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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 4541

05/20/2018 Authored by Freiberg, Lee, Schultz, Bly, Mahoney and others
The bill was read for the first time and referred to the Committee on Health and Human Services Reform

1.1 A bill for an act
1.2 relating to marijuana; allowing individuals 21 years of age or older to consume
1.3 and possess marijuana and marijuana products; providing regulation of marijuana
1.4 for commercial purposes; authorizing rulemaking; taxing certain marijuana sales;
1.5 amending Minnesota Statutes 2016, sections 144.413, subdivision 4, by adding
1.6 subdivisions; 144.4165; 152.01, by adding subdivisions; 152.027, subdivisions 3,
1.7 4, by adding a subdivision; 152.092; 152.093; 297A.61, subdivision 4, by adding
1.8 subdivisions; 297A.62, subdivision 1, by adding a subdivision; proposing coding
1.9 for new law in Minnesota Statutes, chapter 152; proposing coding for new law as
1.10 Minnesota Statutes, chapter 340B; repealing Minnesota Statutes 2016, section
1.11 144.414, subdivision 5.

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

1.13 ARTICLE 1

1.14 REGULATION OF THE PRODUCTION, SALE, AND USE OF MARIJUANA

1.15 Section 1. [340B.01] DEFINITIONS.

1.16 Subdivision 1. Applicability. For purposes of this chapter, the terms defined in this
1.17 section have the meanings given them.

1.18 Subd. 2. Consumer. "Consumer" means a person 21 years of age or older who purchases
1.19 or receives marijuana, marijuana products, or marijuana accessories for personal use by
1.20 persons 21 years of age or older, but not for resale to others.

1.21 Subd. 3. Local government. "Local government" means a town operating under chapter
1.22 368, a county, or a statutory or home rule charter city. A governing body for a town under
1.23 this chapter means a town board of supervisors.

1.24 Subd. 4. Marijuana. "Marijuana" means all parts of the plant of any species of the genus
1.25 Cannabis, including all agronomical varieties, whether growing or not; the seeds of the

2.1 plant; the resin extracted from any part of the plant; and every compound, salt, derivative,
2.2 mixture, or preparation of the plant, its seeds, or its resin. Marijuana does not include
2.3 industrial hemp; medical cannabis, as defined in section 152.22, subdivision 6; the fiber
2.4 produced from the stalks; oil or cake made from the seeds of the plant; any other compound,
2.5 manufacture, salt, derivative, mixture, or preparation from mature stalks, except resin
2.6 extracted therefrom, fiber, oil, or cake; or the sterilized seed of the plant which is incapable
2.7 of germination.

2.8 Subd. 5. **Marijuana accessory.** "Marijuana accessory" means any equipment, product,
2.9 or material of any kind that is used, intended for use, or designed for use in planting,
2.10 propagating, cultivating, growing, harvesting, composting, manufacturing, compounding,
2.11 converting, producing, processing, preparing, testing, analyzing, packaging, repackaging,
2.12 storing, vaporizing, or holding marijuana, or for ingesting, inhaling, or otherwise introducing
2.13 marijuana into the human body.

2.14 Subd. 6. **Marijuana concentrate.** "Marijuana concentrate" means a product that consists
2.15 wholly or in part of the resin extracted from any part of the marijuana plant and that has a
2.16 THC concentration of greater than ten percent.

2.17 Subd. 7. **Marijuana cultivation facility.** "Marijuana cultivation facility" means an entity
2.18 licensed to cultivate, prepare, and package marijuana and sell marijuana to retail marijuana
2.19 stores, marijuana product manufacturing facilities, and other marijuana cultivation facilities,
2.20 but not to consumers.

2.21 Subd. 8. **Marijuana establishment.** "Marijuana establishment" means a marijuana
2.22 cultivation facility, a marijuana testing facility, a marijuana product manufacturing facility,
2.23 or a retail marijuana store.

2.24 Subd. 9. **Marijuana product manufacturing facility.** "Marijuana product manufacturing
2.25 facility" means an entity licensed to purchase marijuana; manufacture, prepare, and package
2.26 marijuana products; and sell marijuana and marijuana products to other marijuana product
2.27 manufacturing facilities and to retail marijuana stores, but not to consumers.

2.28 Subd. 10. **Marijuana product.** "Marijuana product" means (1) marijuana concentrates;
2.29 or (2) a product that is comprised of marijuana and other ingredients, has a THC concentration
2.30 no greater than ten percent, and is intended for human use or consumption including but
2.31 not limited to edible products, ointments, and tinctures.

