

Contents

Definitions.....	3
Article One	4
Office of Cannabis Management	4
Cannabis Advisory Council	5
Statewide Monitoring System	6
Approval of Cannabis and Cannabis Products	6
Agricultural and Food Safety Practices; Rulemaking	6
Establishment of Environmental Standards.....	7
Personal Adult Use Cannabis	7
Licenses; Transfers.....	8
Local Control	8
License Application and Renewal; Fees	8
Social Equity Applicants	9
License selection criteria.....	9
Inspection; License Violations; Penalties	9
License Suspension or Revocation; Hearing	10
Adult-Use Cannabis Business; General Ownership Disqualifications and Requirements.....	10
Cannabis Business; General Operational Requirements and Prohibitions.....	10
Cannabis Cultivator Licensing	11
Cannabis Cultivator Operations	11
Cannabis Manufacturer Licensing and Operations.....	11
Cannabis Retailer Licensing.....	12
Cannabis Retailer Operations	12
Cannabis Wholesaler Licensing and Operations.....	12
Cannabis Transporter Licensing and Operations	13
Cannabis Testing Facility Licensing	13
Cannabis Testing Facility Operations	13
Cannabis Event Organizing	14
Cannabis Delivery Service Licensing and Operations	14
Lower Potency Edible Product Retailer Licensing.....	14

Lower Potency Edible Product Retailer Operations.....	15
Medical Cannabis Licensing	16
Medical Cannabis Operations	16
Medical Cannabis Cultivators.....	16
Medical Cannabis Processors.....	16
Distribution of Medical Cannabis and Medical Cannabis Products.....	17
Duties of office: registry program:.....	17
Duties of Division of Medical Cannabis of Medical Cannabis; Registry Program	17
Task Force on Medical Cannabis Therapeutic Research	18
Limitations	18
Violation By Health Care Practitioner; Criminal Penalty.....	19
Clinical Trials	19
Testing.....	19
Packaging	19
Labeling	20
Advertisement	20
Industrial Hemp	20
Hemp Derived Topical Products.....	20
Social Equity Applicants	20
Substance Use Disorder Advisory Council	21
Civil Actions.....	21
Article Two: Taxes	21
Summary:.....	21
Class 3	21
Adult-Use Cannabis Flower and Adult-Use Cannabinoid Products Gross Receipts Tax	21
Commercial industrial tax.....	22
Cannabis and Cannabis Products Gross Receipts Tax.....	22
Tax Relief Account.....	23
Food and Food Ingredients.....	23
Adult-Use Cannabis Local Tax Prohibited	23
Tax Rate.....	23
Article Three: Business Development:.....	23
Article Four: Criminal Penalties:	24

Summary:.....	24
Article Five : Expungement.....	25
Summary:.....	25
Automatic Expungement of Certain Cannabis Offenses.....	25
Expungement and Resentencing of Felony Cannabis Offenses.....	25
Article Six: Miscellaneous Provisions.....	26
Summary:.....	26
Medical Cannabis: Compacts to be Negotiated.....	26
Education on Cannabis Use and Substance Use.....	26
Cannabis Data and Biennial Reports.....	26
Cannabis Education Programs.....	27
Cannabis Testing.....	27
Cannabis Testing Exceptions.....	27
Reliability and Fairness Safeguards.....	27
Civil Liability for Cannabis Nuisance.....	27
Task Force on Medical Cannabis Therapeutic Research.....	28
Article Seven: Temporary Regulation of Certain Products	28
Sale of Certain Cannabinoid Products.....	28
Article Eight: Scheduling of Marijuana.....	28
Article Nine: Appropriations.....	28
Budget Reserve Reduction and Transfer:.....	29

Definitions

- a. **Adult-Use Cannabis:** flower, leaves, stems, seeds, or plant form of cannabis. Does not include adult-use cannabis products, medical cannabis, medical cannabis products, hemp, or hemp products
- b. **Batch:** specific quantity of cannabis plants that are cultivated together from the same seed or plant stock, are cultivated together, are intended to be harvested together, and receive an identical propagation and cultivation treatment
- c. **Office:** Cannabis Management Office
- d. **Cannabis Business:** cultivator, manufacturer, retailer, wholesaler, transporter, testing facility, microbusiness, event organizer, delivery service, medical cannabis
- e. **Council:** Cannabis Advisory Council

- f. **Division of Medical Cannabis:** means a division housed in the Office of Cannabis Management that operates the medical cannabis program
- g. **License Holder:** See above for cannabis business
- h. **Local Unit of Government:** a home rule charter or statutory city, county, town, or other political subdivision
- i. **Office of Medical Cannabis:** means a subdivision housed in the Cannabis Management Office that operates the medical cannabis program
- j. **Office of Social Equity:** means a division housed in the Cannabis Management Office that promotes development, stability, and safety in communities that experienced a disproportionate, negative impact from cannabis prohibition
- k. **Statewide monitoring system:** the system for integrated cannabis tracking, inventory, and verification established or adopted by the office

Article One

Office of Cannabis Management

- II. The Office of Cannabis Management is created with the powers and duties established by law. In making rules, establishing policy, and exercising its regulatory authority over the cannabis industry, the office must:
 - i. Promote public health and welfare
 - ii. Protect public safety
 - iii. Eliminate the illicit market for cannabis and cannabis products
 - iv. Meet market demand for cannabis and cannabis products
 - v. Promote a craft industry for cannabis and cannabis products
 - vi. Prioritize growth and recovery in communities that experienced a disproportionate, negative impact from cannabis prohibition
- III. Powers and duties:
 - i. Develop, maintain, and enforce an organized system of regulation for the lawful cannabis industry
 - ii. Establish programming services, and notifications to protect, maintain, and improve the health of citizens
 - iii. Prevent unauthorized access to cannabis by individuals under 21 years of age
 - iv. Establish and regularly update standards for product testing, packaging, and labeling
 - v. Promote economic growth with an emphasis on growth in areas that experienced a disproportionate, negative, impact from cannabis prohibition
 - vi. Issue and renew licenses
 - vii. Require fingerprints from persons determined by office rule to be subject to fingerprinting and obtain criminal conviction data for persons seeking a license from the office
 - viii. Receive reports required by this chapter and inspect the premises, records, books, and other documents of license holders to ensure compliance with all applicable laws and rules
 - ix. Authorize the use of unmarked motor vehicles to conduct seizures or investigations pursuant to the office's authority

- x. Impose and collect civil and administrative penalties as provided in this chapter
 - xi. Cooperate and enter into agreements with the commissioners and directors of other state agencies and departments to promote the beneficial interests of the state
 - xii. To publish such information as may be deemed necessary for the welfare of cannabis businesses, cannabis workers, and the health and safety of citizens
 - xiii. To make loans and grants in aid to the extent that appropriations are made available for that purpose
 - xiv. To authorize research and studies on cannabis flower, cannabinoid products, and the cannabis industry
 - xv. Establish limits on the potency of cannabis that can be sold to customers by licensed cannabis retailers and licensed cannabis microbusinesses
- IV. **Medical Cannabis Program:** the powers and duties of the Department of Health with respect to the medical cannabis program under Minnesota Statutes 2022 are transferred to the Office of Cannabis Management
- V. **Interagency agreements:** The office and the commissioner of agriculture shall enter into interagency agreements to ensure that edible cannabinoid products are handled, manufactured, and inspected in a manner that is consistent with the relevant food safety requirements
- VI. **Director:** The governor shall appoint a director of the office with the advice and consent of the senate. The director must be in the unclassified service and must serve at the pleasure of the governor
- a. While serving as the director and within two years after terminating service, the director is prohibited from having a direct or indirect financial interest in a cannabis business licensed under this chapter
- VII. **Employees:** The office may employ other personnel in the classified service necessary to carry out the duties in this chapter
- a. prohibited from having a direct or indirect financial interest in a cannabis business licensed under this chapter

