility or by another party on the behalf of the utility.

History: 2020 MR 17, Eff. Sept. 3, 2020.

**PART 3. SERVICE REQUIREMENTS**

**R 460.2331 Sale of gas.**

Rule 31. (1) All gas that is sold by a utility must be on the basis of meter measurement, unless otherwise approved by the commission.

**Annual Administrative Code Supplement**  
**2020 Edition**

- (2) The utility shall provide the terms and conditions of service available to prospective customers upon request.
- (3) If gas is supplied and metered to a customer at a nominal delivery pressure of 0.25 pounds per square inch gauge, then, for billing purposes, both of the following provisions apply:
- (a) The gas volume that is registered by the meter is assumed to be measured at standard billing conditions as defined in R 460.2301(d)(i), regardless of the actual temperature of the gas or actual atmospheric pressure. All meters that are to operate at ambient outdoor conditions must be equipped with a temperature-compensating device.
- (b) If the billing pressure base is 14.65 pounds per square inch absolute, then the atmospheric pressure is assumed to be 14.4 pounds per square inch absolute. If the commission has approved a different billing pressure base, then the assumed atmospheric pressure is equal to the difference between such absolute billing pressure base and 0.25 pounds per square inch.
- (4) If gas is supplied to a customer through a low-pressure distribution system such that a service regulator is not used before metering, then, for billing purposes, the gas must be assumed to be supplied and metered at 0.25 pounds per square inch gauge. The low-pressure system must be operated so that the gauge pressure at the outlet of the meter must be maintained within a range of 3 inches water column minimum to a maximum of 14 inches water column. However, delivery to the customer may be as high as 18 inches water column if the pressure to the gas utilization equipment is regulated to not more than 14 inches water column. A utility may implement different standards for operating its low-pressure system if those standards are approved by the commission.
- (5) If gas is supplied and metered to a customer at a nominal delivery pressure of more than 0.25 pounds per square inch gauge, then, for billing purposes, all of the following provisions apply:
- (a) The gas volume that is measured by the meter must be corrected to standard billing conditions as defined in R 460.2301(d)(i).
- (b) Gas volume corrections for temperature must be made pursuant to Charles' law. Gas volume corrections for pressure must be made pursuant to Boyle's law. Gas volume corrections for supercompressibility must be made pursuant to either of the following publications, both of which are adopted by reference in R 460.2344:
- (i) "Manual for the Determination of Supercompressibility Factors, PRCI Project NX-19" as adopted by reference in R 460.2344.
- (ii) "American Gas Association (AGA) Report No. 8, Part 1, "Thermodynamic Properties of Natural Gas and Related Gases, DETAIL and GROSS Equations of State." (2017) AGA Catalog No. XQ1704-1 as adopted by reference in R 460.2344.
- (c) If the pressure at which the gas is metered is established on a gauge basis rather than an absolute basis, then the absolute pressure at which the gas is metered must be inferred by summing the gauge pressure and either the actual atmospheric pressure or a reasonable estimate thereof or an atmospheric pressure that is filed with, and approved by, the commission.
- (d) If a pressure-compensating device is used with the meter, the device must be calibrated using the actual atmospheric pressure or a reasonable estimate thereof.

History: 1979 AC; 1993 AACS; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2332 Service line tariffs.**

Rule 32. Within 30 days after a company commences operating as a gas utility, the utility shall file its service line tariffs for commission approval. These tariffs must constitute an integral part of the utility's rate book.

History: 1979 AC; 1993 AACS; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2333 Main extension tariffs.**

Rule 33. Within 30 days after a company commences operating as a gas utility, the utility shall file its main extension tariffs for commission approval. These tariffs must constitute an integral part of the utility's rate book.

History: 1979 AC; 1993 AACS; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2334**

**Source:** 1979 AC.

**R 460.2335 Interruptions of service.**

Rule 35. (1) This rule does not apply to service interruptions that result from a utility's shutoff of service due to nonpayment of bills, unauthorized use of gas service, or pursuant to the provisions of R 460.2371 and R 460.2373.

(2) A utility shall make a reasonable effort to prevent interruptions of service and, when such interruptions occur, shall endeavor to reestablish service with the shortest possible delay consistent with the safety of its customers, its employees and others engaged in work for the utility, and the general public. If service is necessarily interrupted for the purpose of working on the distribution system or plant equipment, it must be done at a time that causes the least inconvenience to customers, and those customers who may be seriously affected shall be notified in advance.

(3) If the supply of gas diminishes to the point where continuous service to customers is threatened, the utility may limit or

**Annual Administrative Code Supplement**  
**2020 Edition**

shut off service to its customers pursuant to curtailment procedures approved by the commission.

(4) A utility shall keep records of reportable outages on its entire system or in major divisions or operating districts of its system. The records must include a statement of the time, duration, and cause of the interruption. A utility shall report interruptions of service, as required by R 460.20101 to R 460.20606 and shall periodically make an analysis of the records to determine steps to be taken to prevent the recurrence of these interruptions.

History: 1979 AC; 1993 AACs; 2020 MR 17, Eff. Sept. 3, 2020.

**PART 4. ENGINEERING**

**R 460.2341 Gas facilities; construction and installation.**

Rule 41. (1) Gas facilities of a utility must be constructed and installed pursuant to accepted engineering practices in the gas industry and R 460.20101 to R 460.20606 to ensure, to the extent reasonably practicable, continuity of service, uniformity in the quality of service provided, and the safety of persons and property.

(2) All new meters must conform to 1 of the following standards adopted by reference in R 460.2344:

(a) American National Standards Institute (ANSI) B109.1-2019 for Diaphragm-Type Gas Displacement Meters (Under 500 Cubic Feet per Hour Capacity).

(b) ANSI B109.2-2000 (R2008) for Diaphragm-Type Gas Displacement Meters (500 Cubic Feet per Hour Capacity and Over).

(c) ANSI B109.3-2019 for Rotary Type Gas Displacement Meters.

(d) AGA Report No. 3, Orifice Metering of Natural Gas Part 2: Specifications and Installation Requirements.

(e) AGA Report No. 7, Measurement of Gas by Turbine Meter.

(f) AGA Report No. 9, Measurement of Gas by Multipath Ultrasonic Meters.

(g) AGA Report No. 11, Measurement of Natural Gas by Coriolis Meter, Second Edition.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2342 Rescinded.**

History: 1979 AC; 1993 AACs; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2343**

**Source:** 1993 AACs.

**R 460.2344 Adoption of standards by reference.**

Rule 44. (1) The publications and standards listed in this rule are adopted by reference and are a part of these rules. Publications identified as published by a specific organization are available from the organization at the address specified in this rule. All prices are current at the time of the adoption of these rules. The commission also has copies of the publications available for inspection and distribution at its offices located at 7109 W. Saginaw Highway, Lansing, Michigan 48917 at a cost of 10 cents per page unless otherwise specified in this rule.

(2) The numbers in parentheses following the publications adopted by reference indicate the applicable editions.

(a) The current edition of the Michigan gas safety standards, which is available online at [www.michigan.gov/mpsc](http://www.michigan.gov/mpsc) or may be ordered from the Michigan public service commission. \$61.49.

(b) The following publications of the American Gas Association (AGA), available from the American Gas Association, 400 North Capitol Street, NW, Suite 450, Washington, DC 20001, 202-824-7000, [www.aga.org](http://www.aga.org):

(i) "Manual for the Determination of Supercompressibility Factors, PRCI Project NX-19," (1970) AGA Catalog No. L00340. \$149.00.

(ii) AGA Report No. 8, Part 1, "Thermodynamic Properties of Natural Gas and Related Gases, DETAIL and GROSS Equations of State." (2017) AGA Catalog No. XQ1704-1. \$320.00.

(iii) AGA Report No. 3, "Orifice Metering of Natural Gas Part 1: General Equations and Uncertainty Guidelines." (2013, includes errata) AGA Catalog No. XQ1201. \$168.00.

(iv) AGA Report No. 3, Part 2, "Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids – Concentric, Square-edged Orifice Meters, Specifications and Installation Requirements." (2017, includes errata) AGA Catalog No. XQ1601. \$168.00.

(v) AGA Report No. 3, "Orifice Metering of Natural Gas Part 3: Natural Gas Applications." (2013) AGA Catalog No. XQ1304. \$148.00.

(vi) AGA Report No. 3, "Orifice Metering of Natural Gas Part 4: Background, Development, Implementation Procedures." (1992) AGA Catalog No. XQ9211. \$148.00.

(vii) American National Standards Institute (ANSI) B109.1-2019, "Diaphragm-Type Gas Displacement Meters, Under 500

**Annual Administrative Code Supplement**  
**2020 Edition**

Cubic Feet per Hour Capacity.” AGA Catalog No. X61902. \$110.00.

(viii) ANSI B109.2-2000 (R2008), “Diaphragm-Type Gas Displacement Meters, 500 Cubic Feet per Hour Capacity and Over.” AGA Catalog No. XQ0009. \$110.00.

(ix) ANSI B109.3-2019, “Rotary Type Gas Displacement Meters.” (2000) AGA Catalog No. XM1901. \$110.00.

(x) AGA Report No. 7, “Measurement of Gas by Turbine Meter.” (2006) AGA Catalog No. XQ0601. \$352.00.

(xi) AGA Report No. 9, “Measurement of Gas by Multigraph Ultrasonic Meters.” (2017) AGA Catalog No. XQ1705. \$400.00.

(xii) AGA Report No. 11, “Measurement of Natural Gas by Coriolis Meter, Second Edition.” (2013) AGA Catalog No. XQ1301. \$440.00.

(xiii) National Fuel Gas Code. (2018) AGA Catalog No. Z223118. \$60.00.

(c) The following publications of the American Society for Testing and Materials (ASTM) International available from ASTM International, 100 Barr Harbor Drive, PO Box C700, West Conshohocken, PA, 19428, 610-832-9585, www.astm.org:

(i) ASTM D1826-94, “Standard Test Method for Calorific (Heating) Value of Gases in Natural Gas Range by Continuous Recording Calorimeter.” (2017) ASTM Catalog No. D-1826. \$46.00.

(ii) ASTM D1945-14, “Standard Test Method for Analysis of Natural Gas by Gas Chromatography.” ASTM Catalog No. D-1945. \$52.00.

(iii) ASTM D3588-98, “Standard Practice for Calculating Heating Value, Compressibility Factor, and Relative Density of Gaseous Fuels.” (2017) ASTM Catalog No. D-3588. \$46.00.

(d) The following publications of the American Society for Quality (ASQ) available from American Society for Quality, PO Box 3005, Milwaukee, WI 53201, 800-248-1946, www.asq.org:

(i) ANSI/ASQ Z1.9-2003 (R2018), “Sampling Procedures and Tables for Inspection by Variables for Percent Nonconforming.” \$149.00.

(ii) ANSI/ASQ Z1.4-2003 (R2018), “Sampling Procedures and Tables for Inspection by Attributes.” \$159.00.

(e) American Petroleum Institute (API) Standard 1164 Ed. 2 (2009/R2016), “Pipeline SCADA Security,” available from API Publishing Services, 1220 L Street, NW, Washington DC 20005. \$146.00.

History: 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2345 Security standards.**

Rule 45. Unless otherwise approved by the commission, all utilities utilizing supervisory control and data acquisition systems shall implement API Standard 1164 Ed. 2 (2009/R2016), as adopted by reference in R 460.2344.

History: 2020 MR 17, Eff. Sept. 3, 2020.

**PART 5. METERS METERING EQUIPMENT INSPECTIONS AND TESTS**

**R 460.2351 Meters and associated metering devices; inspections; tests; and records.**

Rule 51. Inspections and tests of meters and associated metering devices must be made by, or on behalf of, each utility as follows:

(a) A meter or an associated metering device that is not included as a part of the meter, or both, must be inspected and tested before being placed in service, and the error must not be -more than 1.0%.

(b) A meter or an associated metering device, or both, must be tested after it is removed from service. These tests must be made before the meter or associated metering device is adjusted, repaired, or retired.

(c) A repaired meter or a meter that is removed from service must be leak-tested before being returned to service, subject to the following requirements:

(i) If tested in the field, a meter must be tested at the actual meter operating pressure of the system.

(ii) If tested in the shop, a meter must be subjected to an internal pressure test of, at a minimum, 3.0 pounds per square inch gauge pressure. In addition, any meter that will operate above 3.0 pounds per square inch gauge pressure must be so marked on the meter and must be subjected to 1 of the following tests:

(A) An internal pressure test of, at a minimum, the manufacturer’s rated operating pressure.

(B) An internal pressure test at 10% above the maximum operating pressure to which the meter could be subjected.

(C) Any suitable test that is approved by the commission.

(iii) During the pressure test, the meter must be checked for leaks by 1 of the following tests:

(A) Immersion test.

(B) Soap test.

(C) Pressure drop test of a type that is approved by the commission.

(d) As part of its rate book, a utility shall file, for commission approval, a statement of its policy with regard to testing meter accuracy upon a customer’s request. In the absence of a filed policy approved by the commission, the utility shall adhere to

**Annual Administrative Code Supplement**  
**2020 Edition**

both of the following provisions:

(i) A utility shall test meter accuracy upon the request of a customer if the customer does not request a test more than once every 2 years and if the customer agrees to accept the results of the test as the basis for determining the difference claimed. A charge must not be made to the customer for the first test in any 5-year period, but if subsequent tests during the same period, for the same customer, show the meter to be within the allowable limits of accuracy, the utility may charge the customer an amount for subsequent tests which is uniform and which does not exceed the utility's direct cost thereof, plus a reasonable charge for administrative overhead. The customer may be present at the test if he or she makes a request before the test.

(ii) A written report must be made to the customer by the utility. The report must state the results of the test. A record of the test must be kept by the utility.

(e) A utility shall make periodic tests of meters, associated devices, and instruments to ensure their accuracy. The tests must be conducted according to the following schedule, unless otherwise approved by the commission. A utility may test meters more frequently than provided in the following schedule without commission approval:

(i) Positive displacement diaphragm-type meters that have capacities of less than 500 cubic feet per hour, not to exceed 123 months.

(ii) Positive displacement diaphragm-type meters that have capacities over 500 cubic feet per hour, not to exceed 87 months.

(iii) Rotary meters that have capacities of less than 15,000 cubic feet per hour, which may be tested in place, not to exceed 51 months.

(iv) Rotary meters that have capacities of 15,000 cubic feet per hour or more, which may be tested in place, not to exceed 27 months.

(v) Other meter types, such as turbine, Coriolis, 4-Path or greater ultrasonic, or other metering technology, which may be tested in place when possible, not to exceed 27 months.

(vi) Orifice meters, 2 times per year with intervals not to exceed 7.5 months.

(vii) Gas instruments, such as base volume, base pressure, and base temperature-correcting devices, must be checked for calibration at intervals that correspond to the schedule for their associated meters. The testing interval must not exceed 51 months.

(viii) Test bottles, deadweight testers, certified test meters, not to exceed 123 months.

(ix) Meter testing systems must be calibrated when first installed and after alterations, damages, or repairs that might affect accuracy. To ensure that the accuracy of a meter testing system is maintained on a continuous basis, a daily leakage test must be made and a weekly accuracy test with a comparison meter of known accuracy must be made. If the test results differ by more than plus or minus 0.5% from the comparison meter, the cause of the error must be determined and necessary corrections must be made before the system is reused. The comparison meter must be checked at an interval of 1 year not to exceed 13 months.

(f) Utilities shall maintain records of meters that have been tested during the preceding calendar year and shall make this information available to the commission upon request. The record must contain all of the following information for each meter tested:

(i) Set year.

(ii) Type of case.

(iii) Manufacturer.

(iv) Customer class, either commercial and industrial or residential.

(v) Results of the meter test.

(vi) Whether the meter was retired and if so the reasons for the retirement.

