

CHAPTER 63--H.F.No. 100

An act relating to cannabis; establishing the Office of Cannabis Management; establishing an advisory council; requiring reports relating to cannabis use and sales; legalizing and limiting the possession and use of cannabis and certain hemp products by adults; providing for the licensing, inspection, and regulation of cannabis businesses and hemp businesses; establishing licensing fees; requiring testing of cannabis flower, cannabis products, and certain hemp products; requiring labeling of cannabis flower, cannabis products, and certain hemp products; limiting the advertisement of cannabis flower, cannabis products, cannabis businesses, and hemp businesses; providing for the cultivation of cannabis in private residences; transferring regulatory authority for the medical cannabis program; providing for Tribal medical programs; taxing the sale of cannabis flower, cannabis products, and certain hemp products; establishing grant and loan programs; clarifying the prohibition on operating a motor vehicle while under the influence of certain products and chemicals; amending criminal penalties; establishing expungement procedures for certain individuals; requiring reports on expungements; providing for expungement of certain evictions; clarifying the rights of landlords and tenants regarding use of certain forms of cannabis; establishing labor standards for the use of cannabis flower, cannabis products, and certain hemp products by employees and testing of employees; providing for the temporary regulation of certain edible cannabinoid products; providing for professional licensing protections; providing for local registration of certain cannabis businesses operating retail establishments; amending the scheduling of marijuana and tetrahydrocannabinols; classifying data; making miscellaneous cannabis-related and hemp-related changes and additions; making clarifying and technical changes; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2022, sections 13.411, by adding a subdivision; 13.871, by adding a subdivision; 18K.02, subdivision 5; 34A.01, subdivision 4; 97B.065, subdivision 1; 144.99, subdivision 1; 144A.4791, subdivision 14; 151.72; 152.01, subdivision 9, by adding subdivisions; 152.02, subdivisions 2, 4; 152.021, subdivisions 1, 2; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 152.11, subdivision 2; 152.22, by adding subdivisions; 152.29, subdivision 4, by adding a subdivision; 152.30; 152.32; 152.33, subdivision 1; 152.35; 169A.03, by adding subdivisions; 169A.20, subdivision 1; 169A.31, subdivision 1; 169A.51, subdivisions 1, 4; 169A.72; 175.45, subdivision 1; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, subdivisions 4, 5, 6, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 192A.555; 244.05, subdivision 2; 245C.08, subdivision 1; 256.01, subdivision 18c; 256B.0625, subdivision 13d; 256D.024, subdivisions 1, 3; 256J.26, subdivisions 1, 3; 270B.12, by adding a subdivision; 270C.19, by adding a subdivision; 273.13, subdivision 24; 275.025, subdivision 2; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.61, subdivision 3; 297A.67, subdivisions 2, 7, by adding a subdivision; 297A.70, subdivisions 2, 4, 18; 297A.85; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 340A.402, subdivision 1; 340A.412, subdivision 14; 360.0752, subdivision 2; 461.12, by adding a subdivision; 484.014, subdivision 3; 504B.171, subdivision 1; 609.135, subdivision 1; 609.2111; 609.2112, subdivision 1; 609.2113, subdivisions 1, 2, 3; 609.2114, subdivisions 1, 2; 609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609A.01; 609B.425, subdivision 2; 609B.435, subdivision 2; 624.712, by adding subdivisions; 624.713, subdivision 1; 624.714, subdivision 6; 624.7142, subdivision 1; 624.7151; proposing coding for new law in Minnesota Statutes, chapters 3; 116J; 116L; 120B; 144; 152; 169A; 270C; 289A; 295; 340A; 477A; 504B; 609A; 624; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes

2022, sections 151.72; 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.291; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37.

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

ARTICLE 1

REGULATION OF ADULT-USE CANNABIS

Section 1. **[342.01] DEFINITIONS.**

Subdivision 1. **Terms.** For the purposes of this chapter, the following terms have the meanings given them.

Subd. 2. **Adult-use cannabis concentrate.** "Adult-use cannabis concentrate" means cannabis concentrate that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabis concentrate does not include any artificially derived cannabinoid.

Subd. 3. **Adult-use cannabis flower.** "Adult-use cannabis flower" means cannabis flower that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabis flower does not include medical cannabis flower, hemp plant parts, or hemp-derived consumer products.

Subd. 4. **Adult-use cannabis product.** "Adult-use cannabis product" means a cannabis product that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabis product includes edible cannabis products but does not include medical cannabinoid products or lower-potency hemp edibles.

Subd. 5. **Advertisement.** "Advertisement" means any written or oral statement, illustration, or depiction that is intended to promote sales of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or sales at a specific cannabis business or hemp business and includes any newspaper, radio, internet and electronic media, or television promotion; the distribution of fliers and circulars; and the display of window and interior signs in a cannabis business. Advertisement does not include a fixed outdoor sign that meets the requirements in section 342.64, subdivision 2, paragraph (b).

Subd. 6. **Artificially derived cannabinoid.** "Artificially derived cannabinoid" means a cannabinoid extracted from a cannabis plant, cannabis flower, hemp plant, or hemp plant parts with a chemical makeup that is changed after extraction to create a different cannabinoid or other chemical compound by applying a catalyst other than heat or light. Artificially derived cannabinoid includes but is not limited to any tetrahydrocannabinol created from cannabidiol but does not include cannabis concentrate, cannabis products, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 7. **Batch.** "Batch" means:

(1) a specific quantity of cannabis plants that are cultivated from the same seed or plant stock, are cultivated together, are intended to be harvested together, and receive an identical propagation and cultivation treatment;

(2) a specific quantity of cannabis flower that is harvested together; is uniform and intended to meet specifications for identity, strength, purity, and composition; and receives identical sorting, drying, curing, and storage treatment; or

(3) a specific quantity of a specific cannabis product, lower-potency hemp edible, artificially derived cannabinoid, hemp-derived consumer product, or hemp-derived topical product that is manufactured at the same time and using the same methods, equipment, and ingredients that is uniform and intended to meet specifications for identity, strength, purity, and composition, and that is manufactured, packaged, and labeled according to a single batch production record executed and documented.

Subd. 8. **Batch number.** "Batch number" means a unique numeric or alphanumeric identifier assigned to a batch of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, artificially derived cannabinoid, hemp-derived consumer products, or hemp-derived topical products.

Subd. 9. **Bona fide labor organization.** "Bona fide labor organization" means a labor union that represents or is actively seeking to represent cannabis workers.

Subd. 10. **Cannabinoid.** "Cannabinoid" means any of the chemical constituents of hemp plants or cannabis plants that are naturally occurring, biologically active, and act on the cannabinoid receptors of the brain. Cannabinoid includes but is not limited to tetrahydrocannabinol and cannabidiol.

Subd. 11. **Cannabinoid extraction.** "Cannabinoid extraction" means the process of extracting cannabis concentrate from cannabis plants or cannabis flower using heat, pressure, water, lipids, gases, solvents, or other chemicals or chemical processes, but does not include the process of extracting concentrate from hemp plants or hemp plant parts or the process of creating any artificially derived cannabinoid.

Subd. 12. **Cannabinoid product.** "Cannabinoid product" means a cannabis product, a hemp-derived consumer product, or a lower-potency hemp edible.

Subd. 13. **Cannabinoid profile.** "Cannabinoid profile" means the amounts of each cannabinoid that the office requires to be identified in testing and labeling, including but not limited to delta-9 tetrahydrocannabinol, tetrahydrocannabinolic acid, cannabidiol, and cannabidiolic acid in cannabis flower, a cannabis product, a batch of artificially derived cannabinoid, a lower-potency hemp edible, a hemp-derived consumer product, or a hemp-derived topical product expressed as percentages measured by weight and, in the case of cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, expressed as milligrams in each serving and package.

Subd. 14. **Cannabis business.** "Cannabis business" means any of the following licensed under this chapter:

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;

(8) cannabis testing facility;

(9) cannabis event organizer;

(10) cannabis delivery service;

(11) medical cannabis cultivator;

(12) medical cannabis processor;

(13) medical cannabis retailer; and

(14) medical cannabis combination business.

Subd. 15. **Cannabis concentrate.** (a) "Cannabis concentrate" means:

(1) the extracts and resins of a cannabis plant or cannabis flower;

(2) the extracts or resins of a cannabis plant or cannabis flower that are refined to increase the presence of targeted cannabinoids; or

(3) a product that is produced by refining extracts or resins of a cannabis plant or cannabis flower and is intended to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product.

(b) Cannabis concentrate does not include hemp concentrate, artificially derived cannabinoid, or hemp-derived consumer products.

Subd. 16. **Cannabis flower.** "Cannabis flower" means the harvested flower, bud, leaves, and stems of a cannabis plant. Cannabis flower includes adult-use cannabis flower and medical cannabis flower. Cannabis flower does not include cannabis seed, hemp plant parts, or hemp-derived consumer products.

Subd. 17. **Cannabis industry.** "Cannabis industry" means every item, product, person, process, action, business, or other thing related to cannabis flower and cannabis products and subject to regulation under this chapter.

Subd. 18. **Cannabis paraphernalia.** "Cannabis paraphernalia" means all equipment, products, and materials of any kind that are knowingly or intentionally used primarily in:

(1) manufacturing cannabis products;

(2) ingesting, inhaling, or otherwise introducing cannabis flower or cannabis products into the human body; and

(3) testing the strength, effectiveness, or purity of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 19. **Cannabis plant.** "Cannabis plant" means all parts of the plant of the genus Cannabis that is growing or has not been harvested and has a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent on a dry weight basis.

Subd. 20. **Cannabis product.** (a) "Cannabis product" means any of the following:

(1) cannabis concentrate;

(2) a product infused with cannabinoids, including but not limited to tetrahydrocannabinol, extracted or derived from cannabis plants or cannabis flower; or

(3) any other product that contains cannabis concentrate.

(b) Cannabis product includes adult-use cannabis products, including but not limited to edible cannabis products and medical cannabinoid products. Cannabis product does not include cannabis flower, artificially derived cannabinoid, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products.

Subd. 21. **Cannabis prohibition.** "Cannabis prohibition" means the system of state and federal laws that prevented establishment of a legal market and instead established petty offenses and criminal offenses punishable by fines, imprisonment, or both for the cultivation, possession, and sale of all parts of the plant of any species of the genus Cannabis, including all agronomical varieties, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin.

Subd. 22. **Cannabis seed.** "Cannabis seed" means the viable seed of the plant of the genus Cannabis that is reasonably expected to grow into a cannabis plant. Cannabis seed does not include hemp seed.

Subd. 23. **Cannabis worker.** "Cannabis worker" means any individual employed by a cannabis business and any individual who is a contractor of a cannabis business whose scope of work involves the handling of cannabis plants, cannabis flower, or cannabis products.

Subd. 24. **Child-resistant.** "Child-resistant" means packaging that meets the poison prevention packaging standards in Code of Federal Regulations, title 16, section 1700.15.

Subd. 25. **Cooperative.** "Cooperative" means an association conducting business on a cooperative plan that is organized or is subject to chapter 308A or 308B.

Subd. 26. **Council.** "Council" means the Cannabis Advisory Council.

Subd. 27. **Cultivation.** "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis plants, cannabis flower, hemp plants, or hemp plant parts.

Subd. 28. **Division of Medical Cannabis.** "Division of Medical Cannabis" means a division housed in the Office of Cannabis Management that operates the medical cannabis program.

Subd. 29. **Division of Social Equity.** "Division of Social Equity" means a division housed in the Office of Cannabis Management that promotes development, stability, and safety in communities that have experienced a disproportionate, negative impact from cannabis prohibition and usage.

Subd. 30. **Drug.** "Drug" has the meaning given in section 151.01, subdivision 5.

Subd. 31. **Edible cannabis product.** "Edible cannabis product" means any product that is intended to be eaten or consumed as a beverage by humans; contains a cannabinoid other than an artificially derived cannabinoid in combination with food ingredients; is not a drug; and is a type of product approved for sale by the office, or is substantially similar to a product approved by the office including but not limited to products that resemble nonalcoholic beverages, candy, and baked goods. Edible cannabis product does not include lower-potency hemp edibles.

Subd. 32. **Health care practitioner.** "Health care practitioner" means a Minnesota-licensed doctor of medicine, a Minnesota-licensed physician assistant acting within the scope of authorized practice, or a

Minnesota-licensed advanced practice registered nurse who has an active license in good standing and the primary responsibility for the care and treatment of the qualifying medical condition of an individual diagnosed with a qualifying medical condition.

Subd. 33. **Health record.** "Health record" has the meaning given in section 144.291, subdivision 2.

Subd. 34. **Hemp business.** (a) "Hemp business" means either of the following licensed under this chapter:

(1) lower-potency hemp edible manufacturer; or

(2) lower-potency hemp edible retailer.

(b) Hemp business does not include a person or entity licensed under chapter 18K to grow industrial hemp for commercial or research purposes or to process industrial hemp for commercial purposes.

Subd. 35. **Hemp concentrate.** (a) "Hemp concentrate" means:

(1) the extracts and resins of a hemp plant or hemp plant parts;

(2) the extracts or resins of a hemp plant or hemp plant parts that are refined to increase the presence of targeted cannabinoids; or

(3) a product that is produced by refining extracts or resins of a hemp plant or hemp plant parts and is intended to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product.

(b) Hemp concentrate does not include artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products.

Subd. 36. **Hemp consumer industry.** "Hemp consumer industry" means every item, product, person, process, action, business, or other thing related to artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products and subject to regulation under this chapter.

Subd. 37. **Hemp-derived consumer product.** (a) "Hemp-derived consumer product" means a product intended for human or animal consumption, does not contain cannabis flower or cannabis concentrate, and:

(1) contains or consists of hemp plant parts; or

(2) contains hemp concentrate or artificially derived cannabinoids in combination with other ingredients.

(b) Hemp-derived consumer product does not include artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived topical products, hemp fiber products, or hemp grain.

Subd. 38. **Hemp-derived topical product.** "Hemp-derived topical product" means a product intended for human or animal consumption that contains hemp concentrate, is intended for application externally to a part of the body of a human or animal, and does not contain cannabis flower or cannabis concentrate.

Subd. 39. **Hemp fiber product.** "Hemp fiber product" means an intermediate or finished product made from the fiber of hemp plant parts that is not intended for human or animal consumption. Hemp fiber product includes but is not limited to cordage, paper, fuel, textiles, bedding, insulation, construction materials, compost materials, and industrial materials.

Subd. 40. **Hemp grain.** "Hemp grain" means the harvested seeds of the hemp plant intended for consumption as a food or part of a food product. Hemp grain includes oils pressed or extracted from harvested hemp seeds.

Subd. 41. **Hemp plant.** "Hemp plant" means all parts of the plant of the genus *Cannabis* that is growing or has not been harvested and has a delta-9 tetrahydrocannabinol concentration of no more than 0.3 percent on a dry weight basis.

Subd. 42. **Hemp plant parts.** "Hemp plant parts" means any part of the harvested hemp plant, including the flower, bud, leaves, stems, and stalk, but does not include derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers that are separated from the plant. Hemp plant parts does not include hemp fiber products, hemp grain, or hemp seed.

Subd. 43. **Hemp seed.** "Hemp seed" means the viable seed of the plant of the genus *Cannabis* that is intended to be planted and is reasonably expected to grow into a hemp plant. Hemp seed does not include cannabis seed or hemp grain.

Subd. 44. **Hemp worker.** "Hemp worker" means any individual employed by a hemp business and any individual who is a contractor of a hemp business whose scope of work involves the handling of artificially derived cannabinoids, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 45. **Industrial hemp.** "Industrial hemp" has the meaning given in section 18K.02, subdivision 3.

Subd. 46. **Intoxicating cannabinoid.** "Intoxicating cannabinoid" means a cannabinoid, including an artificially derived cannabinoid, that when introduced into the human body impairs the central nervous system or impairs the human audio, visual, or mental processes. Intoxicating cannabinoid includes but is not limited to any tetrahydrocannabinol.

Subd. 47. **Labor peace agreement.** "Labor peace agreement" means an agreement between a cannabis business and a bona fide labor organization that protects the state's interests by, at minimum, prohibiting the labor organization from engaging in picketing, work stoppages, or boycotts against the cannabis business.

Subd. 48. **License holder.** "License holder" means a person, cooperative, or business that holds any of the following licenses:

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service;

(11) lower-potency hemp edible manufacturer;

(12) lower-potency hemp edible retailer;

(13) medical cannabis cultivator;

(14) medical cannabis processor;

(15) medical cannabis retailer; or

(16) medical cannabis combination business.

Subd. 49. **Local unit of government.** "Local unit of government" means a home rule charter or statutory city, county, town, or other political subdivision.

Subd. 50. **Lower-potency hemp edible.** "Lower-potency hemp edible" means any product that:

(1) is intended to be eaten or consumed as a beverage by humans;

(2) contains hemp concentrate or an artificially derived cannabinoid, in combination with food ingredients;

(3) is not a drug;

(4) consists of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol, 25 milligrams of cannabidiol, 25 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts;

(5) does not contain more than a combined total of 0.5 milligrams of all other cannabinoids per serving;

(6) does not contain an artificially derived cannabinoid other than delta-9 tetrahydrocannabinol;

(7) does not contain a cannabinoid derived from cannabis plants or cannabis flower; and

(8) is a type of product approved for sale by the office or is substantially similar to a product approved by the office, including but not limited to products that resemble nonalcoholic beverages, candy, and baked goods.

Subd. 51. **Matrix barcode.** "Matrix barcode" means a code that stores data in a two-dimensional array of geometrically shaped dark and light cells capable of being read by the camera on a smartphone or other mobile device.

Subd. 52. **Medical cannabinoid product.** (a) "Medical cannabinoid product" means a product that:

(1) consists of or contains cannabis concentrate or hemp concentrate or is infused with cannabinoids, including but not limited to artificially derived cannabinoids; and

(2) is provided to a patient enrolled in the registry program; a registered designated caregiver; or a parent, legal guardian, or spouse of an enrolled patient, by a cannabis retailer or medical cannabis retailer to treat or alleviate the symptoms of a qualifying medical condition.

(b) A medical cannabinoid product must be in the form of:

(1) liquid, including but not limited to oil;

(2) pill;

- (3) liquid or oil for use with a vaporized delivery method;
- (4) water-soluble cannabinoid multiparticulate, including granules, powder, and sprinkles;
- (5) orally dissolvable product, including lozenges, gum, mints, buccal tablets, and sublingual tablets;
- (6) edible products in the form of gummies and chews;
- (7) topical formulation; or
- (8) any allowable form or delivery method approved by the office.

(c) Medical cannabinoid product does not include adult-use cannabis products or hemp-derived consumer products.

Subd. 53. **Medical cannabis business.** "Medical cannabis business" means an entity licensed under this chapter to engage in one or more of the following:

- (1) the cultivation of cannabis plants for medical cannabis flower;
- (2) the manufacture of medical cannabinoid products; and
- (3) the retail sale of medical cannabis flower and medical cannabinoid products.

Subd. 54. **Medical cannabis flower.** "Medical cannabis flower" means cannabis flower provided to a patient enrolled in the registry program; a registered designated caregiver; or a parent, legal guardian, or spouse of an enrolled patient by a cannabis retailer or medical cannabis business to treat or alleviate the symptoms of a qualifying medical condition. Medical cannabis flower does not include adult-use cannabis flower.

Subd. 55. **Medical cannabis paraphernalia.** "Medical cannabis paraphernalia" means a delivery device, related supply, or educational material used by a patient enrolled in the registry program to administer medical cannabis and medical cannabinoid products.

Subd. 56. **Nonintoxicating cannabinoid.** "Nonintoxicating cannabinoid" means a cannabinoid that when introduced into the human body does not impair the central nervous system and does not impair the human audio, visual, or mental processes. Nonintoxicating cannabinoid includes but is not limited to cannabidiol and cannabigerol but does not include any artificially derived cannabinoid.

Subd. 57. **Office.** "Office" means the Office of Cannabis Management.

Subd. 58. **Outdoor advertisement.** "Outdoor advertisement" means an advertisement that is located outdoors or can be seen or heard by an individual who is outdoors and includes billboards; advertisements on benches; advertisements at transit stations or transit shelters; advertisements on the exterior or interior of buses, taxis, light rail transit, or business vehicles; and print signs that do not meet the requirements in section 342.64, subdivision 2, paragraph (b), but that are placed or located on the exterior property of a cannabis business.

Subd. 59. **Patient.** "Patient" means a Minnesota resident who has been diagnosed with a qualifying medical condition by a health care practitioner and who has met all other requirements for patients under this chapter to participate in the registry program.

Subd. 60. **Patient registry number.** "Patient registry number" means a unique identification number assigned by the Division of Medical Cannabis to a patient enrolled in the registry program.

Subd. 61. **Plant canopy.** "Plant canopy" means the surface area within a cultivation facility that is used at any time to cultivate mature, flowering cannabis plants. For multiple tier cultivation, each tier of cultivation surface area contributes to the total plant canopy calculation. Calculation of the area of the plant canopy does not include the surface area within the cultivation facility that is used to cultivate immature cannabis plants and seedlings.

Subd. 62. **Propagule.** "Propagule" means seeds, clones, transplants, and any other propagative industrial hemp material.

Subd. 63. **Qualifying medical condition.** "Qualifying medical condition" means a diagnosis of any of the following conditions:

- (1) Alzheimer's disease;
- (2) autism spectrum disorder that meets the requirements of the fifth edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association;
- (3) cancer, if the underlying condition or treatment produces one or more of the following:
 - (i) severe or chronic pain;
 - (ii) nausea or severe vomiting; or
 - (iii) cachexia or severe wasting;
- (4) chronic motor or vocal tic disorder;
- (5) chronic pain;
- (6) glaucoma;
- (7) human immunodeficiency virus or acquired immune deficiency syndrome;
- (8) intractable pain as defined in section 152.125, subdivision 1, paragraph (c);
- (9) obstructive sleep apnea;
- (10) post-traumatic stress disorder;
- (11) Tourette's syndrome;
- (12) amyotrophic lateral sclerosis;
- (13) seizures, including those characteristic of epilepsy;
- (14) severe and persistent muscle spasms, including those characteristic of multiple sclerosis;
- (15) inflammatory bowel disease, including Crohn's disease;
- (16) irritable bowel syndrome;
- (17) obsessive-compulsive disorder;
- (18) sickle cell disease;
- (19) terminal illness, with a probable life expectancy of under one year, if the illness or its treatment produces one or more of the following:

(i) severe or chronic pain;

(ii) nausea or severe vomiting; or

(iii) cachexia or severe wasting; or

(20) any other medical condition or its treatment approved by the office.

Subd. 64. Registered designated caregiver. "Registered designated caregiver" means an individual who:

(1) is at least 18 years old;

(2) is not disqualified for a criminal offense according to rules adopted pursuant to section 342.15, subdivision 2;

(3) has been approved by the Division of Medical Cannabis to assist a patient with obtaining medical cannabis flower and medical cannabinoid products from a cannabis retailer or medical cannabis retailer and with administering medical cannabis flower and medical cannabinoid products; and

(4) is authorized by the Division of Medical Cannabis to assist a patient with the use of medical cannabis flower and medical cannabinoid products.

Subd. 65. Registry or registry program. "Registry" or "registry program" means the patient registry established under this chapter listing patients authorized to obtain medical cannabis flower, medical cannabinoid products, and medical cannabis paraphernalia from cannabis retailers and medical cannabis retailers and administer medical cannabis flower and medical cannabinoid products.

Subd. 66. Registry verification. "Registry verification" means the verification provided by the Division of Medical Cannabis that a patient is enrolled in the registry program and that includes the patient's name, patient registry number, and, if applicable, the name of the patient's registered designated caregiver or parent, legal guardian, or spouse.

Subd. 67. Restricted area. "Restricted area" means an area where cannabis flower or cannabis products are cultivated, manufactured, or stored by a cannabis business.

Subd. 68. Statewide monitoring system. "Statewide monitoring system" means the system for integrated cannabis tracking, inventory, and verification established or adopted by the office.

Subd. 69. Synthetic cannabinoid. "Synthetic cannabinoid" means a substance with a similar chemical structure and pharmacological activity to a cannabinoid but is not extracted or derived from cannabis plants, cannabis flower, hemp plants, or hemp plant parts and is instead created or produced by chemical or biochemical synthesis.

Subd. 70. Veteran. "Veteran" means an individual who satisfies the requirements in section 197.447.

Subd. 71. Visiting patient. "Visiting patient" means an individual who is not a Minnesota resident and who possesses a valid registration verification card or its equivalent that is issued under the laws or regulations of another state, district, commonwealth, or territory of the United States verifying that the individual is enrolled in or authorized to participate in that jurisdiction's medical cannabis or medical marijuana program.

Subd. 72. Volatile solvent. "Volatile solvent" means any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures. Volatile solvent includes but is not limited to butane, hexane, and propane.

Sec. 2. [342.02] OFFICE OF CANNABIS MANAGEMENT.

Subdivision 1. **Establishment.** 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 and hemp consumer industry, the office must:

- (1) promote the public health and welfare;
- (2) protect public safety;
- (3) eliminate the illicit market for cannabis flower and cannabis products;
- (4) meet the market demand for cannabis flower and cannabis products;
- (5) promote a craft industry for cannabis flower and cannabis products; and

(6) prioritize growth and recovery in communities that have experienced a disproportionate, negative impact from cannabis prohibition.

Subd. 2. **Powers and duties.** (a) The office has the following powers and duties:

(1) to develop, maintain, and enforce an organized system of regulation for the cannabis industry and hemp consumer industry;

(2) to establish programming, services, and notification to protect, maintain, and improve the health of citizens;

(3) to prevent unauthorized access to cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products by individuals under 21 years of age;

(4) to establish and regularly update standards for product manufacturing, testing, packaging, and labeling, including requirements for an expiration, sell-by, or best-used-by date;

(5) to promote economic growth with an emphasis on growth in areas that experienced a disproportionate, negative impact from cannabis prohibition;

(6) to issue and renew licenses;

(7) to require fingerprints from individuals determined to be subject to fingerprinting, including the submission of fingerprints to the Federal Bureau of Investigation where required by law and to obtain criminal conviction data for individuals seeking a license from the office on the individual's behalf or as a cooperative member or director, manager, or general partner of a business entity;

(8) to 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;

(9) to authorize the use of unmarked motor vehicles to conduct seizures or investigations pursuant to the office's authority;

(10) to impose and collect civil and administrative penalties as provided in this chapter;

(11) to publish such information as may be deemed necessary for the welfare of cannabis businesses, cannabis workers, hemp businesses, and hemp workers and the health and safety of citizens;

(12) to make loans and grants in aid to the extent that appropriations are made available for that purpose;

(13) to authorize research and studies on cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, the cannabis industry, and the hemp consumer industry;

(14) to provide reports as required by law;

(15) to develop a warning label regarding the effects of the use of cannabis flower and cannabis products by persons 25 years of age or younger;

(16) to determine, based on a review of medical and scientific literature, whether it is appropriate to require additional health and safety warnings containing information that is both supported by credible science and helpful to consumers in considering potential health risks from the use of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, including but not limited to warnings regarding any risks associated with use by pregnant or breastfeeding individuals, or by individuals planning to become pregnant, and the effects that use has on brain development for individuals under the age of 25;

(17) to establish limits on the potency of cannabis flower and cannabis products that can be sold to customers by licensed cannabis retailers, licensed cannabis microbusinesses, and licensed cannabis mezzobusinesses with an endorsement to sell cannabis flower and cannabis products to customers;

(18) to establish rules authorizing an increase in plant canopy limits and outdoor cultivation limits to meet market demand and limiting cannabis manufacturing consistent with the goals identified in subdivision 1; and

(19) to exercise other powers and authority and perform other duties required by law.

(b) In addition to the powers and duties in paragraph (a), the office has the following powers and duties until January 1, 2027:

(1) to establish limits on the potency of adult-use cannabis flower and adult-use cannabis products that can be sold to customers by licensed cannabis retailers, licensed cannabis microbusinesses, and licensed cannabis mezzobusinesses with an endorsement to sell adult-use cannabis flower and adult-use cannabis products to customers; and

(2) to permit, upon application to the office in the form prescribed by the director of the office, a licensee under this chapter to perform any activity if such permission is substantially necessary for the licensee to perform any other activity permitted by the applicant's license and is not otherwise prohibited by law.

Subd. 3. **Medical cannabis program.** (a) The powers and duties of the Department of Health with respect to the medical cannabis program under Minnesota Statutes 2022, sections 152.22 to 152.37, are transferred to the Office of Cannabis Management under section 15.039.

(b) The following protections shall apply to employees who are transferred from the Department of Health to the Office of Cannabis Management:

(1) the employment status and job classification of a transferred employee shall not be altered as a result of the transfer;

(2) transferred employees who were represented by an exclusive representative prior to the transfer shall continue to be represented by the same exclusive representative after the transfer;

(3) the applicable collective bargaining agreements with exclusive representatives shall continue in full force and effect for such transferred employees after the transfer;

(4) the state must meet and negotiate with the exclusive representatives of the transferred employees about any proposed changes affecting or relating to the transferred employees' terms and conditions of employment to the extent such changes are not addressed in the applicable collective bargaining agreement; and

(5) for an employee in a temporary unclassified position transferred to the Office of Cannabis Management, the total length of time that the employee has served in the appointment shall include all time served in the appointment and the transferring agency and the time served in the appointment at the Office of Cannabis Management. An employee in a temporary unclassified position who was hired by a transferring agency through an open competitive selection process in accordance with a policy enacted by Minnesota Management and Budget shall be considered to have been hired through such process after the transfer.

Subd. 4. **Interagency agreements.** (a) The office and the commissioner of agriculture shall enter into interagency agreements to ensure that edible cannabis products and lower-potency hemp edibles are handled, manufactured, and inspected in a manner that is consistent with the relevant food safety requirements in chapters 28A, 31, and 34A and associated rules.

(b) The office may cooperate and enter into other agreements with the commissioner of agriculture and may cooperate and enter into agreements with the commissioners and directors of other state agencies and departments to promote the beneficial interests of the state.

Subd. 5. **Rulemaking.** The office may adopt rules to implement any provisions in this chapter. Rules for which notice is published in the State Register before July 1, 2025, may be adopted using the expedited rulemaking process in section 14.389.

Subd. 6. **Director.** (a) 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.

(b) The salary of the director must not exceed the salary limit established under section 15A.0815, subdivision 3.

Subd. 7. **Employees.** (a) The office may employ other personnel in the classified service necessary to carry out the duties in this chapter.

(b) Upon request by the office, a prospective employee of the office must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees to the office. Upon receipt of this information, the office must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension. After receiving this information, the bureau must conduct a Minnesota criminal history records check of the prospective employee. The bureau may exchange a prospective employee's fingerprints with the Federal Bureau of Investigation to obtain the prospective employee's national criminal history record information. The bureau must return the results of the Minnesota and federal criminal history records checks to the director to determine if the prospective employee is disqualified under rules adopted pursuant to section 342.15.

Subd. 8. **Division of Social Equity.** The office must establish a Division of Social Equity. At a minimum, the division must:

(1) engage with the community and administer grants to communities that experienced a disproportionate, negative impact from cannabis prohibition and usage in order to promote economic development, improve

social determinants of health, provide services to prevent violence, support early intervention programs for youth and families, and promote community stability and safety;

(2) act as an ombudsperson for the office to provide information, investigate complaints under this chapter, and provide or facilitate dispute resolutions; and

(3) report to the office on the status of complaints and social equity in the cannabis industry.

EFFECTIVE DATE. This section is effective July 1, 2023, except for subdivision 3, which is effective March 1, 2025.

Sec. 3. [342.03] CANNABIS ADVISORY COUNCIL.