2.32 Subd. 11. **Marijuana testing facility.** "Marijuana testing facility" means an entity
2.33 licensed to analyze and certify the safety and potency of marijuana and marijuana products.

3.1 Subd. 12. **Public health standards and practices.** "Public health standards and practices"
3.2 means standards and practices based on the principles of protecting and improving individual
3.3 and public health by promoting healthy lifestyles, preventing injuries, and preventing and
3.4 responding to diseases.

3.5 Subd. 13. **Retail marijuana store.** "Retail marijuana store" means an entity licensed to
3.6 purchase marijuana from marijuana cultivation facilities and marijuana, marijuana products,
3.7 and marijuana accessories from marijuana product manufacturing facilities and to sell
3.8 marijuana, marijuana products, and marijuana accessories to consumers.

3.9 **Sec. 2. [340B.03] PERSONAL POSSESSION AND USE OF MARIJUANA.**

3.10 A person who is 21 years of age or older may possess, use, purchase, transport, transfer,
3.11 and consume marijuana, marijuana products, and marijuana accessories according to section
3.12 152.211.

3.13 **Sec. 3. [340B.05] REGULATION OF MARIJUANA.**

3.14 Subdivision 1. **Rulemaking authorized.** (a) No later than January 1, 2021, the
3.15 commissioner of health shall adopt rules to implement this chapter. In adopting rules under
3.16 this section, the commissioner must apply public health standards and practices to protect
3.17 the public health and must establish standards, procedures, and safeguards to prevent persons
3.18 under age 21 from using marijuana and to prevent persons under age 21 from being targeted
3.19 for the sale of marijuana, while still permitting persons age 21 and older to possess, use,
3.20 and consume marijuana, marijuana products, and marijuana accessories. The rules must
3.21 address:

3.22 (1) procedures for the issuance, renewal, suspension, and revocation of a license to
3.23 operate a marijuana establishment;

3.24 (2) qualifications for the licensure of marijuana establishments that are directly and
3.25 demonstrably related to the operation of a marijuana establishment;

3.26 (3) requirements to prevent the sale or diversion of marijuana and marijuana products
3.27 to persons under the age of 21, including restrictions on marketing and advertisements
3.28 directed toward persons under the age of 21;

3.29 (4) health and safety regulations and standards for producing and processing marijuana
3.30 and marijuana products;

3.31 (5) safety standards for marijuana products, including safety requirements related to
3.32 contaminants and potency;

4.1 (6) security requirements for marijuana establishments;

4.2 (7) labeling requirements for marijuana and marijuana products sold or distributed by
4.3 a retail marijuana store;

4.4 (8) requirements for the cultivation of marijuana by marijuana cultivation facilities. In
4.5 adopted rules under this clause, the commissioner may consult with the commissioner of
4.6 agriculture on topics such as pesticide use;

4.7 (9) requirements for the testing and labeling of marijuana and marijuana products;

4.8 (10) record-keeping and audit requirements for marijuana establishments. In adopting
4.9 rules under this clause, the commissioner may consult with the commissioner of revenue;

4.10 (11) safety standards for edible marijuana products, which may include limits on the
4.11 types of edible products produced and sold and packaging requirements for edible products,
4.12 in order to limit products that may appeal to or be ingested by children; and

4.13 (12) any other requirements or procedures necessary to administer this chapter.

4.14 Subd. 2. **Board of Public Health Professionals.** (a) The commissioner of health shall
4.15 appoint members to a Board of Public Health Professionals to advise the commissioner on
4.16 the adoption of rules under subdivision 1 according to public health standards and practices
4.17 and to analyze and evaluate the social and economic impacts of this chapter and rules adopted
4.18 under subdivision 1. Marijuana establishment owners, agents, and employees are not eligible
4.19 to serve on the Board of Public Health Professionals. Board membership shall include public
4.20 health professionals and health care providers.

4.21 (b) The commissioner shall provide administrative support and meeting support to the
4.22 board. Applications, terms, compensation, and removal of board members are governed by
4.23 section 15.059.

4.24 **EFFECTIVE DATE.** This section is effective July 1, 2019.

