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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 5282

04/04/2024 Authored by Stephenson
The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law

1.1 A bill for an act
1.2 relating to state government; modifying the licensure of businesses engaged in
1.3 cannabis sales; regulating the transfer and sharing of data between state agencies;
1.4 imposing penalties; authorizing rulemaking; amending Minnesota Statutes 2023
1.5 Supplement, sections 342.15, by adding a subdivision; 342.19, by adding a
1.6 subdivision; 342.62, by adding a subdivision.

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

1.8 Section 1. Minnesota Statutes 2023 Supplement, section 342.15, is amended by adding a
1.9 subdivision to read:

1.10 Subd. 5. Civil and regulatory offenses; disqualifications. The office may, by rule,
1.11 determine whether any civil or regulatory violations, as determined by another state agency,
1.12 local unit of government, or any other jurisdiction, disqualify an individual from holding
1.13 or receiving a cannabis business license issued under this chapter or disqualify an individual
1.14 from working for a cannabis business, and the length of the disqualification. The office
1.15 must have access to all investigative or regulatory data, regardless of its data classification
1.16 under chapter 13, relating to an individual who applies for a cannabis license or applies to
1.17 work for a cannabis business, when the data is held by any other state agency that has
1.18 regulatory authority over the individual.

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

1.20 Sec. 2. Minnesota Statutes 2023 Supplement, section 342.19, is amended by adding a
1.21 subdivision to read:

1.22 Subd. 6. Inspection of unlicensed businesses and facilities. (a) The office may inspect
1.23 any commercial premises that are not licensed under this chapter where cultivation,

2.1 manufacturing, processing, or sale of cannabis plants, cannabis flower, cannabis concentrate,
2.2 artificially derived cannabinoids, hemp-derived consumer products, or edible cannabinoid
2.3 products is taking place.

2.4 (b) A representative of the office performing an inspection under this subdivision must
2.5 present appropriate credentials to the owner, operator, or agent in charge and clearly state
2.6 the purpose of the inspection.

2.7 (c) To determine if any person is engaging in activities that are regulated by this chapter
2.8 and not authorized without the possession of a license, and to determine the appropriate
2.9 penalty under section 342.09, subdivision 6, a representative of the office may, after providing
2.10 the notice required under paragraph (b), enter the commercial premises and perform any of
2.11 the following:

2.12 (1) inspect and investigate the commercial premises;

2.13 (2) inspect and copy records; and

2.14 (3) question privately any employer, owner, operator, agent, or employee of the
2.15 commercial operation.

2.16 (d) Entry of a commercial premises must take place during regular working hours or at
2.17 other reasonable times.

2.18 (e) If the office finds any cannabis plant, cannabis flower, cannabis product, artificially
2.19 derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product on
2.20 the inspected commercial premises, the office may either immediately seize the item or
2.21 affix to the item a tag, withdrawal from distribution order, or other appropriate marking
2.22 providing notice that the cannabis plant, cannabis flower, cannabis product, artificially
2.23 derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is, or
2.24 is suspected of being, possessed or distributed in violation of this chapter, and has been
2.25 detained or embargoed, and warning all persons not to remove or dispose of the item by
2.26 sale or otherwise until permission for removal or disposal is given by the office or the court.
2.27 It is unlawful for a person to remove or dispose of a detained or embargoed cannabis plant,
2.28 cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp
2.29 edible, or hemp-derived consumer product by sale or otherwise without the office's or a
2.30 court's permission and each transaction may be treated as a sale for the purposes of imposing
2.31 a penalty pursuant to section 342.09, subdivision 6.

2.32 (f) If the office has seized, detained, or embargoed any item pursuant to paragraph (e),
2.33 the office must:

3.1 (1) petition the district court in the county in which the item was found for an order
 3.2 authorizing destruction of the product; and

3.3 (2) notify the county attorney in the county where the item was found of the office's
 3.4 actions.

3.5 (g) If the court finds that the seized, detained, or embargoed cannabis plant, cannabis
 3.6 flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or
 3.7 hemp-derived consumer product was possessed or distributed in violation of this chapter
 3.8 or rules adopted under this chapter, the office may destroy the cannabis plant, cannabis
 3.9 flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or
 3.10 hemp-derived consumer product at the expense of the person who possessed or distributed
 3.11 the item in violation of this chapter, and all court costs, fees, storage, and other proper
 3.12 expenses must be assessed against the person or the person's agent.

3.13 (h) The provisions of subdivision 2, paragraph (f), apply to any analysis or examination
 3.14 performed under this subdivision.

3.15 (i) The authorization under paragraph (e) does not apply to any cannabis flower, cannabis
 3.16 product, lower-potency hemp edible, or hemp-derived consumer product lawfully purchased
 3.17 for personal use.

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

3.19 Sec. 3. Minnesota Statutes 2023 Supplement, section 342.62, is amended by adding a
 3.20 subdivision to read:

3.21 Subd. 4. **Prohibition of the sale of certain empty packaging.** No person may sell, offer
 3.22 for sale, or facilitate the sale of empty packaging that, if used, would be a violation of this
 3.23 section. Enforcement of this subdivision is subject to section 8.31.

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

3.25 Sec. 4. **TRANSFER OF ACTIVE AND INACTIVE COMPLAINTS.**

3.26 The Department of Health shall transfer all data, including not public data as defined in
 3.27 Minnesota Statutes, section 13.02, subdivision 8a, on active complaints and inactive
 3.28 complaints involving alleged violations of Minnesota Statutes 2023 Supplement, section
 3.29 151.72, as well as registration data collected under Minnesota Statutes 2023 Supplement,
 3.30 section 151.72, subdivision 5b, to the Office of Cannabis Management. The Department of
 3.31 Health and the Office of Cannabis Management shall ensure that the transfer takes place in
 3.32 a manner and on a schedule that prioritizes public health.

4.1 **EFFECTIVE DATE.** This section is effective July 1, 2024.

4.2 Sec. 5. **TRANSFER OF MEDICAL PROGRAM.**

4.3 (a) Notwithstanding the data's classification under Minnesota Statutes, chapter 13, the
4.4 Office of Cannabis Management may access data maintained by the commissioner of health
4.5 related to the responsibilities transferred under Minnesota Statutes, section 342.02,
4.6 subdivision 3. Data sharing authorized by this subdivision includes not public data as defined
4.7 in Minnesota Statutes, section 13.02, subdivision 8a, on active complaints and inactive
4.8 complaints involving any alleged violation of Minnesota Statutes, sections 152.22 to 152.37,
4.9 by a medical cannabis manufacturer. Data sharing under this paragraph further includes
4.10 data in patient files maintained by the commissioner and the health care practitioner, and
4.11 data submitted to or by a medical cannabis manufacturer classified as private data on
4.12 individuals, as defined in Minnesota Statutes, section 13.02, subdivision 12, or nonpublic
4.13 data, as defined in Minnesota Statutes, section 13.02, subdivision 9. Any data shared under
4.14 this section retain the data's classification from the agency holding the data.

4.15 (b) All rules adopted by the commissioner of health pursuant to Minnesota Statutes,
4.16 sections 152.22 to 152.37, including but not limited to Minnesota Rules, chapter 4770,
4.17 remain effective and shall be enforced until amended or repealed consistent with Minnesota
4.18 Statutes, section 15.039, subdivision 3.

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