Subdivision 1. **Membership.** The Cannabis Advisory Council is created consisting of the following members:

(1) the director of the Office of Cannabis Management or a designee;

(2) the commissioner of employment and economic development or a designee;

(3) the commissioner of revenue or a designee;

(4) the commissioner of health or a designee;

(5) the commissioner of human services or a designee;

(6) the commissioner of public safety or a designee;

(7) the commissioner of human rights or a designee;

(8) the commissioner of labor or a designee;

(9) the commissioner of agriculture or a designee;

(10) the commissioner of the Pollution Control Agency or a designee;

(11) the superintendent of the Bureau of Criminal Apprehension or a designee;

(12) the colonel of the State Patrol or a designee;

(13) the director of the Office of Traffic Safety in the Department of Public Safety or a designee;

(14) a representative from the League of Minnesota Cities appointed by the league;

(15) a representative from the Association of Minnesota Counties appointed by the association;

(16) an expert in minority business development appointed by the governor;

(17) an expert in economic development strategies for under-resourced communities appointed by the governor;

(18) an expert in farming or representing the interests of farmers appointed by the governor;

(19) an expert representing the interests of cannabis workers appointed by the governor;

(20) an expert representing the interests of employers appointed by the governor;

(21) an expert in municipal law enforcement with advanced training in impairment detection and evaluation appointed by the governor;

(22) an expert in social welfare or social justice appointed by the governor;

(23) an expert in criminal justice reform to mitigate the disproportionate impact of drug prosecutions on communities of color appointed by the governor;

(24) an expert in prevention, treatment, and recovery related to substance use disorders appointed by the governor;

(25) an expert in minority business ownership appointed by the governor;

(26) an expert in women-owned businesses appointed by the governor;

(27) an expert in cannabis retailing appointed by the governor;

(28) an expert in cannabis product manufacturing appointed by the governor;

(29) an expert in laboratory sciences and toxicology appointed by the governor;

(30) an expert in providing legal services to cannabis businesses appointed by the governor;

(31) an expert in cannabis cultivation appointed by the governor;

(32) an expert in pediatric medicine appointed by the governor;

(33) an expert in adult medicine appointed by the governor;

(34) three patient advocates, one who is a patient enrolled in the medical cannabis program; one who is a parent or caregiver of a patient in the medical cannabis program; and one patient with experience in the mental health system or substance use disorder treatment system appointed by the governor;

(35) two licensed mental health professionals appointed by the governor;

(36) a veteran appointed by the governor;

(37) one member of each of the following federally recognized Tribes, designated by the elected Tribal president or chairperson of the governing bodies of:

(i) the Fond du Lac Band;

(ii) the Grand Portage Band;

(iii) the Mille Lacs Band;

(iv) the White Earth Band;

(v) the Bois Forte Band;

(vi) the Leech Lake Band;

(vii) the Red Lake Nation;

(viii) the Upper Sioux Community;

(ix) the Lower Sioux Indian Community;

(x) the Shakopee Mdewakanton Sioux Community; and

(xi) the Prairie Island Indian Community; and

(38) a representative from the Local Public Health Association of Minnesota appointed by the association.

Subd. 2. **Terms; compensation; removal; vacancy; expiration.** The membership terms, compensation, removal of members appointed by the governor, and filling of vacancies of members are provided in section 15.059. Notwithstanding section 15.059, subdivision 6, the advisory council shall not expire.

Subd. 3. **Officers; meetings.** (a) The director of the Office of Cannabis Management or the director's designee must chair the Cannabis Advisory Council. The advisory council must elect a vice-chair and may elect other officers as necessary.

(b) The advisory council shall meet quarterly or upon the call of the chair.

(c) Meetings of the advisory council are subject to chapter 13D.

Subd. 4. **Duties.** (a) The duties of the advisory council shall include:

(1) reviewing national cannabis policy;

(2) examining the effectiveness of state cannabis policy;

(3) reviewing developments in the cannabis industry and hemp consumer industry;

(4) reviewing developments in the study of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products;

(5) taking public testimony; and

(6) making recommendations to the Office of Cannabis Management.

(b) At its discretion, the advisory council may examine other related issues consistent with this section.

Sec. 4. **[342.04] STUDIES; REPORTS.**

(a) The office shall conduct a study to determine the expected size and growth of the regulated cannabis industry and hemp consumer industry, including an estimate of the demand for cannabis flower and cannabis products, the number and geographic distribution of cannabis businesses needed to meet that demand, and the anticipated business from residents of other states.

(b) The office shall conduct a study to determine the size of the illicit cannabis market, the sources of illicit cannabis flower and illicit cannabis products in the state, the locations of citations issued and arrests made for cannabis offenses, and the subareas, such as census tracts or neighborhoods, that experience a disproportionately large amount of cannabis enforcement.

(c) The office shall conduct a study on impaired driving to determine:

(1) the number of accidents involving one or more drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, or who tested positive for cannabis or tetrahydrocannabinol;

(2) the number of arrests of individuals for impaired driving in which the individual tested positive for cannabis or tetrahydrocannabinol; and

(3) the number of convictions for driving under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or tetrahydrocannabinol.

(d) The office shall provide preliminary reports on the studies conducted pursuant to paragraphs (a) to (c) to the legislature by January 15, 2024, and shall provide final reports to the legislature by January 15, 2025. The reports may be consolidated into a single report by the office.

(e) The office shall collect existing data from the Department of Human Services, Department of Health, Minnesota state courts, and hospitals licensed under chapter 144 on the utilization of mental health and substance use disorder services, emergency room visits, and commitments to identify any increase in the services provided or any increase in the number of visits or commitments. The office shall also obtain summary data from existing first episode psychosis programs on the number of persons served by the programs and number of persons on the waiting list. All information collected by the office under this paragraph shall be included in the report required under paragraph (f).

(f) The office shall conduct an annual market analysis on the status of the regulated cannabis industry and submit a report of the findings. The office shall submit the report by January 15, 2025, and each January 15 thereafter and the report may be combined with the annual report submitted by the office. The process of completing the market analysis must include holding public meetings to solicit the input of consumers, market stakeholders, and potential new applicants and must include an assessment as to whether the office has issued the necessary number of licenses in order to:

- (1) ensure the sufficient supply of cannabis flower and cannabis products to meet demand;
- (2) provide market stability;
- (3) ensure a competitive market; and
- (4) limit the sale of unregulated cannabis flower and cannabis products.

(g) The office shall submit an annual report to the legislature by January 15, 2024, and each January 15 thereafter. The annual report shall include but not be limited to the following:

- (1) the status of the regulated cannabis industry;
- (2) the status of the illicit cannabis market and hemp consumer industry;
- (3) the number of accidents, arrests, and convictions involving drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products or who tested positive for cannabis or tetrahydrocannabinol;
- (4) the change in potency, if any, of cannabis flower and cannabis products available through the regulated market;
- (5) progress on providing opportunities to individuals and communities that experienced a disproportionate, negative impact from cannabis prohibition, including but not limited to providing relief from criminal convictions and increasing economic opportunities;
- (6) the status of racial and geographic diversity in the cannabis industry;
- (7) proposed legislative changes, including but not limited to recommendations to streamline licensing systems and related administrative processes;

(8) information on the adverse effects of second-hand smoke from any cannabis flower, cannabis products, and hemp-derived consumer products that are consumed by the combustion or vaporization of the product and the inhalation of smoke, aerosol, or vapor from the product; and

(9) recommendations for the levels of funding for:

(i) a coordinated education program to address and raise public awareness about the top three adverse health effects, as determined by the commissioner of health, associated with the use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by individuals under 21 years of age;

(ii) a coordinated education program to educate pregnant individuals, breastfeeding individuals, and individuals who may become pregnant on the adverse health effects of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(iii) training, technical assistance, and educational materials for home visiting programs, Tribal home visiting programs, and child welfare workers regarding safe and unsafe use of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in homes with infants and young children;

(iv) model programs to educate middle school and high school students on the health effects on children and adolescents of the use of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other intoxicating or controlled substances;

(v) grants issued through the CanTrain, CanNavigate, CanStartup, and CanGrow programs;

(vi) grants to organizations for community development in social equity communities through the CanRenew program;

(vii) training of peace officers and law enforcement agencies on changes to laws involving cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products and the law's impact on searches and seizures;

(viii) training of peace officers to increase the number of drug recognition experts;

(ix) training of peace officers on the cultural uses of sage and distinguishing use of sage from the use of cannabis flower, including whether the Board of Peace Officer Standards and Training should approve or develop training materials;

(x) the retirement and replacement of drug detection canines; and

(xi) the Department of Human Services and county social service agencies to address any increase in demand for services.

(g) In developing the recommended funding levels under paragraph (f), clause (9), items (vii) to (xi), the office shall consult with local law enforcement agencies, the Minnesota Chiefs of Police Association, the Minnesota Sheriff's Association, the League of Minnesota Cities, the Association of Minnesota Counties, and county social services agencies.

Sec. 5. [342.05] STATEWIDE MONITORING SYSTEM.

Subdivision 1. **Statewide monitoring.** The office must contract with an outside vendor to establish a statewide monitoring system for integrated cannabis tracking, inventory, and verification to track all cannabis

plants, cannabis flower, and cannabis products from seed, immature plant, or creation until disposal or sale to a patient or customer.

Subd. 2. **Data submission requirements.** The monitoring system must allow cannabis businesses to submit monitoring data to the office through the use of monitoring system software commonly used within the cannabis industry and may also permit cannabis businesses to submit monitoring data through manual data entry with approval from the office.

Sec. 6. [342.06] APPROVAL OF CANNABIS FLOWER, PRODUCTS, AND CANNABINOIDS.

(a) For the purposes of this section, "product category" means a type of product that may be sold in different sizes, distinct packaging, or at various prices but is still created using the same manufacturing or agricultural processes. A new or additional stock keeping unit (SKU) or Universal Product Code (UPC) shall not prevent a product from being considered the same type as another unit. All other terms have the meanings provided in section 342.01.

(b) The office shall approve product categories of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for retail sale.

(c) The office may establish limits on the total THC of cannabis flower, cannabis products, and hemp-derived consumer products. As used in this paragraph, "total THC" means the sum of the percentage by weight of tetrahydrocannabinolic acid multiplied by 0.877 plus the percentage by weight of all tetrahydrocannabinols.

(d) The office shall not approve any cannabis product, lower-potency hemp edible, or hemp-derived consumer product that:

(1) is or appears to be a lollipop or ice cream;

(2) bears the likeness or contains characteristics of a real or fictional person, animal, or fruit;

(3) is modeled after a type or brand of products primarily consumed by or marketed to children;

(4) is substantively similar to a meat food product; poultry food product as defined in section 31A.02, subdivision 10; or a dairy product as defined in section 32D.01, subdivision 7;

(5) contains a synthetic cannabinoid;

(6) is made by applying a cannabinoid, including but not limited to an artificially derived cannabinoid, to a finished food product that does not contain cannabinoids and is sold to consumers, including but not limited to a candy or snack food; or

(7) if the product is an edible cannabis product or lower-potency hemp edible, contains an ingredient, other than a cannabinoid, that is not approved by the United States Food and Drug Administration for use in food.

Sec. 7. [342.07] AGRICULTURAL AND FOOD SAFETY PRACTICES; RULEMAKING.

Subdivision 1. **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, including but not limited to growth from seed, clone, cutting, or tissue culture.

Subd. 2. **Agricultural best practices.** In consultation with the commissioner of agriculture and representatives from the University of Minnesota Extension Service, the office shall establish best practices for:

- (1) the cultivation and preparation of cannabis plants; and
- (2) the use of pesticides, fertilizers, soil amendments, and plant amendments in relation to growing cannabis plants.

Subd. 3. **Edible cannabinoid product handler endorsement.** (a) Any person seeking to manufacture, process, sell, handle, or store an edible cannabis product or lower-potency hemp edible, other than an edible cannabis product or lower-potency hemp edible that has been placed in its final packaging, must first obtain an edible cannabinoid product handler endorsement.

(b) In consultation with the commissioner of agriculture, the office shall establish an edible cannabinoid product handler endorsement.

(c) The office must regulate edible cannabinoid product handlers and assess penalties in the same manner provided for food handlers under chapters 28A, 31, and 34A and associated rules, with the following exceptions:

- (1) the office must issue an edible cannabinoid product handler endorsement, rather than a license;
 - (2) eligibility for an edible cannabinoid product handler endorsement is limited to persons who possess a valid license issued by the office;
 - (3) the office may not charge a fee for issuing or renewing the endorsement;
 - (4) the office must align the term and renewal period for edible cannabinoid product handler endorsements with the term and renewal period of the license issued by the office; and
 - (5) an edible cannabis product or lower-potency hemp edible must not be considered adulterated solely because the product or edible contains tetrahydrocannabinol, cannabis concentrate, hemp concentrate, artificially derived cannabinoids, or any other material extracted or derived from a cannabis plant, cannabis flower, hemp plant, or hemp plant parts.
- (d) The edible cannabinoid product handler endorsement must prohibit the manufacture of edible cannabis products at the same premises where food is manufactured, except for the limited production of edible products produced solely for product development, sampling, or testing. This limitation does not apply to the manufacture of lower-potency hemp edibles.

Sec. 8. **[342.08] ESTABLISHMENT OF ENVIRONMENTAL STANDARDS.**

Subdivision 1. **Water standards.** In consultation with the commissioner of the Pollution Control Agency, the office by rule must establish appropriate water standards for cannabis businesses.

Subd. 2. **Energy use.** In consultation with the commissioner of commerce, the office by rule must establish appropriate energy standards for cannabis businesses.

Subd. 3. **Solid waste.** In consultation with the commissioner of the Pollution Control Agency, the office by rule must establish appropriate solid waste standards for the disposal of:

- (1) cannabis flower and cannabis products;

(2) packaging;

(3) recyclable materials, including minimum requirements for the use of recyclable materials; and

(4) other solid waste.

Subd. 4. **Odor.** The office by rule must establish appropriate standards and requirements to limit odors produced by cannabis businesses.

Subd. 5. **Applicability; federal, state, and local laws.** A cannabis business must comply with all applicable federal, state, and local laws related to the subjects of subdivisions 1 to 4.

Subd. 6. **Rulemaking.** (a) The office may only adopt a rule under this section if the rule is consistent with and at least as stringent as applicable state and federal laws related to the subjects of subdivisions 1 to 4.

(b) The office must coordinate and consult with a department or agency of the state regarding the development and implementation of a rule under this section if the department or agency has expertise or a regulatory interest in the subject matter of the rule.

Sec. 9. [342.09] PERSONAL ADULT USE OF CANNABIS.

Subdivision 1. **Personal adult use, possession, and transportation of cannabis flower and cannabinoid products.** (a) An individual 21 years of age or older may:

(1) use, possess, or transport cannabis paraphernalia;

(2) possess or transport two ounces or less of adult-use cannabis flower in a public place;

(3) possess two pounds or less of adult-use cannabis flower in the individual's private residence;

(4) possess or transport eight grams or less of adult-use cannabis concentrate;

(5) possess or transport edible cannabis products or lower-potency hemp edibles infused with a combined total of 800 milligrams or less of tetrahydrocannabinol;

(6) give for no remuneration to an individual who is at least 21 years of age:

(i) two ounces or less of adult-use cannabis flower;

(ii) eight grams or less of adult-use cannabis concentrate; or

(iii) an edible cannabis product or lower-potency hemp edible infused with 800 milligrams or less of tetrahydrocannabinol; and

(7) use adult-use cannabis flower and adult-use cannabis products in the following locations:

(i) a private residence, including the individual's curtilage or yard;

(ii) on private property, not generally accessible by the public, unless the individual is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property; or

(iii) on the premises of an establishment or event licensed to permit on-site consumption.

(b) Except as provided in paragraph (c), an individual may not:

(1) use, possess, or transport cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products if the individual is under 21 years of age;

(2) use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a motor vehicle as defined in section 169A.03, subdivision 15;

(3) use cannabis flower, cannabis products, or hemp-derived consumer products in a manner that involves the inhalation of smoke, aerosol, or vapor at any location where smoking is prohibited under section 144.414;

(4) use or possess cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public school, as defined in section 120A.05, subdivisions 9, 11, and 13, or in a charter school governed by chapter 124E, including all facilities, whether owned, rented, or leased, and all vehicles that a school district owns, leases, rents, contracts for, or controls;

(5) use or possess cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a state correctional facility;

(6) operate a motor vehicle while under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(7) give for no remuneration cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age;

(8) give for no remuneration cannabis flower or cannabis products as a sample or promotional gift if the giver is in the business of selling goods or services; or

(9) vaporize or smoke cannabis flower, cannabis products, artificially derived cannabinoids, or hemp-derived consumer products in any location where the smoke, aerosol, or vapor would be inhaled by a minor.

(c) The prohibitions under paragraph (b), clauses (1) to (4), do not apply to use other than by smoking or by a vaporized delivery method, possession, or transportation of medical cannabis flower or medical cannabinoid products by a patient; a registered designated caregiver; or a parent, legal guardian, or spouse of a patient.

(d) A proprietor of a family or group family day care program must disclose to parents or guardians of children cared for on the premises of the family or group family day care program, if the proprietor permits the smoking or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the premises outside of its hours of operation. Disclosure must include posting on the premises a conspicuous written notice and orally informing parents or guardians. Cannabis flower or cannabis products must be inaccessible to children and stored away from food products.

Subd. 2. **Home cultivation of cannabis for personal adult use.** Up to eight cannabis plants, with no more than four being mature, flowering plants may be grown at a single residence, including the curtilage or yard, without a license to cultivate cannabis issued under this chapter provided that 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.

Subd. 3. **Home extraction of cannabis concentrate by use of volatile solvent prohibited.** No person may use a volatile solvent to separate or extract cannabis concentrate or hemp concentrate without a cannabis

microbusiness, cannabis mezzobusiness, cannabis manufacturer, medical cannabis processor, or lower-potency hemp edible manufacturer license issued under this chapter.

Subd. 4. **Sale of cannabis flower and products prohibited.** No person may sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products without a license issued under this chapter that authorizes the sale.

Subd. 5. **Importation of hemp-derived products.** No person may import lower-potency hemp edibles or hemp-derived consumer products that are manufactured outside the boundaries of the state of Minnesota with the intent to sell the edibles or products to consumers within the state or to any other person or business that intends to sell the edibles or products to consumers within the state without a license issued under this chapter that authorizes the importation of such edibles or products. This subdivision does not apply to edibles or products lawfully purchased for personal use.

Subd. 6. **Violations; penalties.** (a) In addition to penalties listed in this subdivision, a person who violates the provisions of this chapter is subject to any applicable criminal penalty.

(b) The office may assess the following civil penalties on a person who sells cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products without a license issued under this chapter that authorizes the sale:

(1) if the person sells up to two ounces of cannabis flower, up to \$3,000 or three times the retail market value of the cannabis flower, whichever is greater;

(2) if the person sells more than two ounces but not more than eight ounces of cannabis flower, up to \$10,000 or three times the retail market value of the cannabis flower, whichever is greater;

(3) if the person sells more than eight ounces but not more than one pound of cannabis flower, up to \$25,000 or three times the retail market value of the cannabis flower, whichever is greater;

(4) if the person sells more than one pound but not more than five pounds of cannabis flower, up to \$50,000 or three times the retail market value of the cannabis flower, whichever is greater;

(5) if the person sells more than five pounds but not more than 25 pounds of cannabis flower, up to \$100,000 or three times the retail market value of the cannabis flower, whichever is greater;

(6) if the person sells more than 25 pounds but not more than 50 pounds of cannabis flower, up to \$250,000 or three times the retail market value of the cannabis flower, whichever is greater; and

(7) if the person sells more than 50 pounds of cannabis flower, up to \$1,000,000 or three times the retail market value of the cannabis flower, whichever is greater.

(c) The office may assess the following civil penalties on a person who sells cannabis concentrate without a license issued under this chapter that authorizes the sale:

(1) if the person sells up to eight grams of cannabis concentrate, up to \$3,000 or three times the retail market value of the cannabis concentrate, whichever is greater;

(2) if the person sells more than eight grams but not more than 40 grams of cannabis concentrate, up to \$10,000 or three times the retail market value of the cannabis concentrate, whichever is greater;

(3) if the person sells more than 40 grams but not more than 80 grams of cannabis concentrate, up to \$25,000 or three times the retail market value of the cannabis concentrate, whichever is greater;

(4) if the person sells more than 80 grams but not more than 400 grams of cannabis concentrate, up to \$50,000 or three times the retail market value of the cannabis concentrate, whichever is greater;

(5) if the person sells more than 400 grams but not more than two kilograms of cannabis concentrate, up to \$100,000 or three times the retail market value of the cannabis concentrate, whichever is greater;

(6) if the person sells more than two kilograms but not more than four kilograms of cannabis concentrate, up to \$250,000 or three times the retail market value of the cannabis concentrate, whichever is greater; and

(7) if the person sells more than four kilograms of cannabis concentrate, up to \$1,000,000 or three times the retail market value of the cannabis concentrate, whichever is greater.

(d) The office may assess the following civil penalties on a person who imports or sells products infused with tetrahydrocannabinol without a license issued under this chapter that authorizes the importation or sale:

(1) if the person imports or sells products infused with up to 800 milligrams of tetrahydrocannabinol, up to \$3,000 or three times the retail market value of the infused product, whichever is greater;

(2) if the person imports or sells products infused with a total of more than 800 milligrams but not more than four grams of tetrahydrocannabinol, up to \$10,000 or three times the retail market value of the infused product, whichever is greater;

(3) if the person imports or sells products infused with a total of more than four grams but not more than eight grams of tetrahydrocannabinol, up to \$25,000 or three times the retail market value of the infused product, whichever is greater;

(4) if the person imports or sells products infused with a total of more than eight grams but not more than 40 grams of tetrahydrocannabinol, up to \$50,000 or three times the retail market value of the infused product, whichever is greater;

(5) if the person imports or sells products infused with a total of more than 40 grams but not more than 200 grams of tetrahydrocannabinol, up to \$100,000 or three times the retail market value of the infused product, whichever is greater;

(6) if the person imports or sells products infused with a total of more than 200 grams but not more than 400 grams of tetrahydrocannabinol, up to \$250,000 or three times the retail market value of the infused product, whichever is greater; and

(7) if the person imports or sells products infused with a total of more than 400 grams of tetrahydrocannabinol, up to \$1,000,000 or three times the retail market value of the infused product, whichever is greater.

(e) The office may assess a civil penalty of up to \$500 for each plant grown in excess of the limit on a person who grows more than eight cannabis plants or more than four mature, flowering plants, without a license to cultivate cannabis issued under this chapter.

Sec. 10. [342.10] LICENSES; TYPES.

The office shall issue the following types of license:

(1) cannabis microbusiness;

(2) cannabis mezzobusiness;

- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service;
- (11) lower-potency hemp edible manufacturer;
- (12) lower-potency hemp edible retailer;
- (13) medical cannabis cultivator;
- (14) medical cannabis processor;
- (15) medical cannabis retailer; or
- (16) medical cannabis combination business.

Sec. 11. **[342.11] LICENSES; FEES.**

(a) The office shall require the payment of application fees, initial licensing fees, and renewal licensing fees as provided in this section. The initial license fee shall include the fee for initial issuance of the license and the first annual renewal. The renewal fee shall be charged at the time of the second renewal and each subsequent annual renewal thereafter. Nothing in this section prohibits a local unit of government from charging the retailer registration fee established in section 342.22. Application fees, initial licensing fees, and renewal licensing fees are nonrefundable.

(b) Application and licensing fees shall be as follows:

(1) for a cannabis microbusiness:

(i) an application fee of \$500;

(ii) an initial license fee of \$0; and

(iii) a renewal license fee of \$2,000;

(2) for a cannabis mezzobusiness:

(i) an application fee of \$5,000;

(ii) an initial license fee of \$5,000; and

(iii) a renewal license fee of \$10,000;

(3) for a cannabis cultivator:

- (i) an application fee of \$10,000;
- (ii) an initial license fee of \$20,000; and
- (iii) a renewal license fee of \$30,000;
- (4) for a cannabis manufacturer:
 - (i) an application fee of \$10,000;
 - (ii) an initial license fee of \$10,000; and
 - (iii) a renewal license fee of \$20,000;
- (5) for a cannabis retailer:
 - (i) an application fee of \$2,500;
 - (ii) an initial license fee of \$2,500; and
 - (iii) a renewal license fee of \$5,000;
- (6) for a cannabis wholesaler:
 - (i) an application fee of \$5,000;
 - (ii) an initial license fee of \$5,000; and
 - (iii) a renewal license fee of \$10,000;
- (7) for a cannabis transporter:
 - (i) an application fee of \$250;
 - (ii) an initial license fee of \$500; and
 - (iii) a renewal license fee of \$1,000;
- (8) for a cannabis testing facility:
 - (i) an application fee of \$5,000;
 - (ii) an initial license fee of \$5,000; and
 - (iii) a renewal license fee of \$10,000;
- (9) for a cannabis delivery service:
 - (i) an application fee of \$250;
 - (ii) an initial license fee of \$500; and
 - (iii) a renewal license fee of \$1,000;
- (10) for a cannabis event organizer:
 - (i) an application fee of \$750; and
 - (ii) an initial license fee of \$750;

(11) for a lower-potency hemp edible manufacturer:

(i) an application fee of \$250;

(ii) an initial license fee of \$1,000; and

(iii) a renewal license fee of \$1,000;

(12) for a lower-potency hemp edible retailer:

(i) an application fee of \$250 per retail location;

(ii) an initial license fee of \$250 per retail location; and

(iii) a renewal license fee of \$250 per retail location;

(13) for a medical cannabis cultivator:

(i) an application fee of \$250;

(ii) an initial license fee of \$0; and

(iii) a renewal license fee of \$0;

(14) for a medical cannabis processor:

(i) an application fee of \$250;

(ii) an initial license fee of \$0; and

(iii) a renewal license fee of \$0;

(15) for a medical cannabis retailer:

(i) an application fee of \$250;

(ii) an initial license fee of \$0; and

(iii) a renewal license fee of \$0; and

(16) for a medical cannabis combination business:

(i) an application fee of \$10,000;

(ii) an initial license fee of \$20,000; and

(iii) a renewal license fee of \$70,000.

Sec. 12. [342.12] LICENSES; TRANSFERS; ADJUSTMENTS.

(a) Licenses issued under this chapter may be freely transferred subject to the prior written approval of the office, which approval may be given or withheld in the office's sole discretion, provided that a social equity applicant may only transfer the applicant's license to another social equity applicant. A new license must be obtained when:

(1) the form of the licensee's legal business structure converts or changes to a different type of legal business structure; or

(2) the licensee dissolves; consolidates; reorganizes; undergoes bankruptcy, insolvency, or receivership proceedings; merges with another legal organization; or assigns all or substantially all of its assets for the benefit of creditors.

(b) Transfers between social equity applicants must be reviewed by the Division of Social Equity.

(c) Licenses must be renewed annually.

(d) 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.

(e) The office by rule may permit relocation of a licensed cannabis business, adopt requirements for the submission of a license relocation application, establish standards for the approval of a relocation application, and charge a fee not to exceed \$250 for reviewing and processing applications. Relocation of a licensed premises pursuant to this paragraph does not extend or otherwise modify the license term of the license subject to relocation.

Sec. 13. [342.13] LOCAL CONTROL.

(a) A local unit of government may not prohibit the possession, transportation, or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products authorized under this chapter.

(b) Except as provided in section 342.22, a local unit of government may not prohibit the establishment or operation of a cannabis business licensed under this chapter.

(c) A local unit of government may adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses. A local unit of government may prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field.

(d) The office shall work with local units of government to:

(1) develop model ordinances for reasonable restrictions on the time, place, and manner of the operation of a cannabis business;

(2) develop standardized forms and procedures for the issuance of a retail registration pursuant to section 342.22; and

(3) develop model policies and procedures for the performance of compliance checks required under section 342.22.

(e) If a local unit of government is conducting studies or has authorized a study to be conducted or has held or has scheduled a hearing for the purpose of considering adoption or amendment of reasonable restrictions on the time, place, and manner of the operation of a cannabis business, the governing body of the local unit of government may adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning process and the health, safety, and welfare of its citizens. Before adopting the interim ordinance, the governing body must hold a public hearing. The interim ordinance may regulate, restrict, or prohibit the operation of a cannabis business within the jurisdiction or a portion thereof until January 1, 2025.

(f) Within 30 days of receiving a copy of an application from the office, a local unit of government shall certify on a form provided by the office whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code. The office may not issue a license if a cannabis business does not meet local zoning and land use laws.

(g) Upon receipt of an application for a license issued under this chapter, the office shall contact the local unit of government in which the business would be located and provide the local unit of government with 30 days in which to provide input on the application. The local unit of government may provide the office with any additional information it believes is relevant to the office's decision on whether to issue a license, including but not limited to identifying concerns about the proposed location of a cannabis business, or sharing public information about an applicant.

(h) The office by rule shall establish an expedited complaint process to receive, review, and respond to complaints made by a local unit of government about a cannabis business. Complaints may include alleged violations of local ordinances or other alleged violations. At a minimum, the expedited complaint process shall require the office to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Nothing in this paragraph prohibits a local unit of government from enforcing a local ordinance. If a local unit of government notifies the office that a cannabis business other than a cannabis retailer, cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness, lower-potency hemp edible retailer, medical cannabis retailer, or medical cannabis combination business poses an immediate threat to the health or safety of the public, the office must respond within one business day and may take any action described in section 342.19 or 342.21.

(i) A local government unit that issues cannabis retailer registration under section 342.22 may, by ordinance, limit the number of licensed cannabis retailers, cannabis mezzobusinesses with a retail operations endorsement, and cannabis microbusinesses with a retail operations endorsement to no fewer than one registration for every 12,500 residents.

(j) If a county has one active registration for every 12,500 residents, a city or town within the county is not obligated to register a cannabis business.

(k) Nothing in this section shall prohibit a local government unit from allowing licensed cannabis retailers in excess of the minimums set in paragraph (i).

(l) Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

Sec. 14. [342.14] CANNABIS LICENSE APPLICATION AND RENEWAL.

Subdivision 1. **Application; contents.** (a) The office by rule shall establish forms and procedures for the processing of cannabis licenses issued under this chapter. At a minimum, any application to obtain or renew a cannabis license shall include the following information, if applicable:

- (1) the name, address, and date of birth of the applicant;
- (2) the disclosure of ownership and control required under paragraph (b);
- (3) the disclosure of whether the applicant or, if the applicant is a business, any officer, director, manager, and general partner of the business has ever filed for bankruptcy;
- (4) the address and legal property description of the business;

(5) a general description of the location or locations that the applicant plans to operate, including the planned square feet of planned space for cultivation, wholesaling, and retailing, as applicable;

(6) a copy of the security plan;

(7) proof of trade name registration;

(8) a copy of the applicant's business plan showing the expected size of the business; anticipated growth; the methods of record keeping; the knowledge and experience of the applicant and any officer, director, manager, and general partner of the business; the environmental plan; and other relevant financial and operational components;

(9) an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement;

(10) certification that the applicant will comply with the requirements of this chapter relating to the ownership and operation of a cannabis business;

(11) identification of one or more controlling persons or managerial employees as agents who shall be responsible for dealing with the office on all matters; and

(12) a statement that the applicant agrees to respond to the office's supplemental requests for information.

(b) An applicant must file and update as necessary a disclosure of ownership and control. The office by rule shall establish the contents and form of the disclosure. Except as provided in paragraph (f), the disclosure shall, at a minimum, include the following:

(1) the management structure, ownership, and control of the applicant or license holder, including the name of each cooperative member, officer, director, manager, general partner or business entity; the office or position held by each person; each person's percentage ownership interest, if any; and, if the business has a parent company, the name of each owner, board member, and officer of the parent company and the owner's, board member's, or officer's percentage ownership interest in the parent company and the cannabis business;

(2) a statement from the applicant and, if the applicant is a business, from every officer, director, manager, and general partner of the business, indicating whether that person has previously held, or currently holds, an ownership interest in a cannabis business in Minnesota, any other state or territory of the United States, or any other country;

(3) if the applicant is a corporation, copies of the applicant's articles of incorporation and bylaws and any amendments to the applicant's articles of incorporation or bylaws;

(4) copies of any partnership agreement, operating agreement, or shareholder agreement;

(5) copies of any promissory notes, security instruments, or other similar agreements;

(6) an explanation detailing the funding sources used to finance the business;

(7) a list of operating and investment accounts for the business, including any applicable financial institution and account number; and

(8) a list of each outstanding loan and financial obligation obtained for use in the business, including the loan amount, loan terms, and name and address of the creditor.