4.25 Sec. 4. **[340B.07] LOCAL REGULATIONS.**

4.26 (a) Except as provided in paragraph (b), a local government may adopt ordinances or
4.27 regulations that are more restrictive than the requirements in this chapter or more restrictive
4.28 than the requirements of rules adopted under this chapter, if the governing body of the local
4.29 government determines such ordinances or regulations protect the public health. A local
4.30 government may adopt ordinances or regulations:

4.31 (1) governing the time, place, and manner of the cultivation of marijuana or consumption
4.32 or use of marijuana, marijuana products, or marijuana accessories;

5.1 (2) governing the time, place, and manner of the operation of marijuana establishments
 5.2 and the number of marijuana establishments within the jurisdiction of the local government;

5.3 (3) requiring a marijuana establishment to obtain a license issued by the local government,
 5.4 or other form of authorization required by the local government, in order to operate within
 5.5 the local government's jurisdiction;

5.6 (4) regulating the manufacturing, processing, and transporting of marijuana, marijuana
 5.7 products, and marijuana accessories;

5.8 (5) establishing civil penalties for a violation of an ordinance or regulation related to
 5.9 the cultivation of marijuana, consumption of marijuana or marijuana products, or operation
 5.10 of marijuana establishments; and

5.11 (6) establishing any other requirements or procedures necessary to regulate the cultivation,
 5.12 processing, sale, use, and consumption of marijuana and marijuana products in a manner
 5.13 that protects the public health.

5.14 (b) A local government shall not adopt a regulation or ordinance to prohibit or establish
 5.15 criminal penalties for the possession, sale, use, or consumption of marijuana, marijuana
 5.16 products, or marijuana accessories as authorized under this chapter and chapter 152.

5.17 **Sec. 5. [340B.09] GENERAL REQUIREMENTS.**

5.18 Subdivision 1. **Marijuana establishments.** No person may operate a marijuana
 5.19 establishment in this state without first obtaining the proper license from the commissioner
 5.20 of health to perform the activities and operations authorized by this chapter, and obtaining
 5.21 the proper authorization, if any, required by the local government of the jurisdiction in
 5.22 which the marijuana establishment is located. No person under 21 years of age may be
 5.23 employed by a marijuana establishment.

5.24 Subd. 2. **Rights of employers.** Nothing in this chapter is intended to require an employer
 5.25 to permit or accommodate the use, consumption, possession, transfer, display, transportation,
 5.26 sale, or cultivation of marijuana in the workplace or to permit an employee to work while
 5.27 under the influence of marijuana.

5.28 Subd. 3. **Rights of employees and prospective employees.** Notwithstanding any law
 5.29 to the contrary, an employer is prohibited from disciplining or discriminating against an
 5.30 employee or prospective employee because the employee or prospective employee has
 5.31 metabolites of marijuana in the employee's or prospective employee's blood, urine, or saliva.
 5.32 It is not a violation of subdivision 2 for an employer to restrict the use or consumption of
 5.33 marijuana or marijuana products by employees during nonworking hours if:

6.1 (1) the employer's restriction relates to a bona fide occupational requirement and is
 6.2 reasonably related to employment activities or responsibilities of a particular employee or
 6.3 group of employees; or

6.4 (2) it is necessary to avoid a conflict of interest or the appearance of a conflict of interest
 6.5 with any responsibilities owed by the employee to the employer.

6.6 Subd. 4. **Rights of property owners.** Nothing in this chapter prohibits a person,
 6.7 employer, school, hospital, detention or correctional facility, corporation, or any other entity
 6.8 that occupies, owns, or controls a property from prohibiting or otherwise regulating the
 6.9 possession, consumption, use, display, transfer, distribution, sale, transportation, or cultivation
 6.10 of marijuana or marijuana products on the person's or entity's property.

6.11 Subd. 5. **Rights of residential tenants.** A residential tenant who is 21 years of age or
 6.12 older may possess, use, and consume marijuana and marijuana products and may possess
 6.13 and grow marijuana plants as authorized by this chapter, in a residential building, but
 6.14 smoking a marijuana product or consuming a marijuana product by use of an electronic
 6.15 delivery device may be prohibited by a written lease, by law or ordinance, or by written
 6.16 housing policies.