History: 1979 AC; 1993 AACs; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2351a Statistical quality sampling program for diaphragm-type meters.**

Rule 51a. (1) A utility shall comply with the provisions of R 460.2351, except that a utility that receives approval from the commission may adopt the requirements of this rule for statistical sampling and quality control of in-service diaphragm meters. Statistical sampling and quality control must be supervised by an individual trained in statistical sampling techniques.

(2) A utility may use any of the following statistical quality control programs for meter testing, as adopted by reference in R 460.2344:

(a) ANSI B109.1-2019, "Diaphragm-Type Gas Displacement Meters, Under 500 Cubic Feet per Hour Capacity."

(b) ANSI B109.2-2000 (R2008), "Diaphragm-Type Gas Displacement Meters, 500 Cubic Feet per Hour Capacity and Over."

(c) ANSI/ASQ Z1.9-2003 (R2018), "Sampling Procedures and Tables for Inspection by Variables for Percent Nonconforming."

(d) ANSI/ASQ Z1.4-2003 (R2018), "Sampling Procedures and Tables for Inspection by Attributes."



**Annual Administrative Code Supplement**  
**2020 Edition**

(3) A utility may use an alternative statistical quality sampling program if approved by the commission. An application to use an alternative program must include all of the following information:

- (a) A description of the sampling program that must include all of the following:
  - (i) The type or types of meters subject to the sampling plan.
  - (ii) The frequency of testing.
  - (iii) The procedures to be used for the sampling.
  - (iv) The meter test method to be used.
  - (v) The accuracy of the testing and of the sampling plan.
- (b) An explanation of the reason or reasons for the requested sampling plan.
- (c) An analysis that demonstrates that, with respect to assuring the accuracy of the meters tested, the requested sampling program is at least as effective as the standards listed in subrule (2) of this rule.

(4) Meters for quality control sampling must be separated into homogenous groups by year set and may be further separated by manufacturer, capacity rating, model, case type, diaphragm material, year manufactured, or other distinguishing characteristics. When 1 or more groups established are believed to be too small for practical quality control sampling, they may be combined with another group of similar operating characteristics to establish a larger sampling base. Combined groups must have sample size and acceptance-rejection numbers based on the combined total of meters. Samples must be drawn by a random method that ensures each meter in the group has an equal chance of being selected.

(5) All meter groups, or combined meter groups, must be subject to acceptance or rejection on the basis of the statistical results unless it becomes obvious that the rejected meters are predominantly from 1 identifiable subgroup which may be shown by test data to have been affected by location, age, or other common factors. If this result should occur, the identifiable subgroup may be separated and the remaining meters treated as a new combined group with appropriate sample size and acceptance-rejection numbers.

(6) A meter removed from a customer's premises and tested as part of any business practice not related to the statistical quality control program must be included only in the program's sample if the meter is randomly selected according to subrule (4) of this rule.

(7) Not later than March 1 of each year, utilities shall file a report of the meters that have been tested during the preceding calendar year. The report must include separate sections addressing results for meters tested as part of the statistical quality control program and meters tested as part of routine meter removals or exchanges. The report must detail both of the following:

- (a) All of the following meter characteristics:
  - (i) Set year.
  - (ii) Type of case.
  - (iii) Manufacturer.
  - (iv) Type of diaphragm.
  - (v) Revenue classification, either commercial and industrial or residential.
- (b) The number of meters in each meter class tested and found within the norm and within each 1% variance from norm between 94% accuracy and 106% accuracy. Meters that are slower than 94% and faster than 106% must each be grouped separately. Meters that are determined to be nonregistering must be reported to either have been repaired, tested, and returned to the field, or retired.

History: 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2352 Rescinded.**

History: 1979 AC; 1984 AACS; 1993 AACS; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2353 Retirement of meters.**

Rule 53. (1) Meters must be retired from service whenever abnormal conditions affecting accuracy cannot be corrected for economic or other reasons. Examples of such conditions are basic defects due to manufacture, design, or excessive damage. Meters may also be retired due to obsolescence, unavailability of repair parts, or other reasons.

(2) Notwithstanding the provisions of any other rule, meters that are found to be overregistering must be repaired or replaced within 6 months of the discovery of the error unless a different period is approved by the commission.

History: 1979 AC; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2354 Accuracy of metering equipment; tests; standards.**

Rule 54. (1) A utility shall use the applicable provisions of the standards adopted by reference in R 460.2344 as criteria of accepted practice in testing meters.

(2) Metering equipment must be tested by comparison with the standards that are adopted by reference in R 460.2344.

**Annual Administrative Code Supplement**  
**2020 Edition**

(3) A gas service meter that is repaired or removed from service for any cause must, before installation, be tested and adjusted to be correct within 1% fast or 1% slow.

(4) Every diaphragm-type gas meter must be tested before installation and adjusted, if required, to a meter accuracy of 100% plus or minus 1% at a low flow rate and at a high flow rate so that the numerical difference between the meter accuracy at these 2 flow rates is not more than 1 percentage point. A low flow rate is a flow at 20% to 50% of the rated capacity of the meter. A high flow rate is a flow at 80% to 120% of the rated capacity of the meter. The average meter accuracy of a diaphragm-type meter must be defined as 1/2 the sum of the meter accuracy at the low flow test and at the high flow test.

(5) All recording-type meters or associated instruments that have a timing element that serves to record the time at which the measurement occurs for billing purposes must be adjusted at intervals of not more than 2 years so that the timing element is not in error by more than plus or minus 4 minutes in 24 hours, under laboratory conditions, as set forth in ANSI B109.1-2019, "Diaphragm Type – Gas Displacement Meters, Under 500 Cubic Feet per Hour Capacity", which is adopted by reference in R 460.2344, or by more than plus or minus 10 minutes in 24 hours under field conditions.

History: 1979 AC; 1993 AACs; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2355 Meter shop; design; meter testing system; standards; handling; calibration cards; calibrated orifices.**

Rule 55. (1) A utility shall maintain or designate a meter shop within Michigan for the purpose of inspecting, testing, and repairing meters. The shop must be open for inspection by authorized representatives of the commission at all reasonable times. A utility may obtain approval from the commission to have its meters tested outside of Michigan upon showing, to the satisfaction of the commission, that the meter test facilities so utilized are in compliance with these rules. Records of test results must be maintained in Michigan or the administrative headquarters of the utility.

(2) The area within the meter shop that is used for the testing of meters must be designed so that the meters and meter-testing equipment are protected from drafts and excessive changes in temperature. The meters to be tested must be stored in such a manner that the temperature of the meters is substantially the same as the temperature of the prover.

(3) A utility shall own and maintain, or have access to, a meter-testing system (working standard) of an approved type, subject to all of the following provisions:

(a) Means must be provided to maintain the temperature of the liquid in a meter-testing system at substantially the same level as the ambient temperature in the prover area.

(b) The meter-testing system must be maintained in good condition and in correct adjustment so that it is capable of determining the accuracy of any service meter to plus or minus 0.5%.

(c) A utility may use a properly calibrated test meter or transfer prover or may use a properly designed flow prover for testing meters.

(4) Meter-testing systems (working standards) must be checked by comparison with a secondary standard. Both of the following provisions must be complied with:

(a) At least once every 5 years, bell and flow provers must be checked with a 1-cubic foot bottle or must be calibrated by dimensional measurement or any other test that is approved by the commission. The accuracy of the secondary standard that is used must be traceable to the National Institute of Standards and Technology.

(b) At least once every 10 years, rotary displacement transfer provers must be checked with a standard that has its calibration traceable to the National Institute of Standards and Technology or must be checked by any other suitable test that is approved by the commission.

(5) Extreme care must be exercised in the use and handling of standards to ensure that their accuracy is maintained.

(6) Each standard must have a certificate or calibration card which must be duly signed and dated and which must record the corrections that were required to compensate for errors found on the last test.

(7) A utility shall have properly calibrated orifices to achieve the rates of flow required to test the meters on its system.

History: 1979 AC; 1993 AACs; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2356**

Source: 1993 AACs.

**R 460.2357**

Source: 1993 AACs.

**R 460.2358**

Source: 1979 AC.

**PART 6. BILL ADJUSTMENT; METER ACCURACY**

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.2361 Rescinded.**

History: 1979 AC; 1993 AACS; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2362 Determination of adjustment.**

Rule 62. (1) If the date that the period of inaccurate meter registration began can be determined, that date must be the starting point for calculating an adjustment pursuant to the provisions of R 460.115.

(2) If the date that the period of inaccurate meter registration began cannot be determined, it must be assumed that the inaccuracy existed for a period equal to 1/2 of the time elapsed since the meter was last installed or tested.

(3) The adjustment must be made on the basis of actual monthly consumption, if possible. Otherwise, the average monthly consumption that is determined from the most recent 36 months' consumption data must be used.

History: 1979 AC; 1993 AACS; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2363 Refunds.**

Rule 63. Refunds shall be made to the 2 most recent customers who received service through the meter found to be registering inaccurately. In the case of a previous customer who is no longer a customer of the utility, a notice of the amount of the refund shall be mailed to his or her last known address and the utility shall, upon demand made within 3 months, refund the amount.

History: 1979 AC; 1993 AACS; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2364 Rescinded.**

History: 1979 AC; 1993 AACS; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2365**

**Source:** 1979 AC.

**PART 7. SHUTOFF OF SERVICE**

**R 460.2371 Conditions for establishing gas service; liability; notice and record of inability to establish service; refusal of service to customer using other gaseous fuel; exception; service quality.**

Rule 71. (1) A utility shall establish gas service to a customer's premises in compliance with the Michigan gas safety standards.

(2) The utility shall not be liable for the installation, maintenance, or use of piping or gas utilization equipment that is owned by the customer, nor be held liable for any continuing duty of inspection of piping or equipment.

(3) If the condition of the customer's fuel line is such that service cannot be established, the utility shall notify the customer, in writing, of the reason or reasons that service was not established.

(4) A record must be kept by the utility of all cases where refusal to establish service is made. The record must provide all of the following information:

(a) The name of the customer.

(b) The address or location of the premises.

(c) The date of the test.

(d) The name of the service person.

(e) All changes or rearrangements recommended.

(5) Except in certain commercial and industrial applications that require a standby fuel that is authorized by the utility, the utility shall have the authority to refuse gas service to a customer that uses another gaseous fuel, such as liquefied petroleum gas, in the same building.

(6) A utility shall have a meter reading factor of 85% or more for meters requiring billing reads within the meter reading period pursuant to the approved tariff, including customer reads.

(7) If there is an existing main at a requesting address, a utility shall complete 90% or more of its new service installations within 15 business days of customer payment per tariff requirements and site readiness, or by a later date that is mutually agreed upon between the utility and customer.

History: 1979 AC; 1993 AACS; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2372**

**Source:** 1993 AACS.

**R 460.2373**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 1993 AACS.

**R 460.2374 Rescinded.**

History: 1993 AACS; 2020 MR 17, Eff. Sept. 3, 2020.

**PART 8. GAS QUALITY**

**R 460.2381 Gas purity.**

Rule 81. (1) Gas that is distributed by a utility to a customer must not contain more than 0.3 grains of hydrogen sulfide or more than 20 grains of total sulfur per 100 cubic feet, including the sulfur in any hydrogen sulfide.

(2) Gas that is distributed by a utility to a customer must not contain flammable liquids in quantities that interfere with the normal operation of the customer's equipment.

(3) Gas that is distributed by a utility to a customer must not contain more than 2% carbon dioxide or 5 parts per million oxygen.

(4) Gas that is distributed by a utility to a customer must not contain water in excess of 7 pounds per million cubic feet.

History: 1979 AC; 1993 AACS; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2382 Heating value; authorized variations.**

Rule 82. (1) The heating value of substitute natural gas and mixed gas must be considered as being under the control of the utility. The average heating value on 1 day must not be more than or less than the standard total heating value range set forth in the utility's rules. A utility shall not add air to a gas stream if this results in a heating value that is below 1,000 British thermal units per standard cubic foot.

(2) The average monthly heating value of gas that is supplied by a utility shall be 1,025 British thermal units per standard cubic foot, plus or minus 75 British thermal units. A greater variation may be approved by the commission upon a showing by the utility that the variation will not adversely affect the efficient and satisfactory operation of its customers' gas utilization equipment.

History: 1979 AC; 1993 AACS; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2383 Heating value records; location and accuracy of measuring equipment; frequency of heating value determination.**

Rule 83. (1) A utility shall maintain records of the heating value of the gas it distributes. Heating value test records must be preserved for a minimum of 6 years. A utility shall utilize either the industry standards that are adopted by reference in R 460.2344(d) or other standards that are approved by the commission for heating value determination methods.

(2) Heating value measuring equipment must be installed in suitably located testing stations.

(3) The accuracy of all heating value measuring equipment and the method of making heating value tests must meet the industry standards that are adopted by reference in R 460.2344(d) or must otherwise be approved by the commission. Recording equipment must be tested, at a minimum, annually.

(4) The utility shall determine the heating value of substitute natural gas and mixed gas at a minimum of twice a day and shall make the tests during the periods of the a.m. and p.m. peak demands.

(5) The utility shall determine the heating value of gas at least once a month. A utility that sells gas subject to a thermal adjustment shall determine the heating value at least once a day.

History: 1979 AC; 1993 AACS; 2020 MR 17, Eff. Sept. 3, 2020.