(c) An application may include:

(1) proof that the applicant is a social equity applicant;

(2) a description of the training and education that will be provided to any employee; or

(3) a copy of business policies governing operations to ensure compliance with this chapter.

(d) Commitments made by an applicant in its application, including but not limited to the maintenance of a labor peace agreement, shall be an ongoing material condition of maintaining and renewing the license.

(e) An application on behalf of a corporation or association shall be signed by at least two officers or managing agents of that entity.

(f) The office may, by rule, establish exceptions to the disclosures required under paragraph (b) for members of a cooperative who hold less than a five percent ownership interest in the cooperative.

Subd. 2. **Application; process.** (a) An applicant must submit all required information to the office on the forms and in the manner prescribed by the office.

(b) If the office receives an application that fails to provide the required information, the office shall issue a deficiency notice to the applicant. The applicant shall have ten business days from the date of the deficiency notice to submit the required information.

(c) Failure by an applicant to submit all required information will result in the application being rejected.

(d) 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 intends to operate with a form for certification as to whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

(e) Within 90 days of receiving a completed application and the results of any required criminal history check, the office shall issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons that the office did not approve the application.

Sec. 15. **[342.15] ADULT-USE CANNABIS BUSINESS; CRIMINAL HISTORY CHECK AND DISQUALIFICATIONS.**

Subdivision 1. **Criminal history check.** (a) Upon request by the office, every license applicant or, in the case of a business entity, every cooperative member or director, manager, and general partner of the business entity, for a cannabis business license, or in the case of a business entity, every cooperative member or director, manager, and general partner of the business entity, and prospective cannabis worker must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees to the office. Upon receipt of this information, the office must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension. After receiving this information, the bureau must conduct a Minnesota criminal history records check of the license applicant or prospective cannabis worker. The bureau may exchange a license applicant's or prospective cannabis worker's fingerprints with the Federal Bureau of Investigation to obtain the license applicant's or prospective cannabis worker's national criminal history record information. The bureau must return the results of the Minnesota and federal criminal history records checks to the office to determine if the license applicant or prospective cannabis worker is disqualified under rules adopted pursuant to this section.

(b) The office may, by rule, establish exceptions to the requirement under paragraph (a) for members of a cooperative who hold less than a five percent ownership interest in the cooperative.

Subd. 2. **Criminal offenses; disqualifications.** The office may by rule determine whether any felony convictions shall disqualify a person from holding or receiving a cannabis business license issued under this chapter or working for a cannabis business, and the length of any such disqualification. In adopting rules pursuant to this subdivision, the office shall not disqualify a person for a violation of section 152.025.

Subd. 3. **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.

Subd. 4. **Exception.** The background check requirements and disqualifications under this section do not apply to an applicant for a hemp business license or to hemp workers.

Sec. 16. [342.16] CANNABIS BUSINESSES; GENERAL OWNERSHIP DISQUALIFICATIONS AND REQUIREMENTS.

(a) A license holder or applicant must meet each of the following requirements, if applicable, to hold or receive a cannabis license issued under this chapter:

- (1) be at least 21 years of age;
- (2) have completed an application for licensure or application for renewal;
- (3) have paid the applicable application fee and license fee;
- (4) if the applicant or license holder is a business entity, be incorporated in the state or otherwise formed or organized under the laws of the state;
- (5) not be employed by the office or any state agency with regulatory authority under this chapter or the rules adopted pursuant to this chapter;
- (6) not be a licensed peace officer, as defined in section 626.84, subdivision 1, paragraph (c);
- (7) never have had a license previously issued under this chapter revoked;
- (8) have filed any previously required tax returns for a cannabis business;
- (9) have paid and remitted any business taxes, gross receipts taxes, interest, or penalties due relating to the operation of a cannabis business;
- (10) have fully and truthfully complied with all information requests of the office relating to license application and renewal;
- (11) not be disqualified under section 342.15;
- (12) not employ an individual who is disqualified from working for a cannabis business under this chapter; and
- (13) meet the ownership and operational requirements for the type of license and, if applicable, endorsement sought or held.

(b) A health care practitioner who certifies qualifying medical conditions for patients is prohibited from:

(1) holding a direct or indirect economic interest in a cannabis business;

(2) serving as a cooperative member, director, manager, general partner, or employee of a cannabis business; or

(3) advertising with a cannabis business in any way.

(c) If the license holder or applicant is a business entity, every officer, director, manager, and general partner of the business entity must meet each of the requirements of this section.

(d) The ownership disqualifications and requirements under this section do not apply to a hemp business license holder or applicant.

Sec. 17. **[342.17] SOCIAL EQUITY APPLICANTS.**

(a) An applicant qualifies as a social equity applicant if the applicant:

(1) was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(2) had a parent, guardian, child, spouse, or dependent who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(3) was a dependent of an individual who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(4) is a service-disabled veteran, current or former member of the national guard, or any military veteran or current or former member of the national guard who lost honorable status due to an offense involving the possession or sale of marijuana;

(5) has been 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 as determined by the study conducted by the office pursuant to section 342.04, paragraph (b), and reported in the preliminary report, final report, or both;

(6) is an emerging farmer as defined in section 17.055, subdivision 1; or

(7) has been 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 United States Bureau of the Census, either:

(i) the poverty rate was 20 percent or more; or

(ii) the median family income did not exceed 80 percent of statewide median family income or, if in a metropolitan area, did not exceed the greater of 80 percent of the statewide median family income or 80 percent of the median family income for that metropolitan area.

(b) The qualifications described in paragraph (a) apply to each individual applicant or, in the case of a business entity, every cooperative member or director, manager, and general partner of the business entity.

Sec. 18. **[342.18] LICENSE SELECTION CRITERIA.**

Subdivision 1. **Market stability.** The office shall issue the necessary number of licenses in order to ensure the sufficient supply of cannabis flower and cannabis products to meet demand, provide market stability, ensure a competitive market, and limit the sale of unregulated cannabis flower and cannabis products.

Subd. 2. **Vertical integration prohibited; exceptions.** (a) Except as otherwise provided in this subdivision, the office shall not issue licenses to a single applicant that would result in the applicant being vertically integrated in violation of the provisions of this chapter.

(b) Nothing in this section prohibits or limits the issuance of microbusiness licenses or mezzobusiness licenses, or the issuance of both lower-potency hemp edible manufacturer and lower-potency hemp edible retailer licenses to the same person or entity.

Subd. 3. **Application score; license priority.** (a) The office shall award points to each completed application for a license to operate a cannabis business in the following categories:

(1) status as a social equity applicant or as an applicant who is substantially similar to a social equity applicant as described in paragraph (c);

(2) status as a veteran or retired national guard applicant who does not meet the definition of social equity applicant;

(3) security and record keeping;

(4) employee training plan;

(5) business plan and financial situation;

(6) labor and employment practices;

(7) knowledge and experience; and

(8) environmental plan.

(b) 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.

(c) The office shall establish application materials permitting individual applicants to demonstrate the impact that cannabis prohibition has had on that applicant, including but not limited to the arrest or imprisonment of the applicant or a member of the applicant's immediate family, and the office may award points to such applicants in the same manner as points are awarded to social equity applicants.

(d) The office shall establish policies and guidelines, which must be made available to the public, regarding the number of points available in each category and the basis for awarding those points. Status as a social equity applicant must account for at least 20 percent of the total available points. In determining the number of points to award to a cooperative or business applying as a social equity applicant, the office shall consider the number or ownership percentage of cooperative members, officers, directors, managers, and general partners who qualify as social equity applicants.

(e) Consistent with the goals identified in subdivision 1, the office shall issue licenses in each license category, giving priority to applicants who receive the highest score under paragraphs (a) and (b). If there are insufficient licenses available for entities that receive identical scores, the office shall utilize a lottery to randomly select license recipients from among those entities.

Sec. 19. **[342.19] INSPECTION; LICENSE VIOLATIONS; PENALTIES.**

Subdivision 1. **Authority to inspect.** (a) In order to carry out the purposes of this chapter, the office, upon presenting appropriate credentials to the owner, operator, or agent in charge, is authorized to:

(1) enter any cannabis business or hemp business without delay and at reasonable times;

(2) inspect and investigate during regular working hours and at other reasonable times, within reasonable limits and in a reasonable manner, any cannabis business or hemp business and all relevant conditions, equipment, records, and materials therein; and

(3) question privately any employer, owner, operator, agent, or employee of a cannabis business or hemp business.

(b) An employer, owner, operator, agent, or employee must not refuse the office entry or otherwise deter or prohibit the office from taking action under paragraph (a).

Subd. 2. **Powers of office.** (a) In making inspections and investigations under this chapter, the office shall have the power to administer oaths, certify as to official acts, take and cause to be taken depositions of witnesses, issue subpoenas, and compel the attendance of witnesses and production of papers, books, documents, records, and testimony. In case of failure of any person to comply with any subpoena lawfully issued, or on the refusal of any witness to produce evidence or to testify to any matter regarding which the person may be lawfully interrogated, the district court shall, upon application of the office, compel obedience proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued by the court or a refusal to testify therein.

(b) If the office finds probable cause to believe that any cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is being distributed in violation of this chapter or rules adopted under this chapter, the office shall affix to the item a tag, withdrawal from distribution order, or other appropriate marking providing notice that the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is, or is suspected of being, distributed in violation of this chapter, and has been detained or embargoed, and warning all persons not to remove or dispose of the item by sale or otherwise until permission for removal or disposal is given by the office or the court. It is unlawful for a person to remove or dispose of detained or embargoed cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product by sale or otherwise without the office's or a court's permission and each transaction is a separate violation of this section.

(c) If any cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product has been found by the office to be in violation of this chapter, the office shall petition the district court in the county in which the item is detained or embargoed for an order and decree for the condemnation of the item. The office shall release the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product when this chapter and rules adopted under this chapter have been complied with or the item is found not to be in violation of this chapter or rules adopted under this chapter.

(d) If the court finds that the detained or embargoed cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is in violation of this chapter or rules adopted under this chapter, the following remedies are available:

(1) after entering a decree, the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product may be destroyed at the expense of the claimant under the supervision of the office, and all court costs, fees, storage, and other proper expenses must be assessed against the claimant of the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product or the claimant's agent; and

(2) if the violation can be corrected by proper labeling or processing of the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product, the court, after entry of the decree and after costs, fees, and expenses have been paid, and a good and sufficient bond conditioned that the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product must be properly labeled or processed has been executed, may by order direct that the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product be delivered to the claimant for proper labeling or processing under the supervision of the office. The office's supervision expenses must be paid by the claimant. The cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product must be returned to the claimant and the bond must be discharged on representation to the court by the office that the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is no longer in violation and that the office's supervision expenses have been paid.

(e) If the office finds in any room, building, piece of equipment, vehicle of transportation, or other structure any cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product that is unsound or contains any filthy, decomposed, or putrid substance, or that may be poisonous or deleterious to health or otherwise unsafe, the office shall condemn or destroy the item or in any other manner render the item as unsalable, and no one has any cause of action against the office on account of the office's action.

(f) The office may enter into an agreement with the commissioner of agriculture to analyze and examine samples or other articles furnished by the office for the purpose of determining whether the sample or article violates this chapter or rules adopted under this chapter. A copy of the examination or analysis report for any such article, duly authenticated under oath by the laboratory analyst making the determination or examination, shall be prima facie evidence in all courts of the matters and facts contained in the report.

Subd. 3. **Aiding of inspection.** Subject to rules issued by the office, a representative of a cannabis business or hemp business shall be given an opportunity to accompany the office during the physical inspection of any cannabis business or hemp business for the purpose of aiding such inspection.

Subd. 4. **Complaints and reports; priority of inspection.** (a) The office may conduct inspections of any licensed cannabis business or hemp business at any time to ensure compliance with the ownership and operation requirements of this chapter.

(b) Any person may report a suspected violation of a safety or health standard. If upon receipt of such notification the office determines that there are reasonable grounds to believe that such violation or danger exists, the office shall make a special inspection as soon as practicable to determine if such danger or violation exists.

(c) The office shall prioritize inspections of cannabis businesses and hemp businesses where there are reasonable grounds to believe that a violation poses imminent danger to the public or customers. Inspections must take place within one business day of the receipt of a credible report.

(d) The office shall promptly inspect cannabis businesses and hemp businesses that are the subject of complaint by a local unit of government.

Subd. 5. Violations; administrative orders and penalties. (a) The office may issue an administrative order to any licensed cannabis business or hemp business that the office determines has committed a violation of this chapter or rules adopted pursuant to this chapter. The administrative order may require the business to correct the violation or to cease and desist from committing the violation. The order must state the deficiencies that constitute the violation and the time by which the violation must be corrected. If the business believes that the information in the administrative order is in error, the business may ask the office to consider the parts of the order that are alleged to be in error. The request must be in writing, delivered to the office by certified mail within seven days after receipt of the order, and provide documentation to support the allegation of error. The office must respond to a request for reconsideration within 15 days after receiving the request. A request for reconsideration does not stay the correction order unless the office issues a supplemental order granting additional time. The office's disposition of a request for reconsideration is final.

(b) For each violation of this chapter or rules adopted pursuant to this chapter, the office may issue to each cannabis business or hemp business a monetary penalty of up to \$10,000, an amount that deprives the business of any economic advantage gained by the violation, or both.

(c) An administrative penalty may be recovered in a civil action in the name of the state brought in the district court of the county where the violation is alleged to have occurred or the district court where the office is housed.

(d) In addition to penalties listed in this subdivision, a person or business who violates the provisions of this chapter is subject to any applicable criminal penalty.

Sec. 20. [342.20] DATA PRACTICES.

Subdivision 1. Not public data. The following data collected, created, or maintained by the office are classified as nonpublic data, as defined by section 13.02, subdivision 9, or as private data on individuals, as defined by section 13.02, subdivision 12:

(1) application data submitted by an applicant for a cannabis business license or hemp business license, other than the data listed in subdivision 2;

(2) the identity of a complainant who has made a report concerning a license holder or an applicant that appears in inactive investigative data unless the complainant consents to the disclosure;

(3) data identifying retail or wholesale customers of a cannabis business or hemp business; and

(4) data identifying cannabis workers or hemp workers.

Subd. 2. Public data on license applicants. (a) The following application data submitted by an applicant for a cannabis business license or hemp business license are public data:

(1) the applicant's name and designated address;

(2) data disclosing the ownership and control of the applicant;

(3) proof of trade name registration;

(4) data showing the legal possession of the premises where the business will operate;

(5) data describing whether volatile chemicals will be used in any methods of extraction or concentration;

(6) environmental plans;

(7) the type and number of other cannabis business licenses or hemp business licenses held by the applicant; and

(8) the name, address, location, dates, and hours of where any proposed cannabis event will take place.

(b) Scoring and other data generated by the office in its review of an applicant for a cannabis business license or hemp business license are public data.

Subd. 3. **Public application data on license holders.** Once an applicant for a cannabis business license or hemp business license becomes a license holder, all of the application data that the license holder had previously submitted to the office are public data except that the following data remain classified as nonpublic data or private data on individuals:

(1) data identifying retail or wholesale customers of a cannabis business or hemp business;

(2) data identifying cannabis workers or hemp workers;

(3) tax returns, bank account statements, and other financial account information;

(4) business plans; and

(5) data classified as nonpublic data or private data on individuals by chapter 13 or other applicable law.

Subd. 4. **Civil investigative data.** Data collected or maintained by the office as part of an active investigation undertaken for the purpose of the commencement or defense of a pending civil legal action, or that are retained in anticipation of a pending civil legal action, must be subject to section 13.39.

Subd. 5. **Data practices administration.** (a) The office must establish written procedures to ensure that only individuals authorized by law may enter, update, or access data maintained by the office and classified as nonpublic or private data on individuals. An authorized individual's ability to enter, update, or access not public data must correspond to the official duties or training level of the individual and to the statutory authorization granting access for that purpose. All queries and responses, and all actions in which not public data are entered, updated, accessed, shared, or disseminated, must be recorded in a data audit trail. Data contained in the audit trail have the same classification as the underlying data tracked by the audit trail.

(b) The office must not share data classified as nonpublic or private data on individuals under this section or other data identifying an individual applicant or license holder with any federal agency, federal department, or federal entity unless specifically ordered to do so by a state or federal court.

(c) The office must arrange for an independent audit to verify compliance with this section. The audit must be completed annually for the first two years following establishment of the office and biennially thereafter. The results of the audit are public. No later than 30 days following completion of the audit, the office must provide a report summarizing the audit results to the chairs and ranking minority members of the committees and divisions of the house of representatives and the senate with jurisdiction over commerce

and data practices, and the Legislative Commission on Data Practices and Personal Data Privacy. The report must be submitted as required under section 3.195, except that printed copies are not required.

Sec. 21. [342.21] LICENSE SUSPENSION OR REVOCATION; HEARING.

Subdivision 1. **License revocation and nonrenewal.** The office may revoke or not renew a license when the office has cause to believe that a cannabis business or hemp business has violated an ownership or operational requirement in this chapter or rules adopted pursuant to this chapter. The office must notify the license holder in writing, specifying the grounds for revocation or nonrenewal and fixing a time of at least 20 days thereafter for a hearing on the matter.

Subd. 2. **Hearing; written findings.** (a) Before the office revokes or does not renew a license, the office must provide the license holder with a statement of the complaints made against the license holder, and the office must hold a hearing to determine whether the office should revoke the license or deny renewal of the license. The license holder shall receive notice at least 20 days before the date of the hearing and notice may be served either by certified mail addressed to the address of the license holder as shown in the license application or in the manner provided by law for the service of a summons. At the time and place fixed for the hearing, the office, or any office employee or agent authorized by the office to conduct the hearing, shall receive evidence, administer oaths, and examine witnesses.

(b) After the hearing held pursuant to paragraph (a), or upon the failure of the license holder to appear at the hearing, the office must take action as is deemed advisable and issue written findings that the office must mail to the license holder. An action of the office under this paragraph is subject to judicial review pursuant to chapter 14.

Subd. 3. **Temporary suspension.** The office may temporarily, without hearing, suspend the license and operating privilege of any business licensed under this chapter for up to 90 days if continuing the operation of the business would threaten the health or safety of any person. The office may extend the period for an additional 90 days if the office notified the business that the office intends to revoke or not renew a license and the hearing required under subdivision 2 has not taken place.

Sec. 22. [342.22] RETAILERS; LOCAL REGISTRATION AND ENFORCEMENT.

Subdivision 1. **Registration required.** Before making retail sales to customers or patients, a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis retailer, medical cannabis combination business, or lower-potency hemp edible retailer must register with the city, town, or county in which the retail establishment is located. A county may issue a registration in cases where a city or town has provided consent for the county to issue the registration for the jurisdiction.

Subd. 2. **Registration fee.** (a) A local unit of government may impose an initial retail registration fee of \$500 or up to half the amount of the applicable initial license fee under section 342.11, whichever is less. The local unit of government may also impose a renewal retail registration fee of \$1,000 or up to half the amount of the applicable renewal license fee under section 342.11, whichever is less. The initial registration fee shall include the fee for initial registration and the first annual renewal. Any renewal fee imposed by the local unit of government shall be charged at the time of the second renewal and each subsequent annual renewal thereafter.

(b) The local unit of government may not charge an application fee.

(c) A cannabis business with a cannabis retailer license and a medical cannabis retailer license for the same location may only be charged a single registration fee.

(d) Registration fees are nonrefundable.

Subd. 3. **Issuance of registration.** (a) A local unit of government shall issue a retail registration to a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis retailer, or lower-potency hemp edible retailer that:

(1) has a valid license issued by the office;

(2) has paid the registration fee or renewal fee pursuant to subdivision 2;

(3) is found to be in compliance with the requirements of this chapter at any preliminary compliance check that the local unit of government performs; and

(4) if applicable, is current on all property taxes and assessments at the location where the retail establishment is located.

(b) Before issuing a retail registration, the local unit of government may conduct a preliminary compliance check to ensure that the cannabis business or hemp business is in compliance with the applicable operation requirements and the limits on the types of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that may be sold.

(c) A local unit of government shall renew the retail registration of a cannabis business or hemp business when the office renews the license of the cannabis business or hemp business.

(d) A retail registration issued under this section may not be transferred.

Subd. 4. **Compliance checks.** (a) A local unit of government shall conduct compliance checks of every cannabis business and hemp business with a retail registration issued by the local unit of government. The checks shall assess compliance with age verification requirements, the applicable operation requirements, and the applicable limits on the types of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products being sold.

(b) The local unit of government must conduct unannounced age verification compliance checks at least once each calendar year. Age verification compliance checks must involve persons at least 17 years of age, but under the age of 21, who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

(c) Checks to ensure compliance with the applicable operation requirements and the limits on the types of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that may be sold must be performed at least once each calendar year and may be performed by a law enforcement officer or an employee of the local unit of government.

Subd. 5. **Registration suspension and cancellation; notice to office; penalties.** (a) If a local unit of government determines that a cannabis business or hemp business with a retail registration issued by the local unit of government is not operating in compliance with the requirements of this chapter or that the operation of the business poses an immediate threat to the health or safety of the public, the local unit of government may suspend the retail registration of the cannabis business or hemp business. The local unit

of government must immediately notify the office of the suspension and shall include a description of the grounds for the suspension.

(b) The office shall review the retail registration suspension and may order reinstatement of the retail registration or take any action described in section 342.19 or 342.21.

(c) The retail registration suspension must be for up to 30 days unless the office suspends the license and operating privilege of the cannabis business or hemp business for a longer period or revokes the license.

(d) The local unit of government may reinstate the retail registration if the local unit of government determines that any violation has been cured. The local unit of government must reinstate the retail registration if the office orders reinstatement.

(e) No cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis retailer, medical cannabis combination business, or lower-potency hemp edible retailer may make any sale to a customer or patient without a valid retail registration. A local unit of government may impose a civil penalty of up to \$2,000 for each violation of this paragraph.

Sec. 23. [342.23] CANNABIS BUSINESSES AND HEMP BUSINESSES; GENERAL OPERATIONAL REQUIREMENTS.

Subdivision 1. **Records.** (a) Cannabis businesses and hemp businesses must retain financial records for the current and previous tax years at the primary business location and must make those records available for inspection by the office at any time during regular business hours.

(b) When applicable, a cannabis business or hemp business must maintain financial records for the previous ten tax years and must make those records available for inspection within one business day of receiving a request for inspection by the office.

(c) The office may require a cannabis business or hemp business to submit to an audit of its business records. The office may select or approve the auditor and the cannabis business or hemp business must provide the auditor with access to all business records. The cost of the audit must be paid by the cannabis business or hemp business.

Subd. 2. **Diversity report.** Cannabis businesses and hemp businesses shall provide an annual report on the status of diversity in the business ownership, management, and employment and in services for which the business contracts.

Subd. 3. **Disposal; loss documentation.** (a) Cannabis businesses and hemp businesses must dispose of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products that are damaged, have a broken seal, have been contaminated, or have not been sold by the expiration date on the label.

(b) Disposal must be conducted in a manner approved by the office.

(c) Disposal of any cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, and hemp-derived consumer products that are required to be entered into the statewide monitoring system must be documented in the statewide monitoring system.

(d) Loss or theft of any cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, or hemp-derived consumer products that are required to be entered into the statewide monitoring

system must be reported to local law enforcement and a business must log any such loss or theft in the statewide monitoring system as soon as the loss or theft is discovered.

Subd. 4. **Sale of approved products.** Cannabis businesses and hemp businesses may only sell cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products that are a product category approved by the office and that comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 5. **Financial relationship.** (a) Except for the lawful sale of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products in the ordinary course of business and as otherwise provided in this subdivision, no cannabis business or hemp business may offer, give, accept, receive, or borrow money or anything else of value or accept or receive credit from any other cannabis business. This prohibition applies to offering or receiving a benefit in exchange for preferential placement by a retailer, including preferential placement on the retailer's shelves, display cases, or website. This prohibition applies to every cooperative member or every director, manager, and general partner of a cannabis business or hemp business.

(b) This prohibition does not apply to merchandising credit in the ordinary course of business for a period not to exceed 30 days.

(c) This prohibition does not apply to free samples of usable cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products packaged in a sample jar protected by a plastic or metal mesh screen to allow customers to smell the cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product before purchase. A sample jar may not contain more than eight grams of usable cannabis flower, more than eight grams of a cannabis concentrate, an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

(d) This prohibition does not apply to free samples of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products provided to a retailer or cannabis wholesaler for the purposes of quality control and to allow retailers to determine whether to offer a product for sale. A sample provided for these purposes may not contain more than eight grams of usable cannabis flower, more than eight grams of a cannabis concentrate, an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

(e) This prohibition does not apply to any fee charged by a licensed cannabis event organizer to a cannabis business or hemp business for participation in a cannabis event.

Subd. 6. **Customer privacy.** Cannabis businesses and hemp businesses must not share data on retail or wholesale customers with any federal agency, federal department, or federal entity unless specifically ordered by a state or federal court.

Sec. 24. **[342.24] CANNABIS BUSINESSES; GENERAL OPERATIONAL REQUIREMENTS AND PROHIBITIONS.**

Subdivision 1. **Individuals under 21 years of age.** (a) A cannabis business may not employ an individual under 21 years of age and may not contract with an individual under 21 years of age if the individual's scope

of work involves the handling of cannabis plants, cannabis flower, artificially derived cannabinoids, or cannabinoid products.

(b) A cannabis business may not permit an individual under 21 years of age to enter the business premises other than entry by a patient enrolled in the registry program.

(c) A cannabis business may not sell or give cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age unless the individual is a patient; registered designated caregiver; or a parent, legal guardian, or spouse of a patient who is authorized to use, possess, or transport medical cannabis flower or medical cannabinoid products.

Subd. 2. **Use of cannabis flower and products within a licensed cannabis business.** (a) A cannabis business may not permit an individual who is not an employee to consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within its licensed premises unless the business is licensed to permit on-site consumption.

(b) Except as otherwise provided in this subdivision, a cannabis business may not permit an employee to consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within its licensed premises or while the employee is otherwise engaged in activities within the course and scope of employment.

(c) A cannabis business may permit an employee to use medical cannabis flower and medical cannabinoid products if that individual is a patient.

(d) For quality control, employees of a licensed cannabis business may sample cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer 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.

Subd. 3. **Restricted access.** (a) Except as otherwise provided in this subdivision, a cannabis business may not permit any individual to enter a restricted area unless the cannabis business records the individual's name, time of entry, time of exit, and authorization to enter the restricted area through the use of an electronic or manual entry log and the individual:

(1) is a cannabis worker employed by or contracted with the cannabis business;

(2) is an employee of the office or another enforcement agency;

(3) is a contractor of the cannabis business, including but not limited to an electrician, a plumber, an engineer, or an alarm technician, whose scope of work will not involve the handling of cannabis flower, cannabis products, or hemp-derived consumer products and, if the individual is working in an area with immediate access to cannabis flower, cannabis products, or hemp-derived consumer products, the individual is supervised at all times by a cannabis worker employed by or contracted with the cannabis business; or

(4) has explicit authorization from the office to enter a restricted area and, if the individual is in an area with immediate access to cannabis flower, cannabis products, or hemp-derived consumer products, the individual is supervised at all times by a cannabis worker employed by or contracted with the cannabis business.

(b) A cannabis business shall ensure that all areas of entry to restricted areas within its licensed premises are conspicuously marked and cannot be entered without recording the individual's name, time of entry, time of exit, and authorization to enter the restricted area.

Subd. 4. **Ventilation and filtration.** A cannabis business must maintain a ventilation and filtration system sufficient to meet the requirements for odor control established by the office.

Subd. 5. **Use of statewide monitoring system.** (a) A cannabis business must use the statewide monitoring system for integrated cannabis tracking, inventory, and verification to track all cannabis plants, cannabis flower, cannabis products, and hemp-derived consumer products the cannabis business has in its possession to the point of disposal, transfer, or sale.

(b) For the purposes of this subdivision, a cannabis business possesses the cannabis plants and cannabis flower that the business cultivates from seed or immature plant, if applicable, or receives from another cannabis business, and possesses the cannabis products and hemp-derived consumer products that the business manufactures or receives from another cannabis business.

(c) Sale and transfer of cannabis plants, cannabis flower, cannabis products, and hemp-derived consumer products must be recorded in the statewide monitoring system within the time established by rule.

Subd. 6. **Security.** A cannabis business must maintain and follow a security plan to deter and prevent the theft or diversion of cannabis plants, cannabis flower, cannabis products, or hemp-derived consumer products; unauthorized entry into the cannabis business; and the theft of currency.

Subd. 7. **Remuneration.** A cannabis business is prohibited from:

(1) accepting or soliciting any form of remuneration from a health care practitioner who certifies qualifying medical conditions for patients; or

(2) offering any form of remuneration to a health care practitioner who certifies qualifying medical conditions for patients.

Subd. 8. **Exclusions.** The requirements under this section do not apply to hemp businesses.

Subd. 9. **Exclusive contracts.** A cannabis business may not directly or indirectly make an agreement with a cannabis retailer that binds the cannabis retailer to purchase the products of one cannabis cultivator or cannabis manufacturer to the exclusion of the products of other cannabis cultivators or cannabis manufacturers. A cannabis retailer who is a party to a violation of this section or who receives the benefits of a violation is equally guilty of a violation.

Sec. 25. **[342.25] CULTIVATION OF CANNABIS; GENERAL REQUIREMENTS.**

Subdivision 1. **Applicability.** Every cannabis business with a license or endorsement authorizing the cultivation of cannabis must comply with the requirements of this section.

Subd. 2. **Cultivation records.** A business licensed or authorized to cultivate cannabis must prepare a cultivation record for each batch of cannabis plants and cannabis flower in the form required by the office and must maintain each record for at least five years. The cultivation record must include the quantity and timing, where applicable, of each pesticide, fertilizer, soil amendment, or plant amendment used to cultivate the batch, as well as any other information required by the office in rule. The cannabis business must present cultivation records to the office, the commissioner of agriculture, or the commissioner of health upon request.

Subd. 3. **Agricultural chemicals and other inputs.** A business licensed or authorized to cultivate cannabis is subject to rules promulgated by the office in consultation with the commissioner of agriculture, subject to subdivision 5, governing the use of pesticides, fertilizers, soil amendments, plant amendments, and other inputs to cultivate cannabis.

Subd. 4. **Cultivation plan.** A business licensed or authorized to cultivate cannabis must prepare, maintain, and execute an operating plan and a cultivation plan as directed by the office in rule, which must include but is not limited to:

(1) water usage;

(2) recycling;

(3) solid waste disposal; and

(4) a pest management protocol that incorporates integrated pest management principles to control or prevent the introduction of pests to the cultivation site.

Subd. 5. **Agricultural chemicals and other inputs; pollinator protection.** (a) A business licensed or authorized to cultivate cannabis must comply with chapters 18B, 18C, 18D, and any other pesticide, fertilizer, soil amendment, and plant amendment laws and rules enforced by the commissioner of agriculture.

(b) A business licensed or authorized to cultivate cannabis must not apply pesticides when pollinators are present or allow pesticides to drift to flowering plants that are attractive to pollinators.

Subd. 6. **Adulteration prohibited.** A business licensed or authorized to cultivate cannabis must not treat or otherwise adulterate cannabis plants or cannabis flower with any substance or compound that has the effect or intent of altering the color, appearance, weight, potency, or odor of the cannabis.

Subd. 7. **Indoor or outdoor cultivation authorized; security.** A business licensed or authorized to cultivate cannabis may cultivate cannabis plants indoors or outdoors, subject to the security, fencing, lighting, and any other requirements imposed by the office in rule.