6.17 **Sec. 6. EFFECTIVE DATE.**

6.18 This article is effective January 1, 2021, unless another effective date is specified.

6.19 **ARTICLE 2**

6.20 **TAXATION**

6.21 Section 1. Minnesota Statutes 2016, section 297A.61, subdivision 4, is amended to read:

6.22 Subd. 4. **Retail sale.** (a) A "retail sale" means:

6.23 (1) any sale, lease, or rental of tangible personal property for any purpose, other than
 6.24 resale, sublease, or subrent of items by the purchaser in the normal course of business as
 6.25 defined in subdivision 21; and

6.26 (2) any sale of a service enumerated in subdivision 3, for any purpose other than resale
 6.27 by the purchaser in the normal course of business as defined in subdivision 21.

6.28 (b) A sale of property used by the owner only by leasing it to others or by holding it in
 6.29 an effort to lease it, and put to no use by the owner other than resale after the lease or effort
 6.30 to lease, is a sale of property for resale.

7.1 (c) A sale of master computer software that is purchased and used to make copies for
7.2 sale or lease is a sale of property for resale.

7.3 (d) A sale of building materials, supplies, and equipment to owners, contractors,
7.4 subcontractors, or builders for the erection of buildings or the alteration, repair, or
7.5 improvement of real property is a retail sale in whatever quantity sold, whether the sale is
7.6 for purposes of resale in the form of real property or otherwise.

7.7 (e) A sale of carpeting, linoleum, or similar floor covering to a person who provides for
7.8 installation of the floor covering is a retail sale and not a sale for resale since a sale of floor
7.9 covering which includes installation is a contract for the improvement of real property.

7.10 (f) A sale of shrubbery, plants, sod, trees, and similar items to a person who provides
7.11 for installation of the items is a retail sale and not a sale for resale since a sale of shrubbery,
7.12 plants, sod, trees, and similar items that includes installation is a contract for the improvement
7.13 of real property.

7.14 (g) A sale of tangible personal property that is awarded as prizes is a retail sale and is
7.15 not considered a sale of property for resale.

7.16 (h) A sale of tangible personal property utilized or employed in the furnishing or
7.17 providing of services under subdivision 3, paragraph (g), clause (1), including, but not
7.18 limited to, property given as promotional items, is a retail sale and is not considered a sale
7.19 of property for resale.

7.20 (i) A sale of tangible personal property used in conducting lawful gambling under chapter
7.21 349 or the State Lottery under chapter 349A, including, but not limited to, property given
7.22 as promotional items, is a retail sale and is not considered a sale of property for resale.

7.23 (j) a sale of machines, equipment, or devices that are used to furnish, provide, or dispense
7.24 goods or services, including, but not limited to, coin-operated devices, is a retail sale and
7.25 is not considered a sale of property for resale.

7.26 (k) In the case of a lease, a retail sale occurs (1) when an obligation to make a lease
7.27 payment becomes due under the terms of the agreement or the trade practices of the lessor
7.28 or (2) in the case of a lease of a motor vehicle, as defined in section 297B.01, subdivision
7.29 11, but excluding vehicles with a manufacturer's gross vehicle weight rating greater than
7.30 10,000 pounds and rentals of vehicles for not more than 28 days, at the time the lease is
7.31 executed.

7.32 (l) In the case of a conditional sales contract, a retail sale occurs upon the transfer of
7.33 title or possession of the tangible personal property.

8.1 (m) A sale of a bundled transaction in which one or more of the products included in
8.2 the bundle is a taxable product is a retail sale, except that if one of the products is a
8.3 telecommunication service, ancillary service, Internet access, or audio or video programming
8.4 service, and the seller has maintained books and records identifying through reasonable and
8.5 verifiable standards the portions of the price that are attributable to the distinct and separately
8.6 identifiable products, then the products are not considered part of a bundled transaction.
8.7 For purposes of this paragraph:

8.8 (1) the books and records maintained by the seller must be maintained in the regular
8.9 course of business, and do not include books and records created and maintained by the
8.10 seller primarily for tax purposes;

8.11 (2) books and records maintained in the regular course of business include, but are not
8.12 limited to, financial statements, general ledgers, invoicing and billing systems and reports,
8.13 and reports for regulatory tariffs and other regulatory matters; and

8.14 (3) books and records are maintained primarily for tax purposes when the books and
8.15 records identify taxable and nontaxable portions of the price, but the seller maintains other
8.16 books and records that identify different prices attributable to the distinct products included
8.17 in the same bundled transaction.