Cannabis Advisory Council

- VIII. Membership:
- i. Director of the Office of Cannabis Management or a designee
 - ii. The commissioner of employment and economic development
 - iii. Commissioner of revenue, or a designee
 - iv. Commissioner of health “ ”
 - v. Commissioner of public safety, “ ”
 - vi. Commissioner of human rights, “ ”
 - vii. Commissioner of labor, “ ”
 - viii. Commissioner of the pollution control agency, “ ”
 - ix. The superintendent of the Bureau of Criminal Apprehension “ ”
 - x. Representative of League of Minnesota Cities
 - xi. Representative from the Association of Minnesota Counties

- xii. Expert in minority business development
 - xiii. Expert in economic development strategies for under-resourced communities
 - xiv. Expert in farming
 - xv. Expert representing the interests of cannabis workers
 - xvi. Expert in municipal law enforcement
- b. Duties:
- i. Review national cannabis policy
 - ii. Examining effectiveness of state cannabis policy
 - iii. Reviewing developments in the cannabis industry
 - iv. Reviewing developments in the study of cannabis
 - v. Taking public testimony
 - vi. Making recommendations to the Cannabis Management Office

Statewide Monitoring System

- I. Office shall contract with an outside vendor to establish a statewide monitoring system for an integrated cannabis tracking, inventory, and verification to track all cannabis products from seed or immature plant until disposal or sale to a patient or customer

Approval of Cannabis and Cannabis Products

- I. Office Shall approve types of cannabis and cannabis products for retail sale
- II. Office shall not approve any cannabis product that:
 - a. Appears to be a lollipop or ice cream
 - b. Bears likeness to a real or fictional person, animal, or fruit
 - c. Modeled after a brand of products primarily consumed by children
 - d. Made by applying extracted or concentrated THC to a commercially available candy or snack food item
 - e. Contains an ingredient, other than adult-use cannabis that is not approved for the US FDA
 - f. The office shall not approve any cannabis, or any cannabis product intended to be 20.16 consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, 20.17 or vapor from the product, that imparts a taste or smell, other than the taste or smell of 20.18 cannabis, that is distinguishable by an ordinary person prior to or during consumption of 20.19 the product, designed or likely to appeal to persons under age 21.

Agricultural and Food Safety Practices; Rulemaking

- I. Plant Propagation Standards: in consultation with the commissioner of agriculture, the office by rule must establish certification, testing, and labeling requirements for the methods used to grow new cannabis plants or hemp plants
- II. Edible cannabinoid product handler endorsement: any person seeking to manufacture, process, sell, handle, or store an edible cannabinoid product, other than an edible cannabinoid product that has been placed in its final packaging, must first obtain an edible cannabinoid product handler endorsement

- III. Edible cannabinoid product handler endorsement: any person seeking to manufacture, process, sell, handle, or store an edible cannabinoid product, other than an edible cannabinoid

Establishment of Environmental Standards

- I. Water standards
 - a. Regulate use of auto water systems
 - b. Limit acceptable runoff of water
 - c. Require reuse of wastewater
 - d. Require use of filtration system for removing contaminants from wastewater
- II. Energy Use
 - a. Promote the use of solar and wind energy
 - b. Promote the use of electric vehicles
 - c. Require cannabis cultivators and cannabis manufacturers to use solar/wind energy
 - d. establish a plan for legacy medical cannabis manufacturers to transition cultivation and manufacturing operations to solar and wind energy or purchase approved credits to offset the use of other energy sources, within five years.
- III. Solid Waste
 - a. Office shall establish appropriate solid waste standards for the disposal of:
 - i. Cannabis and cannabis products
 - ii. Packaging
 - iii. Recyclable materials, including minimum requirements for the use of recyclable materials
 - iv. Other solid waste
- IV. Odor: Office shall establish appropriate standards and requirements to limit odors produced by cannabis businesses

Personal Adult Use Cannabis

- I. A person 21+ may:
 - a. Use, possess, or transport
 - b. Possess or transport two ounces or less in public
 - c. Possess five pounds or less in private residence
 - d. Possess or transport eight grams or less
 - e. Possess or transport edible cannabinoid products infused with a combined total of 800 milligrams or less of tetrahydrocannabinol
 - f. A person may have up to eight cannabis plants, with no more than four being mature provided that this cultivation takes place at the primary residence of an individual 21 years of age or older and in an enclosed, locked, space that is not open to public view
 - g. A person may not:
 - i. Use cannabis in motor vehicles
 - ii. Use cannabis if under 21
 - iii. Use cannabis in prohibited areas
 - iv. Use cannabis products in a public or charter school or any facilities/vehicles rented, leased, or owned by a school

Licenses; Transfers

- a. Licenses may not be transferred
- b. Licenses must be renewed annually
- c. License holders may petition the office to adjust the tier of a license issued within a license category provided that the license holder meets all applicable requirements
- d. The office by rule may permit relocation of a licensed cannabis business

Local Control

- a. A local unit of government (" ") may not prohibit the procession, transportation, or use of cannabis or cannabis products authorized under this chapter
- b. " " may not prohibit the establishment or operation of a cannabis licensed under this chapter
- c. " " may adopt reasonable restrictions on the time, place, and manner of operation of a cannabis business provided such restrictions do not prohibit the establishment or operation of such business. "" "" may prohibit operation of a cannabis business within 1,000 feet of a school, day care, nursing home, union headquarters, house of worship, Capitol or Capitol grounds provided prohibition does not prevent the establishment or operation of a cannabis business within the boundaries of that local unit or government
- d. The office shall work with local units of government to develop model ordinances for reasonable restrictions on the time, place, and manner of the operation of a cannabis business
- e. Within 30 days of receiving a copy of an application from the office, a local unit of government shall certify whether the proposed business complies with local zoning ordinances

License Application and Renewal; Fees

- a. Application contents: The office shall establish forms and procedures for the processing of licenses issued. Any application to obtain or renew a license must include:
 - a. Information on applicant
 - b. Disclosure of ownership and control required
 - c. Disclosure of whether the applicant or any affiliated party has ever filed for bankruptcy
 - d. Address and legal property description of the business
 - e. Documentations showing legal possession of the premises
 - f. Security drawing/copy of security plan
 - g. Copy of business plan
 - h. Statement agreeing to office's request for information
- b. Application process
 - a. If the office receives an application with insufficient information the office shall notify the applicant, applicant will have ten days to submit the required information
 - b. Upon receipt of a completed application and fee, the office shall forward a copy of the application to the local unit of government in which the business operates or intended to operate with a form for certification as to whether a proposed cannabis business complies with local zoning ordinances
 - c. **Criminal History Check:** A license applicant or every cooperative member or director, manager, and general partner of the business entity, must submit completed criminal history records check consent form, a full classifiable fingerprint, and the required fees to the office
- c. Application fees

- a. The office may charge a nonrefundable fee, not to exceed \$250, to cover the costs associated with reviewing and processing applications

Social Equity Applicants

- I. An individual qualifies as a social equity applicant if the individual is:
 - a. A military veteran who lost honorable status to a cannabis-related offense
 - b. A resident for the last five years of one or more subareas, such as census tracts or neighborhoods, that experienced a disproportionately large amount of cannabis enforcement
 - c. A resident for the last five years of one or more census tracts where, as reported in the most recently completed decennial census published by the US Bureau of the Census