Subd. 8. **Exception.** Nothing in this section applies to the cultivation of hemp plants.

Sec. 26. **[342.26] MANUFACTURE OF CANNABIS PRODUCTS; GENERAL REQUIREMENTS.**

Subdivision 1. **Applicability.** Every cannabis business with a license or endorsement authorizing the creation of cannabis concentrate and manufacture of cannabis products and hemp-derived consumer products for public consumption must comply with the requirements of this section.

Subd. 2. **All manufacturer operations.** (a) Cannabis manufacturing must take place in an enclosed, locked facility that is used exclusively for the manufacture of cannabis products, creation of hemp concentrate, creation of artificially derived cannabinoids, creation of lower-potency hemp edibles, or creation of hemp-derived consumer 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.

(b) Cannabis manufacturing must take place on equipment that is used exclusively for the manufacture of cannabis products, creation of hemp concentrate, creation of artificially derived cannabinoids, creation of lower-potency hemp edibles, or creation of hemp-derived consumer products.

(c) A business licensed or authorized to manufacture cannabis products must comply with all applicable packaging, labeling, and health and safety requirements.

Subd. 3. Extraction and concentration. (a) A business licensed or authorized to manufacture cannabis products that creates cannabis concentrate, hemp concentrate, or artificially derived cannabinoids must obtain an endorsement from the office.

(b) A business licensed or authorized to manufacture cannabis products must inform the office of all methods of extraction and concentration that the manufacturer intends to use and identify the volatile chemicals, if any, that will be involved in the creation of cannabis concentrate or hemp concentrate. A cannabis manufacturer may not use a method of extraction and concentration or a volatile chemical without approval by the office.

(c) A business licensed or authorized to manufacture cannabis products must inform the office of all methods of conversion that the manufacturer will use, including any specific catalysts that the manufacturer will employ, to create artificially derived cannabinoids and the molecular nomenclature of all cannabinoids or other chemical compounds that the manufacturer will create. A business licensed or authorized to manufacture cannabis products may not use a method of conversion or a catalyst without approval by the office.

(d) A business licensed or authorized to manufacture cannabis products must obtain a certification from an independent third-party industrial hygienist or professional engineer approving:

(1) all electrical, gas, fire suppression, and exhaust systems; and

(2) the plan for safe storage and disposal of hazardous substances, including but not limited to any volatile chemicals.

(e) A business licensed or authorized to manufacture cannabis products that manufactures cannabis concentrate from cannabis flower received from an unlicensed person who is at least 21 years of age must comply with all health and safety requirements established by the office. At a minimum, the office shall require the manufacturer to:

(1) store the cannabis flower in an area that is segregated from cannabis flower and hemp plant parts received from a licensed cannabis business;

(2) perform the extraction and concentration on equipment that is used exclusively for extraction or concentration of cannabis flower received from unlicensed individuals;

(3) store any cannabis concentrate in an area that is segregated from cannabis concentrate, hemp concentrate, or artificially derived cannabinoids derived or manufactured from cannabis flower or hemp plant parts received from a licensed cannabis business; and

(4) provide any cannabis concentrate only to the person who provided the cannabis flower.

(f) Upon the sale of cannabis concentrate, hemp concentrate, or artificially derived cannabinoids to any person, cooperative, or business, a business licensed or authorized to manufacture cannabis products must provide a statement to the buyer that discloses the method of extraction and concentration or conversion used and any solvents, gases, or catalysts, including but not limited to any volatile chemicals, involved in that method.

Subd. 4. Production of consumer products. (a) A business licensed or authorized to manufacture cannabis products that produces edible cannabis products or lower-potency hemp edibles must obtain an edible cannabinoid product handler endorsement from the office.

(b) A business licensed or authorized to manufacture cannabis products must obtain an endorsement from the office to produce:

(1) cannabis products other than edible cannabis products; or

(2) hemp-derived consumer products other than lower-potency hemp edibles.

(c) All areas within the licensed premises of a business licensed or authorized to manufacture cannabis products producing cannabis products, lower-potency hemp edibles, or hemp-derived consumer products must meet the sanitary standards specified in rules adopted by the office.

(d) A business licensed or authorized to manufacture cannabis products may only add chemicals or compounds approved by the office to cannabis concentrate, hemp concentrate, or artificially derived cannabinoids.

(e) Upon the sale of any cannabis product, lower-potency hemp edible, or hemp-derived consumer product to a cannabis business or hemp business, a business licensed or authorized to manufacture cannabis products must provide a statement to the buyer that discloses the product's ingredients, including but not limited to any chemicals or compounds and any major food allergens declared by name.

(f) A business licensed or authorized to manufacture cannabis products shall not add any cannabis flower, cannabis concentrate, artificially derived cannabinoid, hemp plant part, or hemp concentrate to a product where the manufacturer of the product holds a trademark to the product's name, except that a business licensed or authorized to manufacture cannabis products may use a trademarked food product if the manufacturer uses the product as a component or as part of a recipe and where the business licensed or authorized to manufacture cannabis products does not state or advertise to the customer that the final retail cannabis product, lower-potency hemp edible, or hemp-derived consumer product contains a trademarked food product.

Subd. 5. **Exception.** Nothing in this section applies to the operations of a lower-potency hemp edible manufacturer.

Sec. 27. **[342.27] RETAIL SALE OF CANNABIS FLOWER AND PRODUCTS; GENERAL REQUIREMENTS.**

Subdivision 1. **Applicability.** Every cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must comply with the requirements of this section.

Subd. 2. **Sale of cannabis and cannabinoid products.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may only sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals who are at least 21 years of age.

(b) A cannabis business with a license or endorsement authorizing the retail sale of adult-use cannabis flower or adult-use cannabis products may sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that:

(1) are obtained from a business licensed under this chapter; and

(2) meet all applicable packaging and labeling requirements.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell up to two ounces of adult-use cannabis flower or hemp-derived consumer products consisting primarily of hemp plant parts, up to eight grams of adult-use cannabis concentrate or hemp-derived consumer products consisting primarily of hemp concentrate or artificially derived cannabinoids, and edible cannabis products and lower-potency hemp edibles infused with up to 800 milligrams of tetrahydrocannabinol during a single transaction to a customer.

(d) Edible adult-use cannabis products and hemp-derived consumer products intended to be eaten may not include more than ten milligrams of tetrahydrocannabinol per serving and a single package may not include more than a total of 200 milligrams of tetrahydrocannabinol. A package may contain multiple servings of ten milligrams of tetrahydrocannabinol provided that each serving is indicated by scoring, wrapping, or other indicators designating the individual serving size.

(e) Edible adult-use cannabis products and hemp-derived consumer products intended to be consumed as beverages may not include more than ten milligrams of tetrahydrocannabinol per serving. A single beverage container may not contain more than two servings.

Subd. 3. **Sale of other products.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell cannabis paraphernalia, including but not limited to childproof packaging containers and other devices designed to ensure the safe storage and monitoring of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in the home to prevent access by individuals under 21 years of age.

(b) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell hemp-derived topical products.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell the following products that do not contain cannabis flower, cannabis concentrate, hemp concentrate, artificially derived cannabinoids, or tetrahydrocannabinol:

- (1) drinks that do not contain alcohol and are packaged in sealed containers labeled for retail sale;
- (2) books and videos on the cultivation and use of cannabis flower and products that contain cannabinoids;
- (3) magazines and other publications published primarily for information and education on cannabis plants, cannabis flower, and products that contain cannabinoids;
- (4) multiple-use bags designed to carry purchased items;
- (5) clothing marked with the specific name, brand, or identifying logo of the retailer;
- (6) hemp fiber products and products that contain hemp grain; and
- (7) products that detect the presence of fentanyl or a fentanyl analog.

Subd. 4. **Age verification.** (a) Prior to initiating a sale, an employee of a cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must verify that the customer is at least 21 years of age.

(b) Proof of age may be established only by one of the following:

(1) a valid driver's license or identification card issued by Minnesota, another state, or a province of Canada, and including the photograph and date of birth of the licensed person;

(2) a valid Tribal identification card as defined in section 171.072, paragraph (b);

(3) a valid passport issued by the United States;

(4) a valid instructional permit issued under section 171.05 to a person of legal age to purchase adult-use cannabis flower or adult-use cannabis products, which includes a photograph and the date of birth of the person issued the permit; or

(5) in the case of a foreign national, by a valid passport.

(c) A retailer may seize a form of identification listed under paragraph (b) if the cannabis retailer has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A retailer that seizes a form of identification as authorized under this paragraph must deliver it to a law enforcement agency within 24 hours of seizing it.

Subd. 5. Display of cannabis flower and products. (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must designate a retail area where customers are permitted. The retail area shall include the portion of the premises where samples of cannabis flower and cannabis products available for sale are displayed. All other cannabis flower and cannabis products must be stored in the secure storage area.

(b) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may display one sample of each type of cannabis flower or cannabis product available for sale. Samples of cannabis flower and cannabis products must be stored in a sample jar or display case and be accompanied by a label or notice containing the information required to be affixed to the packaging or container containing cannabis flower and cannabis products sold to customers. A sample may not contain more than eight grams of adult-use cannabis flower or adult-use cannabis concentrate or an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol. A cannabis retailer may allow customers to smell the cannabis flower or cannabis product before purchase.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may not sell cannabis flower or cannabis products used as a sample for display. If the retailer uses display samples of lower-potency hemp edibles or hemp-derived consumer products, the retailer may not sell the product used as a sample for display.

Subd. 6. Posting of notices. A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must post all notices as required by the office, including but not limited to:

(1) information about any product recall;

(2) a statement that operating a motor vehicle under the influence of intoxicating cannabinoids is illegal;
and

(3) a statement that cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products are only intended for consumption by individuals who are at least 21 years of age.

Subd. 7. Hours of operation. (a) Except as provided by paragraph (b), a cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may not sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between 2:00 a.m. and 8:00 a.m. on the days of Monday through Saturday nor between 2:00 a.m. and 10:00 a.m. on Sunday.

(b) A city or county may adopt an ordinance to prohibit sales for any period between 9:00 p.m. and 2:00 a.m. the following day or between 8:00 a.m. and 10:00 a.m. on the days of Monday through Saturday.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may not be open to the public or sell any other products at times when the cannabis business is prohibited from selling cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 8. **Building conditions.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall maintain compliance with state and local building, fire, and zoning requirements or regulations.

(b) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall ensure that the licensed premises is maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Subd. 9. **Security.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall maintain compliance with security requirements established by the office, including but not limited to requirements for maintaining video surveillance records, using specific locking mechanisms, establishing secure entries, and the number of employees working at all times.

Subd. 10. **Lighting.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must keep all lighting outside and inside the dispensary in good working order and sufficient wattage for security cameras.

Subd. 11. **Deliveries.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may only accept deliveries of cannabis flower, cannabis products, and hemp-derived consumer products in a limited access area. Deliveries may not be accepted through the public access areas unless otherwise approved by the office.

Subd. 12. **Prohibitions.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall not:

(1) sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;

(2) knowingly sell more cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;

(3) give away immature cannabis plants or seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(4) operate a drive-through window;

(5) allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines; or

(6) sell cannabis plants, cannabis flower, or cannabis products if the cannabis retailer knows that any required security or statewide monitoring systems are not operational.

Subd. 13. **Adult-use and medical cannabis; colocation.** (a) A cannabis business with a license or endorsement authorizing the retail sale of adult-use cannabis flower or adult-use cannabis products that is

also a licensed medical cannabis retailer may sell medical cannabis flower and medical cannabinoid products on a portion of the business's premises.

(b) The premises must provide an appropriate space for a pharmacist employee of the medical cannabis retailer to consult with a patient to determine the proper type of medical cannabis flower and medical cannabinoid products and proper dosage for the patient.

Subd. 14. **Exception.** Nothing in this section applies to the operations of a lower-potency hemp edible retailer.

Sec. 28. **[342.28] CANNABIS MICROBUSINESS LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis microbusiness license, consistent with the specific license endorsement or endorsements, entitles the license holder to perform any or all of the following within the limits established by this section:

(1) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant;

(2) make cannabis concentrate;

(3) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(4) manufacture artificially derived cannabinoids;

(5) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(6) purchase immature cannabis plants and seedlings and cannabis flower from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler;

(7) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

(8) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(9) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(10) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(11) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers;

(12) operate an establishment that permits on-site consumption of edible cannabis products and lower-potency hemp edibles; and

(13) perform other actions approved by the office.

Subd. 2. **Size limitations.** (a) A cannabis microbusiness that cultivates cannabis at an indoor facility may cultivate up to 5,000 square feet of plant canopy. The office may adjust plant canopy limits upward to meet market demand consistent with the goals identified in section 342.02, subdivision 1.

(b) A cannabis microbusiness that cultivates cannabis at an outdoor location may cultivate up to one-half acre of mature, flowering plants unless the office increases that limit. The office may increase the limit to no more than one acre if the office determines that expansion is consistent with the goals identified in section 342.02, subdivision 1.

(c) The office shall establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products a cannabis microbusiness that manufactures such products may perform. The limit must be equivalent to the amount of cannabis flower that can be harvested from a facility with a plant canopy of 5,000 square feet in a year, but may be increased if the office expands the allowable area of cultivation under paragraph (a).

(d) A cannabis microbusiness with the appropriate endorsement may operate one retail location.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis microbusiness license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for any cultivation or manufacturing activities; plans for providing electricity, water, and other utilities necessary for the normal operation of any cultivation or manufacturing activities; plans for compliance with applicable building codes and federal and state environmental and workplace safety requirements and policies; and plans to avoid sales to unlicensed cannabis businesses and individuals under 21 years of age;

(2) if the applicant is seeking an endorsement to cultivate cannabis plants and harvest cannabis flower, a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation, including the total amount of plant canopy;

(3) if the applicant is seeking an endorsement to create cannabis concentrate, hemp concentrate, or artificial cannabinoids, information identifying all methods of extraction, concentration, or conversion that the applicant intends to use and the volatile chemicals and catalysts, if any, that will be involved in extraction, concentration, or creation; and

(4) evidence that the applicant will comply with the applicable operation requirements for the license being sought.

Subd. 4. **Exception.** The requirement of an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement is not required as part of an application for a cannabis microbusiness license.

Subd. 5. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis microbusiness license may also hold a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis microbusiness license may own or operate any other cannabis business or hemp business or hold more than one cannabis microbusiness license.

(c) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 6. **Cultivation endorsement.** A cannabis microbusiness that cultivates cannabis plants and harvests cannabis flower must comply with the requirements in section 342.25.

Subd. 7. **Extraction and concentration endorsement.** A cannabis microbusiness that creates cannabis concentrate must comply with the requirements in section 342.26, subdivisions 2 and 3.

Subd. 8. **Production of customer products endorsement.** A cannabis microbusiness that manufactures edible cannabis products, lower-potency hemp products, or hemp-derived consumer products must comply with the requirements in section 342.26, subdivisions 2 and 4.

Subd. 9. **Retail operations endorsement.** A cannabis microbusiness that operates a retail location must comply with the requirements in section 342.27.

Subd. 10. **On-site consumption endorsement.** (a) A cannabis microbusiness may permit on-site consumption of edible cannabis products and lower-potency hemp edibles on a portion of its premises.

(b) The portion of the premises in which on-site consumption is permitted must be definite and distinct from all other areas of the microbusiness and must be accessed through a distinct entrance.

(c) Edible cannabis products and lower-potency hemp edibles sold for on-site consumption must comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of cannabinoid products.

(d) Edible cannabinoid products and lower-potency hemp edibles sold for on-site consumption must be served in the required packaging but may be removed from the products' packaging by customers and consumed on site.

(e) Food and beverages not otherwise prohibited by this subdivision may be prepared and sold on site provided that the cannabis microbusiness complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(f) A cannabis microbusiness shall ensure that the display and consumption of any edible cannabis product or lower-potency hemp edible is not visible from outside of the licensed premises of the business.

(g) A cannabis microbusiness may offer recorded or live entertainment, provided that the cannabis microbusiness complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(h) A cannabis microbusiness may not:

(1) sell an edible cannabis product or a lower-potency hemp edible to an individual who is under 21 years of age;

(2) permit an individual who is under 21 years of age to enter the premises;

(3) sell an edible cannabis product or a lower-potency hemp edible to a person who is visibly intoxicated;

(4) sell or allow the sale or consumption of alcohol or tobacco on the premises;

(5) sell products that are intended to be eaten or consumed as a drink, other than packaged and labeled edible cannabis products and lower-potency hemp edibles, that contain cannabis flower or hemp plant parts or are infused with cannabis concentrate, hemp concentrate, or artificially derived cannabinoids;

(6) permit edible cannabis products or lower-potency hemp edibles sold in the portion of the area designated for on-site consumption to be removed from that area;

(7) permit adult-use cannabis flower, adult-use cannabis products, hemp-derived consumer products, or tobacco to be consumed through smoking or a vaporized delivery method on the premises; or

(8) distribute or allow free samples of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Sec. 29. **[342.29] CANNABIS MEZZOBUSINESS LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis mezzobusiness license, consistent with the specific license endorsement or endorsements, entitles the license holder to perform any or all of the following within the limits established by this section:

(1) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as adult-use cannabis flower or for use in adult-use cannabis products;

(2) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as medical cannabis flower or for use in medical cannabinoid products;

(3) make cannabis concentrate;

(4) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(5) manufacture artificially derived cannabinoids;

(6) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(7) process medical cannabinoid products;

(8) purchase immature cannabis plants and seedlings and cannabis flower from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler;

(9) purchase cannabis concentrate, hemp concentrate, and synthetically derived cannabinoids from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(10) purchase hemp plant parts and propagules from a licensed hemp grower licensed under chapter 18K;

(11) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(12) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(13) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers; and

(14) perform other actions approved by the office.

Subd. 2. **Size limitations.** (a) A cannabis mezzobusiness that cultivates cannabis at an indoor facility may cultivate up to 15,000 square feet of plant canopy. The office may adjust plant canopy limits upward to meet market demand consistent with the goals identified in section 342.02, subdivision 1.

(b) A cannabis mezzobusiness that cultivates cannabis at an outdoor location may cultivate up to one acre of mature, flowering plants unless the office increases that limit. The office may increase the limit to no more than three acres if the office determines that expansion is consistent with the goals identified in section 342.02, subdivision 1.

(c) The office shall establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products a cannabis mezzobusiness that manufactures such products may perform. The limit must be equivalent to the amount of cannabis flower that can be harvested from a facility with a plant canopy of 15,000 square feet in a year but may be increased if the office expands the allowable area of cultivation under paragraph (a).

(d) A cannabis mezzobusiness with the appropriate endorsement may operate up to three retail locations.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis mezzobusiness license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for any cultivation or manufacturing activities; plans for providing electricity, water, and other utilities necessary for the normal operation of any cultivation or manufacturing activities; plans for compliance with applicable building code and federal and state environmental and workplace safety requirements and policies; and plans to avoid sales to unlicensed cannabis businesses and individuals under 21 years of age;

(2) if the applicant is seeking an endorsement to cultivate cannabis plants and harvest cannabis flower, a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation, including the total amount of plant canopy;

(3) if the applicant is seeking an endorsement to create cannabis concentrate, hemp concentrate, or artificial cannabinoids, information identifying all methods of extraction, concentration, or conversion that the applicant intends to use and the volatile chemicals and catalysts, if any, that will be involved in extraction, concentration, or creation; and

(4) evidence that the applicant will comply with the applicable operation requirements for the license being sought.

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis mezzobusiness license may also hold a cannabis event organizer license and a medical cannabis retailer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis mezzobusiness license may own or operate any other cannabis business or hemp business or hold more than one cannabis mezzobusiness license.

(c) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 5. **Cultivation endorsement.** A cannabis mezzobusiness that cultivates cannabis plants and harvests cannabis flower must comply with the requirements in section 342.25.

Subd. 6. **Extraction and concentration endorsement.** A cannabis mezzobusiness that creates cannabis concentrate must comply with the requirements in section 342.26, subdivisions 2 and 3.

Subd. 7. **Production of customer products endorsement.** A cannabis mezzobusiness that manufactures edible cannabis products, lower-potency hemp products, or hemp-derived consumer products must comply with the requirements in section 342.26, subdivisions 2 and 4.

Subd. 8. **Retail operations endorsement.** A cannabis mezzobusiness that operates a retail location must comply with the requirements in section 342.27.

Subd. 9. **Medical cannabis endorsement.** A cannabis mezzobusiness that cultivates cannabis plants for use as medical cannabis flower or for use in medical cannabinoid products, processes medical cannabinoid products, or both, must comply with sections 342.49, paragraph (d); 342.50, paragraph (c), and any additional requirements established by the office.

Sec. 30. **[342.30] CANNABIS CULTIVATOR LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A 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 immature cannabis plants and seedlings and cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the office.

Subd. 2. **Size limitations.** (a) A cannabis cultivator that cultivates cannabis at an indoor facility may cultivate up to 30,000 square feet of plant canopy. The office may adjust plant canopy limits upward to meet market demand consistent with the goals identified in section 342.02, subdivision 1.

(b) A cannabis cultivator that cultivates cannabis at an outdoor location may cultivate up to two acres of mature, flowering plants unless the office increases that limit. The office may increase the limit to no more than four acres if the office determines that expansion is consistent with the goals identified in section 342.02, subdivision 1.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis cultivator license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed size and layout of the cultivation facility; plans for wastewater and waste disposal for the cultivation facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the cultivation facility; and plans for compliance with the applicable building code and federal and state environmental and workplace safety requirements;

(2) a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation including the total amount of plant canopy; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis cultivator license may also hold a cannabis manufacturing license, medical cannabis cultivator license, medical cannabis producer license, license to grow industrial hemp, and cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis cultivator license may own or operate any other cannabis business or hemp business. This prohibition does not prevent the transportation of cannabis flower from a cannabis cultivator to a cannabis manufacturer licensed to the same person, cooperative, or business and located on the same premises.

(c) The office by rule may limit the number of cannabis cultivator licenses a person, cooperative, or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 5. **Cultivation operations.** A cannabis cultivator must comply with the requirements in section 342.25.

Sec. 31. **[342.31] CANNABIS MANUFACTURER LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis manufacturer license, consistent with the specific license endorsement or endorsements, entitles the license holder to:

(1) purchase cannabis flower, cannabis products, hemp plant parts, hemp concentrate, and artificially derived cannabinoids from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis cultivator, another cannabis manufacturer, or a cannabis wholesaler;

(2) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

(3) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(4) accept cannabis flower from unlicensed persons who are at least 21 years of age provided that the cannabis manufacturer does not accept more than two ounces from an individual on a single occasion;

(5) make cannabis concentrate;

(6) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(7) manufacture artificially derived cannabinoids;

(8) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(9) package and label adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(10) sell cannabis concentrate, hemp concentrate, artificially derived cannabinoids, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to other cannabis businesses; and

(11) perform other actions approved by the office.

Subd. 2. **Size limitations.** The office shall establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products a cannabis manufacturer may perform.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis manufacturer license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for the manufacturing facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the manufacturing facility; and plans for compliance with applicable building code and federal and state environmental and workplace safety requirements; and

(2) evidence that the business will comply with the applicable operation requirements for the endorsement being sought.

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis manufacturer license may also hold a cannabis cultivator license, a medical cannabis cultivator license, a medical cannabis processor license, and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis manufacturer license may own or operate any other cannabis business or hemp business. This prohibition does not prevent transportation of cannabis flower from a cannabis cultivator to a cannabis manufacturer licensed to the same person, cooperative, or business and located on the same premises.

(c) The office by rule may limit the number of cannabis manufacturer licenses that a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 5. **Manufacturing operations.** A cannabis manufacturer must comply with the requirements in section 342.26.

Sec. 32. **[342.32] CANNABIS RETAILER LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis retailer license entitles the license holder to:

(1) purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, and cannabis wholesalers;

(2) purchase lower-potency hemp edibles from a licensed lower-potency hemp edible manufacturer;

(3) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to customers; and

(4) perform other actions approved by the office.

Subd. 2. **Size limitations.** A cannabis retailer may operate up to five retail locations.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis retail license must submit the following information in a form approved by the office:

(1) a list of every retail license held by the applicant and, if the applicant is a business, every retail license held, either as an individual or as part of another business, by each officer, director, manager, and general partner of the cannabis business;

(2) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; policies to avoid sales to individuals who are under 21 years of age; identification of a restricted area for storage; and plans to prevent the visibility of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals outside the retail location; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis retailer license may also hold a cannabis delivery service license, a medical cannabis retailer license, and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis retailer license may own or operate any other cannabis business or hemp business.

(c) No person, cooperative, or business may hold a license to own or operate more than one cannabis retail business in one city and three retail businesses in one county.

(d) The office by rule may limit the number of cannabis retailer licenses a person, cooperative, or business may hold.

(e) For purposes of this subdivision, a restriction on the number or type of license a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 5. **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.

Sec. 33. **[342.33] CANNABIS WHOLESALER LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis wholesaler license entitles the license holder to:

(1) purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, and cannabis microbusinesses;

(2) purchase hemp plant parts and propagules from industrial hemp growers licensed under chapter 18K;

(3) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(4) sell immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, and cannabis retailers;

(5) sell lower-potency hemp edibles to lower-potency hemp edible retailers;

(6) import hemp-derived consumer products and lower-potency hemp edibles that contain hemp concentrate or artificially derived cannabinoids that are derived from hemp plants or hemp plant parts; and

(7) perform other actions approved by the office.

Subd. 2. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis wholesaler license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility including a diagram of ventilation and filtration systems and policies to avoid sales to unlicensed cannabis businesses; and

(2) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis wholesaler license may also hold a cannabis transporter license, a cannabis delivery service license, and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis wholesaler license may own or operate any other cannabis business or hemp business.

(c) The office by rule may limit the number of cannabis wholesaler licenses a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 34. **[342.34] CANNABIS WHOLESALER OPERATIONS.**

Subdivision 1. **Separation of products.** A cannabis wholesaler must ensure that cannabis plants, cannabis flower, and cannabis products are physically separated from all other products, including but not limited to lower-potency hemp edibles and hemp-derived consumer products, in a manner that prevents any cross-contamination.

Subd. 2. **Records and labels.** A cannabis wholesaler must maintain accurate records and ensure that appropriate labels remain affixed to cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 3. **Building conditions.** (a) A cannabis wholesaler shall maintain compliance with state and local building, fire, and zoning requirements or regulations.

(b) A cannabis wholesaler shall ensure that the licensed premises is maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Subd. 4. **Sale of other products.** A cannabis wholesaler may purchase and sell other products or items for which the cannabis wholesaler has a license or authorization or that do not require a license or authorization. Products for which no license or authorization is required include but are not limited to industrial hemp products, products that contain hemp grain, hemp-derived topical products, and cannabis paraphernalia, including but not limited to childproof packaging containers and other devices designed to ensure the safe storage and monitoring of cannabis flower and cannabis products in the home to prevent access by individuals under 21 years of age.

Subd. 5. **Importation of hemp-derived products.** (a) A cannabis wholesaler that imports lower-potency hemp edibles 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 microbusiness, cannabis mezzobusiness, cannabis retailer, or lower-potency hemp edible retailer must obtain a hemp-derived product importer endorsement from the office.

(b) A cannabis wholesaler with a hemp-derived product importer endorsement may sell products manufactured outside the boundaries of the state of Minnesota if:

(1) 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

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

(c) The cannabis wholesaler must enter all relevant information regarding an imported hemp-derived consumer product into the statewide monitoring system before the product may be distributed. Relevant information includes information regarding the cultivation, processing, and testing of the industrial hemp used in the manufacture of the product and information regarding the testing of the hemp-derived consumer product. If information regarding the industrial hemp or hemp-derived consumer product was submitted to a statewide monitoring system used in another state, the office may require submission of any information provided to that statewide monitoring system and shall assist in the transfer of data from another state as needed and in compliance with any data classification established by either state.

(d) The office may suspend, revoke, or cancel the endorsement of a distributor who is prohibited from distributing products containing cannabinoids in any other jurisdiction, convicted of an offense involving the distribution of products containing cannabinoids in any other jurisdiction, or found liable for distributing any product that injured customers in any other jurisdiction. A cannabis wholesaler shall disclose all relevant information related to actions in another jurisdiction. Failure to disclose relevant information may result in disciplinary action by the office, including the suspension, revocation, or cancellation of an endorsement or license.

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

Sec. 35. **[342.35] CANNABIS TRANSPORTER LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis transporter license entitles the license holder to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, medical cannabis retailers, medical cannabis processors, and industrial hemp growers to cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, cannabis testing facilities, cannabis wholesalers, cannabis retailers, lower-potency hemp edible retailers, medical cannabis processors, medical cannabis retailers, and medical cannabis combination businesses and perform other actions approved by the office.

Subd. 2. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis transporter license must submit the following information in a form approved by the office:

(1) an appropriate surety bond, certificate of insurance, qualifications as a self-insurer, or other securities or agreements, in the amount of not less than \$300,000, for loss of or damage to cargo;

(2) an appropriate surety bond, certificate of insurance, qualifications as a self-insurer, or other securities or agreements, in the amount of not less than \$1,000,000, for injury to one or more persons in any one accident and, if an accident has resulted in injury to or destruction of property, of not less than \$100,000 because of such injury to or destruction of property of others in any one accident;

(3) the number and type of equipment the business will use to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products;

(4) a loading, transporting, and unloading plan;

(5) a description of the applicant's experience in the distribution or security business; and

(6) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis transporter license may also hold a cannabis wholesaler license, a cannabis delivery service license, and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis transporter license may own or operate any other cannabis business.

(c) The office by rule may limit the number of cannabis transporter licenses a person or business may hold.

(d) For purposes of this subdivision, restrictions on the number or type of license a business may hold apply to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 36. **[342.36] CANNABIS TRANSPORTER OPERATIONS.**

Subdivision 1. **Manifest required.** Before transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate,

lower-potency hemp edibles, or hemp-derived consumer products, a cannabis transporter shall obtain a shipping manifest on a form established by the office. The manifest must be kept with the products at all times and the cannabis transporter must maintain a copy of the manifest in its records.

Subd. 2. **Records of transportation.** Records of transportation must be kept for a minimum of three years at the cannabis transporter's place of business and are subject to inspection upon request by the office or law enforcement agency. Records of transportation include the following:

(1) copies of transportation manifests for all deliveries;

(2) a transportation log documenting the chain of custody for each delivery, including every employee and vehicle used during transportation; and

(3) financial records showing payment for transportation services.

Subd. 3. **Storage compartment.** Immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products must be transported in a locked, safe, and secure storage compartment that is part of the motor vehicle or in a locked storage container that has a separate key or combination pad. Items being transported may not be visible from outside the motor vehicle.

Subd. 4. **Identifying logos or business names prohibited.** No vehicle or trailer may contain an image depicting the types of items being transported, including but not limited to an image depicting a cannabis or hemp leaf, or a name suggesting that the vehicle is used in transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 5. **Randomized deliveries.** A cannabis transporter shall ensure that all delivery times and routes are randomized.

Subd. 6. **Multiple employees.** All cannabis transporter vehicles transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products must be staffed with a minimum of two employees. At least one delivery team member shall remain with the motor vehicle at all times that the motor vehicle contains immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 7. **Nonemployee passengers prohibited.** Only a cannabis worker employed by or contracted with the cannabis transporter and who is at least 21 years of age may transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products. All passengers in a vehicle must be cannabis workers employed by or contracted with the cannabis transporter.

Subd. 8. **Drivers license required.** All drivers must carry a valid driver's license with the proper endorsements when operating a vehicle transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 9. **Vehicles subject to inspection.** Any vehicle assigned for the purposes of transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products is subject

to inspection and may be stopped or inspected at any licensed cannabis business or while en route during transportation.

Sec. 37. [342.37] CANNABIS TESTING FACILITY LICENSING.

Subdivision 1. **Authorized actions.** A cannabis testing facility license entitles the license holder to obtain and test immature cannabis plants and seedlings, cannabis flower, cannabis products, hemp plant parts, hemp concentrate, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, medical cannabis cultivators, medical cannabis processors, medical cannabis combination businesses, and industrial hemp growers.