8.18 (n) A sale of motor vehicle repair paint and materials by a motor vehicle repair or body
8.19 shop business is a retail sale and the sales tax is imposed on the gross receipts from the retail
8.20 sale of the paint and materials. The motor vehicle repair or body shop that purchases motor
8.21 vehicle repair paint and motor vehicle repair materials for resale must either:

8.22 (1) separately state each item of paint and each item of materials, and the sales price of
8.23 each, on the invoice to the purchaser; or

8.24 (2) in order to calculate the sales price of the paint and materials, use a method which
8.25 estimates the amount and monetary value of the paint and materials used in the repair of
8.26 the motor vehicle by multiplying the number of labor hours by a rate of consideration for
8.27 the paint and materials used in the repair of the motor vehicle following industry standard
8.28 practices that fairly calculate the gross receipts from the retail sale of the motor vehicle
8.29 repair paint and motor vehicle repair materials. An industry standard practice fairly calculates
8.30 the gross receipts if the sales price of the paint and materials used or consumed in the repair
8.31 of a motor vehicle equals or exceeds the purchase price paid by the motor vehicle repair or
8.32 body shop business. Under this clause, the invoice must either separately state the "paint
8.33 and materials" as a single taxable item, or separately state "paint" as a taxable item and

9.1 "materials" as a taxable item. This clause does not apply to wholesale transactions at an
9.2 auto auction facility.

9.3 (o) A sale of specified digital products or other digital products to an end user with or
9.4 without rights of permanent use and regardless of whether rights of use are conditioned
9.5 upon payment by the purchaser is a retail sale. When a digital code has been purchased that
9.6 relates to specified digital products or other digital products, the subsequent receipt of or
9.7 access to the related specified digital products or other digital products is not a retail sale.

9.8 (p) A payment made to a cooperative electric association or public utility as a contribution
9.9 in aid of construction is a contract for improvement to real property and is not a retail sale.

9.10 (q) A sale of marijuana, marijuana products, or marijuana accessories by a retail marijuana
9.11 store is a retail sale and is not considered a sale of property for resale.

9.12 Sec. 2. Minnesota Statutes 2016, section 297A.61, is amended by adding a subdivision to
9.13 read:

9.14 Subd. 59. **Marijuana.** "Marijuana" has the meaning given in section 340B.01, subdivision
9.15 4.

9.16 Sec. 3. Minnesota Statutes 2016, section 297A.61, is amended by adding a subdivision to
9.17 read:

9.18 Subd. 60. **Marijuana accessory.** "Marijuana accessory" has the meaning given in section
9.19 340B.01, subdivision 5.

9.20 Sec. 4. Minnesota Statutes 2016, section 297A.61, is amended by adding a subdivision to
9.21 read:

9.22 Subd. 61. **Marijuana product.** "Marijuana product" has the meaning given in section
9.23 340B.01, subdivision 10.

9.24 Sec. 5. Minnesota Statutes 2016, section 297A.62, subdivision 1, is amended to read:

9.25 Subdivision 1. **Generally.** Except as otherwise provided in subdivision 3 or 3a or in this
9.26 chapter, a sales tax of 6.5 percent is imposed on the gross receipts from retail sales as defined
9.27 in section 297A.61, subdivision 4, made in this state or to a destination in this state by a
9.28 person who is required to have or voluntarily obtains a permit under section 297A.83,
9.29 subdivision 1.

10.1 Sec. 6. Minnesota Statutes 2016, section 297A.62, is amended by adding a subdivision to
10.2 read:

10.3 Subd. 3a. **Marijuana rate.** A sales tax of percent is imposed on the gross receipts
10.4 from the retail sales made in this state of marijuana, marijuana products, and marijuana
10.5 accessories.

10.6 Sec. 7. **EFFECTIVE DATE.**

10.7 This article is effective for sales and purchases made after December 31, 2020.

10.8 **ARTICLE 3**

10.9 **CLEAN INDOOR AIR ACT; CONTROLLED SUBSTANCE ACT**

10.10 Section 1. Minnesota Statutes 2016, section 144.413, subdivision 4, is amended to read:

10.11 Subd. 4. **Smoking.** "Smoking" means inhaling or exhaling smoke from any lighted cigar,
10.12 cigarette, or pipe; any lighted marijuana; or any other lighted tobacco product, marijuana
10.13 product, or plant product. Smoking also includes carrying a lighted cigar, cigarette, pipe,
10.14 marijuana, or any other lighted tobacco product, marijuana product, or plant product intended
10.15 for inhalation. Smoking also includes the use of an electronic delivery device or inhaling
10.16 and exhaling the vapor from such a device.