**R 460.2384**

**Source:** 1993 AACS.

**DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**

**PUBLIC SERVICE COMMISSION**

**RESIDENTIAL CONSERVATION PROGRAM STANDARDS**

**R 460.2401**

**Source:** 2017 AACS.

**R 460.2402**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 2017 AACS.

**R 460.2403**

**Source:** 2017 AACS.

**R 460.2404**

**Source:** 2017 AACS.

**R 460.2405**

**Source:** 2017 AACS.

**R 460.2406**

**Source:** 2017 AACS.

**R 460.2407**

**Source:** 2017 AACS.

**R 460.2408**

**Source:** 2017 AACS.

**R 460.2409**

**Source:** 2017 AACS.

**R 460.2410**

**Source:** 2017 AACS.

**R 460.2411**

**Source:** 2017 AACS.

**R 460.2412**

**Source:** 2017 AACS.

**R 460.2413**

**Source:** 2017 AACS.

**R 460.2414**

**Source:** 2017 AACS.

**PRESERVATION OF RECORDS OF ELECTRIC, GAS, AND WATER UTILITIES**

**R 460.2501**

**Source:** 1998-2000 AACS.

**R 460.2502**

**Source:** 1998-2000 AACS.

**R 460.2503**

**Source:** 1998-2000 AACS.

**R 460.2504**

**Source:** 1998-2000 AACS.

**R 460.2505**

**Source:** 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.2506**  
Source: 1998-2000 AACS.

**R 460.2507**  
Source: 1998-2000 AACS.

**R 460.2508**  
Source: 1998-2000 AACS.

**R 460.2509**  
Source: 1998-2000 AACS.

**R 460.2510**  
Source: 1998-2000 AACS.

**R 460.2511**  
Source: 1998-2000 AACS.

**R 460.2512**  
Source: 1998-2000 AACS.

**R 460.2513**  
Source: 1998-2000 AACS.

**R 460.2514**  
Source: 1998-2000 AACS.

**R 460.2515**  
Source: 1998-2000 AACS.

**R 460.2516**  
Source: 1998-2000 AACS.

**R 460.2517**  
Source: 1998-2000 AACS.

**R 460.2518**  
Source: 1998-2000 AACS.

**R 460.2519**  
Source: 1998-2000 AACS.

**R 460.2520**  
Source: 1998-2000 AACS.

**R 460.2521**  
Source: 1998-2000 AACS.

**R 460.2522**  
Source: 1998-2000 AACS.

**R 460.2523**  
Source: 1998-2000 AACS.

**R 460.2524**  
Source: 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.2525**  
Source: 1998-2000 AACS.

**R 460.2526**  
Source: 1998-2000 AACS.

**R 460.2527**  
Source: 1998-2000 AACS.

**R 460.2528**  
Source: 1998-2000 AACS.

**R 460.2529**  
Source: 1998-2000 AACS.

**R 460.2530**  
Source: 1998-2000 AACS.

**R 460.2531**  
Source: 1998-2000 AACS.

**R 460.2532**  
Source: 1998-2000 AACS.

**R 460.2533**  
Source: 1998-2000 AACS.

**R 460.2534**  
Source: 1998-2000 AACS.

**R 460.2535**  
Source: 1998-2000 AACS.

**R 460.2536**  
Source: 1998-2000 AACS.

**R 460.2537**  
Source: 1998-2000 AACS.

**R 460.2538**  
Source: 1998-2000 AACS.

**R 460.2539**  
Source: 1998-2000 AACS.

**R 460.2540**  
Source: 1998-2000 AACS.

**R 460.2541**  
Source: 1998-2000 AACS.

**R 460.2542**  
Source: 1998-2000 AACS.

**R 460.2543**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 1998-2000 AACS.

**R 460.2544**

**Source:** 1998-2000 AACS.

**R 460.2545**

**Source:** 1998-2000 AACS.

**R 460.2546**

**Source:** 1998-2000 AACS.

**R 460.2547**

**Source:** 1998-2000 AACS.

**R 460.2548**

**Source:** 1998-2000 AACS.

**R 460.2549**

**Source:** 1998-2000 AACS.

**R 460.2550**

**Source:** 1998-2000 AACS.

**R 460.2551**

**Source:** 1998-2000 AACS.

**R 460.2552**

**Source:** 1998-2000 AACS.

**R 460.2553**

**Source:** 1998-2000 AACS.

**R 460.2554**

**Source:** 1998-2000 AACS.

**R 460.2555**

**Source:** 1998-2000 AACS.

**R 460.2556**

**Source:** 1998-2000 AACS.

**R 460.2557**

**Source:** 1998-2000 AACS.

**R 460.2558**

**Source:** 1998-2000 AACS.

**R 460.2559**

**Source:** 1998-2000 AACS.

**R 460.2560**

**Source:** 1998-2000 AACS.

**R 460.2561**

**Source:** 1998-2000 AACS.



**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.2562**  
Source: 1998-2000 AACS.

**R 460.2563**  
Source: 1998-2000 AACS.

**R 460.2564**  
Source: 1998-2000 AACS.

**R 460.2565**  
Source: 1998-2000 AACS.

**R 460.2566**  
Source: 1998-2000 AACS.

**R 460.2567**  
Source: 1998-2000 AACS.

**R 460.2568**  
Source: 1998-2000 AACS.

**R 460.2569**  
Source: 1998-2000 AACS.

**R 460.2570**  
Source: 1998-2000 AACS.

**R 460.2571**  
Source: 1998-2000 AACS.

**R 460.2572**  
Source: 1998-2000 AACS.

**R 460.2573**  
Source: 1998-2000 AACS.

**R 460.2574**  
Source: 1998-2000 AACS.

**R 460.2575**  
Source: 1998-2000 AACS.

**R 460.2576**  
Source: 1998-2000 AACS.

**R 460.2577**  
Source: 1998-2000 AACS.

**R 460.2578**  
Source: 1998-2000 AACS.

**R 460.2579**  
Source: 1998-2000 AACS.

**R 460.2580**  
Source: 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.2581**  
Source: 1998-2000 AACS.

**R 460.2582**  
Source: 1998-2000 AACS.

**PUBLIC SERVICE COMMISSION**  
**UNCOLLECTIBLES ALLOWANCE RECOVERY FUNDS**

**PART 1. GENERAL PROVISIONS**

**R 460.2601**  
Source: 2013 AACS.

**R 460.2602**  
Source: 2013 AACS.

**PART 2. UNCOLLECTIBLES ALLOWANCE RECOVERY FUND**

**R 460.2621**  
Source: 2013 AACS.

**R 460.2622**  
Source: 2013 AACS.

**R 460.2623**  
Source: 2013 AACS.

**R 460.2624**  
Source: 2013 AACS.

**R 460.2625**  
Source: 2013 AACS

**RULES AND REGULATIONS GOVERNING ANIMAL CONTACT CURRENT MITIGATION**

**R 460.2701**  
Source: 2007 AACS.

**R 460.2702**  
Source: 2007 AACS.

**R 460.2703**  
Source: 2007 AACS.

**R 460.2704**  
Source: 2007 AACS.

**R 460.2705**  
Source: 2007 AACS.

**R 460.2706**  
Source: 2007 AACS.

**R 460.2707**

**Annual Administrative Code Supplement**  
2020 Edition

Source: 2007 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**PUBLIC SERVICE COMMISSION**

**TECHNICAL STANDARDS FOR ELECTRIC SERVICE**

**PART 1. GENERAL PROVISIONS**

**R 460.3101**

Source: 2019 AACS.

**R 460.3102**

Source: 2019 AACS.

**R 460.3103**

Source: 1983 AACS.

**PART 2. RECORDS AND REPORTS**

**R 460.3201**

Source: 1996 AACS.

**R 460.3202**

Source: 1983 AACS.

**R 460.3203**

Source: 1996 AACS.

**R 460.3204**

Source: 2019 AACS.

**R 460.3205**

Source: 2019 AACS.

**PART 3. METER REQUIREMENTS**

**R 460.3301**

Source: 1996 AACS.

**R 460.3302**

Source: 1997 AACS.

**R 460.3303**

Source: 2019 AACS.

**R 460.3304**

Source: 2019 AACS.

**R 460.3305**

Source: 1996 AACS.

**R 460.3306**

Source: 2008 AACS.

**R 460.3307**

Source: 1997 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.3308**  
Source: 2019 AACS.

**R 460.3309**  
Source: 2019 AACS.

**PART 4. EXTENSION OF SERVICE**

**R 460.3401**  
Source: 2008 AACS.

**R 460.3402**  
Source: 2008 AACS.

**R 460.3403**  
Source: 2008 AACS.

**R 460.3404**  
Source: 2008 AACS.

**R 460.3405**  
Source: 1997 AACS.

**R 460.3406**  
Source: 2008 AACS.

**R 460.3407**  
Source: 2008 AACS.

**R 460.3408**  
Source: 1996 AACS.

**R 460.3409**  
Source: 2019 AACS.

**R 460.3410**  
Source: 1996 AACS.

**R 460.3411**  
Source: 1996 AACS.

**PART 5. CONSTRUCTION, OPERATIONS, AND MAINTENANCE**

**R 460.3501**  
Source: 1983 AACS.

**R 460.3502**  
Source: 1996 AACS.

**R 460.3503**  
Source: 1996 AACS.

**R 460.3504**  
Source: 1996 AACS.

**R 460.3505**  
Source: 1996 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**PART 6. METERING EQUIPMENT INSPECTIONS AND TESTS**

**R 460.3601**  
Source: 1983 AACS.

**R 460.3602**  
Source: 2008 AACS.

**R 460.3603**  
Source: 1983 AACS.

**R 460.3604**  
Source: 1995 AACS.

**R 460.3605**  
Source: 2019 AACS.

**R 460.3606**  
Source: 2019 AACS.

**R 460.3607**  
Source: 2008 AACS.

**R 460.3608**  
Source: 2019 AACS.

**R 460.3609**  
Source: 2008 AACS.

**R 460.3610**  
Source: 2008 AACS.

**R 460.3611**  
Source: 1995 AACS.

**R 460.3612**

**R 460.3613**  
Source: 2019 AACS.

**R 460.3614**  
Source: 1983 AACS.

**R 460.3615**  
Source: 2019 AACS.

**R 460.3616**  
Source: 1983 AACS.

**R 460.3617**  
Source: 1995 AACS.

**R 460.3618**  
Source: 1983 AACS.

**PART 7. STANDARDS OF QUALITY OF SERVICES**

**R 460.3701**  
Source: 1996 AACS.

**R 460.3702**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 1996 AACS.

**R 460.3703**

**Source:** 2019 AACS.

**R 460.3704**

**Source:** 1996 AACS.

**R 460.3705**

**Source:** 1996 AACS.

**PART 8. SAFETY**

**R 460.3801**

**Source:** 1983 AACS.

**R 460.3802**

**Source:** 1996 AACS.

**R 460.3803**

**Source:** 1996 AACS.

**R 460.3804**

**Source:** 1996 AACS.

**PART 9. COMMERCIAL AND INDUSTRIAL STANDARDS AND BILLING PRACTICES**

**R 460.3901**

**Source:** 2008 AACS.

**R 460.3902**

**Source:** 2008 AACS.

**R 460.3903**

**Source:** 2008 AACS.

**R 460.3904**

**Source:** 2008 AACS.

**R 460.3905**

**Source:** 2008 AACS.

**R 460.3906**

**Source:** 2008 AACS.

**R 460.3907**

**Source:** 2008 AACS.

**R 460.3908**

**Source:** 2008 AACS.

**UNIFORM SYSTEM OF ACCOUNTS FOR MAJOR  
AND NONMAJOR ELECTRIC UTILITIES**

**R 460.9001**

**Source:** 2011 AACS.

**R 460.9002**

**Annual Administrative Code Supplement  
2020 Edition**

**Source:** 2011 AACS.

**R 460.9003**

**Source:** 2011 AACS.

**UNIFORM SYSTEM OF ACCOUNTS FOR MAJOR  
AND NONMAJOR ELECTRIC UTILITIES**

**R 460.9019**

**Source:** 1997 AACS.

**UNIFORM SYSTEM OF ACCOUNTS FOR MAJOR  
AND NONMAJOR GAS UTILITIES**

**R 460.9021**

**Source:** 2011 AACS.

**R 460.9022**

**Source:** 2011 AACS.

**UNIFORM SYSTEM OF ACCOUNTS FOR MAJOR  
AND NONMAJOR GAS UTILITIES**

**R 460.9039**

**Source:** 1988 AACS.

**DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**

**PUBLIC SERVICE COMMISSION**

**UNIFORM SYSTEM OF ACCOUNTS FOR CLASS A AND B WATER UTILITIES**

**R 460.9081**

**Source:** 1998-2000 AACS.

**R 460.9099**

**Source:** 1998-2000 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**PUBLIC SERVICE COMMISSION**

**CODE OF CONDUCT**

**PART 1. GENERAL PROVISIONS**

**R 460.10101**

**Source:** 2019 AACS.

**R 460.10102**

**Source:** 2019 AACS.

**PART 2. CROSS-SUBSIDIZATION AND PREFERENTIAL TREATMENT**

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.10103**  
Source: 2019 AACS.

