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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 1735

02/27/2025 Authored by West and Stephenson

The bill was read for the first time and referred to the Committee on Commerce Finance and Policy

1.1 A bill for an act
1.2 relating to cannabis; authorizing certain liquor wholesalers to purchase and sell
1.3 lower-potency hemp edibles; proposing coding for new law in Minnesota Statutes,
1.4 chapter 342.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. 342.463 **LOWER-POTENCY HEMP EDIBLE WHOLESALER.**

1.7 Subdivision 1. **Authorization.** A wholesaler, as defined in section 340A.101, subdivision
1.8 28, with a valid license issued under chapter 340A may purchase and sell lower-potency
1.9 hemp edibles subject to the requirements of this section.

1.10 Subd. 2. **Registration.** Every wholesaler purchasing and selling lower-potency hemp
1.11 edibles on or after April 1, 2025, must be registered with the office. A wholesaler must
1.12 register in the form and manner established by the office. The sale of lower-potency hemp
1.13 edibles by a person who is not registered with the office is prohibited and subject to the
1.14 penalties in section 342.09, subdivision 6; any applicable criminal penalty; and any other
1.15 applicable civil or administrative penalty.

1.16 Subd. 3. **Approved actions.** A registered wholesaler may:

1.17 (1) purchase lower-potency hemp edibles from cannabis microbusinesses, cannabis
1.18 mezzobusinesses, cannabis cultivators, cannabis manufacturers, and lower-potency hemp
1.19 edible manufacturers;

1.20 (2) sell lower-potency hemp edibles to lower-potency hemp edible retailers, cannabis
1.21 microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail
1.22 endorsement, cannabis retailers, and medical cannabis combination businesses;

2.1 (3) import lower-potency hemp edibles that contain hemp concentrate or artificially
2.2 derived cannabinoids that are derived from hemp plants or hemp plant parts; and

2.3 (4) perform other actions approved by the office.

2.4 Subd. 4. **Operations.** (a) A registered wholesaler must maintain accurate records and
2.5 ensure that appropriate labels remain affixed to lower-potency hemp edibles.

2.6 (b) A registered wholesaler must maintain compliance with state and local building, fire,
2.7 and zoning requirements or regulations and must ensure that the wholesaler's premises are
2.8 maintained in a clean and sanitary condition, free from infestation by insects, rodents, or
2.9 other pests.

2.10 (c) A registered wholesaler may purchase and sell other products or items for which the
2.11 wholesaler has a license or an authorization or that do not require a license or an
2.12 authorization. Products for which no license or authorization is required include but are not
2.13 limited to industrial hemp products, products that contain hemp grain, hemp-derived topical
2.14 products, and cannabis paraphernalia. Cannabis paraphernalia includes but is not limited to
2.15 childproof packaging containers and other devices designed to ensure the safe storage and
2.16 monitoring of cannabis flower and cannabis products in the home to prevent access by
2.17 individuals under 21 years of age.

2.18 (d) The limitations on financial relationships described in section 342.23, subdivision
2.19 5, apply to registered wholesalers.

2.20 Subd. 5. **Transportation of lower-potency hemp edibles.** (a) A registered wholesaler
2.21 may transport lower-potency hemp edibles on public roadways if:

2.22 (1) the lower-potency hemp edibles are in final packaging;

2.23 (2) the lower-potency hemp edibles are packaged in tamper-evident containers that are
2.24 not visible or recognizable from outside the transporting vehicle;

2.25 (3) the registered wholesaler has a shipping manifest in the registered wholesaler's
2.26 possession that describes the contents of all tamper-evident containers;

2.27 (4) all departures, arrivals, and stops are appropriately documented;

2.28 (5) no person other than a designated employee enters a vehicle at any time that the
2.29 vehicle is transporting lower-potency hemp edibles; and

2.30 (6) the registered wholesaler complies with any other rules adopted by the office related
2.31 to the transportation of lower-potency hemp edibles by a lower-potency hemp edible retailer.

3.1 (b) Any vehicle assigned for the purposes of transporting lower-potency hemp edibles
3.2 is subject to inspection at any time.

3.3 Subd. 6. **Importation of hemp-derived products.** (a) A registered wholesaler may sell
3.4 products manufactured outside the boundaries of the state of Minnesota if:

3.5 (1) the manufacturer is licensed in another jurisdiction and subject to regulations designed
3.6 to protect the health and safety of consumers that the office determines are substantially
3.7 similar to the regulations in this state; or

3.8 (2) the registered wholesaler establishes, to the satisfaction of the office, that the
3.9 manufacturer engages in practices that are substantially similar to the practices required for
3.10 licensure of manufacturers in this state.

3.11 (b) The office may cancel the registration of a wholesaler who is prohibited from
3.12 distributing products containing cannabinoids in any other jurisdiction, convicted of an
3.13 offense involving the distribution of products containing cannabinoids in any other
3.14 jurisdiction, or found liable for distributing any product that injured customers in any other
3.15 jurisdiction. A registered wholesaler shall disclose all relevant information related to actions
3.16 in another jurisdiction. Failure to disclose relevant information may result in disciplinary
3.17 action by the office, including cancellation of a registration.

3.18 (c) Notwithstanding any law to the contrary, it shall not be a defense in any civil or
3.19 criminal action that a registered wholesaler relied on information on a product label or
3.20 otherwise provided by a manufacturer who is not licensed in this state.

3.21 Subd. 7. **Enforcement.** The office may enforce this section under the relevant provisions
3.22 of section 342.19, including but not limited to issuing administrative orders, embargoing
3.23 products, and imposing civil penalties.

3.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.