Subd. 2. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis testing facility license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems and policies to avoid sales to unlicensed businesses;

(2) proof of accreditation by a laboratory accrediting organization approved by the office that, at a minimum, requires a laboratory to operate formal management systems under the International Organization for Standardization; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis testing facility license may not own or operate, or be employed by, any other cannabis business or hemp business.

(b) The office by rule may limit the number of cannabis testing facility licenses a person or business may hold.

(c) For purposes of this subdivision, a restriction on the number of licenses a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 38. [342.38] CANNABIS TESTING FACILITY OPERATIONS.

Subdivision 1. **Testing services.** A cannabis testing facility shall provide some or all testing services required under section 342.61 and rules adopted pursuant to that section.

Subd. 2. **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 plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, hemp plant parts, hemp concentrate, and artificially derived cannabinoids; determining batch size; sampling; testing validity; and approval and disapproval of tested items.

Subd. 3. **Records.** 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.

Subd. 4. **Disposal of cannabis flower and products.** A testing facility shall dispose of or destroy used, unused, and waste cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, hemp plant parts, hemp concentrate, and artificially derived cannabinoids pursuant to rules adopted by the office.

Sec. 39. [342.39] CANNABIS EVENT ORGANIZER LICENSING.

Subdivision 1. **Authorized actions.** A cannabis event organizer license entitles the license holder to organize a temporary cannabis event lasting no more than four days.

Subd. 2. **Additional information required.** (a) In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis event organizer license must submit the following information in a form approved by the office:

(1) the type and number of any other cannabis business license held by the applicant;

(2) the address and location where the temporary cannabis event will take place;

(3) the name of the temporary cannabis event;

(4) a diagram of the physical layout of the temporary cannabis event showing where the event will take place on the grounds, all entrances and exits that will be used by participants during the event, all cannabis consumption areas, all cannabis retail areas where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be sold, the location where cannabis waste will be stored, and any location where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be stored;

(5) a list of the name, number, and type of cannabis businesses and hemp businesses that will sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products at the event, which may be supplemented or amended within 72 hours of the time at which the cannabis event begins;

(6) the dates and hours during which the cannabis event will take place;

(7) proof of local approval for the cannabis event; and

(8) evidence that the business will comply with the applicable operation requirements for the license being sought.

(b) A person, cooperative, or business seeking a cannabis event organizer license may also disclose whether the person or any officer, director, manager, and general partner of a cannabis business is serving or has previously served in the military.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis event organizer license may not hold a cannabis testing facility license, a lower-potency hemp edible manufacturer license, or a lower-potency hemp edible retailer license.

(b) The office by rule may limit the number of cannabis event licenses that a person or business may hold.

(c) For purposes of this subdivision, restrictions on the number or type of license that a business may hold apply to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 40. [342.40] CANNABIS EVENT ORGANIZER OPERATIONS.

Subdivision 1. **Local approval.** A cannabis event organizer must receive local approval, including obtaining any necessary permits or licenses issued by a local unit of government, before holding a cannabis event.

Subd. 2. **Charging fees.** (a) A cannabis event organizer may charge an entrance fee to a cannabis event.

(b) A cannabis event organizer may charge a fee to a cannabis business or hemp business in exchange for space to display and sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products. Any fee paid for participation in a cannabis event shall not be based on or tied to the sale of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 3. **Security.** A cannabis event organizer must hire or contract for licensed security personnel to provide security services at the cannabis event. All security personnel hired or contracted for shall be at least 21 years of age and present on the licensed event premises at all times that cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products are available for sale or consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed. The security personnel shall not consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products for at least 24 hours before the event or during the event.

Subd. 4. **Limited access to event.** A cannabis event organizer shall ensure that access to an event is limited to individuals who are at least 21 years of age. At or near each public entrance to any area where the sale or consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed, a cannabis event organizer shall maintain a clearly visible and legible sign consisting of the following statement: "No persons under 21 allowed." The lettering of the sign shall be not less than one inch in height.

Subd. 5. **Cannabis waste.** A cannabis event organizer shall ensure that all used, unused, and waste cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that are not removed by a customer, cannabis business, or hemp business are disposed of in a manner approved by the office.

Subd. 6. **Transportation of cannabis plants, flower, and products.** All transportation of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products intended for display or sale and all such items used for display or not sold during the cannabis event must be transported to and from the cannabis event by a licensed cannabis transporter.

Subd. 7. **Cannabis event sales.** (a) Cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, and lower-potency hemp edible retailers, including the cannabis event organizer, may be authorized to sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to customers at a cannabis event.

(b) All sales of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products at a cannabis event must take place in a retail area as designated in the premises diagram.

(c) Authorized retailers may only conduct sales within their specifically assigned area.

(d) Authorized retailers must verify the age of all customers pursuant to section 342.27, subdivision 4, before completing a sale and may not sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age.

(e) Authorized retailers may display one sample of each type of cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product available for sale. Samples of adult-use cannabis and adult-use cannabis products must be stored in a sample jar or display case and be accompanied by a label or notice containing the information required to be affixed to the packaging or container containing adult-use cannabis flower and adult-use cannabis products sold to customers. A sample may not consist of more than eight grams of adult-use cannabis flower or adult-use cannabis concentrate, or an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol. A cannabis retailer may allow customers to smell the adult-use cannabis flower or adult-use cannabis product before purchase.

(f) The notice requirements under section 342.27, subdivision 6, apply to authorized retailers offering cannabis plants, adult-use cannabis flower, adult-use cannabinoid products, and hemp-derived consumer products for sale at a cannabis event.

(g) Authorized retailers may not:

(1) sell adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;

(2) knowingly sell more cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;

(3) sell medical cannabis flower or medical cannabinoid products;

(4) give away cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products; or

(5) allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines.

(h) Except for samples of a cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product, all cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must be stored in a secure, locked container that is not accessible to the public. Such items being stored at a cannabis event shall not be left unattended.

(i) All cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of those items.

(j) All cannabis plants, adult-use cannabis flower, and adult-use cannabis products sold, damaged, or destroyed at a cannabis event must be recorded in the statewide monitoring system.

Subd. 8. **Cannabis event on-site consumption.** (a) If approved by the local unit of government, a cannabis event may designate an area for consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those items.

(b) Access to areas where consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed shall be restricted to individuals who are at least 21 years of age.

(c) The cannabis event organizer shall ensure that consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within a designated consumption area is not visible from any public place.

(d) The cannabis event organizer shall not permit consumption of alcohol or tobacco.

(e) The cannabis event organizer shall not permit smoking, according to section 144.413, of adult-use cannabis flower or cannabis products at any location where smoking is not permitted under sections 144.413 to 144.417. Nothing in this section prohibits a statutory or home rule charter city or county from enacting and enforcing more stringent measures to protect individuals from secondhand smoke or involuntary exposure to aerosol or vapor from electronic delivery devices.

Sec. 41. [342.41] CANNABIS DELIVERY SERVICE LICENSING.

Subdivision 1. **Authorized actions.** A cannabis delivery service license entitles the license holder to purchase cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from licensed cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, medical cannabis retailers, and medical cannabis combination businesses; transport and deliver cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumable products to customers; and perform other actions approved by the office.

Subd. 2. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis delivery service license must submit the following information in a form approved by the office:

(1) a list of all vehicles to be used in the delivery of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products including:

(i) the vehicle make, model, and color;

(ii) the vehicle identification number; and

(iii) the license plate number;

(2) proof of insurance for each vehicle;

(3) a business plan demonstrating policies to avoid sales of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals who are under 21 years of age and plans to prevent the visibility of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals outside the delivery vehicle; and

(4) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis delivery service license may also hold a cannabis retailer license, a cannabis wholesaler license, a cannabis transporter license, a cannabis event organizer license, and a medical cannabis retailer license subject to the ownership limitations that apply to those licenses.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis delivery service license may own or operate any other cannabis business or hemp business.

(c) The office by rule may limit the number of cannabis delivery service licenses that a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 42. **[342.42] CANNABIS DELIVERY SERVICE OPERATIONS.**

Subdivision 1. **Age or registry verification.** Prior to completing a delivery, a cannabis delivery service shall verify that the customer is at least 21 years of age or is enrolled in the registry program. Section 342.27, subdivision 4, applies to the verification of a customer's age. Registry verification issued by the Division of Medical Cannabis may be considered evidence that the person is enrolled in the registry program.

Subd. 2. **Records.** The office by rule shall establish record-keeping requirements for a cannabis delivery service, including but not limited to proof of delivery to individuals who are at least 21 years of age or enrolled in the registry program.

Subd. 3. **Amount to be transported.** The office by rule shall establish limits on the amount of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that a cannabis delivery service may transport.

Subd. 4. **Statewide monitoring system.** Receipt of cannabis flower and cannabis products by the cannabis delivery service and a delivery to a customer must be recorded in the statewide monitoring system within the time established by rule.

Subd. 5. **Storage compartment.** Cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products must be transported in a locked, safe, and secure storage compartment that is part of the cannabis delivery service vehicle or in a locked storage container that has a separate key or combination pad. Cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products may not be visible from outside the cannabis delivery service vehicle.

Subd. 6. **Identifying logos or business names prohibited.** No cannabis delivery service vehicle or trailer may contain an image depicting the types of items being transported, including but not limited to an image depicting a cannabis or hemp leaf, or a name suggesting that the cannabis delivery service vehicle is used for transporting cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 7. **Nonemployee passengers prohibited.** Only a cannabis worker employed by or contracted with the cannabis delivery service and who is at least 21 years of age may transport cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products. All passengers in a cannabis

delivery service vehicle must be cannabis workers employed by or contracted with the cannabis delivery service.

Subd. 8. **Vehicles subject to inspection.** Any cannabis delivery service vehicle is subject to inspection at any time.

Sec. 43. [342.43] HEMP BUSINESS LICENSE TYPES; MULTIPLE LICENSES.

Subdivision 1. **License types.** The office shall issue the following types of hemp business licenses:

(1) lower-potency hemp edible manufacturer; and

(2) lower-potency hemp edible retailer.

Subd. 2. **Multiple licenses; limits.** (a) A person, cooperative, or business may hold both a lower-potency hemp edible manufacturer and lower-potency hemp edible retailer license.

(b) Nothing in this section prohibits a person, cooperative, or business from holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible retailer license, or both, and also holding a license to cultivate industrial hemp issued pursuant to chapter 18K.

(c) Nothing in this section prohibits a person, cooperative, or business from holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible retailer license, or both, and also holding any other license, including but not limited to a license to prepare or sell food; sell tobacco, tobacco-related devices, electronic delivery devices as defined in section 609.685, subdivision 1, and nicotine and lobelia delivery products as described in section 609.6855; or manufacture or sell alcoholic beverages as defined in section 340A.101, subdivision 2.

(d) A person, cooperative, or business holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible retailer license, or both, may not hold a cannabis business license.

Sec. 44. [342.44] HEMP BUSINESS LICENSES; APPLICATIONS AND ISSUANCE.

Subdivision 1. **Application; contents.** (a) 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 hemp businesses.

(b) The office, by rule, shall establish forms and procedures for the processing of hemp licenses issued under this chapter. At a minimum, any application to obtain or renew a hemp license shall include the following information, if applicable:

(1) the name, address, and date of birth of the applicant;

(2) the address and legal property description of the business;

(3) proof of trade name registration;

(4) certification that the applicant will comply with the requirements of this chapter relating to the ownership and operation of a hemp business;

(5) identification of one or more controlling persons or managerial employees as agents who shall be responsible for dealing with the office on all matters; and

(6) a statement that the applicant agrees to respond to the office's supplemental requests for information.

(c) An applicant for a lower-potency hemp edible manufacturer license must submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement.

(d) An application on behalf of a corporation or association shall be signed by at least two officers or managing agents of that entity.

Subd. 2. Issuance; eligibility; prohibition on transfer. (a) The office may issue a hemp license to an applicant who:

(1) is at least 21 years of age;

(2) has completed an application for licensure or application for renewal and has fully and truthfully complied with all information requests relating to license application and renewal;

(3) has paid the applicable application and license fees pursuant to section 342.11;

(4) is not employed by the office or any state agency with regulatory authority over this chapter; and

(5) does not hold any cannabis business license.

(b) Licenses must be renewed annually.

(c) Licenses may not be transferred.

Sec. 45. ~~[342.45]~~ LOWER-POTENCY HEMP EDIBLE MANUFACTURER.

Subdivision 1. Authorized actions. A lower-potency hemp edible manufacturer license entitles the license holder to:

(1) purchase hemp plant parts, hemp concentrate, and artificially derived cannabinoids from cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, cannabis wholesalers, and lower-potency hemp edible manufacturers;

(2) purchase hemp plant parts and propagules from industrial hemp growers licensed under chapter 18K;

(3) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(4) make hemp concentrate;

(5) manufacture artificially derived cannabinoids;

(6) manufacture lower-potency hemp edibles for public consumption;

(7) package and label lower-potency hemp edibles for sale to customers;

(8) sell hemp concentrate, artificially derived cannabinoids, and lower-potency hemp edibles to other cannabis businesses and hemp businesses; and

(9) perform other actions approved by the office.

Subd. 2. All manufacturer operations. (a) All hemp manufacturing must take place in a facility and on equipment that meets the applicable health and safety requirements established by the office, including requirements for cleaning and testing machinery between production of different products.

(b) A lower-potency hemp edible manufacturer must comply with all applicable packaging, labeling, and testing requirements.

Subd. 3. **Extraction and concentration.** (a) A lower-potency hemp edible manufacturer that creates hemp concentrate or artificially derived cannabinoids must obtain an endorsement from the office.

(b) A lower-potency hemp edible manufacturer seeking an endorsement to create hemp concentrate must inform the office of all methods of extraction and concentration that the manufacturer intends to use and identify the volatile chemicals, if any, that will be involved in the creation of hemp concentrate. A lower-potency hemp edible manufacturer may not use a method of extraction and concentration or a volatile chemical without approval by the office.

(c) A lower-potency hemp edible manufacturer seeking an endorsement to create artificially derived cannabinoids must inform the office of all methods of conversion that the manufacturer will use, including any specific catalysts that the manufacturer will employ, to create artificially derived cannabinoids and the molecular nomenclature of all cannabinoids or other chemical compounds that the manufacturer will create. A business licensed or authorized to manufacture lower-potency hemp edibles may not use a method of conversion or a catalyst without approval by the office.

(d) A lower-potency hemp edible manufacturer must obtain a certification from an independent third-party industrial hygienist or professional engineer approving:

(1) all electrical, gas, fire suppression, and exhaust systems; and

(2) the plan for safe storage and disposal of hazardous substances, including but not limited to any volatile chemicals.

(e) Upon the sale of hemp concentrate or artificially derived cannabinoids to any person, cooperative, or business, a lower-potency hemp edible manufacturer must provide a statement to the buyer that discloses the method of extraction and concentration or conversion used and any solvents, gases, or catalysts, including but not limited to any volatile chemicals involved in that method.

Subd. 4. **Production of consumer products.** (a) A lower-potency hemp edible manufacturer that produces lower-potency hemp edibles must obtain an edible cannabinoid product handler endorsement from the office.

(b) All areas within the premises of a lower-potency hemp edible manufacturer used for producing lower-potency hemp edibles must meet the sanitary standards specified in rules adopted by the office.

(c) A lower-potency hemp edible manufacturer may only add chemicals or compounds approved by the office to hemp concentrate or artificially derived cannabinoids.

(d) Upon the sale of any lower-potency hemp edible to a cannabis business or hemp business, a lower-potency hemp edible manufacturer must provide a statement to the buyer that discloses the product's ingredients, including but not limited to any chemicals or compounds and any major food allergens declared by name.

(e) A lower-potency hemp edible manufacturer shall not add any artificially derived cannabinoid, hemp plant part, or hemp concentrate to a product if the manufacturer of the product holds a trademark to the product's name, except that a lower-potency hemp edible manufacturer may use a trademarked food product if the manufacturer uses the product as a component or as part of a recipe and if the lower-potency hemp

edible manufacturer does not state or advertise to the customer that the final retail lower-potency hemp edible contains a trademarked food product.

(f) A lower-potency hemp edible manufacturer shall not add any cannabis flower, cannabis concentrate, or cannabinoid derived from cannabis flower or cannabis concentrate to a product.

Subd. 5. Transportation of hemp concentrate, artificially derived cannabinoids, and lower-potency hemp edibles. (a) A lower-potency hemp edible manufacturer may transport hemp concentrate, artificially derived cannabinoids, and lower-potency hemp edibles on public roadways provided:

(1) the artificially derived cannabinoids, hemp concentrate, or lower-potency hemp edibles are in a locked, safe, and secure storage compartment that is part of the motor vehicle or in a locked storage container that has a separate key or combination pad;

(2) the artificially derived cannabinoids, hemp concentrate, or lower-potency hemp edibles are packaged in tamper-evident containers that are not visible or recognizable from outside the transporting vehicle;

(3) the lower-potency hemp edible manufacturer has a shipping manifest in the lower-potency hemp edible manufacturer's possession that describes the contents of all tamper-evident containers;

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

(5) no person other than a designated employee enters a vehicle at any time that the vehicle is transporting artificially derived cannabinoids, hemp concentrate, or lower-potency hemp edibles; and

(6) the lower-potency hemp edible manufacturer complies with any other rules adopted by the office.

(b) Any vehicle assigned for the purposes of transporting artificially derived cannabinoids, hemp concentrate, or lower-potency hemp edibles is subject to inspection at any time.

Sec. 46. [342.46] LOWER-POTENCY HEMP EDIBLE RETAILER.

Subdivision 1. Sale of lower-potency hemp edibles. (a) A lower-potency hemp edible retailer may only sell lower-potency hemp edibles to individuals who are at least 21 years of age.

(b) A lower-potency hemp edible retailer may sell lower-potency hemp edibles that:

(1) are obtained from a licensed Minnesota cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, cannabis wholesaler, or lower-potency hemp edible manufacturer; and

(2) meet all applicable packaging and labeling requirements.

Subd. 2. Sale of other products. A lower-potency hemp edible retailer may sell other products or items for which the lower-potency hemp edible retailer has a license or authorization or that do not require a license or authorization.

Subd. 3. Age verification. Prior to initiating a sale, an employee of the lower-potency hemp edible retailer must verify that the customer is at least 21 years of age. Section 342.27, subdivision 4, applies to the verification of a customer's age.

Subd. 4. Display and storage of lower-potency hemp edibles. A lower-potency hemp edible retailer shall ensure that all lower-potency hemp edibles, other than lower-potency hemp edibles that are intended to be consumed as a beverage, are displayed behind a checkout counter where the public is not permitted or in a locked case. All lower-potency hemp edibles that are not displayed must be stored in a secure area.

Subd. 5. **Transportation of lower-potency hemp edibles.** (a) A lower-potency hemp edible retailer may transport lower-potency hemp edibles on public roadways provided:

- (1) the lower-potency hemp edibles are in final packaging;
 - (2) the lower-potency hemp edibles are packaged in tamper-evident containers that are not visible or recognizable from outside the transporting vehicle;
 - (3) the lower-potency hemp edible retailer has a shipping manifest in the lower-potency hemp edible retailer's possession that describes the contents of all tamper-evident containers;
 - (4) all departures, arrivals, and stops are appropriately documented;
 - (5) no person other than a designated employee enters a vehicle at any time that the vehicle is transporting lower-potency hemp edibles; and
 - (6) the lower-potency hemp edible retailer complies with any other rules adopted by the office.
- (b) Any vehicle assigned for the purposes of transporting lower-potency hemp edibles is subject to inspection at any time.

Subd. 6. **Compliant products.** (a) A lower-potency hemp edible retailer shall ensure that all lower-potency hemp edibles offered for sale comply with the limits on the amount and types of cannabinoids that a lower-potency hemp edible can contain, including but not limited to the requirement that lower-potency hemp edibles:

- (1) consist of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol, no more than 25 milligrams of cannabidiol, no more than 25 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts;
- (2) do not contain more than a combined total of 0.5 milligrams of all other cannabinoids per serving; and
- (3) do not contain an artificially derived cannabinoid other than delta-9 tetrahydrocannabinol.

(b) If a lower-potency hemp edible is packaged in a manner that includes more than a single serving, the lower-potency hemp edible must indicate each serving by scoring, wrapping, or other indicators that appear on the lower-potency hemp edible designating the individual serving size. If it is not possible to indicate a single serving by scoring or use of another indicator that appears on the product, the lower-potency hemp edible may not be packaged in a manner that includes more than a single serving in each container. If the lower-potency hemp edible is meant to be consumed as a beverage, the beverage container may not contain more than two servings per container.

(c) A single package containing multiple servings of a lower-potency hemp edible must contain no more than 50 milligrams of delta-9 tetrahydrocannabinol, 250 milligrams of cannabidiol, 250 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts.

Subd. 7. **Prohibitions.** A lower-potency hemp edible retailer may not:

- (1) sell lower-potency hemp edibles to an individual who is under 21 years of age;
- (2) sell a lower-potency hemp edible to a person who is visibly intoxicated;
- (3) sell cannabis flower, cannabis products, or hemp-derived consumer products;

(4) allow for the dispensing of lower-potency hemp edibles in vending machines; or

(5) distribute or allow free samples of lower-potency hemp edibles except when the business is licensed to permit on-site consumption and samples are consumed within its licensed premises.

Subd. 8. **On-site consumption.** (a) A lower-potency hemp edible retailer may permit on-site consumption of lower-potency hemp edibles on a portion of its premises if it has an on-site consumption endorsement.

(b) The office shall issue an on-site consumption endorsement to any lower-potency hemp edible retailer that also holds an on-sale license issued under chapter 340A.

(c) A lower-potency hemp edible retailer must ensure that lower-potency hemp edibles sold for on-site consumption comply with this chapter and rules adopted pursuant to this chapter regarding testing.

(d) Lower-potency hemp edibles sold for on-site consumption, other than lower-potency hemp edibles that are intended to be consumed as a beverage, must be served in the required packaging, but may be removed from the products' packaging by customers and consumed on site.

(e) Lower-potency hemp edibles that are intended to be consumed as a beverage may be served outside of their packaging provided that the information that is required to be contained on the label of a lower-potency hemp edible is posted or otherwise displayed by the lower-potency hemp edible retailer. Hemp workers who serve beverages under this paragraph are not required to obtain an edible cannabinoid product handler endorsement under section 342.07, subdivision 3.

(f) Food and beverages not otherwise prohibited by this subdivision may be prepared and sold on site provided that the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(g) A lower-potency hemp edible retailer may offer recorded or live entertainment provided that the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(h) In addition to the prohibitions under subdivision 7, a lower-potency hemp edible retailer with an on-site consumption endorsement may not:

(1) sell lower-potency hemp edibles to a customer who the lower-potency hemp edible retailer knows or reasonably should know is intoxicated or has consumed alcohol within the previous five hours;

(2) sell lower-potency hemp edibles that are designed or reasonably expected to be mixed with an alcoholic beverage; or

(3) permit lower-potency hemp edibles that have been removed from the products' packaging to be removed from the premises of the lower-potency hemp edible retailer.

Subd. 9. **Posting of notices.** A lower-potency hemp edible retailer must post all notices as provided in section 342.27, subdivision 6.

Subd. 10. **Building conditions.** (a) A lower-potency hemp edible retailer shall maintain compliance with state and local building, fire, and zoning codes, requirements, or regulations.

(b) A lower-potency hemp edible retailer shall ensure that the licensed premises is maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Subd. 11. **Enforcement.** The office shall inspect lower-potency hemp edible retailers and take enforcement action as provided in sections 342.19 and 342.21.

Sec. 47. **[342.47] MEDICAL CANNABIS BUSINESS LICENSES.**

Subdivision 1. **License types.** (a) The office shall issue the following types of medical cannabis business licenses:

- (1) medical cannabis cultivator;
- (2) medical cannabis processor;
- (3) medical cannabis retailer; and
- (4) medical cannabis combination business license.

(b) The Division of Medical Cannabis may oversee the licensing and regulation of medical cannabis businesses.

Subd. 2. **Multiple licenses; limits.** (a) Except as provided in subdivision 3, a person, cooperative, or business holding:

(1) a medical cannabis cultivator license may also hold a medical cannabis processor license, a cannabis cultivator license, a cannabis manufacturer license, and a cannabis event organizer license subject to the ownership limitations that apply to those licenses;

(2) a medical cannabis processor license may also hold a medical cannabis cultivator license, a cannabis cultivator license, a cannabis manufacturer license, and a cannabis event organizer license subject to the ownership limitations that apply to those licenses; or

(3) a medical cannabis retailer license may also hold a cannabis mezzobusiness license, a cannabis retailer license, a cannabis delivery service license, and a cannabis event organizer license subject to the ownership limitations that apply to those licenses.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a medical cannabis license may own or operate any other cannabis business or hemp business.

(c) The office by rule may limit the number of medical cannabis business licenses that a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number of licenses or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a medical cannabis business.

Subd. 3. **Medical cannabis combination business license.** (a) A person, cooperative, or business holding a medical cannabis combination license is prohibited from owning or operating any other cannabis business or hemp business.

(b) A person or business may only hold one medical cannabis combination license.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 48. [342.48] MEDICAL CANNABIS BUSINESS APPLICATIONS.

In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a medical cannabis business license must submit the following information in a form approved by the office:

(1) for medical cannabis cultivator license applicants:

(i) an operating plan demonstrating the proposed size and layout of the cultivation facility; plans for wastewater and waste disposal for the cultivation facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the cultivation facility; and plans for compliance with applicable building code and federal and state environmental and workplace safety requirements;

(ii) a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation for medical cannabis, including the total amount of plant canopy; and

(iii) evidence that the business will comply with the applicable operation requirements for the license being sought;

(2) for medical cannabis processor license applicants:

(i) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for the manufacturing facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the manufacturing facility; and plans for compliance with applicable building code and federal and state environmental and workplace safety requirements;

(ii) all methods of extraction and concentration that the applicant intends to use and the volatile chemicals, if any, that are involved in extraction or concentration;

(iii) if the applicant is seeking an endorsement to manufacture products infused with cannabinoids for consumption by patients enrolled in the registry program, proof of an edible cannabinoid product handler endorsement from the office; and

(iv) evidence that the applicant will comply with the applicable operation requirements for the license being sought;

(3) for medical cannabis retailer license applicants:

(i) a list of every retail license held by the applicant and, if the applicant is a business, every retail license held, either as an individual or as part of another business, by each officer, director, manager, and general partner of the cannabis business;

(ii) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems, policies to avoid sales to individuals who are not authorized to receive the distribution of medical cannabis flower or medical cannabinoid products, identification of a restricted area for storage, and plans to prevent the visibility of cannabis flower and cannabinoid products; and

(iii) evidence that the applicant will comply with the applicable operation requirements for the license being sought; or

(4) for medical cannabis combination license applicants:

(i) the information required under clauses (1) to (3); and

(ii) any additional information required under sections 342.30, subdivision 3; 342.31, subdivision 3; and 342.32, subdivision 3.

Sec. 49. [342.49] MEDICAL CANNABIS CULTIVATORS.

(a) A medical cannabis cultivator license entitles the license holder to grow cannabis plants within the approved amount of space up to 60,000 square feet of plant canopy from seed or immature plant to mature plant, harvest cannabis flower from a mature plant, package and label cannabis flower as medical cannabis 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 comply with all requirements of section 342.25.

(c) A medical cannabis cultivator license holder must verify that every batch of medical cannabis flower has passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for the testing of medical cannabis flower before the medical cannabis cultivator may package, label, or sell the medical cannabis flower to any other entity.

(d) A medical cannabis cultivator may exceed the limit of 60,000 square feet of plant canopy if it was legally cultivating medical cannabis with a greater plant canopy as of April 1, 2023.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 50. [342.50] MEDICAL CANNABIS PROCESSORS.

(a) A medical cannabis processor license, consistent with the specific license endorsement or endorsements, entitles the license holder to:

(1) purchase medical cannabis flower, medical cannabinoid products, hemp plant parts, and hemp concentrate from medical cannabis cultivators and other medical cannabis processors;

(2) purchase hemp plant parts from industrial hemp growers;

(3) make cannabis concentrate from medical cannabis flower;

(4) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(5) manufacture medical cannabinoid products;

(6) package and label medical cannabinoid products for sale to other medical cannabis processors and to medical cannabis retailers; and

(7) perform other actions approved by the office.

(b) A medical cannabis processor license holder must comply with all requirements of section 342.26, including requirements to obtain specific license endorsements.

(c) A medical cannabis processor license holder must verify that every batch of medical cannabinoid product has passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for the testing of medical cannabinoid products before the medical cannabis processor may package, label, or sell the medical cannabinoid product to any other entity.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 51. **[342.51] MEDICAL CANNABIS RETAILERS.**

Subdivision 1. **Authorized actions.** (a) A medical cannabis retailer license entitles the license holder to purchase medical cannabis flower and medical cannabinoid products from medical cannabis cultivators and medical cannabis processors and sell or distribute medical cannabis flower and medical cannabinoid products to any person authorized to receive medical cannabis flower or medical cannabinoid products.

(b) A medical cannabis retailer license holder must verify that all medical cannabis flower and medical cannabinoid products have passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for the testing of medical cannabis flower and medical cannabinoid products before the medical cannabis retailer may distribute the medical cannabis flower or medical cannabinoid product to any person authorized to receive medical cannabis flower or medical cannabinoid products.

Subd. 2. **Distribution requirements.** (a) Prior to distribution of medical cannabis flower or medical cannabinoid products, a medical cannabis retailer licensee must:

(1) review and confirm the patient's registry verification;

(2) verify that the person requesting the distribution of medical cannabis flower or medical cannabinoid products is the patient, the patient's registered designated caregiver, or the patient's parent, legal guardian, or spouse using the procedures specified in section 152.11, subdivision 2d;

(3) ensure that a pharmacist employee of the medical cannabis retailer has consulted with the patient if required according to subdivision 3; and

(4) apply a patient-specific label on the medical cannabis flower or medical cannabinoid product that includes recommended dosage requirements and other information as required by rules adopted by the office.

(b) A medical cannabis retailer may not deliver medical cannabis flower or medical cannabinoid products unless the medical cannabis retailer also holds a cannabis delivery service license. Delivery of medical cannabis flower and medical cannabinoid products are subject to the provisions of section 342.42.

Subd. 3. **Final approval for distribution of medical cannabis flower and medical cannabinoid products.** (a) A cannabis worker who is employed by a medical cannabis retailer and who is licensed as a pharmacist pursuant to chapter 151 shall be the only person who may give final approval for the distribution of medical cannabis flower and medical cannabinoid products. Prior to the distribution of medical cannabis flower or medical cannabinoid products, a pharmacist employed by the medical cannabis retailer must consult with the patient to determine the proper type of medical cannabis flower, medical cannabinoid product, or medical cannabis paraphernalia and proper dosage for the patient after reviewing the range of chemical compositions of medical cannabis flower or medical cannabinoid product. For purposes of this subdivision, a consultation may be conducted remotely by secure videoconference, telephone, or other remote means, as long as:

(1) the pharmacist engaging in the consultation is able to confirm the identity of the patient; and

(2) the consultation adheres to patient privacy requirements that apply to health care services delivered through telemedicine.

(b) Notwithstanding paragraph (a), a pharmacist consultation is not required prior to the distribution of medical cannabis flower or medical cannabinoid products when a medical cannabis retailer is distributing

medical cannabis flower or medical cannabinoid products to a patient according to a patient-specific dosage plan established with that medical cannabis retailer and is not modifying the dosage or product being distributed under that plan. Medical cannabis flower or medical cannabinoid products distributed under this paragraph must be distributed by a pharmacy technician employed by the medical cannabis retailer.

Subd. 4. **90-day supply.** A medical cannabis retailer shall not distribute more than a 90-day supply of medical cannabis flower or medical cannabinoid products to a patient, registered designated caregiver, or parent, legal guardian, or spouse of a patient according to the dosages established for the individual patient.