**R 460.10104**  
Source: 2019 AACS.

**R 460.10105**  
Source: 2019 AACS.

**R 460.10106**  
Source: 2019 AACS.

**R 460.10107**  
Source: 2019 AACS.

**PART 3. DISCRIMINATION**

**R 460.10108**  
Source: 2019 AACS.

**PART 4. INFORMATION SHARING**

**R 460.10109**  
Source: 2019 AACS.

**PART 5. REPORTING, OVERSIGHT, AND PENALTIES**

**R 460.10110**  
Source: 2019 AACS.

**R 460.10111**  
Source: 2019 AACS.

**R 460.10112**  
Source: 2019 AACS.

**R 460.10113**  
Source: 2019 AACS.

**SERVICES SUPPLIED BY WATER UTILITIES**

**R 460.13101**  
Source: 2005 AACS.

**R 460.13102**  
Source: 2005 AACS.

**R 460.13103**  
Source: 2005 AACS.

**R 460.13104**  
Source: 2005 AACS.

**R 460.13105**  
Source: 2005 AACS.

**R 460.13106**



**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 2005 AACS.

**R 460.13107**

**Source:** 2005 AACS.

**200. RECORDS AND REPORTS**

**R 460.13201**

**Source:** 2005 AACS.

**R 460.13202**

**Source:** 2005 AACS.

**R 460.13203**

**Source:** 2005 AACS.

**R 460.13204**

**Source:** 2005 AACS.

**R 460.13205**

**Source:** 2005 AACS.

**R 460.13206**

**Source:** 2005 AACS.

**R 460.13207**

**Source:** 2005 AACS.

**300. GENERAL REQUIREMENTS**

**R 460.13301**

**Source:** 2005 AACS.

**R 460.13302**

**Source:** 2005 AACS.

**R 460.13303**

**Source:** 2005 AACS.

**R 460.13304**

**Source:** 2005 AACS.

**R 460.13305**

**Source:** 2005 AACS.

**R 460.13306**

**Source:** 2005 AACS.

**400. CUSTOMER RELATIONS**

**R 460.13401**

**Source:** 2005 AACS.

**R 460.13402**

**Source:** 2005 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.13403**  
Source: 2005 AACS.

**R 460.13404**  
Source: 2005 AACS.

**R 460.13405**  
Source: 2005 AACS.

**R 460.13406**  
Source: 2005 AACS.

**R 460.13407**  
Source: 2005 AACS.

**R 460.13408**  
Source: 2005 AACS.

**R 460.13409**  
Source: 2005 AACS.

**R 460.13410**  
Source: 2005 AACS.

**500. ENGINEERING**

**R 460.13501**  
Source: 2005 AACS.

**R 460.13502**  
Source: 2005 AACS.

**600. METER INSPECITONS AND TESTS**

**R 460.13601**  
Source: 2005 AACS.

**R 460.13602**  
Source: 2005 AACS.

**R 460.13603**  
Source: 2005 AACS.

**R 460.13604**  
Source: 2005 AACS.

**R 460.13605**  
Source: 2005 AACS.

**R 460.13606**  
Source: 2005 AACS.

**700. STANDARDS OF QUALITY OF SERVICES**

**R 460.13701**  
Source: 2005 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.13702**  
Source: 2005 AACS.

**R 460.13703**  
Source: 2005 AACS.

**R 460.13704**  
Source: 2005 AACS.

**R 460.13705**  
Source: 2005 AACS.

**R 460.13706**  
Source: 2005 AACS.

**R 460.13707**  
Source: 2005 AACS.

**MICHIGAN GAS SAFETY CODE**

**PART 1. GENERAL PROVISIONS**

**R 460.14001**  
Source: 1998-2000 AACS.

**R 460.14003**  
Source: 1998-2000 AACS.

**R 460.14004**  
Source: 1998-2000 AACS.

**R 460.14005**  
Source: 1998-2000 AACS.

**R 460.14006**  
Source: 1998-2000 AACS.

**R 460.14008**  
Source: 1998-2000 AACS.

**R 460.14009**  
Source: 1998-2000 AACS.

**R 460.14011**  
Source: 1998-2000 AACS.

**R 460.14012**  
Source: 1998-2000 AACS.

**R 460.14013**  
Source: 1998-2000 AACS.

**R 460.14015**  
Source: 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.14017**  
Source: 1998-2000 AACS.

**R 460.14018**  
Source: 1998-2000 AACS.

**PART 2. ANNUAL REPORTS, INCIDENT REPORTS, AND SAFETY-RELATED CONDITION REPORTS**

**R 460.14021**  
Source: 1998-2000 AACS.

**R 460.14025**  
Source: 1998-2000 AACS.

**R 460.14026**  
Source: 1998-2000 AACS.

**R 460.14027**  
Source: 1998-2000 AACS.

**R 460.14029**  
Source: 1998-2000 AACS.

**R 460.14031**  
Source: 1998-2000 AACS.

**R 460.14033**  
Source: 1998-2000 AACS.

**R 460.14035**  
Source: 1998-2000 AACS.

**R 460.14037**  
Source: 1998-2000 AACS.

**R 460.14038**  
Source: 1998-2000 AACS.

**R 460.14039**  
Source: 1998-2000 AACS.

**R 460.14040**  
Source: 1998-2000 AACS.

**PART 3. SAFETY STANDARDS**

**R 460.14041**  
Source: 1998-2000 AACS.

**R 460.14045**  
Source: 1998-2000 AACS.

**R 460.14047**  
Source: 1998-2000 AACS.

**R 460.14049**  
Source: 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.14051**  
Source: 1998-2000 AACS.

**R 460.14053**  
Source: 1998-2000 AACS.

**R 460.14054**  
Source: 1998-2000 AACS.

**R 460.14057**  
Source: 1998-2000 AACS.

**R 460.14059**  
Source: 1998-2000 AACS.

**PART 4. MATERIALS**

**R 460.14061**  
Source: 1998-2000 AACS.

**R 460.14063**  
Source: 1998-2000 AACS.

**R 460.14064**  
Source: 1998-2000 AACS.

**R 460.14065**  
Source: 1998-2000 AACS.

**R 460.14069**  
Source: 1998-2000 AACS.

**R 460.14073**  
Source: 1998-2000 AACS.

**R 460.14075**  
Source: 1998-2000 AACS.

**PART 5. PIPE DESIGN**

**R 460.14101**  
Source: 1998-2000 AACS.

**R 460.14103**  
Source: 1998-2000 AACS.

**R 460.14105**  
Source: 1998-2000 AACS.

**R 460.14107**  
Source: 1998-2000 AACS.

**R 460.14109**  
Source: 1998-2000 AACS.

**R 460.14111**  
Source: 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.14113**  
Source: 1998-2000 AACS.

**R 460.14115**  
Source: 1998-2000 AACS.

**R 460.14117**  
Source: 1998-2000 AACS.

**R 460.14119**  
Source: 1998-2000 AACS.

**R 460.14121**  
Source: 1998-2000 AACS.

**R 460.14123**  
Source: 1998-2000 AACS.

**R 460.14125**  
Source: 1998-2000 AACS.

**PART 6. PIPELINE COMPONENTS DESIGN**

**R 460.14141**  
Source: 1998-2000 AACS.

**R 460.14143**  
Source: 1998-2000 AACS.

**R 460.14144**  
Source: 1998-2000 AACS.

**R 460.14145**  
Source: 1998-2000 AACS.

**R 460.14147**  
Source: 1998-2000 AACS.

**R 460.14149**  
Source: 1998-2000 AACS.

**R 460.14150**  
Source: 1998-2000 AACS.

**R 460.14151**  
Source: 1998-2000 AACS.

**R 460.14153**  
Source: 1998-2000 AACS.

**R 460.14155**  
Source: 1998-2000 AACS.

**R 460.14157**  
Source: 1998-2000 AACS.

**R 460.14159**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 1998-2000 AACCS.

**R 460.14161**

**Source:** 1998-2000 AACCS.

**R 460.14163**

**Source:** 1998-2000 AACCS.

**R 460.14165**

**Source:** 1998-2000 AACCS.

**R 460.14167**

**Source:** 1998-2000 AACCS.

**R 460.14169**

**Source:** 1998-2000 AACCS.

**R 460.14171**

**Source:** 1998-2000 AACCS.

**R 460.14173**

**Source:** 1998-2000 AACCS.

**R 460.14174**

**Source:** 1998-2000 AACCS.

**R 460.14175**

**Source:** 1998-2000 AACCS.

**R 460.14177**

**Source:** 1998-2000 AACCS.

**R 460.14179**

**Source:** 1998-2000 AACCS.

**R 460.14181**

**Source:** 1998-2000 AACCS.

**R 460.14183**

**Source:** 1998-2000 AACCS.

**R 460.14185**

**Source:** 1998-2000 AACCS.

**R 460.14187**

**Source:** 1998-2000 AACCS.

**R 460.14189**

**Source:** 1998-2000 AACCS.

**R 460.14191**

**Source:** 1998-2000 AACCS.

**R 460.14193**

**Source:** 1998-2000 AACCS.

**R 460.14195**

**Source:** 1998-2000 AACCS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.14197**  
Source: 1998-2000 AACS.

**R 460.14199**  
Source: 1998-2000 AACS.

**R 460.14201**  
Source: 1998-2000 AACS.

**R 460.14203**  
Source: 1998-2000 AACS.

**PART 7. WELDING STEEL IN PIPELINES**

**R 460.14221**  
Source: 1998-2000 AACS.

**R 460.14223**  
Source: 1998-2000 AACS.

**R 460.14225**  
Source: 1998-2000 AACS.

**R 460.14227**  
Source: 1998-2000 AACS.

**R 460.14229**  
Source: 1998-2000 AACS.

**R 460.14230**  
Source: 1998-2000 AACS.

**R 460.14231**  
Source: 1998-2000 AACS.

**R 460.14233**  
Source: 1998-2000 AACS.

**R 460.14235**  
Source: 1998-2000 AACS.

**R 460.14237**  
Source: 1998-2000 AACS.

**R 460.14239**  
Source: 1998-2000 AACS.

**R 460.14241**  
Source: 1998-2000 AACS.

**R 460.14243**  
Source: 1998-2000 AACS.

**R 460.14245**  
Source: 1998-2000 AACS.

**PART 8. JOINING OF MATERIALS OTHER THAN BY WELDING**



**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.14271**  
Source: 1998-2000 AACS.

**R 460.14273**  
Source: 1998-2000 AACS.

**R 460.14275**  
Source: 1998-2000 AACS.

**R 460.14277**  
Source: 1998-2000 AACS.

**R 460.14279**  
Source: 1998-2000 AACS.

**R 460.14281**  
Source: 1998-2000 AACS.

**R 460.14283**  
Source: 1998-2000 AACS.

**R 461.14285**  
Source: 1998-2000 AACS.

**R 460.14287**  
Source: 1998-2000 AACS.

**PART 9. GENERAL CONSTRUCTION REQUIREMENTS FOR TRANSMISSION LINES AND MAINS**

**R 460.14301**  
Source: 1998-2000 AACS.

**R 460.14303**  
Source: 1998-2000 AACS.

**R 460.14305**  
Source: 1998-2000 AACS.

**R 460.14307**  
Source: 1998-2000 AACS.

**R 460.14309**  
Source: 1998-2000 AACS.

**R 460.14311**  
Source: 1998-2000 AACS.

**R 460.14313**  
Source: 1998-2000 AACS.

**R 460.14317**  
Source: 1998-2000 AACS.

**R 460.14319**  
Source: 1998-2000 AACS.

**R 460.14321**  
Source: 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.14323**  
Source: 1998-2000 AACS.

**R 460.14325**  
Source: 1998-2000 AACS.

**R 460.14327**  
Source: 1998-2000 AACS.

**PART 10. CUSTOMER METERS; SERVICE REGULATORS; SERVICE LINES**

**R 460.14351**  
Source: 1998-2000 AACS.

**R 460.14353**  
Source: 1998-2000 AACS.

**R 460.14355**  
Source: 1998-2000 AACS.

**R 460.14357**  
Source: 1998-2000 AACS.

**R 460.14359**  
Source: 1998-2000 AACS.

**R 460.14361**  
Source: 1998-2000 AACS.

**R 460.14363**  
Source: 1998-2000 AACS.

**R 460.14365**  
Source: 1998-2000 AACS.

**R 460.14367**  
Source: 1998-2000 AACS.

**R 460.14369**  
Source: 1998-2000 AACS.

**R 460.14371**  
Source: 1998-2000 AACS.

**R 460.14373**  
Source: 1998-2000 AACS.

**R 460.14375**  
Source: 1998-2000 AACS.

**R 460.14377**  
Source: 1998-2000 AACS.

**R 460.14379**  
Source: 1998-2000 AACS.

**PART 11. CORROSION CONTROL**

- R 460.14451**  
Source: 1998-2000 AACS.
- R 460.14452**  
Source: 1998-2000 AACS.
- R 460.14453**  
Source: 1998-2000 AACS.
- R 460.14454**  
Source: 1998-2000 AACS.
- R 460.14455**  
Source: 1998-2000 AACS.
- R 460.14457**  
Source: 1998-2000 AACS.
- R 460.14459**  
Source: 1998-2000 AACS.
- R 460.14461**  
Source: 1998-2000 AACS.
- R 460.14463**  
Source: 1998-2000 AACS.
- R 460.14465**  
Source: 1998-2000 AACS.
- R 460.14467**  
Source: 1998-2000 AACS.
- R 460.14469**  
Source: 1998-2000 AACS.
- R 460.14471**  
Source: 1998-2000 AACS.
- R 460.14472**  
Source: 1998-2000 AACS.
- R 460.14473**  
Source: 1998-2000 AACS.
- R 460.14475**  
Source: 1998-2000 AACS.
- R 460.14477**  
Source: 1998-2000 AACS.
- R 460.14479**  
Source: 1998-2000 AACS.
- R 460.14481**  
Source: 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.14483**  
Source: 1998-2000 AACS.

**R 460.14485**  
Source: 1998-2000 AACS.

**R 460.14487**  
Source: 1998-2000 AACS.

**R 460.14489**  
Source: 1998-2000 AACS.

**PART 12. TEST REQUIREMENTS**

**R 460.14501**  
Source: 1998-2000 AACS.

**R 460.14503**  
Source: 1998-2000 AACS.

**R 460.14505**  
Source: 1998-2000 AACS.

**R 460.14507**  
Source: 1998-2000 AACS.

**R 460.14509**  
Source: 1998-2000 AACS.

**R 460.14511**  
Source: 1998-2000 AACS.

**R 460.14513**  
Source: 1998-2000 AACS.

**R 460.14515**  
Source: 1998-2000 AACS.

**R 460.14517**  
Source: 1998-2000 AACS.

**PART 13. UPDATING**

**R 460.14551**  
Source: 1998-2000 AACS.

**R 460.14553**  
Source: 1998-2000 AACS.

**R 460.14555**  
Source: 1998-2000 AACS.

**R 460.14557**  
Source: 1998-2000 AACS.

**PART 14. OPERATIONS**

**Annual Administrative Code Supplement**  
**2020 Edition**

- R 460.14601**  
Source: 1998-2000 AACS.
  
- R 460.14603**  
Source: 1998-2000 AACS.
  
- R 460.14605**  
Source: 1998-2000 AACS.
  
- R 460.14606**  
Source: 1998-2000 AACS.
  
- R 460.14607**  
Source: 1998-2000 AACS.
  
- R 460.14609**  
Source: 1998-2000 AACS.
  
- R 460.14611**  
Source: 1998-2000 AACS.
  
- R 460.14613**  
Source: 1998-2000 AACS.
  
- R 460.14614**  
Source: 1998-2000 AACS.
  
- R 460.14615**  
Source: 1998-2000 AACS.
  
- R 460.14616**  
Source: 1998-2000 AACS.
  
- R 460.14617**  
Source: 1998-2000 AACS.
  
- R 460.14619**  
Source: 1998-2000 AACS.
  
- R 460.14621**  
Source: 1998-2000 AACS.
  
- R 460.14623**  
Source: 1998-2000 AACS.
  
- R 460.14625**  
Source: 1998-2000 AACS.
  
- R 460.14627**  
Source: 1998-2000 AACS.
  
- R 460.14629**  
Source: 1998-2000 AACS.
  
- R 460.14630**  
Source: 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**PART 15. MAINTENANCE**

- R 460.14701**  
Source: 1998-2000 AACS.
- R 460.14703**  
Source: 1998-2000 AACS.
- R 460.14705**  
Source: 1998-2000 AACS.
- R 460.14706**  
Source: 1998-2000 AACS.
- R 460.14707**  
Source: 1998-2000 AACS.
- R 460.14709**  
Source: 1998-2000 AACS.
- R 460.14711**  
Source: 1998-2000 AACS.
- R 460.14713**  
Source: 1998-2000 AACS.
- R 460.14715**  
Source: 1998-2000 AACS.
- R 460.14717**  
Source: 1998-2000 AACS.
- R 460.14719**  
Source: 1998-2000 AACS.
- R 460.14721**  
Source: 1998-2000 AACS.
- R 460.14723**  
Source: 1998-2000 AACS.
- R 460.14725**  
Source: 1998-2000 AACS.
- R 460.14727**  
Source: 1998-2000 AACS.
- R 460.14729**  
Source: 1998-2000 AACS.
- R 460.14731**  
Source: 1998-2000 AACS.
- R 460.14733**  
Source: 1998-2000 AACS.
- R 460.14735**  
Source: 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.14736**  
Source: 1998-2000 AACS.

**R 460.14737**  
Source: 1998-2000 AACS.

**R 460.14739**  
Source: 1998-2000 AACS.

**R 460.14741**  
Source: 1998-2000 AACS.

**R 460.14743**  
Source: 1998-2000 AACS.

**R 460.14745**  
Source: 1998-2000 AACS.

**R 460.14747**  
Source: 1998-2000 AACS.

**R 460.14749**  
Source: 1998-2000 AACS.

**R 460.14751**  
Source: 1998-2000 AACS.

**R 460.14753**  
Source: 1998-2000 AACS.

**R 460.14755**  
Source: 1998-2000 AACS.

**PART 16. RECORDS AND REPORTS**

**R 460.14801**  
Source: 1998-2000 AACS.

**R 460.14803**  
Source: 1998-2000 AACS.

**R 460.14805**  
Source: 1998-2000 AACS.

**PART 19. APPENDIXES AND RESCISSION**

**R 460.14901**  
Source: 1998-2000 AACS.

**R 460.14902**  
Source: 1998-2000 AACS.

**R 460.14903**  
Source: 1998-2000 AACS.

**R 460.14904**  
Source: 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.14905**  
Source: 1998-2000 AACS.

**R 460.14906**  
Source: 1998-2000 AACS.

**R 460.14909**  
Source: 1998-2000 AACS.

**R 460.14910**  
Source: 1998-2000 AACS.

**R 460.14911**  
Source: 1998-2000 AACS.

**R 460.14912**  
Source: 1998-2000 AACS.

**R 460.14921**  
Source: 1998-2000 AACS.

**R 460.14922**  
Source: 1998-2000 AACS.

**R 460.14923**  
Source: 1998-2000 AACS.

**R 460.14924**  
Source: 1998-2000 AACS.

**R 460.14931**  
Source: 1998-2000 AACS.

**R 460.14941**  
Source: 1998-2000 AACS.

**R 460.14959**  
Source: 1998-2000 AACS.

**R 460.14961**  
Source: 1998-2000 AACS.

**R 460.14965**  
Source: 1998-2000 AACS.

**R 460.14966**  
Source: 1998-2000 AACS.

**R 460.14967**  
Source: 1998-2000 AACS.

**R 460.14999**  
Source: 1998-2000 AACS.

**DEPARTMENT OF STATE POLICE**  
**MOTOR CARRIER DIVISION**



**Annual Administrative Code Supplement**  
2020 Edition

**MOTOR CARRIER SAFETY**

**PART 1. GENERAL PROVISIONS**

- R 460.16101**  
Source: 1997 AACS.
- R 460.16105**  
Source: 1997 AACS.
- R 460.16110**  
Source: 1997 AACS.
- R 460.16112**  
Source: 1997 AACS.
- R 460.16114**  
Source: 1997 AACS.
- R 460.16115**  
Source: 1997 AACS.
- R 460.16120**  
Source: 1997 AACS.

**PART 2. QUALIFICATIONS OF DRIVERS**

- R 460.16201**  
Source: 1997 AACS.
- R 460.16202**  
Source: 1997 AACS.
- R 460.16203**  
Source: 1997 AACS.
- R 460.16204**  
Source: 1997 AACS.

**QUALIFICATION AND DISQUALIFICATION OF DRIVERS**

- R 460.16205**  
Source: 1997 AACS.
- R 460.16205a**  
Source: 1997 AACS.
- R 460.16206**  
Source: 1997 AACS.
- R 460.16207**  
Source: 1997 AACS.
- R 460.16208**  
Source: 1997 AACS.
- R 460.16209**  
Source: 1997 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.16210**  
Source: 1997 AACS.