License selection criteria

- a. Market stability- the office shall issue the necessary number of licenses to assure sufficient supply of cannabis and cannabis products to meet demand, provide market stability, and limit the sale of unregulated cannabis
- b. Craft cultivation priority: the office shall prioritize issuance of microbusiness licenses with an endorsement to cultivate cannabis and craft cultivator licenses
- c. **Application score; license priority:**
 - i. Status as a social equity applicant
 - ii. Status as a veteran applicant
 - iii. Security and record keeping
 - iv. Employee training plan
 - v. Business plan and financial situation
 - vi. Diversity plan
 - vii. Labor and employment practices
 - viii. Knowledge and experience
 - ix. Environmental plan
 - x. The office may award additional points to an application if the license holder would expand service to an underrepresented market including but not limited to participation in the medical cannabis program
 - xi. The office shall establish application materials permitting individual applicants to demonstrate

Inspection; License Violations; Penalties

- a. Establishes that the office may enter and inspect cannabis businesses and records at reasonable hours.
- b. Gives the office the power to issue subpoenas, issue oaths, take depositions, require the production of records, detain, or embargo items, and enter into laboratory analysis agreements with the commissioner of agriculture. Permits the office to enter into agreements with community health offices to delegate its inspection and enforcement duties.
- c. Permits the office to conduct inspections at any time. Requires the office to prioritize inspections based on suspected violations that pose an imminent danger to customers or the public. Further directs the office to prioritize inspections based on complaints from local units of government.

- d. Permits the office to issue administrative orders directing cannabis businesses to take specific action, permits businesses to appeal those orders, and allows the office to assess administrative penalties of up to \$10,000 for each violation. Provides that certain data related to complaints and investigations are not public and may not be shared with any federal entity without a court order.

License Suspension or Revocation; Hearing

- a. Office may revoke or not renew a license when it has the cause to believe that a cannabis business has violated ownership or operational requirement established in this chapter or rules adopted pursuant to this chapter
- b. Permits the office to temporarily suspend the license and operating privilege of any licensed business for up to 90 days if continued operation would threaten the health or safety of any person
- c. Office can extend the suspension for an additional 90 days if it notifies the business of an intent to revoke or not review the business's license and the required hearing has not taken place

Adult-Use Cannabis Business; General Ownership Disqualifications and Requirements

- I. Criminal History check: every license applicant and prospective cannabis worker must submit completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees to the office
- II. Criminal offenses
 - a. no person may hold or receive a license issued under this chapter, or work for a cannabis business, if the person has been convicted of, or received a stay of adjudication for, a violation of a state or federal controlled substance law that is a felony under MN law
 - b. Permits an applicant to apply for a set-aside of the prohibitions related to convictions
 - c. Establishes a license holder must be 21, reside in MN, or be a business with MN ownership of at least 75%
- III. Risk of harm; set aside: the office may set aside a disqualification under subdivision 2 if the office finds that the person has submitted sufficient information to demonstrate that the person does not pose a risk of harm to any person served by the applicant, license holder, or other entities as provided in this chapter
- IV. General requirements:
 - a. A license holder or applicant must meet each of the following requirements:
 - i. Be at least 21 years of age
 - ii. Have completed an application for licensure for renewal
 - iii. Have paid the applicable application fee
 - iv. Reside in the state
 - v. If the application holder is a business entity, be incorporated in the state or otherwise formed or organized under the laws of the state

Cannabis Business; General Operational Requirements and Prohibitions

- a. A cannabis business cannot employ anyone under 21 years of age

- b. Cannabis business may not permit anyone under 21 years of age to enter the business premises other than one that solely dispenses medical cannabis
- c. Cannabis business may not sell or give cannabis products to a person under 21 unless that person is a patient, registered designated caregiver, or legal guardian or spouse of a patient who is authorized to use medical cannabis
- d. A cannabis business may not permit an employee to consume cannabis flower or cannabinoid products within its licensed premises or while the employee is otherwise engaged in activities within the course and scope of employment
- e. For quality control, employees of a licensed cannabis of a licensed cannabis may sample cannabis flower or cannabinoid products. Employees may not interact directly with customers for at least three hours after sampling a product. Employees may not consume more than three samples in a single 24-hour period. All samples must be recorded in the statewide monitoring system
- f. Establishes restricted access requirements, ventilation requirements, maintain certain records, using statewide monitoring system, having adequate security, prohibiting sharing customer information with federal government unless ordered to do so by court

Cannabis Cultivator Licensing

Provides that a cannabis cultivator license entitles the license holder to grow and harvest the approved amount of cannabis. Establishes two license tiers including a craft cultivator license for facilities of not more than 10,000 feet of plant canopy and a bulk cultivator license for facilities of not more than 30,000 feet of plant canopy. Requires applicants for a cannabis cultivator license to provide information regarding business operations. Permits an entity holding a cannabis cultivator license to also hold a cannabis manufacturing license, medical cannabis license, a license to grow industrial hemp, and a cannabis event organizer license. Permits a cannabis cultivator to transport cannabis to a cannabis manufacturer licensed to the same entity and located on the same premises. Establishes prohibitions on relationships between cannabis cultivators and health care practitioners who certify qualifying medical conditions for patients.

Cannabis Cultivator Operations

- a. Require cannabis cultivators to establish and maintain records for each batch of cannabis that is cultivated, comply with limitations on the use of agricultural chemicals
- b. Establish and follow an operation plan that includes a description of water usage, recycling, solid waste disposal, and pest management
- c. Requires compliance with pesticide law and rules and prohibits adulterating cannabis
- d. Permits both indoor and outdoor cultivation subject to security, fencing, and lighting requirements, prohibits genetically engineered seeds

Cannabis Manufacturer Licensing and Operations

- a. Provides that a cannabis manufacturer license entitles the license holder to purchase cannabis, cannabis products, hemp, and hemp products; accept up to two ounces of cannabis from an unlicensed person over the age of 21; extract tetrahydrocannabinol and other raw materials from cannabis; concentrate tetrahydrocannabinol; manufacture products for public consumption; package and label cannabis products for sale to other cannabis businesses; and perform other actions approved by the office.

- b. Requires applicants for a cannabis manufacturer license to provide information regarding business operations. Permits an entity holding a cannabis manufacturer license to also hold a cannabis cultivator license, medical cannabis license, and a cannabis event organizer license.
- c. Establishes prohibitions on relationships between cannabis manufacturers and health care practitioners who certify qualifying medical conditions for patients.
- d. Requires that cannabis manufacturing must take place in an enclosed, locked facility that is used exclusively for the manufacture of cannabis products except that a business that also holds a cannabis cultivator license may operate in a facility that shares general office space, bathrooms, entryways, and walkways. Requires cannabis manufacturers wishing to perform extraction and concentration to provide specific information on operations to obtain a license endorsement.