Subd. 5. **Distribution to recipient in a motor vehicle.** A medical cannabis retailer may distribute medical cannabis flower and medical cannabinoid products to a patient, registered designated caregiver, or parent, legal guardian, or spouse of a patient who is at a dispensary location but remains in a motor vehicle, provided that:

(1) staff receive payment and distribute medical cannabis flower and medical cannabinoid products in a designated zone that is as close as feasible to the front door of the facility;

(2) the medical cannabis retailer ensures that the receipt of payment and distribution of medical cannabis flower and medical cannabinoid products are visually recorded by a closed-circuit television surveillance camera and provides any other necessary security safeguards;

(3) the medical cannabis retailer does not store medical cannabis flower or medical cannabinoid products outside a restricted access area and staff transport medical cannabis flower and medical cannabinoid products from a restricted access area to the designated zone for distribution only after confirming that the patient, designated caregiver, or parent, guardian, or spouse has arrived in the designated zone;

(4) the payment and distribution of medical cannabis flower and medical cannabinoid products take place only after a pharmacist consultation takes place, if required under subdivision 3;

(5) immediately following distribution of medical cannabis flower or medical cannabinoid products, staff enter the transaction in the statewide monitoring system; and

(6) immediately following distribution of medical cannabis flower and medical cannabinoid products, staff take the payment received into the facility.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 52. **[342.515] MEDICAL CANNABIS COMBINATION BUSINESSES.**

Subdivision 1. **Authorized actions.** A medical cannabis combination business license entitles the license holder to perform any or all of the following within the limits established by this section:

(1) grow cannabis plants from seed or immature plant to mature plant and harvest adult-use cannabis flower and medical cannabis flower from a mature plant;

(2) make cannabis concentrate;

(3) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(4) manufacture artificially derived cannabinoids;

(5) manufacture medical cannabinoid products;

(6) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(7) purchase immature cannabis plants and seedlings and cannabis flower from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, a medical cannabis cultivator, or another medical cannabis combination business;

(8) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

(9) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, a medical cannabis processor, or another medical cannabis combination business;

(10) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(11) package and label medical cannabis and medical cannabinoid products for sale to medical cannabis processors, medical cannabis retailers, other medical cannabis combination businesses, and patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;

(12) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(13) sell medical cannabis flower and medical cannabinoid products to patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;

(14) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers; and

(15) perform other actions approved by the office.

Subd. 2. **Cultivation; size limitations.** (a) A medical cannabis combination business may cultivate cannabis to be sold as medical cannabis flower or used in medical cannabinoid products in an area of up to 60,000 square feet of plant canopy.

(b) A medical cannabis combination business may cultivate cannabis to be sold as adult-use cannabis flower or used in adult-use cannabis products in an area authorized by the office as described in paragraph (c).

(c) The office shall authorize a medical cannabis combination business to cultivate cannabis for sale in the adult-use market in an area of plant canopy that is equal to one-half of the area the business used to cultivate cannabis sold in the medical market in the preceding year. The office shall establish an annual verification and authorization procedure. The office may increase the area of plant canopy in which a medical cannabis combination business is authorized to cultivate cannabis for sale in the adult-use market between authorization periods if the business demonstrates a significant increase in the sale of medical cannabis and medical cannabis products.

Subd. 3. **Manufacturing; size limitations.** The office may establish limits on cannabis manufacturing that are consistent with the area of plant canopy a business is authorized to cultivate.

Subd. 4. **Retail locations.** A medical cannabis combination business may operate up to one retail location in each congressional district. A medical cannabis combination business must offer medical cannabis flower, medical cannabinoid products, or both at every retail location.

Subd. 5. **Failure to participate; suspension or revocation of license.** The office may suspend or revoke a medical cannabis combination business license if the office determines that the business is no longer actively participating in the medical cannabis market. The office may, by rule, establish minimum requirements related to cannabis cultivation, manufacturing of medical cannabinoid products, retail sales of medical cannabis flower and medical cannabinoid products, and other relevant criteria to demonstrate active participation in the medical cannabis market.

Subd. 6. **Operations.** A medical cannabis combination business must comply with the relevant requirements of sections 342.25, 342.26, 342.27, and 342.51, subdivisions 2 to 5.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 53. [342.52] PATIENT REGISTRY PROGRAM.

Subdivision 1. **Administration.** The Division of Medical Cannabis must administer the medical cannabis registry program.

Subd. 2. **Application procedure for patients.** (a) A patient seeking to enroll in the registry program must submit to the Division of Medical Cannabis an application established by the Division of Medical Cannabis and a copy of the certification specified in paragraph (b) or, if the patient is a veteran who receives care from the United States Department of Veterans Affairs, the information required pursuant to subdivision 3. The patient must provide at least the following information in the application:

(1) the patient's name, mailing address, and date of birth;

(2) the name, mailing address, and telephone number of the patient's health care practitioner;

(3) the name, mailing address, and date of birth of the patient's registered designated caregiver, if any, or the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will be acting as the patient's caregiver;

(4) a disclosure signed by the patient that includes:

(i) a statement that, notwithstanding any law to the contrary, the Office of Cannabis Management, the Division of Medical Cannabis, or an employee of the Office of Cannabis Management or Division of Medical Cannabis may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by an act or omission while acting within the employee's scope of office or employment under this section; and

(ii) the patient's acknowledgment that enrollment in the registry program is conditional on the patient's agreement to meet all other requirements of this section; and

(5) all other information required by the Division of Medical Cannabis.

(b) As part of the application under this subdivision, a patient must submit a copy of a certification from the patient's health care practitioner that is dated within 90 days prior to the submission of the application and that certifies that the patient has been diagnosed with a qualifying medical condition.

(c) A patient's health care practitioner may submit a statement to the Division of Medical Cannabis declaring that the patient is no longer diagnosed with a qualifying medical condition. Within 30 days after receipt of a statement from a patient's health care practitioner, the Division of Medical Cannabis must provide written notice to a patient stating that the patient's enrollment in the registry program will be revoked in 30 days unless the patient submits a certification from a health care practitioner that the patient is currently diagnosed with a qualifying medical condition or, if the patient is a veteran, the patient submits confirmation that the patient is currently diagnosed with a qualifying medical condition in a form and manner consistent with the information required for an application made pursuant to subdivision 3. If the Division of Medical Cannabis revokes a patient's enrollment in the registry program pursuant to this paragraph, the division must provide notice to the patient and to the patient's health care practitioner.

Subd. 3. **Application procedure for veterans.** (a) The Division of Medical Cannabis shall establish an alternative certification procedure for veterans who receive care from the United States Department of Veterans Affairs to confirm that the veteran has been diagnosed with a qualifying medical condition.

(b) A patient who is also a veteran and is seeking to enroll in the registry program must submit to the Division of Medical Cannabis an application established by the Division of Medical Cannabis that includes the information identified in subdivision 2, paragraph (a), and the additional information required by the Division of Medical Cannabis to certify that the patient has been diagnosed with a qualifying medical condition.

Subd. 4. **Enrollment; denial of enrollment; revocation.** (a) Within 30 days after the receipt of an application and certification or other documentation of a diagnosis with a qualifying medical condition, the Division of Medical Cannabis must approve or deny a patient's enrollment in the registry program. If the Division of Medical Cannabis approves a patient's enrollment in the registry program, the office must provide notice to the patient and to the patient's health care practitioner.

(b) A patient's enrollment in the registry program must only be denied if the patient:

(1) does not submit a certification from a health care practitioner or, if the patient is a veteran, the documentation required under subdivision 3 that the patient has been diagnosed with a qualifying medical condition;

(2) has not signed the disclosure required in subdivision 2;

(3) does not provide the information required by the Division of Medical Cannabis;

(4) provided false information on the application; or

(5) at the time of application, is also enrolled in a federally approved clinical trial for the treatment of a qualifying medical condition with medical cannabis.

(c) If the Division of Medical Cannabis denies a patient's enrollment in the registry program, the Division of Medical Cannabis must provide written notice to a patient of all reasons for denying enrollment. Denial of enrollment in the registry program is considered a final decision of the office and is subject to judicial review under chapter 14.

(d) A patient's enrollment in the registry program may be revoked only:

(1) pursuant to subdivision 2, paragraph (c);

(2) upon the death of the patient;

(3) if the patient's certifying health care practitioner has filed a declaration under subdivision 2, paragraph (c), that the patient's qualifying diagnosis no longer exists and the patient does not submit another certification within 30 days;

(4) if the patient does not comply with subdivision 6; or

(5) if the patient intentionally sells or diverts medical cannabis flower or medical cannabinoid products in violation of this chapter.

If a patient's enrollment in the registry program has been revoked due to a violation of subdivision 6, the patient may apply for enrollment 12 months after the date on which the patient's enrollment was revoked. The office must process such an application in accordance with this subdivision.

Subd. 5. **Registry verification.** When a patient is enrolled in the registry program, the Division of Medical Cannabis must assign the patient a patient registry number and must issue the patient and the patient's registered designated caregiver, parent, legal guardian, or spouse, if applicable, a registry verification. The Division of Medical Cannabis must also make the registry verification available to medical cannabis retailers. The registry verification must include:

(1) the patient's name and date of birth;

(2) the patient registry number assigned to the patient; and

(3) the name and date of birth of the patient's registered designated caregiver, if any, or the name of the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will act as a caregiver.

Subd. 6. **Conditions of continued enrollment.** As conditions of continued enrollment, a patient must:

(1) continue to receive regularly scheduled treatment for the patient's qualifying medical condition from the patient's health care practitioner; and

(2) report changes in the patient's qualifying medical condition to the patient's health care practitioner.

Subd. 7. **Enrollment period.** Enrollment in the registry program is valid for three years. To re-enroll, a patient must submit the information required in subdivision 2 and a patient who is also a veteran must submit the information required in subdivision 3.

Subd. 8. **Allowable delivery methods.** A patient in the registry program may receive medical cannabis flower and medical cannabinoid products. The office may approve additional delivery methods to expand the types of products that qualify as medical cannabinoid products.

Subd. 9. **Registered designated caregiver.** (a) The Division of Medical Cannabis must register a designated caregiver for a patient if the patient requires assistance in administering medical cannabis flower or medical cannabinoid products or in obtaining medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia from a medical cannabis retailer.

(b) In order to serve as a designated caregiver, a person must:

(1) be at least 18 years of age;

(2) agree to only possess the patient's medical cannabis flower and medical cannabinoid products for purposes of assisting the patient; and

(3) agree that if the application is approved, the person will not serve as a registered designated caregiver for more than six registered patients at one time. Patients who reside in the same residence count as one patient.

(c) The office shall conduct a criminal background check on the designated caregiver prior to registration to ensure that the person does not have a conviction for a disqualifying felony offense. Any cost of the background check shall be paid by the person seeking registration as a designated caregiver. A designated caregiver must have the criminal background check renewed every two years.

(d) Nothing in this section shall be construed to prevent a registered designated caregiver from being enrolled in the registry program as a patient and possessing and administering medical cannabis flower or medical cannabinoid products as a patient.

Subd. 10. **Parents, legal guardians, spouses.** A parent, legal guardian, or spouse of a patient may act as the caregiver for a patient. The parent, legal guardian, or spouse who is acting as a caregiver must follow all requirements for parents, legal guardians, and spouses under this chapter. Nothing in this section limits any legal authority that a parent, legal guardian, or spouse may have for the patient under any other law.

Subd. 11. **Notice of change of name or address.** Patients and registered designated caregivers must notify the Division of Medical Cannabis of any address or name change within 30 days of the change having occurred. A patient or registered designated caregiver is subject to a \$100 fine for failure to notify the office of the change.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 54. [342.53] DUTIES OF OFFICE OF CANNABIS MANAGEMENT; REGISTRY PROGRAM.

The office may add an allowable form of medical cannabinoid product, and may add or modify a qualifying medical condition upon its own initiative, upon a petition from a member of the public or from the Cannabis Advisory Council or as directed by law. The office must evaluate all petitions and must make the addition or modification if the office determines that the addition or modification is warranted by the best available evidence and research. If the office wishes to add an allowable form or add or modify a qualifying medical condition, the office must notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health finance and policy by January 15 of the year in which the change becomes effective. In this notification, the office must specify the proposed addition or modification, the reasons for the addition or modification, any written comments received by the office from the public about the addition or modification, and any guidance received from the Cannabis Advisory Council. An addition or modification by the office under this subdivision becomes effective on August 1 of that year unless the legislature by law provides otherwise.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 55. [342.54] DUTIES OF DIVISION OF MEDICAL CANNABIS; REGISTRY PROGRAM.

Subdivision 1. **Duties related to health care practitioners.** The Division of Medical Cannabis must:

(1) provide notice of the registry program to health care practitioners in the state;

(2) allow health care practitioners to participate in the registry program if they request to participate and meet the program's requirements;

(3) provide explanatory information and assistance to health care practitioners to understand the nature of the therapeutic use of medical cannabis flower and medical cannabinoid products within program requirements;

(4) make available to participating health care practitioners a certification form in which a health care practitioner certifies that a patient has a qualifying medical condition; and

(5) supervise the participation of health care practitioners in the registry reporting system in which health care practitioners report patient treatment and health records information to the office in a manner that ensures stringent security and record keeping requirements and that prevents the unauthorized release of private data on individuals as defined in section 13.02.

Subd. 2. Duties related to the registry program. The Division of Medical Cannabis must:

(1) administer the registry program according to section 342.52;

(2) provide information to patients enrolled in the registry program on the existence of federally approved clinical trials for the treatment of the patient's qualifying medical condition with medical cannabis flower or medical cannabinoid products as an alternative to enrollment in the registry program;

(3) maintain safety criteria with which patients must comply as a condition of participation in the registry program to prevent patients from undertaking any task under the influence of medical cannabis flower or medical cannabinoid products that would constitute negligence or professional malpractice;

(4) review and publicly report on existing medical and scientific literature regarding the range of recommended dosages for each qualifying medical condition, the range of chemical compositions of medical cannabis flower and medical cannabinoid products that will likely be medically beneficial for each qualifying medical condition, and any risks of noncannabis drug interactions. This information must be updated by December 1 of each year. The office may consult with an independent laboratory under contract with the office or other experts in reporting and updating this information; and

(5) annually consult with cannabis businesses about medical cannabis that the businesses cultivate, manufacture, and offer for sale and post on the Division of Medical Cannabis website a list of the medical cannabis flower and medical cannabinoid products offered for sale by each medical cannabis retailer.

Subd. 3. Research. (a) The Division of Medical Cannabis must conduct or contract with a third party to conduct research and studies using data from health records submitted to the registry program under section 342.55, subdivision 2, and data submitted to the registry program under section 342.52, subdivisions 2 and 3. If the division contracts with a third party for research and studies, the third party must provide the division with access to all research and study results. The division must submit reports on intermediate or final research results to the legislature and major scientific journals. All data used by the division or a third party under this subdivision must be used or reported in an aggregated nonidentifiable form as part of a scientific peer-reviewed publication of research or in the creation of summary data, as defined in section 13.02, subdivision 19.

(b) The Division of Medical Cannabis may submit medical research based on the data collected under sections 342.55, subdivision 2, and data collected through the statewide monitoring system to any federal agency with regulatory or enforcement authority over medical cannabis flower and medical cannabinoid products to demonstrate the effectiveness of medical cannabis flower or medical cannabinoid products for treating or alleviating the symptoms of a qualifying medical condition.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 56. **[342.55] DUTIES OF HEALTH CARE PRACTITIONERS; REGISTRY PROGRAM.**

Subdivision 1. **Health care practitioner duties before patient enrollment.** Before a patient's enrollment in the registry program, a health care practitioner must:

(1) determine, in the health care practitioner's medical judgment, whether a patient has a qualifying medical condition and, if so determined, provide the patient with a certification of that diagnosis;

(2) advise patients, registered designated caregivers, and parents, legal guardians, and spouses acting as caregivers of any nonprofit patient support groups or organizations;

(3) provide to patients explanatory information from the Division of Medical Cannabis, including information about the experimental nature of the therapeutic use of medical cannabis flower and medical cannabinoid products; the possible risks, benefits, and side effects of the proposed treatment; and the application and other materials from the office;

(4) provide to patients a Tennessee warning as required under section 13.04, subdivision 2; and

(5) agree to continue treatment of the patient's qualifying medical condition and to report findings to the Division of Medical Cannabis.

Subd. 2. **Duties upon patient's enrollment in registry program.** Upon receiving notification from the Division of Medical Cannabis of the patient's enrollment in the registry program, a health care practitioner must:

(1) participate in the patient registry reporting system under the guidance and supervision of the Division of Medical Cannabis;

(2) report to the Division of Medical Cannabis patient health records throughout the patient's ongoing treatment in a manner determined by the office and in accordance with subdivision 4;

(3) determine on a yearly basis if the patient continues to have a qualifying medical condition and, if so, issue the patient a new certification of that diagnosis. The patient assessment conducted under this clause may be conducted via telehealth, as defined in section 62A.673, subdivision 2; and

(4) otherwise comply with requirements established by the Office of Cannabis Management and the Division of Medical Cannabis.

Subd. 3. **Participation not required.** Nothing in this section requires a health care practitioner to participate in the registry program.

Subd. 4. **Data.** Data on patients collected by a health care practitioner and reported to the registry program, including data on patients who are veterans who receive care from the United States Department of Veterans Affairs, are health records under section 144.291 and are private data on individuals under section 13.02 but may be used or reported in an aggregated nonidentifiable form as part of a scientific peer-reviewed publication of research conducted under section 342.54 or in the creation of summary data, as defined in section 13.02, subdivision 19.

Subd. 5. **Exception.** The requirements of this section do not apply to a patient who is a veteran who receives care from the United States Department of Veterans Affairs or a health care practitioner employed by the United States Department of Veterans Affairs. Such a patient must meet the certification requirements developed pursuant to section 342.52, subdivision 3, before the patient's enrollment in the registry program.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 57. **[342.56] LIMITATIONS.**

Subdivision 1. **Limitations on consumption; locations of consumption.** (a) Nothing in sections 342.47 to 342.60 permits any person to engage in, and does not prevent the imposition of any civil, criminal, or other penalties for:

(1) undertaking a task under the influence of medical cannabis flower or medical cannabinoid products that would constitute negligence or professional malpractice;

(2) possessing or consuming medical cannabis flower or medical cannabinoid products:

(i) on a school bus or van;

(ii) in a correctional facility;

(iii) in a state-operated treatment program, including the Minnesota sex offender program; or

(iv) on the grounds of a child care facility or family or group family day care program;

(3) vaporizing or smoking medical cannabis:

(i) on any form of public transportation;

(ii) where the vapor would be inhaled by a nonpatient minor or where the smoke would be inhaled by a minor; or

(iii) in any public place, including any indoor or outdoor area used by or open to the general public or a place of employment, as defined in section 144.413, subdivision 1b; and

(4) operating, navigating, or being in actual physical control of a motor vehicle, aircraft, train, or motorboat or working on transportation property, equipment, or facilities while under the influence of medical cannabis flower or a medical cannabinoid product.

(b) Except for the use of medical cannabis flower or medical cannabinoid products, the vaporizing or smoking of cannabis flower, cannabis products, artificially derived cannabinoids, or hemp-derived consumer products is prohibited in a multifamily housing building, including balconies and patios appurtenant thereto. A violation of this paragraph is punishable through a civil administrative fine in an amount of \$250.

Subd. 2. **Health care facilities.** (a) Health care facilities licensed under chapter 144A; hospice providers licensed under chapter 144A; boarding care homes or supervised living facilities licensed under section 144.50; assisted living facilities under chapter 144G; facilities owned, controlled, managed, or under common control with hospitals licensed under chapter 144; and other health care facilities licensed by the commissioner of health or the commissioner of human services may adopt reasonable restrictions on the use of medical cannabis flower or medical cannabinoid products by a patient enrolled in the registry program who resides at or is actively receiving treatment or care at the facility. The restrictions may include a provision that the facility must not store or maintain a patient's supply of medical cannabis flower or medical cannabinoid products on behalf of the patient; that a patient store the patient's supply of medical cannabis flower or medicinal cannabinoid products in a locked container accessible only to the patient, the patient's designated caregiver, or the patient's parent, legal guardian, or spouse; that the facility is not responsible for providing medical cannabis for patients; and that medical cannabis flower or medical cannabinoid products are used

only in a location specified by the facility or provider. Nothing in this subdivision requires facilities and providers listed in this subdivision to adopt such restrictions.

(b) No facility or provider listed in this subdivision may unreasonably limit a patient's access to or use of medical cannabis flower or medical cannabinoid products to the extent that such use is authorized under sections 342.47 to 342.59. No facility or provider listed in this subdivision may prohibit a patient access to or use of medical cannabis flower or medical cannabinoid products due solely to the fact that cannabis is a Schedule I drug pursuant to the federal Uniform Controlled Substances Act. If a federal regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services takes one of the following actions, a facility or provider may suspend compliance with this paragraph until the regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services notifies the facility or provider that it may resume permitting the use of medical cannabis flower or medical cannabinoid products within the facility or in the provider's service setting:

(1) a federal regulatory agency or the United States Department of Justice initiates enforcement action against a facility or provider related to the facility's compliance with the medical cannabis program; or

(2) a federal regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services issues a rule or otherwise provides notification to the facility or provider that expressly prohibits the use of medical cannabis in health care facilities or otherwise prohibits compliance with the medical cannabis program.

(c) An employee or agent of a facility or provider listed in this subdivision or a person licensed under chapter 144E is not violating this chapter or chapter 152 for the possession of medical cannabis flower or medical cannabinoid products while carrying out employment duties, including providing or supervising care to a patient enrolled in the registry program, or distribution of medical cannabis flower or medical cannabinoid products to a patient enrolled in the registry program who resides at or is actively receiving treatment or care at the facility or from the provider with which the employee or agent is affiliated.

Subd. 3. **Child care facilities.** A proprietor of a family or group family day care program must disclose to parents or guardians of children cared for on the premises of the family or group family day care program, if the proprietor permits the smoking or use of medical cannabis on the premises, outside of its hours of operation. Disclosure must include posting on the premises a conspicuous written notice and orally informing parents or guardians.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 58. [342.57] PROTECTIONS FOR REGISTRY PROGRAM PARTICIPANTS.

Subdivision 1. **Presumption.** There is a presumption that a patient enrolled in the registry program is engaged in the authorized use of medical cannabis flower and medical cannabinoid products. This presumption may be rebutted by evidence that the patient's use of medical cannabis flower or medical cannabinoid products was not for the purpose of treating or alleviating the patient's qualifying medical condition or symptoms associated with the patient's qualifying medical condition.

Subd. 2. **Criminal and civil protections.** (a) Subject to section 342.56, the following are not violations of this chapter or chapter 152:

(1) use or possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by a patient enrolled in the registry program or by a visiting patient to whom medical cannabis flower or medical cannabinoid products are distributed under section 342.51, subdivision 5;

(2) possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by a registered designated caregiver or a parent, legal guardian, or spouse of a patient enrolled in the registry program; or

(3) possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by any person while carrying out duties required under sections 342.47 to 342.60.

(b) The Office of Cannabis Management, members of the Cannabis Advisory Council, Office of Cannabis Management employees, agents or contractors of the Office of Cannabis Management, and health care practitioners participating in the registry program are not subject to any civil penalties or disciplinary action by the Board of Medical Practice, the Board of Nursing, or any business, occupational, or professional licensing board or entity solely for participating in the registry program either in a professional capacity or as a patient. A pharmacist licensed under chapter 151 is not subject to any civil penalties or disciplinary action by the Board of Pharmacy when acting in accordance with sections 342.47 to 342.60 either in a professional capacity or as a patient. Nothing in this section prohibits a professional licensing board from taking action in response to a violation of law.

(c) Notwithstanding any law to the contrary, a Cannabis Advisory Council member, the governor, or an employee of a state agency must not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections 342.47 to 342.60.

(d) Federal, state, and local law enforcement authorities are prohibited from accessing the registry except when acting pursuant to a valid search warrant. Notwithstanding section 13.09, a violation of this paragraph is a gross misdemeanor.

(e) Notwithstanding any law to the contrary, the office and employees of the office must not release data or information about an individual contained in any report or document or in the registry and must not release data or information obtained about a patient enrolled in the registry program, except as provided in sections 342.47 to 342.60. Notwithstanding section 13.09, a violation of this paragraph is a gross misdemeanor.

(f) No information contained in a report or document, contained in the registry, or obtained from a patient under sections 342.47 to 342.60 may be admitted as evidence in a criminal proceeding, unless:

(1) the information is independently obtained; or

(2) admission of the information is sought in a criminal proceeding involving a criminal violation of sections 342.47 to 342.60.

(g) Possession of a registry verification or an application for enrollment in the registry program:

(1) does not constitute probable cause or reasonable suspicion;

(2) must not be used to support a search of the person or property of the person with a registry verification or application to enroll in the registry program; and

(3) must not subject the person or the property of the person to inspection by any government agency.

Subd. 3. **School enrollment; rental property.** (a) No school may refuse to enroll a patient as a pupil or otherwise penalize a patient solely because the patient is enrolled in the registry program, unless failing to do so would violate federal law or regulations or cause the school to lose a monetary or licensing-related benefit under federal law or regulations.

(b) No landlord may refuse to lease to a patient or otherwise penalize a patient solely because the patient is enrolled in the registry program, unless failing to do so would violate federal law or regulations or cause the landlord to lose a monetary or licensing-related benefit under federal law or regulations.

Subd. 4. **Medical care.** For purposes of medical care, including organ transplants, a patient's use of medical cannabis flower or medical cannabinoid products according to sections 342.47 to 342.60 is considered the equivalent of the authorized use of a medication used at the discretion of a health care practitioner and does not disqualify a patient from needed medical care.

Subd. 5. **Employment.** (a) Unless a failure to do so would violate federal or state law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based on:

(1) the person's status as a patient enrolled in the registry program; or

(2) a patient's positive drug test for cannabis components or metabolites, unless the patient used, possessed, sold, transported, or was impaired by medical cannabis flower or a medical cannabinoid product on work premises, during working hours, or while operating an employer's machinery, vehicle, or equipment.

(b) An employee who is a patient and whose employer requires the employee to undergo drug testing according to section 181.953 may present the employee's registry verification as part of the employee's explanation under section 181.953, subdivision 6.

Subd. 6. **Custody; visitation; parenting time.** A person must not be denied custody of a minor child or visitation rights or parenting time with a minor child based solely on the person's status as a patient enrolled in the registry program. There must be no presumption of neglect or child endangerment for conduct allowed under sections 342.47 to 342.60, unless the person's behavior creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

Subd. 7. **Action for damages.** In addition to any other remedy provided by law, a patient may bring an action for damages against any person who violates subdivision 3, 4, or 5. A person who violates subdivision 3, 4, or 5 is liable to a patient injured by the violation for the greater of the person's actual damages or a civil penalty of \$100 and reasonable attorney fees.

Subd. 8. **Sanctions restricted for those on parole, supervised release, or conditional release.** (a) This subdivision applies to an individual placed on parole, supervised release, or conditional release.

(b) The commissioner of corrections may not:

(1) prohibit an individual from participating in the registry program as a condition of release; or

(2) revoke an individual's parole, supervised release, or conditional release or otherwise sanction an individual solely:

(i) for participating in the registry program; or

(ii) for a positive drug test for cannabis components or metabolites.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 59. **[342.58] VIOLATION BY HEALTH CARE PRACTITIONER; CRIMINAL PENALTY.**

A health care practitioner who knowingly refers patients to a medical cannabis business or to a designated caregiver, who advertises as a retailer or producer of medical cannabis flower or medical cannabinoid products, or who issues certifications while holding a financial interest in a cannabis retailer or medical cannabis business is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days or to payment of not more than \$1,000, or both.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 60. **[342.59] DATA PRACTICES.**

Subdivision 1. **Data classification.** Patient health records maintained by the Office of Cannabis Management or the Division of Medical Cannabis and government data in patient health records maintained by a health care practitioner are classified as private data on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in section 13.02, subdivision 9.

Subd. 2. **Allowable use; prohibited use.** Data specified in subdivision 1 may be used to comply with chapter 13, to comply with a request from the legislative auditor or the state auditor in the performance of official duties, and for purposes specified in sections 342.47 to 342.60. Data specified in subdivision 1 and maintained by the Office of Cannabis Management or Division of Medical Cannabis must not be used for any purpose not specified in sections 342.47 to 342.60 and must not be combined or linked in any manner with any other list, dataset, or database. Data specified in subdivision 1 must not be shared with any federal agency, federal department, or federal entity unless specifically ordered to do so by a state or federal court.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 61. **[342.60] APPLIED RESEARCH.**

The Division of Medical Cannabis may conduct, or award grants to health care providers or research organizations to conduct, applied research on the safety and efficacy of using medical cannabis flower or medical cannabinoid products to treat a specific health condition. A health care provider or research organization receiving a grant under this section must provide the office with access to all data collected in applied research funded under this section. The office may use data from applied research conducted or funded under this section as evidence to approve additional qualifying medical conditions or additional allowable forms of medical cannabis.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 62. **[342.61] TESTING.**

Subdivision 1. **Testing required.** Cannabis businesses and hemp businesses shall not sell or offer for sale cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products to another cannabis business or hemp business, or to a customer or patient, or otherwise transfer cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products to another cannabis business or hemp business, unless:

(1) a representative sample of the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products has been tested according to this section and rules adopted under this chapter;

(2) the testing was completed by a cannabis testing facility licensed under this chapter; and

(3) the tested sample of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products was found to meet testing standards established by the office.

Subd. 2. **Procedures and standards established by office.** (a) The office shall by rule establish procedures governing the sampling, handling, testing, storage, and transportation of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products tested under this section; the contaminants for which cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products must be tested; standards for potency and homogeneity testing; and procedures applicable to cannabis businesses, hemp businesses, and cannabis testing facilities regarding cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products that fail to meet the standards for allowable levels of contaminants established by the office, that fail to meet the potency limits in this chapter, or that do not conform with the content of the cannabinoid profile listed on the label.

(b) All testing required under this section must be performed in a manner that is consistent with general requirements for testing and calibration activities.

Subd. 3. **Standards established by Office of Cannabis Management.** The office shall by rule establish standards for allowable levels of contaminants in cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products, and growing media. Contaminants for which the office must establish allowable levels must include but are not limited to residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, and mycotoxins.

Subd. 4. **Testing of samples; disclosures.** (a) On a schedule determined by the office, every cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, medical cannabis processor, or medical cannabis combination business shall make each batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by the cannabis business or hemp business available to a cannabis testing facility.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, medical cannabis processor, or medical cannabis combination business must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign materials, including but not limited to catalysts used in creating artificially derived cannabinoids, applied or added to the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products subject to testing. Disclosure must be made to the cannabis testing facility and must include information about all applications by any person, whether intentional or accidental.

(c) The cannabis testing facility shall select one or more representative samples from each batch, test the samples for the presence of contaminants, and test the samples for potency and homogeneity and to allow the cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product to be accurately labeled with its cannabinoid profile. Testing for contaminants must include testing for residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, mycotoxins, and any items identified pursuant to paragraph (b), and may

include testing for other contaminants. A cannabis testing facility must destroy or return to the cannabis business or hemp business any part of the sample that remains after testing.

Subd. 5. **Test results.** (a) If a sample meets the applicable testing standards, a cannabis testing facility shall issue a certification to a cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, medical cannabis processor, or medical cannabis combination business and the cannabis business or hemp business may then sell or transfer the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products from which the sample was taken to another cannabis business or hemp business, or offer the cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products for sale to customers or patients. If a sample does not meet the applicable testing standards or if the testing facility is unable to test for a substance identified pursuant to subdivision 4, paragraph (b), the batch from which the sample was taken shall be subject to procedures established by the office for such batches, including destruction, remediation, or retesting.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, medical cannabis processor, or medical cannabis combination business must maintain the test results for cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by that cannabis business or hemp business for at least five years after the date of testing.