**R 460.16211**  
Source: 1997 AACS.

**R 460.16212**  
Source: 1997 AACS.

**R 460.16213**  
Source: 1997 AACS.

**R 460.16214**  
Source: 1997 AACS.

**R 460.16215**  
Source: 1997 AACS.

**R 460.16216**  
Source: 1997 AACS.

**R 460.16217**  
Source: 1997 AACS.

**R 460.16218**  
Source: 1997 AACS.

**R 460.16218a**  
Source: 1997 AACS.

**R 460.16218b**  
Source: 1997 AACS.

**FILES AND RECORDS**

**R 460.16219**  
Source: 1997 AACS.

**R 460.16220**  
Source: 1997 AACS.

**R 460.16221**  
Source: 1997 AACS.

**R 460.16222**  
Source: 1997 AACS.

**R 460.16223**  
Source: 1997 AACS.

**PART 3. DRIVING OF MOTOR VEHICLES**

**R 460.16301**  
Source: 1997 AACS.

**R 460.16302**  
Source: 1997 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.16303**  
Source: 1997 AACS.

**R 460.16304**  
Source: 1997 AACS.

**R 460.16305**  
Source: 1997 AACS.

**R 460.16306**  
Source: 1997 AACS.

**R 460.16307**  
Source: 1997 AACS.

**R 460.16308**  
Source: 1997 AACS.

**R 460.16309**  
Source: 1997 AACS.

**R 460.16310**  
Source: 1997 AACS.

**R 460.16311**  
Source: 1997 AACS.

**R 460.16312**  
Source: 1997 AACS.

**R 460.16313**  
Source: 1997 AACS.

**R 460.16314**  
Source: 1997 AACS.

**R 460.16315**  
Source: 1997 AACS.

**R 460.16316**  
Source: 1997 AACS.

**R 460.16317**  
Source: 1997 AACS.

**R 460.16318**  
Source: 1997 AACS.

**R 460.16319**  
Source: 1997 AACS.

**R 460.16320**  
Source: 1997 AACS.

**R 460.16321**  
Source: 1997 AACS.

**R 460.16322**  
Source: 1997 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.16323**  
Source: 1997 AACS.

**R 460.16324**  
Source: 1997 AACS.

**USE OF LIGHTED LAMPS AND REFLECTORS**

**R 460.16325**  
Source: 1997 AACS.

**R 460.16326**  
Source: 1997 AACS.

**R 460.16327**  
Source: 1997 AACS.

**R 460.16328**  
Source: 1997 AACS.

**R 460.16329**  
Source: 1997 AACS.

**R 460.16330**  
Source: 1997 AACS.

**R 460.16331**  
Source: 1997 AACS.

**R 460.16332**  
Source: 1997 AACS.

**R 460.16333**  
Source: 1997 AACS.

**R 460.16334**  
Source: 1997 AACS.

**R 460.16335**  
Source: 1997 AACS.

**R 460.16335a**  
Source: 1997 AACS.

**R 460.16336**  
Source: 1997 AACS.

**R 460.16337**  
Source: 1997 AACS.

**R 460.16338**  
Source: 1997 AACS.

**PART 4. PARTS AND ACCESSORIES FOR SAFE OPERATION**

**R 460.16401**  
Source: 1997 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.16402**  
Source: 1997 AACS.

**R 460.16403**  
Source: 1997 AACS.

**R 460.16404**  
Source: 1997 AACS.

**R 460.16405**  
Source: 1997 AACS.

**R 460.16406**  
Source: 1997 AACS.

**R 460.16407**  
Source: 1997 AACS.

**R 460.16408**  
Source: 1997 AACS.

**R 460.16409**  
Source: 1997 AACS.

**R 460.16410**  
Source: 1997 AACS.

**R 460.16411**  
Source: 1997 AACS.

**R 460.16412**  
Source: 1997 AACS.

**R 460.16413**  
Source: 1997 AACS.

**R 460.16414**  
Source: 1997 AACS.

**R 460.16415**  
Source: 1997 AACS.

**R 460.16416**  
Source: 1997 AACS.

**R 460.16417**  
Source: 1997 AACS.

**R 460.16418**  
Source: 1997 AACS.

**R 460.16419**  
Source: 1997 AACS.

**R 460.16420**  
Source: 1997 AACS.

**R 460.16421**  
Source: 1997 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.16422**  
Source: 1997 AACS.

**R 460.16423**  
Source: 1997 AACS.

**R 460.16424**  
Source: 1997 AACS.

**R 460.16425**  
Source: 1997 AACS.

**R 460.16426**  
Source: 1997 AACS.

**R 460.16427**  
Source: 1997 AACS.

**R 460.16428**  
Source: 1997 AACS.

**R 460.16429**  
Source: 1997 AACS.

**R 460.16430**  
Source: 1997 AACS.

**R 460.16431**  
Source: 1997 AACS.

**R 460.16432**  
Source: 1997 AACS.

**R 460.16433**  
Source: 1997 AACS.

**R 460.16434**  
Source: 1997 AACS.

**R 460.16435**  
Source: 1997 AACS.

**R 460.16436**  
Source: 1997 AACS.

**GLAZING AND WINDOW CONSTRUCTION**

**R 460.16437**  
Source: 1997 AACS.

**R 460.16438**  
Source: 1997 AACS.

**R 460.16439**  
Source: 1997 AACS.

**R 460.16440**  
Source: 1997 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.16441**  
Source: 1997 AACS.

**R 460.16442**  
Source: 1997 AACS.

**R 460.16443**  
Source: 1997 AACS.

**MISCELLANEOUS PARTS AND ACCESSORIES**

**R 460.16444**  
Source: 1997 AACS.

**R 460.16445**  
Source: 1997 AACS.

**R 460.16446**  
Source: 1997 AACS.

**R 460.16447**  
Source: 1997 AACS.

**R 460.16448**  
Source: 1997 AACS.

**R 460.16449**  
Source: 1997 AACS.

**R 460.16450**  
Source: 1997 AACS.

**R 460.16451**  
Source: 1997 AACS.

**R 460.16452**  
Source: 1997 AACS.

**R 460.16453**  
Source: 1997 AACS.

**R 460.16454**  
Source: 1997 AACS.

**R 460.16455**  
Source: 1997 AACS.

**R 460.16456**  
Source: 1997 AACS.

**R 460.16457**  
Source: 1997 AACS.

**R 460.16458**  
Source: 1997 AACS.

**Annual Administrative Code Supplement**  
2020 Edition

**EMERGENCY EQUIPMENT**

**R 460.16459**  
Source: 1997 AACS.

**PROTECTION AGAINST SHIFTING OR FALLING CARGO**

**R 460.16460**  
Source: 1997 AACS.

**R 460.16461**  
Source: 1997 AACS.

**R 460.16462**  
Source: 1997 AACS.

**R 460.16463**  
Source: 1997 AACS.

**PART 5. NOTIFICATION, REPORTING, AND RECORDING OF ACCIDENTS**

**R 460.16501**  
Source: 1997 AACS.

**R 460.16510**  
Source: 1997 AACS.

**R 460.16515**  
Source: 1997 AACS.

**R 460.16520**  
Source: 1997 AACS.

**R 460.16525**  
Source: 1997 AACS.

**R 460.16530**  
Source: 1997 AACS.

**PART 6. HOURS OF SERVICE OF DRIVERS**

**R 460.16601**  
Source: 1997 AACS.

**R 460.16605**  
Source: 1997 AACS.

**R 460.16610**  
Source: 1997 AACS.

**R 460.16615**  
Source: 1997 AACS.

**R 460.16620**  
Source: 1997 AACS.

**R 460.16625**  
Source: 1997 AACS.



**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.16630**  
Source: 1997 AACS.

**R 460.16635**  
Source: 1997 AACS.

**R 460.16640**  
Source: 1997 AACS.

**R 460.16645**  
Source: 1997 AACS.

**PART 7. INSPECTION AND MAINTENANCE**

**R 460.16701**  
Source: 1997 AACS.

**R 460.16705**  
Source: 1997 AACS.

**R 460.16710**  
Source: 1997 AACS.

**R 460.16715**  
Source: 1997 AACS.

**R 460.16720**  
Source: 1997 AACS.

**R 460.16725**  
Source: 1997 AACS.

**R 460.16730**  
Source: 1997 AACS.

**R 460.16735**  
Source: 1997 AACS.

**R 460.16740**  
Source: 1997 AACS.

**PART 8. TRANSPORTATION OF HAZARDOUS MATERIALS; DRIVING AND PARKING RULES**

**R 460.16801**  
Source: 1997 AACS.

**R 460.16810**  
Source: 1997 AACS.

**R 460.16815**  
Source: 1997 AACS.

**R 460.16820**  
Source: 1997 AACS.

**R 460.16825**  
Source: 1997 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.16830**  
Source: 1997 AACS.

**R 460.16835**  
Source: 1997 AACS.

**R 460.16840**  
Source: 1997 AACS.

**R 460.16845**  
Source: 1997 AACS.

**R 460.16850**  
Source: 1997 AACS.

**R 460.16855**  
Source: 1997 AACS.

**R 460.16860**  
Source: 1997 AACS.

**R 460.16865**  
Source: 1997 AACS.

**R 460.16870**  
Source: 1997 AACS.

**PART 9. APPENDIX A**

**R 460.16901**  
Source: 1997 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**  
**PUBLIC SERVICE COMMISSION**  
**PRACTICE AND PROCEDURE BEFORE THE COMMISSION**