Cannabis Retailer Licensing

- I. Cannabis retailer license entitles the license holder to sell immature cannabis plants and seedlings, adult, use cannabis, adult use cannabis products, other authorized products
- II. Additional information required on business operations
- III. Municipal or county cannabis store: a city or county may establish, own, and operate a municipal cannabis store subject to the restrictions in this chapter
- IV. Health care practitioner who certifies qualifying medical conditions for patients cannot hold direct or indirect economic interest in a cannabis retailer or advertise for a cannabis retailer

Cannabis Retailer Operations

- a. Prohibits the sale of cannabis plants, adult-use cannabis, or adult-use cannabis products to individuals under 21 years of age.
- b. Requires cannabis retailers to verify the age of customers before selling products. Limits the display of cannabis and cannabis products. Requires cannabis retailers to post notices announcing product recalls, warning of the dangers of driving while under the influence; and stating that consumption is intended only for individuals who are 21 years of age or older.
- c. Prohibits cannabis retailers from operating between 2:00 a.m. and 8:00 a.m. Monday through Friday, or between 2:00 a.m. and 10:00 a.m. on Sunday unless operation is permitted under ordinance.
- d. Permits a local city or county to adopt an ordinance permitting additional hours of operation.
- e. Prohibits sales to a person who is visibly intoxicated; selling more than an individual is permitted to possess; giving away plants, cannabis, or cannabis products; operating a drive-through window; operating a vending machine containing cannabis or cannabis products; or selling cannabis or cannabis products when a security system, or the statewide monitoring system, is not working.
- f. Permits a cannabis retailer to sell medical cannabis from a portion of its premises that is distinct from the remainder of the premises and contains space for consultation with a pharmacist.

Cannabis Wholesaler Licensing and Operations

- a. Provides that a cannabis wholesaler license entitles the license holder to purchase immature cannabis plants and seedlings, adult-use cannabis, adult-use cannabis products, hemp and hemp products, and other products authorized by law from cannabis manufacturers and cultivators.
- b. Requires a cannabis wholesaler to maintain separation between cannabis and cannabis products and hemp and hemp products. Requires cannabis wholesalers to maintain appropriate records

and assure that labels remain affixed to products. Requires that a cannabis wholesaler comply with state and local building codes. Permits the sale of cannabis paraphernalia.

- c. Importation of hemp-derived products: a cannabis wholesaler that imports lower potency edible products or hemp-derived consumer products, other than hemp-derived topical products, that are manufactured outside the boundaries of the state of Minnesota with the intent to sell the products to a cannabis retailer or lower potency edible product retailer must obtain a hemp-derived product importer endorsement from the office
 - a. A cannabis wholesaler with a hemp-derived product importer endorsement may sell products manufactured outside the boundaries of the state of MN if:
 - i. The manufacturer is licensed in another jurisdiction and subject to regulations designed to protect the health and safety of consumers that the office determines are substantially similar to the regulations in this state or the cannabis wholesaler establishes that the manufacturer engages in practices that are substantially similar to the practices required for licensure of manufacturers in this state

Cannabis Transporter Licensing and Operations

- a. Requires cannabis transporters to use only electric vehicles. Requires that all cannabis be transported in a locked compartment that is not visible from outside the vehicle and prohibits using identifying logos or business names on a vehicle.
- b. Requires deliveries to be randomized and requires all transporters to have multiple employees involved in the delivery to assure that at least one employee always remains with the vehicle that the vehicle contains cannabis plants, cannabis, or cannabis products.
- c. Prohibits permitting nonemployees in the vehicle as passengers, requires all drivers to carry a valid driver's license, and provides that all vehicles are subject to inspection at any time during transportation of cannabis plants, cannabis, or cannabis products.

Cannabis Testing Facility Licensing

- a. Provides that a cannabis testing facility license entitles a license holder to obtain and test immature cannabis plants and seedlings, cannabis, cannabis products, hemp plant parts, hemp concentrate, artificially derived cannabinoids, and hemp-derived consumer products from cannabis cultivators, cannabis manufacturers, cannabis wholesalers, cannabis microbusinesses, medical cannabis cultivators, medical cannabis processors, and industrial hemp growers.
- b. Requires applicants for a cannabis testing facility license to provide information regarding business operations and proof of accreditation.
- c. Prohibits an entity holding a cannabis testing facility license from holding any other license.

Cannabis Testing Facility Operations

- a. Testing services: a cannabis testing facility shall provide some or all testing services
- b. Testing protocols: A cannabis testing facility shall follow all testing protocols, standards, and criteria adopted by rule by the office for the testing of different forms of cannabis flower and cannabinoid products, determining batch size; sampling; testing validity; and approval and disapproval of tested cannabis plants and seedlings, cannabis flower, cannabinoid products, hemp plant parts, hemp concentrate, artificially derived cannabinoids, and hemp-derived consumer products

- c. Records of all business transactions and testing results; records required to be maintained pursuant to any applicable standards for accreditation; and records relevant to testing protocols, standards, and criteria adopted by the office must be kept for a minimum of three years at the cannabis testing facility's place of business and are subject to inspection upon request by the office or law enforcement agency

Cannabis Event Organizing

- a. A cannabis event organizer entitles the license holder to organize a temporary cannabis event lasting no more than four days
- b. Cannabis event organizer operations. Requires a cannabis event organizer to obtain local approval for a cannabis event. Permits a cannabis event organizer to charge an entrance fee and a fee for event participants.
- c. Requires event organizers to provide security and limit access to individuals who are at least 21 years old. Requires an event organizer to assure that cannabis and cannabis products are disposed of in an approved manner.
- d. Requires event organizers to comply with transportation and sales requirements. Permits onsite consumption at a cannabis event if approved by the local unity of government.

Cannabis Delivery Service Licensing and Operations

- a. Provides that a cannabis delivery service license entitles the license holder to obtain purchased cannabis and cannabis products, and medical cannabis and medical cannabis products and deliver them to customers.
- b. Requires applicants for a cannabis delivery service license to provide information regarding the planned operations including a list of vehicles that will be used in the business. Permits an entity holding a cannabis delivery service license to hold a cannabis transporter license or a cannabis retailer license.
- c. Requires cannabis delivery services to verify the age of customers and, when applicable, that the customer is enrolled in the medical cannabis program and requires those businesses to retain records including proof of age verification. Directs the office to establish limits on the amount to be transported. Requires entry of products in the statewide monitoring system.

Lower Potency Edible Product Retailer Licensing

- I. A lower potency edible product retailer license entitles the license holder to:
 - a. Purchase lower potency edible products from cannabis manufacturers, cannabis wholesalers, and cannabis microbusinesses
 - b. Sell lower potency edible products to customers
 - c. Perform other actions approved by the office
- II. Licensing exceptions; requirements: Except as otherwise provided in this subdivision, the provisions of this chapter relating to license applications, license selection criteria, general ownership disqualifications and requirements, and general operational requirements do not apply to a lower potency edible product license or licensee
 - a. The office may issue a lower potency edible products license to an applicant who:
 - i. Is at least 21 years old

- ii. Has completed an application for licensure or application for renewal and has fully and truthfully compiled with all information requests to license application and renewal
- iii. Registers with the statewide monitoring system
- iv. Is not employed by the office or any state agency with regulatory authority over this chapter
- v. Is not disqualified under section 342.20 subdivision 2
 - 1. Licenses must be renewed annually. The office may charge an application fee not to exceed \$250 to cover the costs associated with reviewing and processing applications but must not charge a licensing fee