10.17 Sec. 2. Minnesota Statutes 2016, section 144.413, is amended by adding a subdivision to
10.18 read:

10.19 Subd. 6. **Electronic delivery device.** "Electronic delivery device" has the meaning given
10.20 in section 609.685, subdivision 1, except that electronic delivery device also includes a
10.21 product containing or delivering marijuana or marijuana derivatives through inhalation of
10.22 vapor from the product.

10.23 Sec. 3. Minnesota Statutes 2016, section 144.413, is amended by adding a subdivision to
10.24 read:

10.25 Subd. 7. **Marijuana.** "Marijuana" has the meaning given in section 340B.01, subdivision
10.26 4.

11.1 Sec. 4. Minnesota Statutes 2016, section 144.413, is amended by adding a subdivision to
11.2 read:

11.3 Subd. 8. **Marijuana product.** "Marijuana product" has the meaning given in section
11.4 340B.01, subdivision 10.

11.5 Sec. 5. Minnesota Statutes 2016, section 144.4165, is amended to read:

11.6 **144.4165 TOBACCO PRODUCTS, MARIJUANA, AND MARIJUANA PRODUCTS**
11.7 **PROHIBITED IN PUBLIC SCHOOLS.**

11.8 Subdivision 1. **Tobacco products.** No person shall at any time smoke, chew, or otherwise
11.9 ingest tobacco or a tobacco product, or inhale or exhale vapor from an electronic delivery
11.10 device ~~as defined in section 609.685, subdivision 1,~~ in a public school, as defined in section
11.11 120A.05, subdivisions 9, 11, and 13, and no person under the age of 18 shall possess any
11.12 of these items. This prohibition extends to all facilities, whether owned, rented, or leased,
11.13 and all vehicles that a school district owns, leases, rents, contracts for, or controls. Nothing
11.14 in this section shall prohibit the lighting of tobacco by an adult as a part of a traditional
11.15 Indian spiritual or cultural ceremony. For purposes of this section, an Indian is a person
11.16 who is a member of an Indian tribe as defined in section 260.755 subdivision 12.

11.17 Subd. 2. **Marijuana and marijuana products.** No person shall at any time smoke,
11.18 ingest, consume, or otherwise use marijuana or a marijuana product in a public school, as
11.19 defined in section 120A.05, subdivisions 9, 11, and 13, and no person shall possess any of
11.20 these items in a public school. This prohibition extends to all facilities, whether owned,
11.21 rented, or leased, and all vehicles that a school district owns, leases, rents, contracts for, or
11.22 controls.

11.23 Sec. 6. Minnesota Statutes 2016, section 152.01, is amended by adding a subdivision to
11.24 read:

11.25 Subd. 9b. **Marijuana accessory.** "Marijuana accessory" has the meaning given in section
11.26 340B.01, subdivision 5.

11.27 Sec. 7. Minnesota Statutes 2016, section 152.01, is amended by adding a subdivision to
11.28 read:

11.29 Subd. 9c. **Marijuana product.** "Marijuana product" has the meaning given in section
11.30 340B.01, subdivision 10.

12.1 Sec. 8. Minnesota Statutes 2016, section 152.027, subdivision 3, is amended to read:

12.2 Subd. 3. **Possession of a marijuana product or marijuana in a motor vehicle.** A
12.3 person is guilty of a misdemeanor if the person is the owner of a private motor vehicle, or
12.4 is the driver of the motor vehicle if the owner is not present, and possesses on the person,
12.5 or knowingly keeps or allows to be kept within the area of the vehicle normally occupied
12.6 by the driver or passengers, a marijuana product or more than ~~1.4 grams~~ one ounce of
12.7 marijuana. This area of the vehicle does not include the trunk of the motor vehicle if the
12.8 vehicle is equipped with a trunk, or another area of the vehicle not normally occupied by
12.9 the driver or passengers if the vehicle is not equipped with a trunk. A utility or glove
12.10 compartment is deemed to be within the area occupied by the driver and passengers.

12.11 Sec. 9. Minnesota Statutes 2016, section 152.027, is amended by adding a subdivision to
12.12 read:

12.13 Subd. 3a. **Consumption of a marijuana product or marijuana in a motor vehicle.**
12.14 A person is guilty of a misdemeanor if the person consumes a marijuana product or smokes,
12.15 ingests, consumes, or otherwise uses marijuana in a motor vehicle when the motor vehicle
12.16 is on a street or highway.