**PART 1. GENERAL PROVISIONS**

**R 460.17101**  
Source: 2015 AACS.

**R 460.17103**  
Source: 2015 AACS.

**R 460.17105**  
Source: 2015 AACS.

**R 460.17107**  
Source: 2015 AACS.

**R 460.17109**  
Source: 2015 AACS.

**R 460.17111**  
Source: 2015 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.17113**  
Source: 2015 AACS.

**R 460.17115**  
Source: 2015 AACS.

**R 460.17117**  
Source: 1992 AACS.

**PART 2. INTERVENTIONS**

**R 460.17201**  
Source: 2015 AACS.

**R 460.17203**  
Source: 2015 AACS.

**R 460.17205**  
Source: 2015 AACS.

**R 460.17207**  
Source: 2015 AACS.

**R 460.17209**  
Source: 2015 AACS.

**R 460.17301**  
Source: 2015 AACS.

**R 460.17303**  
Source: 2015 AACS.

**R 460.17305**  
Source: 2015 AACS.

**R 460.17307**  
Source: 2015 AACS.

**R 460.17309**  
Source: 2015 AACS.

**R 460.17311**  
Source: 2015 AACS.

**R 460.17313**  
Source: 2015 AACS.

**R 460.17315**  
Source: 2015 AACS.

**R 460.17317**  
Source: 2015 AACS.

**R 460.17319**  
Source: 2015 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.17321**  
Source: 2015 AACS.

**R 460.17323**  
Source: 2015 AACS.

**R 460.17325**  
Source: 2015 AACS.

**R 460.17327**  
Source: 2015 AACS.

**R 460.17329**  
Source: 2015 AACS.

**R 460.17331**  
Source: 2015 AACS.

**R 460.17333**  
Source: 2015 AACS.

**R 460.17335**  
Source: 2015 AACS.

**R 460.17337**  
Source: 2015 AACS.

**R 460.17339**  
Source: 2015 AACS.

**R 460.17341**  
Source: 2015 AACS.

**R 460.17401**  
Source: 2015 AACS.

**R 460.17403**  
Source: 2015 AACS.

**R 460.17405**  
Source: 2015 AACS.

**R 460.17501**  
Source: 2015 AACS.

**R 460.17503**  
Source: 2015 AACS.

**R 460.17505**  
Source: 2015 AACS.

**R 460.17507**  
Source: 2015 AACS.

**R 460.17509**  
Source: 2015 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.17511**  
Source: 2015 AACS.

**R 460.17513**  
Source: 2015 AACS.

**R 460.17515**  
Source: 2015 AACS.

**R 460.17601**  
Source: 2015 AACS.

**R 460.17603**  
Source: 1997 AACS.

**R 460.17605**  
Source: 1997 AACS.

**R 460.17607**  
Source: 1997 AACS.

**PART 7. DECLARATORY RULINGS**

**R 460.17701**  
Source: 2015 AACS.

**DEPARTMENT OF STATE POLICE**

**COMMERCIAL VEHICLE ENFORCEMENT DIVISION**

**MOTOR CARRIERS**

**PART 1. GENERAL PROVISIONS**

**R 460.18101**  
Source: 2018 AACS.

**R 460.18105**  
Source: 2018 AACS.

**R 460.18106**  
Source: 2018 AACS.

**R 460.18199**  
Source: 2018 AACS.

**PART 2. APPLICATION FOR CARRIER CERTIFICATE OF AUTHORITY**

**R 460.18201**  
Source: 2018 AACS.

**R 460.18202**  
Source: 2018 AACS.

**R 460.18203**  
Source: 2018 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.18204**  
Source: 2018 AACS.

**R 460.18205**  
Source: 2018 AACS.

**R 460.18206**  
Source: 2018 AACS.

**R 460.18207**  
Source: 1997 AACS.

**R 460.18208**  
Source: 2018 AACS.

**R 460.18209**  
Source: 2018 AACS.

**R 460.18212**  
Source: 2018 AACS.

**PART 3. MODIFIED PROCEDURE**

**R 460.18301**  
Source: 2018 AACS.

**R 460.18302**  
Source: 2018 AACS.

**R 460.18303**  
Source: 2018 AACS.

**R 460.18304**  
Source: 2018 AACS.

**R 460.18307**  
Source: 2018 AACS.

**R 460.18308**  
Source: 2018 AACS.

**PART 4. AUTHORITY AND PERMITS**

**R 460.18401**  
Source: 2018 AACS.

**R 460.18402**  
Source: 2018 AACS.

**R 460.18403**  
Source: 2018 AACS.

**R 460.18404**  
Source: 2018 AACS.

**R 460.18405**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 2018 AACS.

**R 460.18406**

**Source:** 2018 AACS.

**R 460.18407**

**Source:** 1984 AACS.

**R 460.18408**

**Source:** 2018 AACS.

**R 460.18409**

**Source:** 2018 AACS.

**R 460.18410**

**Source:** 2018 AACS.

**R 460.18411**

**Source:** 2018 AACS.

**R 460.18412**

**Source:** 2018 AACS.

**R 460.18413**

**Source:** 2018 AACS.

**PART 5. IDENTIFICATION OF VEHICLE**

**R 460.18501**

**Source:** 2018 AACS.

**R 460.18502**

**Source:** 2018 AACS.

**R 460.18503**

**Source:** 2018 AACS.

**R 460.18504**

**Source:** 2018 AACS.

**R 460.18505**

**Source:** 2018 AACS.

**PART 6. TRANSFER OF AUTHORITY**

**R 460.18601**

**Source:** 2018 AACS.

**R 460.18602**

**Source:** 2018 AACS.

**R 460.18603**

**Source:** 2018 AACS.

**R 460.18604**

**Source:** 2018 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.18605**  
Source: 2018 AACS.

**R 460.18606**  
Source: 2018 AACS.

**R 460.18607**  
Source: 2018 AACS.

**R 460.18609**  
Source: 2018 AACS.

**R 460.18610**  
Source: 2018 AACS.

**R 460.18611**  
Source: 2018 AACS.

**PART 7. SHIPPING DOCUMENTS AND PAYMENT OF FREIGHT CHARGES**

**R 460.18701**  
Source: 2018 AACS.

**R 460.18703**  
Source: 2018 AACS.

**R 460.18705**  
Source: 2018 AACS.

**R 460.18706**  
Source: 2018 AACS.

**R 460.18707**  
Source: 2018 AACS.

**R 460.18708**  
Source: 2018 AACS.

**R 460.18710**  
Source: 2018 AACS.

**R 460.18711**  
Source: 2018 AACS.

**PART 8. ACCOUNTING AND REPORTING PROCEDURES**

**R 460.18801**  
Source: 2018 AACS.

**R 460.18802**  
Source: 2018 AACS.

**PART 9. EMERGENCY-TEMPORARY AND TEMPORARY AUTHORITY**

**R 460.18901**  
Source: 2018 AACS.



**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.18902**  
Source: 2018 AACS.

**R 460.18903**  
Source: 2018 AACS.

**R 460.18904**  
Source: 2018 AACS.

**R 460.18906**  
Source: 2018 AACS.

**R 460.18907**  
Source: 2018 AACS.

**R 460.18909**  
Source: 2018 AACS.

**R 460.18910**  
Source: 2018 AACS.

**R 460.18911**  
Source: 2018 AACS.

**R 460.18912**  
Source: 2018 AACS.

**PART 10. COLLECTIVE RATE MAKING BETWEEN OR AMONG CARRIERS**

**R 460.19001**  
Source: 2018 AACS.

**R 460.19002**  
Source: 2018 AACS.

**R 460.19003**  
Source: 2018 AACS.

**R 460.19004**  
Source: 2018 AACS.

**R 460.19005**  
Source: 2018 AACS.

**R 460.19006**  
Source: 2018 AACS.

**R 460.19007**  
Source: 2018 AACS.

**R 460.19008**  
Source: 2018 AACS.

**R 460.19009**  
Source: 2018 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.19010**  
Source: 2018 AACS.

**R 460.19011**  
Source: 2018 AACS.

**R 460.19012**  
Source: 2018 AACS.

**R 460.19013**  
Source: 2018 AACS.

**R 460.19014**  
Source: 2018 AACS.

**R 460.19016**  
Source: 2018 AACS.

**R 460.19018**  
Source: 2018 AACS.

**R 460.19019**  
Source: 2018 AACS.

**R 460.19020**  
Source: 2018 AACS.

**R 460.19021**  
Source: 2018 AACS.

**R 460.19022**  
Source: 2018 AACS.

**PART 11. INSURANCE**

**R 460.19101**  
Source: 2018 AACS.

**R 460.19102**  
Source: 2018 AACS.

**R 460.19103**  
Source: 2018 AACS.

**R 460.19104**  
Source: 2018 AACS.

**R 460.19105**  
Source: 2018 AACS.

**R 460.19106**  
Source: 2018 AACS.

**PART 12. RATES AND TARIFFS**

**R 460.19201**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 2018 AACS.

**R 460.19202**

**Source:** 2018 AACS.

**R 460.19203**

**Source:** 2018 AACS.

**R 460.19204**

**Source:** 2018 AACS.

**RATE JUSTIFICATION**

**R 460.19205**

**Source:** 2018 AACS.

**R 460.19206**

**Source:** 2018 AACS.

**R 460.19207**

**Source:** 2018 AACS.

**R 460.19209**

**Source:** 2018 AACS.

**R 460.19210**

**Source:** 2018 AACS.

**R 460.19211**

**Source:** 2018 AACS.

**R 460.19212**

**Source:** 2018 AACS.

**R 460.19213**

**Source:** 2018 AACS.

**R 460.19214**

**Source:** 2018 AACS.

**R 460.19215**

**Source:** 2018 AACS.

**R 460.19216**

**Source:** 2018 AACS.

**R 460.19217**

**Source:** 2018 AACS.

**R 460.19218**

**Source:** 1984 AACS.

**R 460.19219**

**Source:** 1984 AACS.

**R 460.19220**

**Annual Administrative Code Supplement**  
**2020 Edition**

Source: 1984 AACS.

**R 460.19221**

Source: 1984 AACS.

**R 460.19222**

Source: 1984 AACS.

**R 460.19223**

Source: 1984 AACS.

**R 460.19224**

Source: 2018 AACS.

**R 460.19225**

Source: 2018 AACS.

**R 460.19226**

Source: 2018 AACS.

**R 460.19227**

Source: 2018 AACS.

**R 460.19228**

Source: 2018 AACS.

**TARIFF COMPILATION**

**R 460.19229**

Source: 2018 AACS.

**R 460.19230**

Source: 2018 AACS.

**R 460.19231**

Source: 2018 AACS.

**R 460.19232**

Source: 2018 AACS.

**R 460.19233**

Source: 2018 AACS.

**R 460.19234**

Source: 2018 AACS.

**R 460.19235**

Source: 2018 AACS.

**R 460.19236**

Source: 2018 AACS.

**R 460.19237**

Source: 2018 AACS.

**R 460.19238**

Source: 2018 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.19239**  
Source: 2018 AACS.

**R 460.19240**  
Source: 2018 AACS.

**R 460.19241**  
Source: 2018 AACS.

**R 460.19242**  
Source: 2018 AACS.

**R 460.19243**  
Source: 2018 AACS.

**R 460.19244**  
Source: 2018 AACS.

**R 460.19245**  
Source: 2018 AACS.

**R 460.19246**  
Source: 2018 AACS.

**R 460.19247**  
Source: 2018 AACS.

**R 460.19248**  
Source: 2018 AACS.

**R 460.19249**  
Source: 2018 AACS.

**R 460.19250**  
Source: 2018 AACS.

**R 460.19251**  
Source: 2018 AACS.

**R 460.19252**  
Source: 2018 AACS.

**R 460.19253**  
Source: 2018 AACS.

**PART 13. FORMS**

**R 460.19301**  
Source: 2018 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**PUBLIC SERVICE COMMISSION**

**Annual Administrative Code Supplement**  
2020 Edition

**GAS SAFETY**

**PART 1. GENERAL PROVISIONS**

**R 460.20101**  
Source: 2014.

**R 460.20102**  
Source: 1998-2000 AACS.

**R 460.20103**  
Source: 1998-2000 AACS.

**R 460.20104**  
Source: 1998-2000 AACS.

**PART 2. SAFETY STANDARDS AND TESTING REQUIREMENTS**

**R 460.20201**  
Source: 2019 AACS.

**R 460.20202**  
Source: 1998-2000 AACS.

**PART 3. ADDITIONAL MINIMUM SAFETY STANDARDS**

**R 460.20301**  
Source: 1998-2000 AACS.

**R 460.20302**  
Source: 2009 AACS.

**R 460.20303**  
Source: 1998-2000 AACS.

**R 460.20304**  
Source: 2019 AACS.

**R 460.20305**  
Source: 1998-2000 AACS.

**R 460.20306**  
Source: 2019 AACS.

**R 460.20307**  
Source: 1998-2000 AACS.

**R 460.20308**  
Source: 2019 AACS.

**R 460.20309**  
Source: 2009 AACS.

**R 460.20310**  
Source: 2019 AACS.

**R 460.20311**  
Source: 1998-2000 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.20312**  
Source: 2019 AACS.

**R 460.20313**  
Source: 2019 AACS.

**R 460.20314**  
Source: 2019 AACS.

**R 460.20315**  
Source: 2014.

**R 460.20316**  
Source: 2019 AACS.

**R 460.20317**  
Source: 2019 AACS.

**R 460.20318**  
Source: 2014.

**R 460.20319**  
Source: 2019 AACS.

**R 460.20320**  
Source: 2009 AACS.

**R 460.20321**  
Source: 2009 AACS.

**R 460.20322**  
Source: 1998-2000 AACS.

**R 460.20323**  
Source: 1998-2000 AACS.

**R 460.20324**  
Source: 1998-2000 AACS.

**R 460.20325**  
Source: 1998-2000 AACS.

**R 460.20326**  
Source: 2019 AACS.

**R 460.20327**  
Source: 2014.

**R 460.20328**  
Source: 1998-2000 AACS.

**R 460.20329**  
Source: 1998-2000 AACS.

**R 460.20330**  
Source: 1998-2000 AACS.

**R 460.20331**  
Source: 2019 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.20332**  
Source: 2019 AACS.

**R 460.20335 M**  
Source: 2019 AACS.

**R 460.20338**  
Source: 2019 AACS.

**PART 4. SOUR GAS PIPELINES**

**R 460.20401**  
Source: 2003 AACS.

**R 460.20402**  
Source: 2010 AACS.

**R 460.20403**  
Source: 2003 AACS.

**R 460.20404**  
Source: 2003 AACS.

**R 460.20405**  
Source: 2010 AACS.

**R 460.20406**  
Source: 2003 AACS.

**R 460.20407**  
Source: 2019 AACS.

**R 460.20408**  
Source: 2010 AACS.

**R 460.20409**  
Source: 2019 AACS.

**R 460.20410**  
Source: 2003 AACS.

**R 460.20411**  
Source: 2003 AACS.

**R 460.20412**  
Source: 2003 AACS.

**R 460.20413**  
Source: 2003 AACS.

**R 460.20414**  
Source: 2003 AACS.

**R 460.20415**  
Source: 2003 AACS.

**R 460.20416**  
Source: 2003 AACS.



**Annual Administrative Code Supplement**  
**2020 Edition**

**R 460.20417**  
Source: 2003 AACS.

**R 460.20418**  
Source: 2003 AACS.

**R 460.20419**  
Source: 2014.

**R 460.20420**  
Source: 2014.

**R 460.20421**  
Source: 2003 AACS.

**R 460.20422**  
Source: 2003 AACS.

**R 460.20423**  
Source: 2003 AACS.

**R 460.20424**  
Source: 2003 AACS.

**R 460.20425**  
Source: 2009 AACS.

**R 460.20426**  
Source: 2003 AACS.

**R 460.20427**  
Source: 2003 AACS.

**R 460.20428**  
Source: 2003 AACS.

**R 460.20429**  
Source: 2003 AACS.

**R 460.20430**  
Source: 2009 AACS.

**R 460.20431**  
Source: 2003 AACS.

**PART 5. RECORDS AND REPORTS**

**R 460.20501**  
Source: 2019 AACS.

**R 460.20502**  
Source: 2019 AACS.

**R 460.20503**  
Source: 2019 AACS.

**R 460.20504**

**Annual Administrative Code Supplement  
2020 Edition**

Source: 2019 AACS.

**PART 6. ADOPTION OF STANDARDS**

**R 460.20601**

Source: 2019 AACS.

**R 460.20602**

Source: 2019 AACS.

**R 460.20603**

Source: 2019 AACS.

**R 460.20604**

Source: 2019 AACS.

**R 460.20605**

Source: 2019 AACS.

**R 460.20606**

Source: 2019 AACS.

**DEPARTMENT OF TRANSPORTATION**

**BUREAU OF URBAN AND PUBLIC TRANSPORTATION**

**MOTOR BUS TRANSPORTATION**

**R 474.1**

Source: 2019 AACS.

**R 474.2**

Source: 2019 AACS.

**R 474.3**

Source: 2019 AACS.

**R 474.4**

Source: 2019 AACS.

**R 474.5**

Source: 2019 AACS.

**R 474.6**

Source: 2019 AACS.

**R 474.7**

Source: 2019 AACS.

**DEPARTMENT OF TRANSPORTATION**

**BUREAU OF URBAN AND PUBLIC TRANSPORTATION**

**STATE RAIL LINE DIVESTITURE**

**R 474.51**

Source: 1998-2000 AACS.

**R 474.52**

**Annual Administrative Code Supplement**  
**2020 Edition**

**Source:** 1998-2000 AACS.

**R 474.53**

**Source:** 1998-2000 AACS.

**R 474.54**

**Source:** 1998-2000 AACS.

**R 474.55**

**Source:** 1998-2000 AACS.

**R 474.56**

**Source:** 1998-2000 AACS.

**R 474.57**

**Source:** 1998-2000 AACS.

**R 474.58**

**Source:** 1998-2000 AACS.

**R 474.59**

**Source:** 1998-2000 AACS.

**DEPARTMENT OF TRANSPORTATION**

**BUREAU OF URBAN AND PUBLIC TRANSPORTATION**

**MOTOR BUS TRANSPORTATION**

**R 474.101**

**Source:** 2018 AACS.

**R 474.102**

**Source:** 2018 AACS.

**R 474.103**

**Source:** 2018 AACS.

**R 474.104**

**Source:** 2018 AACS.

**R 474.105**

**Source:** 2018 AACS.

**R 474.106**

**Source:** 2018 AACS.

**DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**

**PUBLIC SERVICE COMMISSION**

**TELECOMMUNICATION SERVICES**

**PART 1. GENERAL PROVISIONS**

**R 484.1**

**Source:** 2005 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 484.2**  
**Source:** 2005 AACS.

**PART 2. RECORDS AND REPORTS**

**R 484.21**  
**Source:** 2005 AACS.

**R 484.22**  
**Source:** 2005 AACS.

**R 484.23**  
**Source:** 2005 AACS.

**R 484.24**  
**Source:** 2005 AACS.

**PART 3. CUSTOMER RELATIONS**

**R 484.31**  
**Source:** 2005 AACS.

**R 484.32**  
**Source:** 2005 AACS.

**R 484.33**  
**Source:** 2005 AACS.

**R 484.34**  
**Source:** 2005 AACS.

**PART 4. ENGINEERING**

**R 484.41**  
**Source:** 2005 AACS.

**R 484.42**  
**Source:** 2005 AACS.

**R 484.43**  
**Source:** 2005 AACS.

**R 484.44**  
**Source:** 2005 AACS.

**PART 5. MAINTENANCE**

**R 484.51**  
**Source:** 2005 AACS.

**R 484.52**  
**Source:** 2005 AACS.

**R 484.53**  
**Source:** 2005 AACS.

**R 484.54**  
**Source:** 2005 AACS.

**Annual Administrative Code Supplement  
2020 Edition**

**PART 6. QUALITY OF SERVICE**

**R 484.61**

**Source:** 2005 AACS.

**R 484.62**

**Source:** 2005 AACS.

**R 484.63**

**Source:** 2005 AACS.

**R 484.64**

**Source:** 2005 AACS.

**R 484.65**

**Source:** 2005 AACS.

**R 484.66**

**Source:** 2005 AACS.

**R 484.67**

**Source:** 2005 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**PUBLIC SERVICE COMMISSION**

**UNBUNDLED NETWORK ELEMENT AND LOCAL INTERCONNECTION SERVICES**

**PART 1. GENERAL PROVISIONS**

**R 484.71**

**Source:** 2019 AACS.

**R 484.72**

**Source:** 2019 AACS.

**R 484.73**

**Source:** 2019 AACS.

**PART 2. PROVISION OF UNBUNDLED NETWORK ELEMENTS AND LOCAL INTERCONNECTION**

**R 484.74**

**Source:** 2019 AACS.

**R 484.75**

**Source:** 2019 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**PUBLIC SERVICE COMMISSION**

**BASIC LOCAL EXCHANGE SERVICE CUSTOMER MIGRATION**

**PART 1. GENERAL PROVISIONS**

**R 484.81**

**Annual Administrative Code Supplement**  
**2020 Edition**

Source: 2019 AACS.

**R 484.82**

Source: 2019 AACS.

**R 484.83**

Source: 2019 AACS.

**R 484.84**

Source: 2019 AACS.

**PART 2. TRANSFER OF END USER BY PROVIDERS**

**R 484.85**

Source: 2019 AACS.

**R 484.86**

Source: 2019 AACS.

**R 484.87**

Source: 2019 AACS.

the

**R484.88**

Source: 2019 AACS.

**PART 3. REMEDIES, WAIVER, AND GENERAL EXEMPTIONS**

**R 484.89**

Source: 2019 AACS.

**R 484.90**

Source: 2019 AACS.

**OPERATOR SERVICE PROVIDERS**

**R 484.101**

Source: 1996 AACS.

**R 484.102**

Source: 1996 AACS.

**R 484.103**

Source: 1996 AACS.

**R 484.104**

Source: 1996 AACS.

**R 484.105**

Source: 1996 AACS.

**R 484.106**

Source: 1996 AACS.

**R 484.107**

Source: 1996 AACS.

**R 484.108**

Source: 1996 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 484.109**  
Source: 1996 AACS.