Lower Potency Edible Product Retailer Operations

- a. Sale of lower potency edible products: a lower potency edible product retailer may only sell lower potency edible products to individuals who are at least 21 years of age
- b. A lower potency edible product retailer may sell lower potency edible products that:
 - a. Are obtained from a licensed Minnesota cannabis manufacturer, cannabis microbusiness, or cannabis wholesaler
 - b. Meet all applicable packaging and labeling requirements
- c. Sale of other products: a lower potency edible product retailer may sell other products or items for which the cannabis wholesaler has a license or authorization or that do not require a license or authorization
- d. Display and storage of lower potency edible products: a lower potency edible product retailer shall ensure that all lower potency edible products are displayed behind a checkout counter where the public is not permitted. All lower potency edible products that are not displayed must be stored in a secure area
- e. On-site consumption: a lower potency edible product retailer that also holds an on-sale license for the sale of 3.2 percent malt liquor, an on-sale intoxicating liquor license, or a combination off-sale and on-sale intoxicating liquor license may sell lower potency edible products that are intended to be consumed as a beverage for on-site consumption
- f. A lower potency edible product retailer may not:
 - a. Sell lower potency edible products to an individual who is under 21 years of age
 - b. Sell lower potency edible products to a customer who the lower potency edible product retailer knows or reasonably should know has consumed alcohol sold or provided by the lower potency edible product retailer within the previous five hours
 - c. Sell a lower potency edible product to a person who is visibly intoxicated
 - d. Sell cannabis flower, hemp-derived consumer products, or any cannabinoid product other than lower potency edible products that are intended to be consumed as a beverage
 - e. Permit lower potency edible products that have been removed from the products packaging to be removed from the premises of the lower potency edible product retailer
 - f. Allow for the dispensing of lower potency edible products in vending machines
 - g. Sell lower potency edible products when the statewide monitoring system is not operational

- h. Distribute or allow free samples of lower potency edible products
- i. Enforcement: the office shall inspect lower potency cannabinoid product retailers and take enforcement action as provided in sections 342.18 and 342.19

Medical Cannabis Licensing

- a. Adds § 342.40. Lists authorized actions of a holder of a medical cannabis business license, specifies additional information that must be included on an application for licensure as a medical cannabis business, allows a medical cannabis business to hold certain other cannabis business licenses, prohibits health care practitioners who certify qualifying medical conditions from holding certain positions in a medical cannabis business, and establishes limits on remuneration from or to health care practitioners who certify qualifying medical conditions.

Medical Cannabis Operations

- I. License types: the office shall issue the following types of medical business licenses:
 - a. Medical cannabis cultivator
 - b. Medical cannabis processor
 - c. Medical cannabis retailer
 - d. The Division of Medical Cannabis may oversee the licensing and regulation of medical cannabis businesses
- II. Adds § 342.41. Lists requirements with which a medical cannabis business must comply if it cultivates cannabis, extracts, and concentrates THC, produces edible cannabis products, or operates a retail location.

Medical Cannabis Cultivators

- a. A medical cannabis cultivator license entitles the license holder to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant, harvest cannabis flower from a mature plant, package and label cannabis flower as a medical flower, sell medical cannabis flower to medical cannabis processors and medical cannabis retailers, transport medical cannabis flower to a medical cannabis processor located on the same premises, and perform other actions approved by the office
- b. A medical cannabis cultivator license holder must verify that every batch of medical flower has passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for testing medical cannabis flower before the medical cannabis cultivator may package, label, or sell the medical cannabis flower to any other entity

Medical Cannabis Processors

- a. A medical cannabis processor license, consistent with the specific license endorsement or endorsements, entitles the license holder to:
 - i. Purchase a medical cannabis flower, medical cannabinoid products, hemp plant parts, and hemp concentrate from medical cannabis cultivators, other cannabis processors, and industrial hemp growers
 - ii. Make cannabis concentrate from medical cannabis flower
 - iii. Make hemp concentrate, including hemp concentrate with delta-9 THC concentration of more than 0.3 percent
 - iv. Manufacture medical cannabinoid products

- v. Package and label medical cannabinoid products for sale to other medical cannabis processors and to medical cannabis retailers
- vi. Perform other actions approved by the offices

Distribution of Medical Cannabis and Medical Cannabis Products

- c. Adds § 342.51. Lists steps a cannabis retailer or medical cannabis business must take before distributing medical cannabis and medical cannabis products, requires pharmacist employees to give final approval for distribution, allows distribution of up to a 90-day supply of medical cannabis and medical cannabis products, and requires reports on medical cannabis and medical cannabis distributed in the past month.
- d. Allows a cannabis retailer or medical cannabis business to distribute medical cannabis, medical cannabis products, and medical cannabis paraphernalia. Lists steps a cannabis retailer or medical cannabis business must take before distributing medical cannabis.
- e. Provides that a medical cannabis business may only distribute medical cannabis or medical cannabis products to a person who is at least 21 years old or to the designated caregiver, parent, legal guardian, or spouse of a registered person under age 21.
- f. Requires a pharmacist employee of a cannabis retailer or medical cannabis business to be the only employee who can give final approval for distribution of medical cannabis and medical cannabis products.
- g. Prohibits a cannabis retailer or medical cannabis business from distributing more than a 90-day supply of medical cannabis and medical cannabis products to a patient, registered designated caregiver, or parent, legal guardian, or spouse.
- h. Allows for distribution to residents of other states if they can provide proof, they were prescribed medical marijuana
- i. Allows drive throughs

Duties of office: registry program:

- b. Authorizes the office, on the office's initiative, upon a petition, or as directed by law, to add an allowable form of medical cannabis or medical cannabis product, and to add to or modify the list of qualifying medical conditions.
- c. Requires the office to notify certain members of the legislature if the office wants to add an allowable form or add or modify the list of qualifying medical conditions and makes the addition or modification effective August 1 unless the legislature provides otherwise by law. Authorizes the office to adopt rules to implement the registry program.

Duties of **Division of Medical Cannabis of Medical Cannabis**; Registry Program

I. The Division of Medical Cannabis shall:

- a. Provide notice of registry program to health care practitioners in the state
- b. Directs the Office of Medical Cannabis to provide notice of the registry program to health care practitioners, allow health care practitioners to participate in the program, aid, and information to health care practitioners on the therapeutic use of medical cannabis and medical cannabis products, make certification forms available, and supervise health care practitioner participation in the registry reporting system.
- c. Directs the office to administer the registry program, provide patients with information on federally approved clinical trials using medical cannabis and medical cannabis

products, maintain safety criteria with which patients must comply to participate in the registry program, report on the range of recommended dosages and chemical compositions of medical cannabis for each qualifying medical condition, annually consult with cannabis businesses about the medical cannabis and medical cannabis products available to patients, and post on the office's website a list of the medical cannabis and medical cannabis products offered by each cannabis retailer or medical cannabis business.

- d. The Office of Medical Cannabis shall conduct or contract with a third party to conduct research and studies using data from health records
- e. The Office of Medical Cannabis shall provide regular updates to the task force on medical cannabis

Task Force on Medical Cannabis Therapeutic Research

- a. Adds a task force on medical cannabis research and specific duties:
 - a. 23-member taskforce
 - b. Directs the office to provide administrative and technical support to the task force
 - c. Requires the task force to hold hearings on the use of medical cannabis
 - d. Requires an impact assessment report each odd-numbered year
 - e. No expiration for the task force

Limitations

- I. Limitations on consumption- does not permit a person to:
 - a. perform a task under the influence of medical cannabis or medical cannabis products that would constitute negligence or professional malpractice.
 - b. possess or consume medical cannabis or medical cannabis products in certain locations.
 - c. operate a motor vehicle, aircraft, train, or motorboat or work on transportation property, equipment, or facilities while under the influence of medical cannabis or a medical cannabis product.
- II. Consumption and possession on school grounds
 - a. Lists circumstances under which a school student may possess and have administered or self-administer medical cannabis and medical cannabis products on school grounds.
 - b. Provides that only students aged 18 or older may self-administer medical cannabis and medical cannabis products. Provides that school nurses may only administer medical cannabis that has been approved by the FDA.
 - c. Allows a school office to adopt policies and guidelines on the storage and administration of medical cannabis and medical cannabis products and allows a school to designate specific school locations where medical cannabis and medical cannabis products may be administered.
- III. Health care facilities
 - a. Allow the listed health care facilities and providers to adopt reasonable restrictions on the use of medical cannabis and medical cannabis products