12.17 Sec. 10. Minnesota Statutes 2016, section 152.027, subdivision 4, is amended to read:

12.18 Subd. 4. **Possession or sale of small amounts of marijuana.** (a) Except as provided in
12.19 section 152.211, a person who unlawfully sells a small amount of marijuana for no
12.20 remuneration, or who unlawfully possesses a small amount of marijuana is guilty of a petty
12.21 misdemeanor and shall be required to participate in a drug education program unless the
12.22 court enters a written finding that a drug education program is inappropriate. The program
12.23 must be approved by an area mental health board with a curriculum approved by the state
12.24 alcohol and drug abuse authority.

12.25 (b) A person convicted of an unlawful sale under paragraph (a) who is subsequently
12.26 convicted of an unlawful sale under paragraph (a) within two years is guilty of a misdemeanor
12.27 and shall be required to participate in a chemical dependency evaluation and treatment if
12.28 so indicated by the evaluation.

12.29 (c) A person who is convicted of a petty misdemeanor under paragraph (a) who willfully
12.30 and intentionally fails to comply with the sentence imposed, is guilty of a misdemeanor.
12.31 Compliance with the terms of the sentence imposed before conviction under this paragraph
12.32 is an absolute defense.

13.1 Sec. 11. Minnesota Statutes 2016, section 152.092, is amended to read:

13.2 **152.092 POSSESSION OF DRUG PARAPHERNALIA PROHIBITED.**

13.3 (a) Except as provided in section 152.211 or 152.212, it is unlawful for any person
13.4 knowingly or intentionally to use or to possess drug paraphernalia. Any violation of this
13.5 section is a petty misdemeanor.

13.6 (b) A person who violates paragraph (a) and has previously violated paragraph (a) on
13.7 two or more occasions has committed a crime and may be sentenced to imprisonment for
13.8 up to 90 days or to payment of a fine up to \$1,000, or both.

13.9 Sec. 12. Minnesota Statutes 2016, section 152.093, is amended to read:

13.10 **152.093 MANUFACTURE OR DELIVERY OF DRUG PARAPHERNALIA**
13.11 **PROHIBITED.**

13.12 Except as provided in section 152.211 or 152.212, it is unlawful for any person knowingly
13.13 or intentionally to deliver drug paraphernalia or knowingly or intentionally to possess or
13.14 manufacture drug paraphernalia for delivery. Any violation of this section is a misdemeanor.

13.15 Sec. 13. **[152.211] PERSONAL POSSESSION AND USE OF MARIJUANA.**

13.16 Subdivision 1. **Authorized acts.** (a) A person who is 21 years of age or older may:

13.17 (1) possess, use, or transport marijuana products or one ounce or less of marijuana;

13.18 (2) purchase marijuana products or one ounce or less of marijuana, from a retail marijuana
13.19 store;

13.20 (3) possess, use, transport, or purchase marijuana accessories from a retail marijuana
13.21 store;

13.22 (4) transfer marijuana products, one ounce or less of marijuana, or marijuana accessories,
13.23 without remuneration to a person who is 21 years of age or older;

13.24 (5) consume marijuana or marijuana products, provided that nothing in this section
13.25 permits a person to smoke marijuana in violation of sections 144.411 to 144.417, or to
13.26 consume marijuana or marijuana products in a public place, on private property without the
13.27 consent of the property owner, or in a manner that endangers others; and

13.28 (6) assist another person who is 21 years of age or older in any of the acts described in
13.29 clauses (1) to (5).

13.30 (b) Acts listed in paragraph (a) shall not be the basis for seizure or forfeiture of assets.

14.1 (c) For purposes of this section, "public place" means a public street, highway, alley,
 14.2 sidewalk, or boulevard, or property owned, leased, or controlled by a governmental unit.

14.3 Subd. 2. **Prohibited acts.** Nothing in this section permits a person to engage in, and
 14.4 does not prevent the imposition of any civil, criminal, or other penalties for, operating,
 14.5 navigating, or being in actual physical control of any motor vehicle, aircraft, train, or
 14.6 motorboat, or working on transportation property, equipment, or facilities while under the
 14.7 influence of marijuana.