**R 484.110**  
Source: 1996 AACS.

**R 484.111**  
Source: 1996 AACS.

**R 484.112**  
Source: 1996 AACS.

**PAYPHONE SERVICE**

**R 484.151**  
Source: 1996 AACS.

**R 484.152**  
Source: 1996 AACS.

**R 484.153**  
Source: 1996 AACS.

**R 484.154**  
Source: 1996 AACS.

**R 484.155**  
Source: 1996 AACS.

**R 484.156**  
Source: 1996 AACS.

**R 484.157**  
Source: 1996 AACS.

**R 484.158**  
Source: 1996 AACS.

**PRIVACY STANDARDS FOR TELECOMMUNICATION SERVICES**

**R 484.201**  
Source: 2011 AACS.

**R 484.202**  
Source: 2011 AACS.

**R 484.203**  
Source: 2011 AACS.

**R 484.204**  
Source: 2011 AACS.

**R 484.205**  
Source: 2011 AACS.

**R 484.206**  
Source: 2011 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 484.207**  
Source: 2011 AACS.

**R 484.208**  
Source: 2011 AACS.

**BILLING STANDARDS FOR BASIC RESIDENTIAL TELECOMMUNICATION SERVICE**

**PART 1. GENERAL PROVISIONS**

**R 484.301**  
Source: 2011 AACS.

**R 484.302**  
Source: 2011 AACS.

**R 484.303**  
Source: 1996 AACS.

**PART 2. PROHIBITED ACTIVITIES**

**R 484.321**  
Source: 2011 AACS.

**R 484.322**  
Source: 2011 AACS.

**PART 3. BILLING AND PAYMENT STANDARDS**

**R 484.331**  
Source: 2011 AACS.

**R 484.332**  
Source: 2011 AACS.

**R 484.333**  
Source: 2011 AACS.

**R 484.334**  
Source: 2011 AACS.

**R 484.335**  
Source: 2011 AACS.

**R 484.336**  
Source: 2011 AACS.

**R 484.337**  
Source: 2011 AACS.

**PART 4. SECURITY DEPOSITS, SERVICE OBLIGATIONS, AND PREPAYMENT OF SERVICES**

**R 484.341**  
Source: 2011 AACS.

**R 484.342**  
Source: 2011 AACS.



**Annual Administrative Code Supplement**  
2020 Edition

**PART 5. CUSTOMER ACCESS TO INFORMATION**

**R 484.351**  
Source: 2011 AACS.

**R 484.352**  
Source: 2011 AACS.

**R 484.353**  
Source: 2011 AACS.

**PART 6. INVESTIGATIONS AND INFORMAL COMPLAINT PROCEDURES**

**R 484.361**  
Source: 2011 AACS.

**R 484.362**  
Source: 2011 AACS.

**PART 7. FORMAL COMPLAINTS**

**R 484.371**  
Source: 2011 AACS.

**R 484.372**  
Source: 2011 AACS.

**R 484.373**  
Source: 2011 AACS.

**PART 8. SHUTOFF OF SERVICE**

**R 484.381**  
Source: 2011 AACS.

**R 484.382**  
Source: 2011 AACS.

**R 484.383**  
Source: 2011 AACS.

**R 484.384**  
Source: 2011 AACS.

**R 484.385**  
Source: 2011 AACS.

**R 484.386**  
Source: 2011 AACS.

**DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**

**PUBLIC SERVICE COMMISSION**

**TELECOMMUNICATION SERVICES**

**PART 1. GENERAL PROVISIONS**

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 484.401**  
Source: 2005 AACS.

**R 484.402**  
Source: 2005 AACS.

**PART 2. RECORDS, REPORTS, AND TARIFFS**

**R 484.421**  
Source: 2005 AACS.

**R 484.422**  
Source: 2005 AACS.

**R 484.423**  
Source: 2005 AACS.

**R 484.424**  
Source: 2005 AACS.

**R 484.425**  
Source: 2005 AACS.

**PART 3. CUSTOMER RELATIONS**

**R 484.431**  
Source: 2005 AACS.

**R 484.434**  
Source: 2005 AACS.

**R 484.435**  
Source: 2005 AACS.

**R 484.438**  
Source: 2005 AACS.

**R 484.439**  
Source: 2005 AACS.

**R 484.440**  
Source: 2005 AACS.

**R 484.440a**  
Source: 2005 AACS.

**R 484.440b**  
Source: 2005 AACS.

**R 484.440c**  
Source: 2005 AACS.

**PART 4. ENGINEERING AND PLANNING**

**R 484.441**  
Source: 2005 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 484.442**  
Source: 2005 AACS.

**R 484.443**  
Source: 2005 AACS.

**R 484.444**  
Source: 2005 AACS.

**R 484.445**  
Source: 2005 AACS.

**R 484.446**  
Source: 2005 AACS.

**PART 5. REPAIR AND INSTALLATION**

**R 484.451**  
Source: 2005 AACS.

**R 484.452**  
Source: 2005 AACS.

**R 484.453**  
Source: 2005 AACS.

**R 484.454**  
Source: 2005 AACS.

**R 484.455**  
Source: 2005 AACS.

**R 484.456**  
Source: 2005 AACS.

**R 484.457**  
Source: 2005 AACS.

**R 484.458**  
Source: 2005 AACS.

**R 484.459**  
Source: 2005 AACS.

**PART 6. MONITORING**

**R 484.460**  
Source: 2005 AACS.

**R 484.461**  
Source: 2005 AACS.

**PART 7. WAIVERS AND EXCEPTIONS**

**R 484.471**

**Annual Administrative Code Supplement  
2020 Edition**

**Source:** 2005 AACS.

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

**DIRECTOR'S OFFICE**

**MICHIGAN CHILDREN'S PROTECTION REGISTRY RULES**

**R 484.501**

**Source:** 2005 AACS.

**R 484.502**

**Source:** 2005 AACS.

**R 484.503**

**Source:** 2005 AACS.

**R 484.504**

**Source:** 2005 AACS.

**R 484.505**

**Source:** 2005 AACS.

**R 484.506**

**Source:** 2005 AACS.

**R 484.507**

**Source:** 2005 AACS.

**R 484.508**

**Source:** 2005 AACS.

**R 484.509**

**Source:** 2005 AACS.

**R 484.510**

**Source:** 2006 AACS.

**R 484.511**

**Source:** 2005 AACS.

**R 484.512**

**Source:** 2005 AACS.

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

**PUBLIC SERVICE COMMISSION**

**TELECOMMUNICATION SERVICES**

**PART 1.GENERAL PROVISIONS**

**R 484.519**

**Source:** 2011 AACS.

**R 484.520**

**Annual Administrative Code Supplement**  
**2020 Edition**

Source: 2011 AACS.

**PART 2. RECORDS, REPORTS, AND TARIFFS**

**R 484.521**  
Source: 2011 AACS.

**R 484.522**  
Source: 2011 AACS.

**R 484.523**  
Source: 2011 AACS.

**R 484.524**  
Source: 2011 AACS.

**R 484.525**  
Source: 2011 AACS.

**PART 3. CUSTOMER RELATIONS**

**R 484.531**  
Source: 2011 AACS.

**R 484.534**  
Source: 2011 AACS.

**R 484.535**  
Source: 2011 AACS.

**R 484.538**  
Source: 2011 AACS.

**R 484.539**  
Source: 2011 AACS.

**R 484.540**  
Source: 2011 AACS.

**R 484.540a**  
Source: 2011 AACS.

**R 484.540b**  
Source: 2011 AACS.

**R 484.540c**  
Source: 2011 AACS.

**PART 4. ENGINEERING AND PLANNING**

**R 484.541**  
Source: 2011 AACS.

**R 484.542**  
Source: 2011 AACS.

**R 484.543**  
Source: 2011 AACS.

**Annual Administrative Code Supplement  
2020 Edition**

**R 484.544**  
Source: 2011 AACS.

**R 484.545**  
Source: 2011 AACS.

**R 484.546**  
Source: 2011 AACS.

**PART 5. REPAIR AND INSTALLATION**

**R 484.551**  
Source: 2011 AACS.

**R 484.552**  
Source: 2011 AACS.

**R 484.553**  
Source: 2011 AACS.

**R 484.554**  
Source: 2011 AACS.

**R 484.555**  
Source: 2011 AACS.

**R 484.556**  
Source: 2011 AACS.

**R 484.557**  
Source: 2011 AACS.

**R 484.558**  
Source: 2011 AACS.

**R 484.559**  
Source: 2011 AACS.

**R 484.560**  
Source: 2011 AACS.

**PART 6. MONITORING**

**R 484.561**  
Source: 2011 AACS.

**R 484.561**  
Source: 2011 AACS.

**PART 7. WAIVERS AND EXCEPTIONS**

**R 484.571**  
Source: 2011 AACS.

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

**PUBLIC SERVICE COMMISSION**

**TELECOMMUNICATION SERVICES – LICENSE TRANSFER PROCEDURES**

**R 484.601**  
Source: 2008 AACS.

**DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH**

**MICHIGAN PUBLIC SERVICE COMMISSION**

**PROCEDURES FOR TELECOMMUNICATIONS ARBITRATIONS AND MEDIATIONS**

**PART 1. GENERAL PROVISIONS**

**R 484.701**  
Source: 2011 AACS.

**R 484.702**  
Source: 2011 AACS.

**PART 2. ARBITRATION**

**R 484.703**  
Source: 2011 AACS.

**R 484.704**  
Source: 2011 AACS.

**R 484.705**  
Source: 2011 AACS.

**R 484.706**  
Source: 2011 AACS.

**PART 3. MEDIATION**

**R 484.707**  
Source: 2011 AACS.

**R 484.708**  
Source: 2011 AACS.

**R 484.709**  
Source: 2011 AACS.

**R 484.710**  
Source: 2011 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**PUBLIC SERVICE COMMISSION**

**EMERGENCY 9-1-1 SERVICE STANDARDS OF TRAINING**

**PART 1: GENERAL PROVISIONS**

**R 484.801**  
Source: 2012 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 484.802**  
Source: 2012 AACS.

**PART 2: TRAINING REQUIREMENTS**

**R 484.803**  
Source: 2012 AACS.

**R 484.804**  
Source: 2012 AACS.

**R 484.805**  
Source: 2012 AACS.

**PART 3: EXCEPTIONS**

**R 484.806**  
Source: 2012 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**PUBLIC SERVICE COMMISSION**

**EMERGENCY 9-1-1 SERVICES MULTILINE TELEPHONE SYSTEMS**

**PART 1. GENERAL PROVISIONS**

**R 484.901**  
Source: 2019 AACS.

**R 484.902**  
Source: 2019 AACS.

**R 484.903**  
Source: 2019 AACS.

**R 484.904**  
Source: 2019 AACS.

**R 484.905**  
Source: 2019 AACS.

**R 484.906**  
Source: 2019 AACS.

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**PUBLIC SERVICE COMMISSION**

**RESPONSIBILITIES OF PROVIDERS OF BASIC LOCAL EXCHANGE SERVICE THAT CEASE TO PROVIDE  
THE SERVICE**

**PART 1. GENERAL PROVISIONS**

**R 484.1001 Applicability.**

Rule 1. These rules apply to providers of basic local exchange service that cease to provide service to any segment of end



**Annual Administrative Code Supplement**  
**2020 Edition**

users or geographic area, go out of business, or withdraw from the state, including the transfer of customers to other providers and the reclaiming of unused telephone numbers.

History: 2018 AACCS; 2020 MR 23, Eff. March 21, 2021.

**R 484.1002 Definitions.**

Rule 2. (1) As used in these rules:

- (a) "Act" means the Michigan telecommunications act, 1991 PA 179, MCL 484.2101 to 484.2603.
  - (b) "Commission" means the Michigan public service commission.
  - (c) "Customer" means the person that is the end subscriber of the retail telecommunications service.
  - (d) "License" means a license to provide basic local exchange service issued pursuant to the act.
  - (e) "Provider" means a person, firm, partnership, corporation, or other entity that provides retail basic local exchange service as defined by section 102(b) of the act.
  - (f) "Reclamation" means the process of removing active and non-active telephone numbers from the inventory of a provider that ceases to provide basic local exchange service.
  - (g) "Wholesale provider" means a person, firm, partnership, corporation, or other entity that provides a resale or local wholesale basic local exchange service product to a provider.
- (2) A term defined in the act that is not defined in this rule has the same meaning when used in these rules.

History: 2018 AACCS; 2020 MR 23, Eff. March 21, 2021.

**R 484.1003 Expiration.**

Rule 3. These rules expire 3 years from the effective date of the rules. The commission may, before the expiration of the rules, promulgate new rules.

History: 2018 AACCS; 2020 MR 23, Eff. March 21, 2021.

**PART 2. RESPONSIBILITIES OF PROVIDERS AND WHOLESALE PROVIDERS INVOLVED IN A  
DISCONNECTION DISPUTE**

**R 484.1004 Attempt at resolution.**

Rule 4. In the case of a billing dispute between a provider and a wholesale provider, the parties shall make a good faith effort to work with each other to determine what portion, if any, of the bill for resale or the purchase of a local wholesale product provided by the wholesale provider to the provider is disputed and which portion is undisputed. The wholesale provider and the provider shall work together to resolve the billing dispute and arrange for payment of the undisputed charges, pursuant to the agreement between the wholesale provider and the provider.

History: 2018 AACCS; 2020 MR 23, Eff. March 21, 2021.

**R 484.1005 Notification of discontinuance.**

Rule 5. (1) When the wholesale provider plans to disconnect a service that will make the provider unable to furnish basic local exchange service to its customers due to a dispute concerning resale or the purchase of a local wholesale product, the wholesale provider shall notify the commission and the provider of this disconnection in writing not less than 45 days from the date of the impending disconnect.

(2) Notice required under subrule (1) of this rule must include, to the extent known by the wholesale provider, but not be limited to, all of the following:

- (a) The name, address, and account number or numbers of the provider.
- (b) The number and type of customers to be disconnected.
- (c) An indication of whether the wholesale provider is furnishing resale service or a local wholesale product.
- (d) The reason for the disconnection.
- (e) A statement or citation describing where the right to disconnect or deny service is found, such as in an interconnection agreement or other contract.
- (f) If the dispute is related to billing and charges, an estimate of the charges owed and amounts of those charges that are disputed and undisputed and the amount required to be repaid to avoid disruption of services.
- (g) The date and time, or range of dates and times, when the wholesale provider intends to discontinue the service.

(3) The wholesale provider shall notify the commission as soon as reasonably practicable but no less than 1 business day before the date of the notice required by the provider under subrule (4) of this rule if the notice to discontinue service to the provider has been modified or withdrawn.

(4) Within 10 business days of receiving notice from the wholesale provider, the provider shall notify all of its affected customers, the governor of the state of Michigan, and the commission of the discontinuance of service pursuant to 47 CFR

**Annual Administrative Code Supplement**  
**2020 Edition**

63.71 (2018) and any other federal rules applicable to discontinuance of basic local exchange service. Notice to the commission must include both of the following:

- (a) A statement of the company's prospective intent for the disposition of its license and any tariffs on file with the commission.
  - (b) A list of customers being served by the provider that may be affected by the discontinuance of service, which must include billing name, billing address, and service telephone number. For non-published numbers, only the NPA-NXX must be provided. The list must also identify end users of the provider that are public utilities, governmental agencies, schools, or medical facilities.
- (5) If the provider fails to provide the notice under subrule (4) of this rule by the 11<sup>th</sup> business day, the commission may post a notice of the discontinuance on its website.
- (6) These rules do not relieve a provider from any obligations it has under section 313 of the act, MCL 484.2313.
- (7) The provider shall contact the commission to provide periodic updates of the status of the disconnection and transition of its customers as requested by commission staff.
- (8) The provider shall return all deposits to customers and shall apply all appropriate credits to customer accounts associated with the discontinued service within 30 days of the discontinuance.

History: 2018 AACCS; 2020 MR 23, Eff. March 21, 2021.

**R 484.1006 Notification of transfer of customer base.**

Rule 6. (1) A provider that is acquiring all or part of a customer base from another provider shall comply with the transfer of customer base notice requirements as set forth in 47 CFR 64.1120(e) (2018) and any other state and federal rules applicable to the transfer of all or part of a customer base. The provider shall submit a copy of this notice to the commission at the same time as it files its application with the federal communications commission.

(2) Notice to the commission must include both of the following:

- (a) A statement of the prospective intent for the disposition of the license and any tariff of the company that is transferring its customer base.
  - (b) The number and type of customers affected by the transfer.
- (3) If the commission considers it necessary to protect the public interest, it may institute a longer period of time for the transition of a customer base to another provider, but not to exceed 60 days in length.