Violation By Health Care Practitioner; Criminal Penalty

- a. A health care practitioner who knowingly refers patients to cannabis retailer or medical cannabis business or anyone associated with a medical cannabis business shall receive a \$1,000 fine or imprisonment not more than 90 days

Clinical Trials

- a. The Office of Medical Cannabis may conduct, or award grants to health care providers or research organizations. A grant awardee must provide the office with access to all data collected in funded trials

Testing

- I. Testing Required
 - a. Requires a cannabis business to comply with the testing requirements in this section before selling, offering for sale, or transferring cannabis or cannabis products
- II. Procedures and standards established by office
 - a. The office shall by rule establish procedures governing the sampling, handing, testing, storage, and transportation of cannabis and cannabis products tested. Testing contaminants, standards for potency.
- III. Standards established by **Office of Cannabis Management**
 - a. The office shall by rule establish standards for allowable levels of contaminants in cannabis, cannabis products, and plants
- IV. Testing of samples
 - a. Requires a cannabis business to make samples from each batch of cannabis or cannabis product grown or manufactured by the cannabis business available to a cannabis testing facility and requires the cannabis testing facility to select and test representative samples from each batch. Lists contaminants that must be tested for.
- V. Test Results
 - a. If a tested sample meets the applicable testing standards, the cannabis testing facility shall issue a certification to the cannabis cultivator, cannabis manufacturer, cannabis microbusiness, or medical cannabis business
 - b. Must make test results public in plain language

Packaging

- I. General: requires cannabis packaging requirements for cannabis, cannabis products, and hemp derived consumable or topical products
- II. Packaging requirements
 - a. Prepackaged in packaging or a container that is "plain, child-resistant, tamper evident, or opaque"
 - b. Placed in packaging or a container that is "" ""
 - c. Must be resealable if it contains more than one serving
- III. Packaging prohibitions- cannot:
 - a. Bear resemblance to any commercially available product
 - b. Is designed to appeal to persons under age 21
 - c. Packaging for cannabis, cannabis products, and hemp-derived consumable or topical products

Labeling

- a. Requires cannabis, cannabis products, and hemp-derived consumable or topical products sold to customers or patients to comply with the labeling requirements in this section and in rules.
- b. Requires cannabis, cannabis products, and hemp-derived consumable or topical products sold to customers or patients to be labeled according to this section and rules.
- c. Lists information that must be included on a cannabis label including a warning that use of cannabis can be hazardous to health and impair judgment.
- d. Lists information that must be included on a cannabis product label including a warning that use of cannabis can be hazardous to health and impair judgment.

Advertisement

- a. Establishes requirements and limitations for advertisements for cannabis, cannabis businesses, cannabis products, and hemp-derived consumable or topical products.
- b. Prohibits outdoor advertisement of cannabis, cannabis business, cannabis product
- c. Prohibits advertisements for cannabis, a cannabis business, or cannabis products via a medium in which 30% or more of the audience is reasonably expected to be under 21
- d. Prohibits unsolicited pop-up advertisements on the internet to advertise cannabis
- e. Requires a cannabis business or other person to verify a recipient is 21+ before using direct, individualized communication or dialogue to advertise cannabis

Industrial Hemp

- a. Nothing in this chapter shall limit the ability of a person licensed under chapter 18K to grow industrial hemp for commercial or research purposes, process industrial hemp for commercial purposes, sell hemp fiber products and hemp grain, manufacture hemp-derived topical products, or perform any other actions authorized by the commissioner of agriculture

Hemp Derived Topical Products

- a. This section applies to the manufacture, marketing, distribution, and sale of hemp-derived topical products
- b. Approved cannabinoids: products manufactured, marketed, distributed, and sold under this section may contain cannabidiol
- c. Prohibitions: A product sold to consumers under this section must not be manufactured, marketed, distributed, or intended:
- d. For external or internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans and other animal
- e. To affect the structure or any function of the bodies of humans or other animals
- f. To be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product

Social Equity Applicants

- I. Individual qualifies as a social equity applicant if:
 - a. Military veteran who lost honorable status due to cannabis-related offense
 - b. Resident for the last five years of one or more subareas that experience disproportionately large amounts of cannabis enforcement

- c. A resident for the last five years of one or more census tracts where, as reported in the most recently completed decennial census published by the US Bureau of the Census

Substance Use Disorder Advisory Council

- I. Establishment: The Substance Use Disorder Advisory Council is established to develop and implement a comprehensive and effective statewide approach to substance use disorder prevention and treatment
- II. Membership:
 - a. Lists required membership
 - b. Requires the commissioner of human services to coordinate appointments to ensure geographic diversity
 - c. Outlines compensation requirements
 - d. Requires meetings at least quarterly and at different locations throughout the state
- III. Reports and grants

Civil Actions

- a. Right of action: a spouse, parent, guardian, employer, or other person injured in person, property, or means of support or who incurs other pecuniary loss by an intoxicated person or by the intoxication of another person, has a right of action in the person's own name for all damages sustained against a person who caused the intoxication of that person by illegally selling cannabis flower or cannabinoid products
- b. Common law claims: nothing in this chapter precludes common law tort claims against any person 21 years or older who knowingly provides or furnishes cannabis flower or cannabinoid products to a person under the age of 21 years

Article Two: Taxes

Summary:

- a. Allows a business income tax subtraction for business-related expenses for any business licensed under chapter 342.
- b. Imposes a ten percent gross receipts tax on the retail sale of adult-use cannabis and adult-use cannabis products.
- c. Subjects' adult-use cannabis and adult-use cannabis products to the state sales tax and any local sales taxes.
- d. Clarifies that medical cannabis is not subject to the gross receipts tax, state sales tax, or any local sales taxes.
- e. Provides a sales tax exemption for farm equipment purchased for the cultivation of cannabis.

Class 3

- a. Establishes that property used for raising, cultivating, processing, or storage of adult use cannabis, adult-use cannabis products, medical cannabis, or medical cannabis products for sale is classified as commercial and industrial property.

Adult-Use Cannabis Flower and Adult-Use Cannabinoid Products Gross Receipts Tax

- a. Gross receipts tax imposed: a tax equal to eight percent of gross receipts from retail and on-site sales in Minnesota of adult-use cannabis flower, adult-use cannabinoid products, adult-use

cannabis solution products, and lower potency edible products is imposed on any cannabis retailer, cannabis microbusiness, or lower potency edible product retailer that sells these products to customers. Any of these may collect the tax imposed by this section from the purchaser as long as the tax is separately stated on the receipt, invoice, bill of sale, or similar document given to the purchaser

- b. Exemptions: The use of tax imposed under subdivision 2 does not apply to the possession, use, or storage of adult-use cannabis solution products or flower or lower potency edible products if the products have an aggregate cost in any calendar month to the customer of \$100 or less, and the products were carried into this state by the customer
- c. Tax collection required: A cannabis retailer, cannabis microbusiness, or lower potency edible retailer with nexus in Minnesota, who is not subject to tax under subdivision 2, is required to collect the tax imposed under subdivision 3 from the purchaser of products and give the purchaser a receipt for the tax paid.
- d. Taxes paid to another state of any subdivision thereof; credit: A cannabis retailer, cannabis microbusiness, or lower potency edible retailer that has paid taxes to another state or any subdivision thereof measured by gross receipts and is subject to tax under this section on the same gross receipts is entitled to a credit for the tax legally due and unpaid to another state or any subdivision
- e. Deposit of revenues: The commissioner must deposit all revenues, including penalties and interest, derived from the tax imposed by this section in the general fund