(c) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, medical cannabis processor, or medical cannabis combination business shall make test results maintained by that cannabis business or hemp business available for review by any member of the public, upon request. Test results made available to the public must be in plain language.

Sec. 63. [342.62] PACKAGING.

Subdivision 1. **General.** All cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be packaged as required by this section and rules adopted under this chapter.

Subd. 2. **Packaging requirements.** (a) Except as provided in paragraph (b), all cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be:

- (1) prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque; or
- (2) placed in packaging or a container that is plain, child-resistant, tamper-evident, and opaque at the final point of sale to a customer.

(b) The requirement that packaging be child-resistant does not apply to a lower-potency hemp edible that is intended to be consumed as a beverage.

(c) If a cannabis product, lower-potency hemp edible, or a hemp-derived consumer product is packaged in a manner that includes more than a single serving, each serving must be indicated by scoring, wrapping, or other indicators designating the individual serving size. If the item is a lower-potency hemp edible, serving indicators must meet the requirements of section 342.46, subdivision 6, paragraph (b).

(d) Edible cannabis products and lower-potency hemp edibles containing more than a single serving must be prepackaged or placed at the final point of sale in packaging or a container that is resealable.

Subd. 3. **Packaging prohibitions.** (a) Cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products sold to customers or patients must not be packaged in a manner that:

(1) bears a reasonable resemblance to any commercially available product that does not contain cannabinoids, whether the manufacturer of the product holds a registered trademark or has registered the trade dress; or

(2) is designed to appeal to persons under 21 years of age.

(b) Packaging for cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products must not contain or be coated with any perfluoroalkyl substance.

(c) Edible cannabis products and lower-potency hemp edibles must not be packaged in a material that is not approved by the United States Food and Drug Administration for use in packaging food.

Sec. 64. **[342.63] LABELING.**

Subdivision 1. **General.** All cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be labeled as required by this section and rules adopted under this chapter.

Subd. 2. **Content of label; cannabis.** All cannabis flower and hemp-derived consumer products that consist of hemp plant parts sold to customers or patients must have affixed on the packaging or container of the cannabis flower or hemp-derived consumer product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, medical cannabis cultivator, or industrial hemp grower where the cannabis flower or hemp plant part was cultivated;

(2) the net weight or volume of cannabis flower or hemp plant parts in the package or container;

(3) the batch number;

(4) the cannabinoid profile;

(5) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(6) verification that the cannabis flower or hemp plant part was tested according to section 342.61 and that the cannabis flower or hemp plant part complies with the applicable standards;

(7) the maximum dose, quantity, or consumption that may be considered medically safe within a 24-hour period;

(8) the following statement: "Keep this product out of reach of children."; and

(9) any other statements or information required by the office.

Subd. 3. **Content of label; cannabinoid products.** (a) All cannabis products, lower-potency hemp edibles, hemp-derived consumer products other than products subject to the requirements under subdivision

2, medical cannabinoid products, and hemp-derived topical products sold to customers or patients must have affixed to the packaging or container of the cannabis product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, medical cannabis cultivator, or industrial hemp grower that cultivated the cannabis flower or hemp plant parts used in the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product;

(2) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, medical cannabis processor, or industrial hemp grower that manufactured the cannabis concentrate, hemp concentrate, or artificially derived cannabinoid and, if different, the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, or medical cannabis processor that manufactured the product;

(3) the net weight or volume of the cannabis product, lower-potency hemp edible, or hemp-derived consumer product in the package or container;

(4) the type of cannabis product, lower-potency hemp edible, or hemp-derived consumer product;

(5) the batch number;

(6) the serving size;

(7) the cannabinoid profile per serving and in total;

(8) a list of ingredients;

(9) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(10) a warning symbol developed by the office in consultation with the commissioner of health and the Minnesota Poison Control System that:

(i) is at least three-quarters of an inch tall and six-tenths of an inch wide;

(ii) is in a highly visible color;

(iii) includes a visual element that is commonly understood to mean a person should stop;

(iv) indicates that the product is not for children; and

(v) includes the phone number of the Minnesota Poison Control System;

(11) verification that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product was tested according to section 342.61 and that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product complies with the applicable standards;

(12) the maximum dose, quantity, or consumption that may be considered medically safe within a 24-hour period;

(13) the following statement: "Keep this product out of reach of children."; and

(14) any other statements or information required by the office.

(b) The office may by rule establish alternative labeling requirements for lower-potency hemp edibles that are imported into the state provided that those requirements provide consumers with information that is substantially similar to the information described in paragraph (a).

Subd. 4. Additional content of label; medical cannabis flower and medical cannabinoid products. In addition to the applicable requirements for labeling under subdivision 2 or 3, all medical cannabis flower and medical cannabinoid products must include at least the following information on the label affixed to the packaging or container of the medical cannabis flower or medical cannabinoid product:

(1) the patient's name and date of birth;

(2) the name and date of birth of the patient's registered designated caregiver or, if listed on the registry verification, the name of the patient's parent, legal guardian, or spouse, if applicable; and

(3) the patient's registry identification number.

Subd. 5. Content of label; hemp-derived topical products. (a) All hemp-derived topical products sold to customers must have affixed to the packaging or container of the product a label that contains at least the following information:

(1) the manufacturer name, location, phone number, and website;

(2) the name and address of the independent, accredited laboratory used by the manufacturer to test the product;

(3) the net weight or volume of the product in the package or container;

(4) the type of topical product;

(5) the amount or percentage of cannabidiol, cannabigerol, or any other cannabinoid, derivative, or extract of hemp, per serving and in total;

(6) a list of ingredients;

(7) a statement that the product does not claim to diagnose, treat, cure, or prevent any disease and that the product has not been evaluated or approved by the United States Food and Drug Administration, unless the product has been so approved; and

(8) any other statements or information required by the office.

(b) The information required in paragraph (a), clauses (1), (2), and (5), may be provided through the use of a scannable barcode or matrix barcode that links to a page on a website maintained by the manufacturer or distributor if that page contains all of the information required by this subdivision.

Subd. 6. Additional information. (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, medical cannabis retailer, or medical cannabis combination business must provide customers and patients with the following information:

(1) factual information about impairment effects and the expected timing of impairment effects, side effects, adverse effects, and health risks of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(2) a statement that customers and patients must not operate a motor vehicle or heavy machinery while under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(3) resources customers and patients may consult to answer questions about cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, and any side effects and adverse effects;

(4) contact information for the poison control center and a safety hotline or website for customers to report and obtain advice about side effects and adverse effects of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(5) substance use disorder treatment options; and

(6) any other information specified by the office.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or medical cannabis retailer may include the information described in paragraph (a) on the label affixed to the packaging or container of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products by:

(1) posting the information in the premises of the cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, medical cannabis retailer, or medical cannabis combination business; or

(2) providing the information on a separate document or pamphlet provided to customers or patients when the customer purchases cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product.

Sec. 65. **[342.64] ADVERTISEMENT.**

Subdivision 1. **Limitations applicable to all advertisements.** Cannabis businesses, hemp businesses, and other persons shall not publish or cause to be published an advertisement for a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product in a manner that:

(1) contains false or misleading statements;

(2) contains unverified claims about the health or therapeutic benefits or effects of consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(3) promotes the overconsumption of cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(4) depicts a person under 21 years of age consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product; or

(5) includes an image designed or likely to appeal to individuals under 21 years of age, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases that is designed to be appealing to individuals under 21 years of age or encourage consumption by individuals under 21 years of age; and

(6) does not contain a warning as specified by the office regarding impairment and health risks.

Subd. 2. Outdoor advertisements; cannabis business signs. (a) Except as provided in paragraph (c), an outdoor advertisement of a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product is prohibited.

(b) Cannabis businesses and hemp businesses may erect up to two fixed outdoor signs on the exterior of the building or property of the cannabis business or hemp business.

(c) The prohibition under paragraph (a) does not apply to an outdoor advertisement for a hemp business, or the goods or services the business offers, that is not related to the manufacture or sale of lower-potency hemp edibles and does not include an image, description, or any reference to the manufacture or sale of lower-potency hemp edibles.

Subd. 3. Audience under 21 years of age. Except as provided in subdivision 2, a cannabis business, hemp business, or other person shall not publish or cause to be published an advertisement for a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product in any print publication or on radio, television, or any other medium if 30 percent or more of the audience of that medium is reasonably expected to be individuals who are under 21 years of age, as determined by reliable, current audience composition data.

Subd. 4. Certain unsolicited advertising. A cannabis business, hemp business, or another person shall not utilize unsolicited pop-up advertisements on the internet to advertise a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product.

Subd. 5. Advertising using direct, individualized communication or dialogue. Before a cannabis business, hemp business, or another person may advertise a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product through direct, individualized communication or dialogue controlled by the cannabis business, hemp business, or other person, the cannabis business, hemp business, or other person must use a method of age affirmation to verify that the recipient of the direct, individualized communication or dialogue is 21 years of age or older. For purposes of this subdivision, the method of age affirmation may include user confirmation, birth date disclosure, or another similar registration method.

Subd. 6. Advertising using location-based devices. A cannabis business, hemp business, or another person shall not advertise a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product with advertising directed toward location-based devices, including but not limited to cellular telephones, unless the owner of the device is 21 years of age or older.

Subd. 7. Advertising restrictions for health care practitioners under the medical cannabis program. (a) A health care practitioner shall not publish or cause to be published an advertisement that:

- (1) contains false or misleading statements about the registry program;
- (2) uses colloquial terms to refer to medical cannabis flower or medical cannabinoid products, such as pot, weed, or grass;
- (3) states or implies that the health care practitioner is endorsed by the office, the Division of Medical Cannabis, or the registry program;
- (4) includes images of cannabis flower, hemp plant parts, or images of paraphernalia commonly used to smoke cannabis flower;

(5) contains medical symbols that could reasonably be confused with symbols of established medical associations or groups; or

(6) does not contain a warning as specified by the office regarding impairment and health risks.

(b) A health care practitioner found by the office to have violated this subdivision is prohibited from certifying that patients have a qualifying medical condition for purposes of patient participation in the registry program. A decision by the office that a health care practitioner has violated this subdivision is a final decision and is not subject to the contested case procedures in chapter 14.

Sec. 66. **[342.65] INDUSTRIAL HEMP.**

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. For purposes of this section, "processing" has the meaning given in section 18K.02, subdivision 5, and does not include the process of creating artificially derived cannabinoids.

Sec. 67. **[342.66] HEMP-DERIVED TOPICAL PRODUCTS.**

Subdivision 1. **Scope.** This section applies to the manufacture, marketing, distribution, and sale of hemp-derived topical products.

Subd. 2. **License; not required.** No license is required to manufacture, market, distribute, or sell hemp-derived topical products.

Subd. 3. **Approved cannabinoids.** (a) Products manufactured, marketed, distributed, and sold under this section may contain cannabidiol or cannabigerol. Except as provided in paragraph (c), products may not contain any other cannabinoid unless approved by the office.

(b) The office may approve any cannabinoid, other than any tetrahydrocannabinol, and authorize its use in manufacturing, marketing, distribution, and sales under this section if the office determines that the cannabinoid is a nonintoxicating cannabinoid.

(c) A product manufactured, marketed, distributed, and sold under this section may contain cannabinoids other than cannabidiol, cannabigerol, or any other cannabinoid approved by the office provided that the cannabinoids are naturally occurring in hemp plants or hemp plant parts and the total of all other cannabinoids present in a product does not exceed one milligram per package.

Subd. 4. **Approved products.** Products sold to consumers under this section may only be manufactured, marketed, distributed, intended, or generally expected to be used by applying the product externally to a part of the body of a human or animal.

Subd. 5. **Labeling.** Hemp-derived topical products must meet the labeling requirements in section 342.63, subdivision 5.

Subd. 6. **Prohibitions.** (a) A product sold to consumers under this section must not be manufactured, marketed, distributed, or intended:

(1) for external or internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals;

(2) to affect the structure or any function of the bodies of humans or other animals;

(3) to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product;

(4) to be consumed through chewing; or

(5) to be consumed through injection or application to a mucous membrane or nonintact skin.

(b) A product manufactured, marketed, distributed, or sold to consumers under this section must not:

(1) consist, in whole or in part, of any filthy, putrid, or decomposed substance;

(2) have been produced, prepared, packed, or held under unsanitary conditions where the product may have been rendered injurious to health, or where the product may have been contaminated with filth;

(3) be packaged in a container that is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health;

(4) contain any additives or excipients that have been found by the United States Food and Drug Administration to be unsafe for human or animal consumption;

(5) contain a cannabinoid or an amount or percentage of cannabinoids that is different than the information stated on the label;

(6) contain a cannabinoid, other than cannabidiol, cannabigerol, or a cannabinoid approved by the office, in an amount that exceeds the standard established in subdivision 2, paragraph (c); or

(7) contain any contaminants for which testing is required by the office in amounts that exceed the acceptable minimum standards established by the office.

(c) No product containing any cannabinoid may be sold to any individual who is under 21 years of age.

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

Sec. 68. [342.67] LEGAL ASSISTANCE TO CANNABIS BUSINESSES AND HEMP BUSINESSES.

An attorney must not be subject to disciplinary action by the Minnesota Supreme Court or professional responsibility board for providing legal assistance to prospective or licensed cannabis businesses or hemp businesses, or others for activities that do not violate this chapter or chapter 152.

Sec. 69. [342.70] CANNABIS INDUSTRY COMMUNITY RENEWAL GRANTS.

Subdivision 1. **Establishment.** The Office of Cannabis Management shall establish CanRenew, a program to award grants to eligible organizations for investments in communities where long-term residents are eligible to be social equity applicants.

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Community investment" means a project or program designed to improve community-wide outcomes or experiences and may include efforts targeting economic development, improving social determinants of health, violence prevention, youth development, or civil legal aid, among others.

(c) "Eligible community" means a community where long-term residents are eligible to be social equity applicants.

(d) "Eligible organization" means any organization able to make an investment in a community where long-term residents are eligible to be social equity applicants and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

(e) "Program" means the CanRenew grant program.

(f) "Social equity applicant" means a person who meets the qualification requirements in section 342.17.

Subd. 3. **Grants to organizations.** (a) The Division of Social Equity must award grants to eligible organizations through a competitive grant process.

(b) To receive grant money, an eligible organization must submit a written application to the office, using a form developed by the office, explaining the community investment the organization wants to make in an eligible community.

(c) An eligible organization's grant application must also include:

(1) an analysis of the community's need for the proposed investment;

(2) a description of the positive impact that the proposed investment is expected to generate for that community;

(3) any evidence of the organization's ability to successfully achieve that positive impact;

(4) any evidence of the organization's past success in making similar community investments;

(5) an estimate of the cost of the proposed investment;

(6) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money; and

(7) any additional information requested by the office.

(d) In awarding grants under this subdivision, the office shall give weight to applications from organizations that demonstrate a history of successful community investments, particularly in geographic areas that are now eligible communities. The office shall also give weight to applications where there is demonstrated community support for the proposed investment. The office shall fund investments in eligible communities throughout the state.

Subd. 4. **Program outreach.** The office shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those located in eligible communities.

Subd. 5. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter, the office must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over community development that details awards given through the CanRenew program and the use of grant money, including any measures of successful community impact from the grants.

Sec. 70. **[342.72] SUBSTANCE USE TREATMENT, RECOVERY, AND PREVENTION GRANTS.**

Subdivision 1. **Account established; appropriation.** A substance use treatment, recovery, and prevention grant account is created in the special revenue fund. Money in the account, including interest earned, is appropriated to the office for the purposes specified in this section. Of the amount transferred from the general fund to the account, the office may use up to five percent for administrative expenses.

Subd. 2. **Acceptance of gifts and grants.** Notwithstanding sections 16A.013 to 16A.016, the office may accept money contributed by individuals and may apply for grants from charitable foundations to be used for the purposes identified in this section. The money accepted under this section must be deposited in the substance use treatment, recovery, and prevention grant account created under subdivision 1.

Subd. 3. **Disposition of money; grants.** (a) Money in the substance use treatment, recovery, and prevention grant account must be distributed as follows:

(1) at least 75 percent of the money is for grants for substance use disorder and mental health recovery and prevention programs. Funds must be used for recovery and prevention activities and supplies that assist individuals and families to initiate, stabilize, and maintain long-term recovery from substance use disorders and co-occurring mental health conditions. Recovery and prevention activities may include prevention education, school-linked behavioral health, school-based peer programs, peer supports, self-care and wellness, culturally specific healing, community public awareness, mutual aid networks, telephone recovery checkups, mental health warmlines, harm reduction, recovery community organization development, first episode psychosis programs, and recovery housing; and

(2) up to 25 percent of the money is for substance use disorder treatment programs as defined in chapter 245G and may be used to implement, strengthen, or expand supportive services and activities that are not covered by medical assistance under chapter 256B, MinnesotaCare under chapter 256L, or the behavioral health fund under chapter 254B. Services and activities may include adoption or expansion of evidence-based practices; competency-based training; continuing education; culturally specific and culturally responsive services; sober recreational activities; developing referral relationships; family preservation and healing; and start-up or capacity funding for programs that specialize in adolescent, culturally specific, culturally responsive, disability-specific, co-occurring disorder, or family treatment services.

(b) The office shall consult with the Governor's Advisory Council on Opioids, Substance Use, and Addiction; the commissioner of human services; and the commissioner of health to develop an appropriate application process, establish grant requirements, determine what organizations are eligible to receive grants, and establish reporting requirements for grant recipients.

Subd. 4. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter, the office must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over health and human services policy and finance that details grants awarded from the substance use treatment, recovery, and prevention grant account, including the total amount awarded, total number of recipients, and geographic distribution of those recipients.

Sec. 71. **[342.73] CANNABIS GROWER GRANTS.**

Subdivision 1. **Establishment.** The office, in consultation with the commissioner of agriculture, shall establish CanGrow, a program to award grants to (1) eligible organizations to help farmers navigate the regulatory structure of the legal cannabis industry, and (2) nonprofit corporations to fund loans to farmers for expansion into the legal cannabis industry.

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Eligible organization" means any organization capable of helping farmers navigate the regulatory structure of the legal cannabis industry, particularly individuals facing barriers to education or employment, and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

(c) "Industry" means the legal cannabis industry in the state of Minnesota.

(d) "Program" means the CanGrow grant program.

(e) "Social equity applicant" means a person who meets the qualification requirements in section 342.17.

Subd. 3. **Technical assistance grants.** (a) Grant money awarded to eligible organizations may be used for both developing technical assistance resources relevant to the regulatory structure of the legal cannabis industry and for providing such technical assistance or navigation services to farmers.

(b) The office must award grants to eligible organizations through a competitive grant process.

(c) To receive grant money, an eligible organization must submit a written application to the office, using a form developed by the office, explaining the organization's ability to assist farmers in navigating the regulatory structure of the legal cannabis industry, particularly farmers facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed technical assistance or navigation services, including the types of farmers targeted for assistance;

(2) any evidence of the organization's past success in providing technical assistance or navigation services to farmers, particularly farmers who live in areas where long-term residents are eligible to be social equity applicants;

(3) an estimate of the cost of providing the technical assistance;

(4) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money, including any amounts that farmers will be charged to receive assistance; and

(5) any additional information requested by the office.

(e) In awarding grants under this subdivision, the office shall give weight to applications from organizations that demonstrate a history of successful technical assistance or navigation services, particularly for farmers facing barriers to education or employment. The office shall also give weight to applications where the proposed technical assistance will serve areas where long-term residents are eligible to be social equity applicants. The office shall fund technical assistance to farmers throughout the state.

Subd. 4. **Loan financing grants.** (a) The CanGrow revolving loan account is established in the special revenue fund. Money in the account, including interest, is appropriated to the commissioner to make loan financing grants under the CanGrow program.

(b) The office must award grants to nonprofit corporations through a competitive grant process.

(c) To receive grant money, a nonprofit corporation must submit a written application to the office using a form developed by the office.

(d) In awarding grants under this subdivision, the office shall give weight to whether the nonprofit corporation:

- (1) has a board of directors that includes individuals experienced in agricultural business development;
- (2) has the technical skills to analyze projects;
- (3) is familiar with other available public and private funding sources and economic development programs;
- (4) can initiate and implement economic development projects;
- (5) can establish and administer a revolving loan account; and
- (6) has established relationships with communities where long-term residents are eligible to be social equity applicants.

The office shall make grants that will help farmers enter the legal cannabis industry throughout the state.

(e) A nonprofit corporation that receives grants under the program must:

- (1) establish an office-certified revolving loan account for the purpose of making eligible loans; and
- (2) enter into an agreement with the office that the office shall fund loans that the nonprofit corporation makes to farmers entering the legal cannabis industry. The office shall review existing agreements with nonprofit corporations every five years and may renew or terminate an agreement based on that review. In making this review, the office shall consider, among other criteria, the criteria in paragraph (d).

Subd. 5. **Loans to farmers.** (a) The criteria in this subdivision apply to loans made by nonprofit corporations under the program.

(b) A loan must be used to support a farmer in entering the legal cannabis industry. Priority must be given to loans to businesses owned by farmers who are eligible to be social equity applicants and businesses located in communities where long-term residents are eligible to be social equity applicants.

(c) Loans must be made to businesses that are not likely to undertake the project for which loans are sought without assistance from the program.

(d) The minimum state contribution to a loan is \$2,500 and the maximum is either:

- (1) \$50,000; or
- (2) \$150,000, if state contributions are matched by an equal or greater amount of new private investment.

(e) Loan applications given preliminary approval by the nonprofit corporation must be forwarded to the office for approval. The office must give final approval for each loan made by the nonprofit corporation under the program.

(f) If the borrower has met lender criteria, including being current with all payments for a minimum of three years, the office may approve either full or partial forgiveness of interest or principal amounts.

Subd. 6. **Revolving loan account administration.** (a) The office shall establish a minimum interest rate for loans or guarantees to ensure that necessary loan administration costs are covered. The interest rate charged by a nonprofit corporation for a loan under this section must not exceed the Wall Street Journal prime rate. For a loan under this section, the nonprofit corporation may charge a loan origination fee equal

to or less than one percent of the loan value. The nonprofit corporation may retain the amount of the origination fee.

(b) Loan repayment of principal must be paid to the office for deposit in the CanGrow revolving loan account. Loan interest payments must be deposited in a revolving loan account created by the nonprofit corporation originating the loan being repaid for further distribution or use, consistent with the criteria of this section.

(c) Administrative expenses of the nonprofit corporations with whom the office enters into agreements, including expenses incurred by a nonprofit corporation in providing financial, technical, managerial, and marketing assistance to a business receiving a loan under this section, are eligible program expenses that the office may agree to pay under the grant agreement.

Subd. 7. **Program outreach.** The office shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those located in areas where long-term residents are eligible to be social equity applicants.

Subd. 8. **Reporting requirements.** (a) A nonprofit corporation that receives a grant under subdivision 4 shall:

(1) submit an annual report to the office by January 15 of each year that the nonprofit corporation participates in the program that includes a description of agricultural businesses supported by the grant program, an account of loans made during the calendar year, the program's impact on farmers' ability to expand into the legal cannabis industry, the source and amount of money collected and distributed by the program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the office.

(b) By February 15, 2024, and each February 15 thereafter, the office must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over agriculture that details awards given through the CanGrow program and the use of grant money, including any measures of success toward helping farmers enter the legal cannabis industry. The report must include geographic information regarding the issuance of grants and loans under this section, the repayment rate of loans issued under subdivision 5, and a summary of the amount of loans forgiven.

Sec. 72. **[342.80] LAWFUL ACTIVITIES.**

(a) Notwithstanding any law to the contrary, the cultivation, manufacturing, possessing, and selling of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products by a licensed cannabis business or hemp business in conformity with the rights granted by a cannabis business license or hemp business license is lawful and may not be the grounds for the seizure or forfeiture of property, arrest or prosecution, or search or inspections except as provided by this chapter.

(b) A person acting as an agent of a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or lower-potency hemp edible retailer who sells or otherwise transfers cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person under 21 years of age is not subject to arrest, prosecution, or forfeiture of property if the person complied with section 342.27, subdivision 4, and any rules promulgated pursuant to this chapter.

Sec. 73. **[342.81] CIVIL ACTIONS.**

Subdivision 1. Right of action. A spouse, child, 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, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, or selling edible cannabinoid products as defined in section 151.72, subdivision 1, paragraph (f), for on-site consumption. All damages recovered by a minor under this section must be paid either to the minor or to the minor's parent, guardian, or next friend as the court directs.

Subd. 2. Actions. All suits for damages under this section must be by civil action in a court of this state having jurisdiction.

Subd. 3. Comparative negligence. Actions under this section are governed by section 604.01.

Subd. 4. Defense. It is a defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age in selling, bartering, furnishing, or giving the cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products.

Subd. 5. Common law claims. Nothing in this chapter precludes common law tort claims against any person 21 years old or older who knowingly provides or furnishes cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products to a person under the age of 21 years.

Sec. 74. **[342.82] NUISANCE; ACTION.**

Subdivision 1. Nuisance. Any use of adult-use cannabis flower which is injurious to health, indecent or offensive to the senses, or an obstruction to the free use of property so as to interfere with the comfortable enjoyment of life or property is a nuisance.

Subd. 2. Actions; landlord; association. (a) A person who is injuriously affected or whose personal enjoyment is lessened by a nuisance under subdivision 1 may bring an action for injunctive relief and the greater of the person's actual damages or a civil penalty of \$250.

(b) If a landlord, as defined in section 504B.001, subdivision 7, or an association, as defined in section 515B.1-103, clause (4), fails to enforce the terms of a lease, governing document, or policy related to the use of adult-use cannabis flower on the premises or property, a person who is injuriously affected or whose personal enjoyment is lessened by a nuisance under subdivision 1 as a result of the failure to enforce the terms may bring an action against the landlord or association seeking injunctive relief and the greater of the person's actual damages or a civil penalty of \$500.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to causes of actions accruing on or after that date.

Sec. 75. **EFFECTIVE DATE.**

Except as otherwise provided, each section of this article is effective July 1, 2023.

ARTICLE 2**TAXES**

Section 1. Minnesota Statutes 2022, section 270B.12, is amended by adding a subdivision to read:

Subd. 4a. **Office of Cannabis Management.** The commissioner may disclose return information to the Office of Cannabis Management for the purpose of and to the extent necessary to administer section 270C.726.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 2. Minnesota Statutes 2022, section 270C.19, is amended by adding a subdivision to read:

Subd. 6. **Cannabis sales.** (a) The commissioner is authorized to enter into a tax agreement with the governing body of any federally recognized Indian Tribe in Minnesota that provides for the state and the Tribal government to share state and local sales tax and gross receipts tax imposed on the sale of cannabis at retail by a Tribally owned business at a location off the reservation.

(b) Any payment to the Tribe under this subdivision must be limited to an approximation of the expenses borne by the Tribe in regulating the production and supplying of cannabis products to the off-reservation retail business and to taxes paid by members of the Tribe at that business location.

(c) Authority under this subdivision applies only to Tribal governments that have a compact under section 3.9228.

(d) There is annually appropriated from the general fund to the commissioner the amount necessary to make the payments provided in this subdivision.

Sec. 3. **[270C.726] POSTING OF TAX DELINQUENCY; SALE OF CANNABIS.**

Subdivision 1. **Posting; notice.** (a) Pursuant to the authority to disclose under section 270B.12, subdivision 4a, the commissioner shall, by the 15th of each month, submit to the Office of Cannabis Management a list of all taxpayers subject to the tax imposed by section 295.81 that are required to pay, withhold, or collect the tax imposed by section 290.02, 290.0922, 290.92, 290.9727, 290.9728, 290.9729, 295.81, or 297A.62; or a local sales and use tax payable to, or administered and collected by, the commissioner, and who are ten days or more delinquent in either filing a tax return or paying the tax.

(b) The commissioner is under no obligation to list a taxpayer whose business is inactive. At least ten days before notifying the Office of Cannabis Management, the commissioner shall notify the taxpayer of the intended action.

(c) The Office of Cannabis Management shall post the list required by this section on the Office of Cannabis Management website. The list must prominently show the date of posting. If a previously listed taxpayer files all returns and pays all taxes specified in this subdivision then due, the commissioner shall notify the Office of Cannabis Management within two business days.

Subd. 2. **Sales prohibited.** Beginning the third business day after the list is posted, no cannabis cultivator, cannabis manufacturer, cannabis microbusiness, cannabis mezzobusiness, medical cannabis combination business, cannabis wholesaler, or industrial hemp grower as defined in chapter 342 may sell or deliver any product to a taxpayer included on the posted list.

Subd. 3. **Penalty.** A cannabis cultivator, cannabis manufacturer, cannabis microbusiness, cannabis mezzobusiness, medical cannabis combination business, cannabis wholesaler, or industrial hemp grower as defined in chapter 342 who violates subdivision 2 of this section is subject to the penalties provided in sections 342.19 and 342.21.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 4. Minnesota Statutes 2022, section 273.13, subdivision 24, is amended to read:

Subd. 24. **Class 3.** Commercial and industrial property and utility real and personal property is class 3a.

(1) Except as otherwise provided, each parcel of commercial, industrial, or utility real property has a classification rate of 1.5 percent of the first tier of market value, and 2.0 percent of the remaining market value. In the case of contiguous parcels of property owned by the same person or entity, only the value equal to the first-tier value of the contiguous parcels qualifies for the reduced classification rate, except that contiguous parcels owned by the same person or entity shall be eligible for the first-tier value classification rate on each separate business operated by the owner of the property, provided the business is housed in a separate structure. For the purposes of this subdivision, the first tier means the first \$150,000 of market value. Real property owned in fee by a utility for transmission line right-of-way shall be classified at the classification rate for the higher tier.

For purposes of this subdivision, parcels are considered to be contiguous even if they are separated from each other by a road, street, waterway, or other similar intervening type of property. Connections between parcels that consist of power lines or pipelines do not cause the parcels to be contiguous. Property owners who have contiguous parcels of property that constitute separate businesses that may qualify for the first-tier classification rate shall notify the assessor by July 1, for treatment beginning in the following taxes payable year.

(2) All personal property that is: (i) part of an electric generation, transmission, or distribution system; or (ii) part of a pipeline system transporting or distributing water, gas, crude oil, or petroleum products; and (iii) not described in clause (3), and all railroad operating property has a classification rate as provided under clause (1) for the first tier of market value and the remaining market value. In the case of multiple parcels in one county that are owned by one person or entity, only one first tier amount is eligible for the reduced rate.

(3) The entire market value of personal property that is: (i) tools, implements, and machinery of an electric generation, transmission, or distribution system; (ii) tools, implements, and machinery of a pipeline system transporting or distributing water, gas, crude oil, or petroleum products; or (iii) the mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, has a classification rate as provided under clause (1) for the remaining market value in excess of the first tier.

(4) Real property used for raising, cultivating, processing, or storing cannabis plants, cannabis flower, or cannabis products for sale has a classification rate as provided under clause (1) for the first tier of market value and the remaining market value. As used in this paragraph, "cannabis plant" has the meaning given in section 342.01, subdivision 19, "cannabis flower" has the meaning given in section 342.01, subdivision 16, and "cannabis product" has the meaning given in section 342.01, subdivision 20.

EFFECTIVE DATE. This section is effective beginning with assessment year 2024 and thereafter.

Sec. 5. Minnesota Statutes 2022, section 275.025, subdivision 2, is amended to read:

Subd. 2. **Commercial-industrial tax capacity.** For the purposes of this section, "commercial-industrial tax capacity" means the tax capacity of all taxable property classified as class 3 or class 5(1) under section 273.13, excluding:

(1) the tax capacity attributable to the first \$150,000 of market value of each parcel of commercial-industrial property as defined under section 273.13, subdivision 24, clauses (1) ~~and~~ (2), and (4);

(2) electric generation attached machinery under class 3; and

(3) property described in section 473.625.