History: 2018 AACCS; 2020 MR 23, Eff. March 21, 2021.

**R 484.1007 Reclamation of telephone numbers.**

Rule 7. (1) Inactive telephone numbers of a provider that ceases to provide service are considered abandoned.

(2) The provider ceasing to provide service shall contact the North American numbering plan administrator, the national number pool administrator, and the national portability administration center regarding the NPA-NXX-Xs affected by the discontinuation of service.

(3) The commission staff shall work with the North American numbering plan administrator, the national number pool administrator, and the national portability administration center to assist in the reclamation of numbering resources.

History: 2018 AACCS; 2020 MR 23, Eff. March 21, 2021.

**R 484.1008 Resolution of disputes between providers.**

Rule 8. If a provider disputes disconnection by another provider, the providers shall follow the appropriate procedures for resolution as set forth in their interconnection agreement and may apply to the commission for resolution as allowable under the act.

History: 2018 AACCS; 2020 MR 23, Eff. March 21, 2021.

**PART 3. REMEDIES**

**R 484.1009 Remedies.**

Rule 9. Violation of these rules may result in penalties issued under section 601 of the act, MCL 484.2601, including, but not limited to, revocation of a license to provide basic local exchange service.

History: 2018 AACCS; 2020 MR 23, Eff. March 21, 2021.

**BANKS**

**PART 1. GENERAL PROVISIONS**

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 487.1101**  
Source: 1998-2000 AACS.

**R 487.1102**  
Source: 1998-2000 AACS.

**PART 2. ADMINISTRATION**

**R 487.1201**  
Source: 1998-2000 AACS.

**R 487.1202**  
Source: 1998-2000 AACS.

**R 487.1203**  
Source: 1998-2000 AACS.

**R 487.1204**  
Source: 1998-2000 AACS.

**R 487.1210**  
Source: 1998-2000 AACS.

**PART 4. POWERS**

**R 487.1410**  
Source: 1998-2000 AACS.

**R 487.1420**  
Source: 1998-2000 AACS.

**R 487.1421**  
Source: 1998-2000 AACS.

**R 487.1422**  
Source: 1998-2000 AACS.

**R 487.1423**  
Source: 1998-2000 AACS.

**R 487.1424**  
Source: 1998-2000 AACS.

**R 487.1425**  
Source: 1998-2000 AACS.

**R 487.1426**  
Source: 1998-2000 AACS.

**R 487.1427**  
Source: 1998-2000 AACS.

**R 487.1430**  
Source: 1998-2000 AACS.

**PART 5. REGULATION**

**R 487.1501**

**Annual Administrative Code Supplement  
2020 Edition**

**Source:** 1998-2000 AACS.

**R 487.1502**

**Source:** 1998-2000 AACS.

**R 487.1503**

**Source:** 1998-2000 AACS.

**DEPARTMENT OF TREASURY  
BUREAU OF MANAGEMENT SERVICES  
STATE DIRECT DEPOSIT PROCESS**

**R 487.2101**

**Source:** 1994 AACS.

**R 487.2102**

**Source:** 1994 AACS.

**R 487.2103**

**Source:** 1994 AACS.

**R 487.2104**

**Source:** 1994 AACS.

**R 487.2105**

**Source:** 1994 AACS.

**R 487.2106**

**Source:** 1994 AACS.

**R 487.2107**

**Source:** 1994 AACS.

**R 487.2108**

**Source:** 1994 AACS.

**R 487.2109**

**Source:** 1994 AACS.

**R 487.2110**

**Source:** 1994 AACS.

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE SERVICES  
DEFERRED PRESENTMENT STATEWIDE DATABASE**

**R 487.2121**

**Source:** 2007 AACS.

**R 487.2122**

**Source:** 2007 AACS.

**R 487.2123**

**Source:** 2007 AACS.

**CREDIT UNIONS**

- R 490.1**  
Source: 2005 AACS.
- R 490.2**  
Source: 2005 AACS.
- R 490.4**  
Source: 2005 AACS.
- R 490.5**  
Source: 2005 AACS.
- R 490.6**  
Source: 2005 AACS.
- R 490.9**  
Source: 2005 AACS.
- R 490.10**  
Source: 2005 AACS.
- R 490.11**  
Source: 1997 AACS.
- R 490.11a**  
Source: 2005 AACS.
- R 490.12**  
Source: 2005 AACS.
- R 490.15**  
Source: 1997 AACS.
- R 490.15a**  
Source: 2005 AACS.
- R 490.16**  
Source: 2005 AACS.
- R 490.17**  
Source: 2005 AACS.
- R 490.21**  
Source: 1997 AACS.
- R 490.22**  
Source: 1997 AACS.
- R 490.23**  
Source: 1997 AACS.
- R 490.24**  
Source: 1979 AC.
- R 490.25**  
Source: 1997 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 490.31**  
Source: 1997 AACS.

**R 490.41**  
Source: 2005 AACS.

**R 490.51**  
Source: 2005 AACS.

**R 490.52**  
Source: 2005 AACS.

**R 490.81**  
Source: 2005 AACS.

**R 490.82**  
Source: 2005 AACS.

**R 490.94**  
Source: 2005 AACS.

**R 490.95**  
Source: 2005 AACS.

**R 490.96**  
Source: 2005 AACS.

**R 490.97**  
Source: 2005 AACS.

**R 490.98**  
Source: 2005 AACS.

**R 490.99**  
Source: 2005 AACS.

**R 490.101**  
Source: 1997 AACS.

**R 490.102**  
Source: 1997 AACS.

**R 490.103**  
Source: 1997 AACS.

**R 490.104**  
Source: 1997 AACS.

**R 490.105**  
Source: 1997 AACS.

**R 490.111**  
Source: 2017 AACS.

**R 490.112**  
Source: 2017 AACS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 490.113**

Source: 2013 AACCS.

**R 490.114**

Source: 2013 AACCS.

**R 490.115**

Source: 2017 AACCS.

**R 490.116**

Source: 2017 AACCS.

**R 490.117**

Source: 2013 AACCS.

**R 490.118**

Source: 2013 AACCS.

**SAVINGS AND LOAN ASSOCIATIONS**

**R 491.101**

Source: 2013 AACCS.

**R 491.110**

Source: 2013 AACCS.

**R 491.115**

Source: 2013 AACCS.

**R 491.120**

Source: 2013 AACCS.

**R 491.125**

Source: 2013 AACCS.

**R 491.130**

Source: 2013 AACCS.

**R 491.135**

Source: 2013 AACCS.

**R 491.140**

Source: 2013 AACCS.

**R 491.145**

Source: 2013 AACCS.

**R 491.150**

Source: 2013 AACCS.

**R 491.155**

Source: 2013 AACCS.

**R 491.160**

Source: 2013 AACCS.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 491.165**

Source: 2013 AACS.

**R 491.170**

Source: 2013 AACS.

**R 491.175**

Source: 2013 AACS.

**R 491.180**

Source: 2013 AACS.

**R 491.185**

Source: 2013 AACS.

**R 491.190**

Source: 2013 AACS.

**R 491.195**

Source: 2013 AACS.

**R 491.197**

Source: 2013 AACS.

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

**FINANCIAL INSTITUTIONS BUREAU**

**REGULATORY LOAN LICENSEES**

**R 493.1 Definitions.**

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

- (a) "Act" means the regulatory loan act, 1939 PA 21, MCL 493.1 to 493.24.
  - (b) "Department" means the department of insurance and financial services.
  - (c) "Director" means the director of the department of insurance and financial services.
  - (2) Terms defined in the act have the same meaning when used in these rules.
- History: 1981 AACS; 2020 MR 11, Eff. June 8, 2020.

**R 493.5 Rescinded.**

History: 1981 AACS; 1983 AACS; 2020 MR 11, Eff. June 8, 2020.

**R 493.10 Rescinded.**

History: 1981 AACS; 1983 AACS; 2020 MR 11, Eff. June 8, 2020.

**R 493.11 Records; daily transactions; borrowers; alphabetical index; judgments.**

Rule 11. (1) A licensee shall maintain a record of all transactions involving receipt or disbursement of funds by each office from which the licensee operates. The record must identify each transaction; show separately payments received on principal and interest charges; show account numbers, names of borrowers, and all amounts disbursed; and be posted and balanced daily.

(2) A licensee shall maintain, from the date of loan inception, a record for each borrower that contains all of the following information:

- (a) Borrower's name and address.
- (b) Loan number.
- (c) Loan amount.
- (d) Loan date.



**Annual Administrative Code Supplement**  
**2020 Edition**

- (e) Rate of charge.
  - (f) Repayment terms.
  - (g) Description of security.
  - (h) Names of endorsers, comakers, or sureties.
  - (i) Amount of filing or discharge fees collected from the borrower.
  - (j) Marital status only if the loan is secured by household goods.
  - (k) Any amount received or withheld from the borrower as a premium for insurance in connection with the loan, and the period covered by such insurance policy or policies.
  - (l) The date and amounts of all principal payments received, interest charges received, and cash disbursements pertaining to the loan, including court costs.
  - (m) The date to which interest charges are paid and the unpaid balance due on the principal.
- (3) A licensee shall maintain an alphabetical index identifying the name, loan number, and original loan amount of each borrower, comaker, surety, guarantor, or endorser. Information concerning a comaker, surety, guarantor, or endorser must be readily identifiable.
- (4) When a note is reduced to judgment, all of the following provisions must be complied with:
- (a) The loan record maintained pursuant to subrule (2) of this rule must be clearly designated a judgment account.
  - (b) Payments received must be identified and applied on the judgment loan record.
  - (c) The licensee shall retain all filings, judgments, and other documents related to the judgment.
  - (d) A licensee shall maintain a list of all loans reduced to judgment during the previous 25 months.
  - (e) A licensee that charges a borrower for court costs it incurred on a judgment account shall itemize the costs on the loan record and retain a receipt or other document substantiating the costs.
  - (f) A licensee shall retain a copy of the officer's return of execution issued when property is sold pursuant to a judgment.
- (5) When property is taken in accordance with the terms of a security agreement or by judicial process or abandonment, the loan record must be designated clearly as a repossession account and must state when and how possession of the security was obtained and must identify the proceeds of the sale of the property. The licensee shall retain all of the following:
- (a) A copy of any agreement entered into with the borrower with respect to terms of surrender.
  - (b) A copy of the notice of sale, together with evidence of mailing or personal delivery.
  - (c) An inventory of the property taken.
  - (d) A signed statement from the purchasers, or from the auctioneer if the sale was public, describing the collateral purchased and showing the amounts paid.
  - (e) Evidence that the sale was held on the date set forth in the notice of sale, including a record of any bids received.
  - (f) A copy of a detailed statement of final accounting sent to the borrower setting forth the disposition of the proceeds of the sale and the principal balance due on the account, if any.
  - (g) Paid receipts evidencing costs incurred in the repossession and sale of the security which have been charged to the borrower.
  - (h) A list of all loan accounts where collateral was repossessed each month during the previous 25 months.
- (6) When the property is abandoned and the address of the borrower is uncertain or unknown, a notice of sale and statement of final accounting shall be sent to the last known address by registered or certified mail, return receipt requested, and the copies of the notice and statement shall be retained by the licensee.
- History: 1983 AACS; 2020 MR 11, Eff. June 8, 2020.

**R 493.12 Records; assets, liabilities, income, and expenses; temporary entry items.**

Rule 12. (1) A licensee shall maintain records showing all of its assets, liabilities, income, and expenses.

(2) A licensee shall maintain lists of temporary entry items.

(3) The records required by this rule must be posted not less frequently than monthly and must be available for examination by the department not later than 25 days after the end of a month.

History: 1983 AACS; 2020 MR 11, Eff. June 8, 2020.

**R 493.13**

**Source:** 1983 AACS.

**R 493.14 Correspondence; retention by licensee.**

Rule 14. Each licensee shall retain all its written correspondence with the department.

History: 1983 AACS; 2020 MR 11, Eff. June 8, 2020.

**R 493.15 Insurance certificate or policy; provision to borrower of copy of document evidencing indebtedness or**

**Annual Administrative Code Supplement**  
**2020 Edition**

**constituting security; consolidation of loans; retention of documents evidencing indebtedness or security.**

Rule 15. (1) When a licensee obtains insurance on behalf of the borrower in connection with a loan, wherein the premium is paid by the borrower, a properly executed policy or certificate of insurance must be furnished to the borrower within 15 days of the date of the loan. Such policy or certificate must clearly show all of the following:

- (a) The name of the insurance company.
  - (b) The nature of the insurance.
  - (c) The extent of the coverage.
  - (d) The amount of the premium.
  - (e) The effective date and expiration date of the policy.
- (2) A licensee shall furnish to a borrower, upon request, a copy of any note, assignment, or other document, that evidences indebtedness or constitutes security and that the borrower is required to sign.
- (3) Each licensee shall retain the original or a copy of each note, security agreement, or other evidence of indebtedness or security that has been signed by a borrower in favor of the licensee.

History: 1981 AACS; 1983 AACS; 2020 MR 11, Eff. June 8, 2020.

**R 493.16 Designated business hours.**

Rule 16. A licensee shall prominently display, at each business location and website, the respective days and times a borrower will be able to make payments.

History: 1983 AACS; 2020 MR 11, Eff. June 8, 2020.

**R 493.20 Advertising.**

Rule 20. (1) A licensee shall maintain copies of all advertising material sent to residents of Michigan. The date that the advertising material was used must be indicated on the material. A licensee that operates 2 or more physical locations or websites, or both, in Michigan may, upon notice to the director, maintain 1 record of the advertising material required by this rule in a centrally located office in Michigan for all licensed offices. All copies that are required to be maintained by this rule must be retained for a minimum of 3 years.

(2) An address must not be carried in any advertisement, except for the address of an active location or the home office of the licensee.

R 493.22 Display of license information.

Rule 22. (1) A licensee shall display a copy of its license in a public area at each physical office location within Michigan.

(2) Each website operated by a licensee must display the assigned license number and effective date, identify the department as the licensee's regulator, and provide the address and telephone number that a person may use to contact the department.

History: 1981 AACS; 1983 AACS; 1997 AACS; 2020 MR 11, Eff. June 8, 2020.

**R 493.22 Display of license information.**

Rule 22. (1) A licensee shall display a copy of its license in a public area at each physical office location within Michigan.

(2) Each website operated by a licensee must display the assigned license number and effective date, identify the department as the licensee's regulator, and provide the address and telephone number that a person may use to contact the department.

History: 2020 MR 11, Eff. June 8, 2020.

**R 493.24 Monthly statements.**

Rule 24. A licensee shall provide each borrower listed on a loan document with a monthly statement of account that includes all of the following:

- (a) Borrower's name and address.
- (b) Loan number.
- (c) Loan amount.
- (d) Loan date.
- (e) Rate of charge.
- (f) Amount of filing or discharge fees collected from the borrower.
- (g) Any amount received or withheld from the borrower as a premium for insurance in connection with the loan, and the period covered by such insurance policy or policies.
- (h) The date and amounts of all principal payments received, interest charges received, fees received, fees assessed, and cash disbursements pertaining to the loan, including court costs.
- (i) The date to which interest charges are current, any unpaid fees, and the balance due on the principal.

History: 2020 MR 11, Eff. June 8, 2020.

**Annual Administrative Code Supplement**  
**2020 Edition**

**R 493.95 Rescinded.**

History: 1981 AACCS; 2020 MR 11, Eff. June 8, 2020.

**SECONDARY MORTGAGE LICENSEES**

**R 493.101**

Source: 1998-2000 AACCS.

**R 493.102**

Source: 1998-2000 AACCS.

**R 493.110**

Source: 1998-2000 AACCS.

**R 493.111**

Source: 1998-2000 AACCS.

**R 493.112**

Source: 1998-2000 AACCS.

**R 493.113**

Source: 1998-2000 AACCS.

**R 493.114**

Source: 1998-2000 AACCS.

**R 493.120**

Source: 1998-2000 AACCS.