14.8 Sec. 14. **[152.212] ACTIVITIES RELATED TO THE CULTIVATION,**
 14.9 **TRANSPORTATION, MANUFACTURE, AND SALE OF MARIJUANA,**
 14.10 **MARIJUANA PRODUCTS, AND MARIJUANA ACCESSORIES.**

14.11 Subdivision 1. **Definitions.** For purposes of this section, "marijuana cultivation facility,"
 14.12 "marijuana product manufacturing facility," "marijuana testing facility," and "retail marijuana
 14.13 store" have the meanings given in section 340B.01.

14.14 Subd. 2. **Acts not violations of chapter.** (a) A person who is 21 years of age or older
 14.15 may:

14.16 (1) manufacture, possess, or purchase marijuana accessories or sell marijuana accessories
 14.17 to a person who is 21 years of age or older;

14.18 (2) conduct any of the following activities if the person has a current, valid license to
 14.19 operate a retail marijuana store or is acting in the person's capacity as an owner, employee,
 14.20 or agent of a licensed retail marijuana store: possess, display, or transport marijuana or
 14.21 marijuana products; purchase marijuana from a marijuana cultivation facility; purchase
 14.22 marijuana or marijuana products from a marijuana product manufacturing facility; or sell
 14.23 marijuana or marijuana products to consumers;

14.24 (3) conduct any of the following activities if the person has a current, valid license to
 14.25 operate a marijuana cultivation facility or is acting in the person's capacity as an owner,
 14.26 employee, or agent of a licensed marijuana cultivation facility: cultivate, harvest, process,
 14.27 package, transport, display, or possess marijuana; deliver or transfer marijuana to a marijuana
 14.28 testing facility; sell marijuana to a marijuana cultivation facility, a marijuana product
 14.29 manufacturing facility, or a retail marijuana store; or purchase marijuana from a marijuana
 14.30 cultivation facility;

14.31 (4) conduct any of the following activities if the person has a current, valid license to
 14.32 operate a marijuana product manufacturing facility or is acting in the person's capacity as
 14.33 an owner, employee, or agent of a licensed marijuana product manufacturing facility:

15.1 package, process, transport, manufacture, display, or possess marijuana or marijuana
15.2 products; deliver or transfer marijuana or marijuana products to a marijuana testing facility;
15.3 sell marijuana or marijuana products to a retail marijuana store or a marijuana product
15.4 manufacturing facility; purchase marijuana from a marijuana cultivation facility; or purchase
15.5 marijuana or marijuana products from a marijuana product manufacturing facility;

15.6 (5) conduct any of the following activities if the person has a current, valid license to
15.7 operate a marijuana testing facility or is acting in the person's capacity as an owner, employee,
15.8 or agent of a licensed marijuana testing facility: possess, cultivate, process, repackage, store,
15.9 transport, display, transfer, or deliver marijuana or marijuana products; or

15.10 (6) lease or otherwise allow the use of property owned, occupied, or controlled by any
15.11 person, corporation, or other entity for any of the activities conducted lawfully in accordance
15.12 with this section.

15.13 (b) Acts listed in paragraph (a) shall not be the basis for seizure or forfeiture of assets.

15.14 Sec. 15. **REPEALER.**

15.15 Minnesota Statutes 2016, section 144.414, subdivision 5, is repealed.

15.16 Sec. 16. **EFFECTIVE DATE.**

15.17 This article is effective January 1, 2021.

APPENDIX
Article locations in HF4541-0

ARTICLE 1	REGULATION OF THE PRODUCTION, SALE, AND USE OF MARIJUANA.....	Page.Ln 1.13
ARTICLE 2	TAXATION.....	Page.Ln 6.19
ARTICLE 3	CLEAN INDOOR AIR ACT; CONTROLLED SUBSTANCE ACT...	Page.Ln 10.8

144.414 PROHIBITIONS.

Subd. 5. **Electronic cigarettes.** (a) The use of electronic cigarettes, including the inhaling or exhaling of vapor from any electronic delivery device, as defined in section 609.685, subdivision 1, is prohibited in the following locations:

(1) any building owned or operated by the state, home rule charter or statutory city, county, township, school district, or other political subdivision;

(2) any facility owned by Minnesota State Colleges and Universities and the University of Minnesota;

(3) any facility licensed by the commissioner of human services; or

(4) any facility licensed by the commissioner of health, but only if the facility is also subject to federal licensing requirements.

(b) Nothing in this subdivision shall prohibit political subdivisions or businesses from adopting more stringent prohibitions on the use of electronic cigarettes or electronic delivery devices.