Commercial industrial tax

- a. Ensures that property used for raising, cultivating, processing, or storage of adult-use cannabis, adult-use cannabis products, medical cannabis, or medical cannabis products for sale is treated as commercial and industrial property for the purposes of the state general property tax levy.
- b. County commercial-industrial tax capacity amounts are not adjusted for the captured net tax capacity of a tax increment financing district under section 469.177, the net capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425,

Cannabis and Cannabis Products Gross Receipts Tax

- I. Gross receipts tax imposed: Imposes a ten percent gross receipts tax on retail and on-site sales of adult-use cannabis and adult-use cannabis products. This tax is also applicable to the use of adult-use cannabis and adult-use cannabis products that are bought in another state but used in Minnesota. This tax functions similarly to the gross receipts tax currently imposed on liquor. This is an additional tax that applies to retail and on-site sales and is in addition to state sales tax and any locally imposed sales taxes.
- II. Exemptions
 - a. The use of tax does not apply to possession, use, or storage of adult-use cannabis or products if:
 - i. The adult use cannabis or products have an aggregate cost in any calendar month of \$100 or less
 - ii. The products were carried into this state by the customer

Tax Relief Account

- I. Purpose: Establishes that the purpose of the account is to provide offsetting tax relief through rate and fee reductions with a priority given to lower tax rates and fees of lower- and middle-income taxpayers.
- II. Account creation: The tax relief account is established in the special revenue fund
- III. Certification of revenues:
 - a. Provides that, if the commissioner of management and budget determines that the amount of funds raised by the gross receipts tax imposed on cannabis and cannabis products exceeds certain net general fund expenditures related to the administration of adult-use cannabis, the amount in excess must be transferred into the tax relief account.
 - b. Identifies the expenditures and tax relief that must be included in the calculation of excess funds.

Food and Food Ingredients

- I. Clarifies that adult-use cannabis and adult-use cannabis products are not included in the definition of “food and food products” within the sales tax chapter.
- II. Food and food ingredients exempt under this subdivision do not include candy, soft drinks, dietary supplements, and prepared foods. Food and food ingredients do not include alcoholic beverages and tobacco

Adult-Use Cannabis Local Tax Prohibited

- a. A political subdivision of this state is prohibited from imposing a tax under this section solely on the sale of adult-use cannabis and adult-use cannabis products

Tax Rate

- a. A tax is imposed on controlled substances as defined at the following rates:
 - a. One each gram of controlled substance, or portion of a gram, \$200
 - b. On each ten dosage units of a controlled substance that is not sold by weight, \$400

Article Three: Business Development:

- a. Establishment: The commissioner of employment and economic development shall establish CanStartup, a program to award grants to nonprofit corporations to fund loans to new businesses in the legal cannabis industry and to support job creation in communities where long-term residents are eligible to be social equity applicants
- b. The commissioner shall establish a revolving loan account to make grants under the CanStartup program
- c. In awarding grants under this subdivision: the commissioner shall give weight to whether the nonprofit corporation:
 - a. Has a board of directors that includes citizens in business and community development
 - b. Has the technical skills to analyze projects
 - c. Is familiar with other available public and private funding sources and economic development programs
 - d. Has established relationships with communities where long-term residents are eligible to be social equity applicants

- d. Loans to businesses: The criteria in this subdivision apply to loans made by nonprofit corporations under the program
- e. Loans must be used to support a new business in the legal cannabis industry. Priority must be given to loans to businesses owned by individuals who are eligible to be social equity applicants and businesses located in communities where long-term residents are eligible to be social equity applicants

Cannabis Industry Grants

- I. Creates the CanTrain grant program, run by the Department of Employment and Economic Development, to give grants to:
 - a. organizations to train people for cannabis jobs
 - b. individuals to subsidize getting training for cannabis jobs. Both types of grants favor programs that result in an industry-relevant credential or include hands-on or on-site experiences in the industry.
 - c. Local governments are eligible for Cannabis Industry Renewal Grants

Article Four: Criminal Penalties:

Summary: Establishes new crimes related to the possession, sale, and cultivation of cannabis and cannabis products.

- I. Sale Crimes
 - a. makes a conforming change, eliminating the controlled substance offense in the second and third degree related to the sale of marijuana
- II. Possession crimes: eliminates the controlled substance offense in the second degree related to the possession of 100 or more marijuana plants
- III. Possession Crimes:
 - a. Amends the controlled substance offense in the third degree related to the possession of marijuana to provide that a person commits the offense if the person possesses more than ten kilograms of cannabis in any place other than the person's home, more than two kilograms of cannabis concentrate, or products infused with more than 200 grams of tetrahydrocannabinol.
- IV. Cannabis Possession Crimes:
 - a. Establishes petty misdemeanor, misdemeanor, gross misdemeanor, and felony crimes for possessing cannabis and cannabis products more than the amounts that would be legal under this bill.
 - b. Establishes greater penalties for possessing cannabis that the person knows was not obtained from a licensed retailer. Permits local units of government to establish ordinances prohibiting use of cannabis in public places provided the ordinance establishes only a petty misdemeanor penalty.
- V. Cannabis Sale Crimes
 - a. Establishes petty misdemeanor, misdemeanor, gross misdemeanor, and felony crimes for selling cannabis and cannabis products without a license. Includes increased

- penalties for repeat offenders; sale to a minor; or sale in a school zone, park zone, public housing zone, or drug treatment facility.
 - b. Establishes gross misdemeanor and felony crimes for cultivating cannabis without a license more than the amounts that would be legal under this bill
- VI. Oral fluid preliminary testing: pilot project authorized
- a. Directs the commissioner of public safety to design and implement a pilot project to determine the efficacy of oral fluid roadside testing to determine the presence of a controlled or intoxicated substance in drivers

Article Five: Expungement

Summary: Provides for automatic expungement of petty misdemeanor and misdemeanor marijuana convictions. Establishes a Cannabis Expungement Office to review other cannabis convictions and determine whether a person is eligible for expungement, resentencing, or neither. Directs the Cannabis Expungement Office to consider whether an offense involved violence or a victim, the amount of marijuana involved in an offense, and whether expungement or resentencing is in the public interest. Requires public meetings, but further requires that the identity of a person being considered, and any identified victim be private.

Automatic Expungement of Certain Cannabis Offenses

- a. Eligibility; dismissal, exoneration, or conviction of nonfelony cannabis offenses.
 - a. Provides that a person is eligible for an order vacating any conviction, dismissing charges, and expunging criminal justice records if proceedings against the person for violations alleging that the person possessed marijuana or tetrahydrocannabinols were dismissed or resolved in the person's favor, or if the person was convicted or received a stayed sentence for possessing a small amount of marijuana or possessing marijuana in a motor vehicle.
- b. Bureau of Criminal Apprehension to identify eligible individuals
 - a. Directs the Bureau of Criminal Apprehension to identify individuals eligible for expungement under subdivision 1 and provide notice to the judicial branch. Directs the Bureau of Criminal Apprehension to make a reasonable effort to notify an individual whose information is sent to the judicial branch under this section.

Expungement and Resentencing of Felony Cannabis Offenses

- a. Cannabis Expungement Office
 - a. Establishes the cannabis expungement office which consist of:
 - i. Chief justice of the supreme court or designee
 - ii. Attorney general or designee
 - iii. One public defender, appointed by the governor
 - iv. The commissioner of one department of the state government defined in section 15.01
 - v. One public member with experience as an advocate for victim's rights
- b. Office duties:
 - i. Obtain and review records

- ii. Determine whether a person committed an act involving the possession of cannabis
- iii. Determine whether a person's conviction should be vacated, charges dismissed, and records should be expunged
- iv. Notify the judicial branch of individuals eligible for expungement

Article Six: Miscellaneous Provisions

Summary: This article requires education programs on cannabis use, requires the commissioner of health to collect data on cannabis use in the state, adds provisions governing workplace testing for cannabis, modifies eligibility requirements for certain public assistance programs for persons with a drug offense conviction, establishes a civil cause of action if a person suffers a cannabis nuisance, and repeals existing statutes and rules governing the medical cannabis registry program.

Medical Cannabis: Compacts to be Negotiated

- a. Authorizes the governor, or the governor's designee to enter compacts with Indian Tribes to permit the Tribes to provide medical cannabis.
- b. Identifies the issues all compacts must address, including rates of taxation and revenue sharing, and provides that acts performed pursuant to a valid contract are immune from civil or criminal prosecution. Requires the governor to publish all compacts and report to the legislature.
- c. Cannabis business: Data submitted to the Cannabis Management Office for a cannabis business license and data relating to investigations and disciplinary proceedings involving cannabis businesses licensed by the Cannabis Management Office

Education on Cannabis Use and Substance Use

- a. Model program: Directs the commissioner of education to publish a list of one or more model programs to educate middle and high school students about the health effects on children and adolescents of cannabis use and substance use. Lists information a model program must include.
- b. School programs: Requires a school district or charter school to implement an education program on cannabis use and substance use for middle and high school students
- c. Parental Review: Requires school districts and charter schools to allow parents, guardians, and adult students to review the content of instructional materials on cannabis use and substance use
- d. Youth council: permits a school district or charter school to establish one or more youth councils in which students provide peer-to-peer education on cannabis use and substance use

Cannabis Data and Biennial Reports

- a. The commissioner shall conduct a statewide assessment to establish a baseline for the prevalence of cannabis use and the use of cannabis products in the state
- b. Reports: every two years thereafter, the commissioner shall issue a public report on the prevalence of cannabis use and the use of cannabis products in the state by persons under age 21 and by persons aged 21 or older

Cannabis Education Programs

- a. Requires the commissioner of health to conduct an education program on the top three adverse health effects of the use of cannabis or cannabis products by persons under 21. Requires the commissioner to conduct an education program to educate pregnant women, breastfeeding women, and women who may become pregnant on the adverse health effects of prenatal exposure or exposure by infants and children to cannabis and cannabis products.
- b. Requires the commissioner to provide training and technical assistance to home visiting programs regarding safe and unsafe uses of cannabis and cannabis products in homes with infants and young children. Directs the commissioner to issue grants to qualified agencies and programs to provide education and training to substance use disorder treatment providers on the signs of and treatments for substance use disorder.

Cannabis Testing

- a. Section 11 defines “cannabis testing” separate from existing workplace testing. Applies methods and definitions unless stated
- b. Sections 9 and 10 remove cannabis as a “drug” subject to current “drug and alcohol testing” but provides exceptions
- c. Section 13 included cannabis impairment under “safety-sensitive position”
- d. Sections 8 and 12 add cannabis testing to initial screening and confirmatory testing definitions

Cannabis Testing Exceptions

- a. Provides exceptions to limitations on cannabis testing. Existing drug and alcohol testing requirements continue to apply to:
 - a. Safety-sensitive position
 - b. Peace officer
 - c. Firefighter
 - d. Position working with directly with children, vulnerable adults, or health care patients
 - e. Position requiring a commercial driver’s license or requiring testing for motor vehicle operation
 - f. Federally funded grant position
 - g. Any other position where state or federal law requires testing

Reliability and Fairness Safeguards

- a. Authorizes discipline, discharge, or other adverse personnel action by an employer for a cannabis violation at work or work property, if an employee:
 - a. Is impaired by cannabis at work
 - b. Had a verified positive test for cannabis
 - c. Violates an employer’s valid written cannabis policy
 - d. As provided under other state or federal law

Civil Liability for Cannabis Nuisance

- a. Cannabis nuisance: any use of cannabis which is injurious to health, indecent or offensive to the senses, or an obstruction to the free use of property, to interfere with the comfortable enjoyment of life or property

Task Force on Medical Cannabis Therapeutic Research

- a. The task force on medical cannabis therapeutic research established under Minnesota Statutes

Article Seven: Temporary Regulation of Certain Products

Sale of Certain Cannabinoid Products

- a. Sale of cannabinoids derived from hemp: notwithstanding any other section in this chapter, a product containing nonintoxicating cannabinoids, including an edible cannabinoid product, may be sold for human or animal consumption only if all of the requirements of this section are met, provided that a product sold for human or animal consumption does not contain more than 0.3% of any THC that exceeds the limits established in subdivision 5a paragraph f
- b. Testing requirements: a manufacturer of a product regulated under this section must submit representative samples of each batch of the product to an independent, accredited laboratory to certify that the product complies with the standards adopted by the board on or before July 1, 2023
- c. Labeling requirements: same requirements as cannabis products
- d. Age verification: prior to initiating a sale of an edible cannabinoid product, an employee of a retailer must verify that the customer is at least 21 years of age

Article Eight: Scheduling of Marijuana

Summary: reschedules marijuana from Schedule I to Schedule II

Article Nine: Appropriations

- a. Appropriations:
 - a. Office of Cannabis Management: Sets base appropriations, directs the portions of the appropriation are for rulemaking, for cannabis industry community renewal grants, and for administration of substance use disorder treatment and prevention grants
 - b. Department of Agriculture: Appropriates \$7,595,000 in FY24 and \$7,659,000 in FY25 from the general fund to the commissioner of agriculture for food safety and pesticide enforcement lab testing and rulemaking related to this act. Sets base appropriations of \$1,447,000 in FY26 and \$1,178,000 in FY27.
 - c. Cannabis Expungement Office: Appropriates \$921,000 in FY24 and \$844,000 in FY25 from the general fund to the Cannabis Expungement Office for expenses related to reviewing criminal convictions to assess eligibility for expungement and resentencing
 - d. Department of Commerce: Appropriates \$63,000 in FY24 and \$230,000 in FY25 from the general fund to the commissioner of commerce for the purposes of this act. Sets base appropriations of \$452,000 in FY26 and \$626,000 in FY27.
 - e. Department of Corrections: Reduces appropriations to the commissioner of corrections for reduction in expected incarceration based on charges under this act
 - f. Department of Health: Appropriates \$6,235,000 in FY24 and \$6,231,000 in FY25 from the general fund to the commissioner of health for the purposes of this act. Sets base appropriations of \$9,077,000 in FY24 and \$9,132,000 in FY25. Specifies that portions of the appropriation must be used for education of women who are pregnant,

breastfeeding, or may become pregnant; collecting data; testing; and youth awareness campaigns.

- g. Department of Human Services: Appropriates \$1,250,000 in FY24 and \$1,232,000 in FY25 from the general fund to the commissioner of human services for the purposes of this act. Sets base appropriations of \$1,232,000 in FY26, FY27, and FY28, and \$411,000 in FY29. Specifies that portions of the appropriations must be used by the background studies legal division, for technology system changes, and to support the Substance Use Disorder Advisory Council.
- h. Department of Public Safety; State Patrol: Specifies that portions of the appropriations must be used to identify records of individuals who may be eligible for expungement or resentencing; enhance forensic science services; and investigation of diversion crimes.

Budget Reserve Reduction and Transfer:

- a. Reduces the balance of the budget reserve account by \$23,235,000 on July 1, 2021. Provides that the reduction is in addition to other additions in law and existing bills. Directs that an identical amount must be transferred from the general fund to the budget reserve account on July 1, 2023.