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, subdivision 2, the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425, or fiscal disparities contribution and distribution net tax capacities under chapter 276A or 473F. For purposes of this subdivision, the procedures for determining eligibility for tier 1 under section 273.13, subdivision 24, clauses (1) and (2), shall apply in determining the portion of a property eligible to be considered within the first \$150,000 of market value.

EFFECTIVE DATE. This section is effective beginning with assessment year 2024 and thereafter.

Sec. 6. **[289A.33] FILING REQUIREMENTS AND DUE DATES; SPECIAL RULES.**

(a) Upon the request of any cannabis business as defined by section 342.01, subdivision 14, required to collect and remit taxes imposed under section 295.81, chapter 290, or chapter 297A, the commissioner shall waive the requirement that payment of tax must be made electronically if the failure to pay electronically is because the cannabis business is unable to secure banking services and the inability to secure the services is due to its engagement in cannabis-related business allowed under Minnesota law.

(b) If, in consultation with the commissioner of commerce, the commissioner determines that the inability to find banking services is widespread and enforcement of the electronic payment requirement will significantly impede the ability of cannabis businesses to timely pay taxes imposed under section 295.81, chapter 290, or chapter 297A, the commissioner may publish notice on the department website that waives the requirement to pay the tax electronically. If such notice is published, a cannabis business must file returns and pay taxes lawfully due in the form and manner prescribed by the commissioner.

(c) Nothing in this section relieves a cannabis business from timely filing and paying taxes.

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

Sec. 7. Minnesota Statutes 2022, section 290.0132, subdivision 29, is amended to read:

Subd. 29. **Disallowed section 280E expenses; medical cannabis manufacturers licensees.** The amount of expenses of a medical cannabis ~~manufacturer~~ business, as defined under section ~~152.22, subdivision 7~~ 342.01, subdivision 53, related to the business of medical cannabis under sections ~~152.21 to 152.37~~ 342.47 to 342.59, or a license holder under chapter 342, related to the business of nonmedical cannabis under that chapter, and not allowed for federal income tax purposes under section 280E of the Internal Revenue Code is a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022.

Sec. 8. Minnesota Statutes 2022, section 290.0134, subdivision 19, is amended to read:

Subd. 19. **Disallowed section 280E expenses; medical cannabis manufacturers licensees.** The amount of expenses of a medical cannabis ~~manufacturer~~ business, as defined under section ~~152.22, subdivision 7~~ 342.01, subdivision 53, related to the business of medical cannabis under sections ~~152.21 to 152.37~~ 342.47 to 342.59, or a license holder under chapter 342, related to the business of nonmedical cannabis under that chapter, and not allowed for federal income tax purposes under section 280E of the Internal Revenue Code is a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022.

Sec. 9. **[295.81] CANNABIS GROSS RECEIPTS TAX.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Bundled transaction" means the retail sale of two or more products when the products are otherwise distinct and identifiable and the products are sold for one nonitemized price.

(c) "Cannabis flower" has the meaning given in section 342.01, subdivision 16.

(d) "Cannabis product" has the meaning given in section 342.01, subdivision 20.

(e) "Cannabis solution product" means any cartridge, bottle, or other package that contains a taxable cannabis product in a solution that is consumed or meant to be consumed through the use of a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means that produces vapor or aerosol. A cannabis solution product includes any electronic delivery system, electronic vaping device, electronic vape pen, electronic oral device, electronic delivery device, or similar product or device, and any batteries, heating elements, or other components, parts, or accessories sold with and meant to be used in the consumption of a solution containing a taxable cannabis product.

(f) "Cannabis mezzobusiness" means a cannabis business licensed under section 342.29.

(g) "Cannabis microbusiness" means a cannabis business licensed under section 342.28.

(h) "Cannabis retailer" means a cannabis business licensed under section 342.32.

(i) "Commissioner" means the commissioner of revenue.

(j) "Gross receipts" means the total amount received in money or by barter or exchange for all taxable cannabis product sales at retail as measured by the sales price. Gross receipts include but are not limited to delivery charges and packaging costs. Gross receipts do not include:

(1) any taxes imposed directly on the customer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser; and

(2) discounts, including cash, terms, or coupons, that are not reimbursed by a third party and that are allowed by the seller and taken by a purchaser on a sale.

(k) "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 37.

(l) "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 50.

(m) "Lower-potency hemp edible retailer" means a cannabis business licensed under section 342.43, subdivision 1, clause (2).

(n) "Medical cannabis flower" has the meaning given in section 342.01, subdivision 54.

(o) "Medical cannabinoid product" has the meaning given in section 342.01, subdivision 52.

(p) "Medical cannabis paraphernalia" has the meaning given in section 342.01, subdivision 55.

(q) "Retail sale" has the meaning given in section 297A.61, subdivision 4.

(r) "Taxable cannabis product" means cannabis flower, cannabis product, cannabis solution product, hemp-derived consumer product, lower-potency hemp edible, and any substantially similar item.

(s) "Taxable cannabis product retailer" means a retailer that sells any taxable cannabis product, and includes a cannabis retailer, cannabis microbusiness, cannabis mezzobusiness, medical cannabis combination business, and lower-potency hemp edible retailer. Taxable cannabis product retailer includes but is not limited to a:

(1) retailer maintaining a place of business in this state;

(2) marketplace provider maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (a);

(3) retailer not maintaining a place of business in this state; and

(4) marketplace provider not maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (b).

Subd. 2. Gross receipts tax imposed. (a) A tax equal to ten percent of gross receipts from retail sales in Minnesota of taxable cannabis products is imposed on any taxable cannabis product retailer that sells these products to customers. A taxable cannabis product retailer may but is not required to 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) If a product subject to the tax imposed under this section is included in a bundled transaction, the entire sales price of the bundled transaction is subject to the tax imposed under this section.

(c) The tax imposed under this section is in addition to any other tax imposed on the sale or use of taxable cannabis products.

Subd. 3. Use tax imposed; credit for taxes paid. (a) A person that receives taxable cannabis products for use or storage in Minnesota, other than from a taxable cannabis product retailer that paid the tax under subdivision 2, is subject to tax at the rate imposed under subdivision 2. Liability for the tax is incurred when the person has possession of the taxable cannabis product in Minnesota. The tax must be remitted to the commissioner in the same manner prescribed for taxes imposed under chapter 297A.

(b) A person that has paid taxes to another state or any subdivision thereof on the same transaction and is subject to tax under this section is entitled to a credit for the tax legally due and paid to another state or subdivision thereof to the extent of the lesser of (1) the tax actually paid to the other state or subdivision thereof, or (2) the amount of tax imposed by Minnesota on the transaction subject to tax in the other state or subdivision thereof.

Subd. 4. **Exemptions.** (a) The use tax imposed under subdivision 3, paragraph (a), does not apply to the possession, use, or storage of taxable cannabis products if (1) the taxable cannabis products have an aggregate cost in any calendar month to the customer of \$100 or less, and (2) the taxable cannabis products were carried into this state by the customer.

(b) The tax imposed under this section does not apply to sales of medical items purchased by or for a patient enrolled in the registry program, including medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia.

(c) Unless otherwise specified in this section, the exemptions applicable to taxes imposed under chapter 297A are not applicable to the taxes imposed under this section.

(d) The tax imposed under this section does not apply to:

(1) sales made in Indian country as defined in United States Code, title 18, section 1151, by a cannabis business licensed by a Minnesota Tribal government, as defined in section 3.9228, subdivision 1, paragraph (f); or

(2) use tax owed on taxable cannabis products purchased on Tribally regulated land as defined in section 3.9228, subdivision 1, from a cannabis business licensed by a Minnesota Tribal government as defined in section 3.9228, subdivision 1, paragraph (f).

Subd. 5. **Tax collection required.** A taxable cannabis product retailer with nexus in Minnesota that is not subject to tax under subdivision 2 is required to collect the tax imposed under subdivision 4 from the purchaser of the taxable cannabis product and give the purchaser a receipt for the tax paid. The tax collected must be remitted to the commissioner in the same manner prescribed for the taxes imposed under chapter 297A.

Subd. 6. **Taxes paid to another state or any subdivision thereof; credit.** A taxable cannabis product 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 paid to another state or any subdivision thereof to the extent of the lesser of (1) the tax actually paid to the other state or any subdivision thereof, or (2) the amount of tax imposed by Minnesota on the gross receipts subject to tax in the other taxing state or any subdivision thereof.

Subd. 7. **Sourcing of sales.** Section 297A.668 applies to the taxes imposed by this section.

Subd. 8. **Administration.** Unless specifically provided otherwise, the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative provisions of chapters 270C and 289A that are applicable to taxes imposed under chapter 297A, except the requirement to file returns and remit taxes due electronically if authorized under section 289A.33, apply to the tax imposed under this section.

Subd. 9. **Returns; payment of tax.** (a) A taxable cannabis product retailer must report the tax on a return prescribed by the commissioner and must remit the tax in a form and manner prescribed by the commissioner. The return and the tax must be filed and paid using the filing cycle and due dates provided for taxes imposed under section 289A.20, subdivision 4, and chapter 297A.

(b) Interest must be paid on an overpayment refunded or credited to the taxpayer from the date of payment of the tax until the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the due date of the return or the date of actual payment of the tax, whichever is later.

Subd. 10. **Deposit of revenues; account established.** (a) The commissioner must deposit the revenues, including penalties and interest, derived from the tax imposed by this section as follows:

(1) 80 percent to the general fund; and

(2) 20 percent to the local government cannabis aid account in the special revenue fund.

(b) The local government cannabis aid account is established in the special revenue fund.

Subd. 11. **Personal debt.** The tax imposed by this section, and interest and penalties imposed with respect to it, are a personal debt of the person required to file a return from the time that the liability for it arises, irrespective of when the time for payment of the liability occurs. The debt must, in the case of the executor or administrator of the estate of a decedent and in the case of a fiduciary, be that of the person in the person's official or fiduciary capacity only, unless the person has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the person is personally liable for any deficiency.

EFFECTIVE DATE. This section is effective for gross receipts received after June 30, 2023.

Sec. 10. [295.82] CANNABIS LOCAL TAX PROHIBITED.

A political subdivision of this state is prohibited from imposing a tax solely on the sale of taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (r).

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

Sec. 11. Minnesota Statutes 2022, section 297A.61, subdivision 3, is amended to read:

Subd. 3. **Sale and purchase.** (a) "Sale" and "purchase" include, but are not limited to, each of the transactions listed in this subdivision. In applying the provisions of this chapter, the terms "tangible personal property" and "retail sale" include the taxable services listed in paragraph (g), clause (6), items (i) to (vi) and (viii), and the provision of these taxable services, unless specifically provided otherwise. Services performed by an employee for an employer are not taxable. Services performed by a partnership or association for another partnership or association are not taxable if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. Services performed between members of an affiliated group of corporations are not taxable. For purposes of the preceding sentence, "affiliated group of corporations" means those entities that would be classified as members of an affiliated group as defined under United States Code, title 26, section 1504, disregarding the exclusions in section 1504(b).

(b) Sale and purchase include:

(1) any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, for a consideration in money or by exchange or barter; and

(2) the leasing of or the granting of a license to use or consume, for a consideration in money or by exchange or barter, tangible personal property, other than a manufactured home used for residential purposes for a continuous period of 30 days or more.

(c) Sale and purchase include the production, fabrication, printing, or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing, or processing.

(d) Sale and purchase include the preparing for a consideration of food. Notwithstanding section 297A.67, subdivision 2, taxable food includes, but is not limited to, the following:

- (1) prepared food sold by the retailer;
- (2) soft drinks;
- (3) candy; and
- (4) dietary supplements.

(e) A sale and a purchase includes the furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state.

(f) A sale and a purchase includes the transfer for a consideration of prewritten computer software whether delivered electronically, by load and leave, or otherwise.

(g) A sale and a purchase includes the furnishing for a consideration of the following services:

(1) the privilege of admission to places of amusement, recreational areas, or athletic events, and the making available of amusement devices, tanning facilities, reducing salons, steam baths, health clubs, and spas or athletic facilities;

(2) lodging and related services by a hotel, rooming house, resort, campground, motel, or trailer camp, including furnishing the guest of the facility with access to telecommunication services, and the granting of any similar license to use real property in a specific facility, other than the renting or leasing of it for a continuous period of 30 days or more under an enforceable written agreement that may not be terminated without prior notice and including accommodations intermediary services provided in connection with other services provided under this clause;

(3) nonresidential parking services, whether on a contractual, hourly, or other periodic basis, except for parking at a meter;

(4) the granting of membership in a club, association, or other organization if:

(i) the club, association, or other organization makes available for the use of its members sports and athletic facilities, without regard to whether a separate charge is assessed for use of the facilities; and

(ii) use of the sports and athletic facility is not made available to the general public on the same basis as it is made available to members.

Granting of membership means both onetime initiation fees and periodic membership dues. Sports and athletic facilities include golf courses; tennis, racquetball, handball, and squash courts; basketball and volleyball facilities; running tracks; exercise equipment; swimming pools; and other similar athletic or sports facilities;

(5) delivery of aggregate materials by a third party, excluding delivery of aggregate material used in road construction; and delivery of concrete block by a third party if the delivery would be subject to the sales tax if provided by the seller of the concrete block. For purposes of this clause, "road construction" means construction of:

- (i) public roads;
- (ii) cartways; and

(iii) private roads in townships located outside of the seven-county metropolitan area up to the point of the emergency response location sign; and

(6) services as provided in this clause:

(i) laundry and dry cleaning services including cleaning, pressing, repairing, altering, and storing clothes, linen services and supply, cleaning and blocking hats, and carpet, drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not include services provided by coin operated facilities operated by the customer;

(ii) motor vehicle washing, waxing, and cleaning services, including services provided by coin operated facilities operated by the customer, and rustproofing, undercoating, and towing of motor vehicles;

(iii) building and residential cleaning, maintenance, and disinfecting services and pest control and exterminating services;

(iv) detective, security, burglar, fire alarm, and armored car services; but not including services performed within the jurisdiction they serve by off-duty licensed peace officers as defined in section 626.84, subdivision 1, or services provided by a nonprofit organization or any organization at the direction of a county for monitoring and electronic surveillance of persons placed on in-home detention pursuant to court order or under the direction of the Minnesota Department of Corrections;

(v) pet grooming services;

(vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting and maintenance; tree, bush, and shrub pruning, bracing, spraying, and surgery; indoor plant care; tree, bush, shrub, and stump removal, except when performed as part of a land clearing contract as defined in section 297A.68, subdivision 40; and tree trimming for public utility lines. Services performed under a construction contract for the installation of shrubbery, plants, sod, trees, bushes, and similar items are not taxable;

(vii) massages, except when provided by a licensed health care facility or professional or upon written referral from a licensed health care facility or professional for treatment of illness, injury, or disease; and

(viii) the furnishing of lodging, board, and care services for animals in kennels and other similar arrangements, but excluding veterinary and horse boarding services.

(h) A sale and a purchase includes the furnishing for a consideration of tangible personal property or taxable services by the United States or any of its agencies or instrumentalities, or the state of Minnesota, its agencies, instrumentalities, or political subdivisions.

(i) A sale and a purchase includes the furnishing for a consideration of telecommunications services, ancillary services associated with telecommunication services, and pay television services. Telecommunication services include, but are not limited to, the following services, as defined in section 297A.669: air-to-ground radiotelephone service, mobile telecommunication service, postpaid calling service, prepaid calling service, prepaid wireless calling service, and private communication services. The services in this paragraph are taxed to the extent allowed under federal law.

(j) A sale and a purchase includes the furnishing for a consideration of installation if the installation charges would be subject to the sales tax if the installation were provided by the seller of the item being installed.

(k) A sale and a purchase includes the rental of a vehicle by a motor vehicle dealer to a customer when (1) the vehicle is rented by the customer for a consideration, or (2) the motor vehicle dealer is reimbursed pursuant to a service contract as defined in section 59B.02, subdivision 11.

(l) A sale and a purchase includes furnishing for a consideration of specified digital products or other digital products or granting the right for a consideration to use specified digital products or other digital products on a temporary or permanent basis and regardless of whether the purchaser is required to make continued payments for such right. Wherever the term "tangible personal property" is used in this chapter, other than in subdivisions 10 and 38, the provisions also apply to specified digital products, or other digital products, unless specifically provided otherwise or the context indicates otherwise.

(m) The sale of the privilege of admission under section 297A.61, subdivision 3, paragraph (g), clause (1), to a place of amusement, recreational area, or athletic event includes all charges included in the privilege of admission's sales price, without deduction for amenities that may be provided, unless the amenities are separately stated and the purchaser of the privilege of admission is entitled to add or decline the amenities, and the amenities are not otherwise taxable.

(n) A sale and purchase includes the transfer for consideration of a taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (r).

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 12. Minnesota Statutes 2022, section 297A.67, subdivision 2, is amended to read:

Subd. 2. **Food and food ingredients.** Except as otherwise provided in this subdivision, food and food ingredients are exempt. For purposes of this subdivision, "food" and "food ingredients" mean substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. 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, taxable cannabis products, medical cannabis flower, and medical cannabinoid products. For purposes of this subdivision, "alcoholic beverages" means beverages that are suitable for human consumption and contain one-half of one percent or more of alcohol by volume. For purposes of this subdivision, "tobacco" means cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco. For purposes of this subdivision, "taxable cannabis product" has the meaning given in section 295.81, subdivision 1, paragraph (r), "medical cannabis flower" has the meaning given in section 342.01, subdivision 54, and "medical cannabinoid product" has the meaning given in section 342.01, subdivision 52. For purposes of this subdivision, "dietary supplements" means any product, other than tobacco, intended to supplement the diet that:

(1) contains one or more of the following dietary ingredients:

(i) a vitamin;

(ii) a mineral;

(iii) an herb or other botanical;

(iv) an amino acid;

(v) a dietary substance for use by humans to supplement the diet by increasing the total dietary intake;
and

(vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient described in items (i) to (v);

(2) is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or if not intended for ingestion in such form, is not represented as conventional food and is not represented for use as a sole item of a meal or of the diet; and

(3) is required to be labeled as a dietary supplement, identifiable by the supplement facts box found on the label and as required pursuant to Code of Federal Regulations, title 21, section 101.36.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 13. Minnesota Statutes 2022, section 297A.67, subdivision 7, is amended to read:

Subd. 7. **Drugs; medical devices.** (a) Sales of the following drugs and medical devices for human use are exempt:

(1) drugs, including over-the-counter drugs;

(2) single-use finger-pricking devices for the extraction of blood and other single-use devices and single-use diagnostic agents used in diagnosing, monitoring, or treating diabetes;

(3) insulin and medical oxygen for human use, regardless of whether prescribed or sold over the counter;

(4) prosthetic devices;

(5) durable medical equipment for home use only;

(6) mobility enhancing equipment;

(7) prescription corrective eyeglasses; and

(8) kidney dialysis equipment, including repair and replacement parts.

(b) Items purchased in transactions covered by:

(1) Medicare as defined under title XVIII of the Social Security Act, United States Code, title 42, section 1395, et seq.; or

(2) Medicaid as defined under title XIX of the Social Security Act, United States Code, title 42, section 1396, et seq.

(c) For purposes of this subdivision:

(1) "Drug" means a compound, substance, or preparation, and any component of a compound, substance, or preparation, other than food and food ingredients, dietary supplements, taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (r), or alcoholic beverages that is:

(i) recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them;

(ii) intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease; or

(iii) intended to affect the structure or any function of the body.

(2) "Durable medical equipment" means equipment, including repair and replacement parts, including single-patient use items, but not including mobility enhancing equipment, that:

- (i) can withstand repeated use;
- (ii) is primarily and customarily used to serve a medical purpose;
- (iii) generally is not useful to a person in the absence of illness or injury; and
- (iv) is not worn in or on the body.

For purposes of this clause, "repair and replacement parts" includes all components or attachments used in conjunction with the durable medical equipment, including repair and replacement parts which are for single patient use only.

(3) "Mobility enhancing equipment" means equipment, including repair and replacement parts, but not including durable medical equipment, that:

- (i) is primarily and customarily used to provide or increase the ability to move from one place to another and that is appropriate for use either in a home or a motor vehicle;
- (ii) is not generally used by persons with normal mobility; and
- (iii) does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer.

(4) "Over-the-counter drug" means a drug that contains a label that identifies the product as a drug as required by Code of Federal Regulations, title 21, section 201.66. The label must include a "drug facts" panel or a statement of the active ingredients with a list of those ingredients contained in the compound, substance, or preparation. Over-the-counter drugs do not include grooming and hygiene products, regardless of whether they otherwise meet the definition. "Grooming and hygiene products" are soaps, cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and suntan lotions and sunscreens.

(5) "Prescribed" and "prescription" means a direction in the form of an order, formula, or recipe issued in any form of oral, written, electronic, or other means of transmission by a duly licensed health care professional.

(6) "Prosthetic device" means a replacement, corrective, or supportive device, including repair and replacement parts, worn on or in the body to:

- (i) artificially replace a missing portion of the body;
- (ii) prevent or correct physical deformity or malfunction; or
- (iii) support a weak or deformed portion of the body.

Prosthetic device does not include corrective eyeglasses.

(7) "Kidney dialysis equipment" means equipment that:

- (i) is used to remove waste products that build up in the blood when the kidneys are not able to do so on their own; and
- (ii) can withstand repeated use, including multiple use by a single patient, notwithstanding the provisions of clause (2).

(8) A transaction is covered by Medicare or Medicaid if any portion of the cost of the item purchased in the transaction is paid for or reimbursed by the federal government or the state of Minnesota pursuant to the Medicare or Medicaid program, by a private insurance company administering the Medicare or Medicaid program on behalf of the federal government or the state of Minnesota, or by a managed care organization for the benefit of a patient enrolled in a prepaid program that furnishes medical services in lieu of conventional Medicare or Medicaid coverage pursuant to agreement with the federal government or the state of Minnesota.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 14. Minnesota Statutes 2022, section 297A.67, is amended by adding a subdivision to read:

Subd. 39. **Reservation sales of taxable cannabis products.** The sale of a taxable cannabis product, as defined in section 295.81, subdivision 1, paragraph (r), that is made in Indian country, as defined in United States Code, title 18, section 1151, by a cannabis business licensed by a Minnesota Tribal government, as defined in section 3.9228, subdivision 1, paragraph (f), is exempt.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 15. Minnesota Statutes 2022, section 297A.70, subdivision 2, is amended to read:

Subd. 2. **Sales to government.** (a) All sales, except those listed in paragraph (b), to the following governments and political subdivisions, or to the listed agencies or instrumentalities of governments and political subdivisions, are exempt:

(1) the United States and its agencies and instrumentalities;

(2) school districts, local governments, the University of Minnesota, state universities, community colleges, technical colleges, state academies, the Perpich Minnesota Center for Arts Education, and an instrumentality of a political subdivision that is accredited as an optional/special function school by the North Central Association of Colleges and Schools;

(3) hospitals and nursing homes owned and operated by political subdivisions of the state of tangible personal property and taxable services used at or by hospitals and nursing homes;

(4) notwithstanding paragraph (d), the sales and purchases by the Metropolitan Council of vehicles and repair parts to equip operations provided for in section 473.4051 are exempt through December 31, 2016;

(5) other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state; and

(6) public libraries, public library systems, multicounty, multitype library systems as defined in section 134.001, county law libraries under chapter 134A, state agency libraries, the state library under section 480.09, and the Legislative Reference Library.

(b) This exemption does not apply to the sales of the following products and services:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(3) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except for leases entered into by the United States or its agencies or instrumentalities;

(4) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, ~~and~~ alcoholic beverages as defined in section 297A.67, subdivision 2, and taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (r), except for lodging, prepared food, candy, soft drinks, ~~and~~ alcoholic beverages, and taxable cannabis products purchased directly by the United States or its agencies or instrumentalities; or

(5) goods or services purchased by a local government as inputs to a liquor store, gas or electric utility, solid waste hauling service, solid waste recycling service, landfill, golf course, marina, campground, cafe, or laundromat.

(c) As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, and any instrumentality of a school district, as defined in section 471.59.

(d) For purposes of the exemption granted under this subdivision, "local governments" has the following meaning:

(1) for the period prior to January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; and

(2) beginning January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; special districts as defined under section 6.465; any instrumentality of a statutory or home rule charter city, county, or township as defined in section 471.59; and any joint powers board or organization created under section 471.59.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 16. Minnesota Statutes 2022, section 297A.70, subdivision 4, is amended to read:

Subd. 4. **Sales to nonprofit groups.** (a) All sales, except those listed in paragraph (b), to the following "nonprofit organizations" are exempt:

(1) a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes if the item purchased is used in the performance of charitable, religious, or educational functions;

(2) any senior citizen group or association of groups that:

(i) in general limits membership to persons who are either age 55 or older, or persons with a physical disability;

(ii) is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, not including housing, no part of the net earnings of which inures to the benefit of any private shareholders; and

(iii) is an exempt organization under section 501(c) of the Internal Revenue Code; and

(3) an organization that qualifies for an exemption for memberships under subdivision 12 if the item is purchased and used in the performance of the organization's mission.

For purposes of this subdivision, charitable purpose includes the maintenance of a cemetery owned by a religious organization.

(b) This exemption does not apply to the following sales:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax-exempt entities or their contractors to be used in constructing buildings or facilities that will not be used principally by the tax-exempt entities;

(3) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (r), and alcoholic beverages as defined in section 297A.67, subdivision 2, except wine purchased by an established religious organization for sacramental purposes or as allowed under subdivision 9a; and

(4) leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except as provided in paragraph (c).

(c) This exemption applies to the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, only if the vehicle is:

(1) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a passenger automobile, as defined in section 168.002, if the automobile is designed and used for carrying more than nine persons including the driver; and

(2) intended to be used primarily to transport tangible personal property or individuals, other than employees, to whom the organization provides service in performing its charitable, religious, or educational purpose.

(d) A limited liability company also qualifies for exemption under this subdivision if (1) it consists of a sole member that would qualify for the exemption, and (2) the items purchased qualify for the exemption.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 17. Minnesota Statutes 2022, section 297A.70, subdivision 18, is amended to read:

Subd. 18. **Nursing homes and boarding care homes.** (a) All sales, except those listed in paragraph (b), to a nursing home licensed under section 144A.02 or a boarding care home certified as a nursing facility under title 19 of the Social Security Act are exempt if the facility:

(1) is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code; and

(2) is certified to participate in the medical assistance program under title 19 of the Social Security Act, or certifies to the commissioner that it does not discharge residents due to the inability to pay.

(b) This exemption does not apply to the following sales:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax-exempt entities or their contractors to be used in constructing buildings or facilities that will not be used principally by the tax-exempt entities;

(3) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, and alcoholic beverages as defined in section 297A.67, subdivision 2, and taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (r); and

(4) leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except as provided in paragraph (c).

(c) This exemption applies to the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, only if the vehicle is:

(1) a truck, as defined in section 168.002; a bus, as defined in section 168.002; or a passenger automobile, as defined in section 168.002, if the automobile is designed and used for carrying more than nine persons including the driver; and

(2) intended to be used primarily to transport tangible personal property or residents of the nursing home or boarding care home.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 18. Minnesota Statutes 2022, section 297A.85, is amended to read:

297A.85 CANCELLATION OF PERMITS.

The commissioner may cancel a permit if one of the following conditions occurs:

(1) the permit holder has not filed a sales or use tax return for at least one year;

(2) the permit holder has not reported any sales or use tax liability on the permit holder's returns for at least two years;

(3) the permit holder requests cancellation of the permit;

(4) the permit is subject to cancellation under section 270C.722, subdivision 2, paragraph (a); ~~or~~

(5) the permit is subject to cancellation under section 297A.84; or

(6) the permit holder is a taxable cannabis product retailer as defined in section 295.81, subdivision 1, paragraph (s), other than a lower-potency hemp edible retailer as licensed under section 342.43, subdivision 1, and its license to sell a taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (r), has been revoked by the Office of Cannabis Management.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 19. Minnesota Statutes 2022, section 297D.01, is amended to read:

297D.01 DEFINITIONS.

Subdivision 1. ~~**Marijuana**~~ **Illegal cannabis.** ~~"Marijuana"~~ **"Illegal cannabis"** means any ~~marijuana~~ taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (r), whether real or counterfeit, as defined in section 152.01, subdivision 9, that is held, possessed, transported, transferred, sold, or offered to be sold in violation of chapter 342 or Minnesota criminal laws.

Subd. 2. **Controlled substance.** "Controlled substance" means any drug or substance, whether real or counterfeit, as defined in section 152.01, subdivision 4, that is held, possessed, transported, transferred, sold, or offered to be sold in violation of Minnesota laws. "Controlled substance" does not include ~~marijuana~~ illegal cannabis.

Subd. 3. **Tax obligor or obligor.** "Tax obligor" or "obligor" means a person who in violation of Minnesota law manufactures, produces, ships, transports, or imports into Minnesota or in any manner acquires or possesses more than 42-1/2 grams of ~~marijuana~~ illegal cannabis, or seven or more grams of any controlled substance, or ten or more dosage units of any controlled substance which is not sold by weight. A quantity of ~~marijuana~~ illegal cannabis or other controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the tax obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of revenue.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 20. Minnesota Statutes 2022, section 297D.04, is amended to read:

297D.04 TAX PAYMENT REQUIRED FOR POSSESSION.

No tax obligor may possess any ~~marijuana~~ illegal cannabis or controlled substance upon which a tax is imposed by section 297D.08 unless the tax has been paid on the ~~marijuana~~ illegal cannabis or ~~other~~ a controlled substance as evidenced by a stamp or other official indicia.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 21. Minnesota Statutes 2022, section 297D.06, is amended to read:

297D.06 PHARMACEUTICALS.

Nothing in this chapter requires persons registered under chapter 151 or otherwise lawfully in possession of ~~marijuana~~ illegal cannabis or a controlled substance to pay the tax required under this chapter.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 22. Minnesota Statutes 2022, section 297D.07, is amended to read:

297D.07 MEASUREMENT.

For the purpose of calculating the tax under section 297D.08, a quantity of ~~marijuana~~ illegal cannabis or ~~other~~ a controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the tax obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 23. Minnesota Statutes 2022, section 297D.08, is amended to read:

297D.08 TAX RATE.

A tax is imposed on ~~marijuana~~ illegal cannabis and controlled substances as defined in section 297D.01 at the following rates:

- (1) on each gram of ~~marijuana~~ illegal cannabis, or each portion of a gram, \$3.50; and
- (2) on each gram of controlled substance, or portion of a gram, \$200; or
- (3) on each ten dosage units of a controlled substance that is not sold by weight, or portion thereof, \$400.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 24. Minnesota Statutes 2022, section 297D.085, is amended to read:

297D.085 CREDIT FOR PREVIOUSLY PAID TAXES.

If another state or local unit of government has previously assessed an excise tax on the ~~marijuana~~ illegal cannabis or controlled substances, the taxpayer must pay the difference between the tax due under section 297D.08 and the tax previously paid. If the tax previously paid to the other state or local unit of government was equal to or greater than the tax due under section 297D.08, no tax is due. The burden is on the taxpayer to show that an excise tax on the ~~marijuana~~ illegal cannabis or controlled substances has been paid to another state or local unit of government.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 25. Minnesota Statutes 2022, section 297D.09, subdivision 1a, is amended to read:

Subd. 1a. **Criminal penalty; sale without affixed stamps.** In addition to the tax penalty imposed, a tax obligor distributing or possessing ~~marijuana~~ illegal cannabis or controlled substances without affixing the appropriate stamps, labels, or other indicia is guilty of a crime and, upon conviction, may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than \$14,000, or both.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 26. Minnesota Statutes 2022, section 297D.10, is amended to read:

297D.10 STAMP PRICE.

Official stamps, labels, or other indicia to be affixed to all ~~marijuana~~ illegal cannabis or controlled substances shall be purchased from the commissioner. The purchaser shall pay 100 percent of face value for each stamp, label, or other indicia at the time of the purchase.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 27. Minnesota Statutes 2022, section 297D.11, is amended to read:

297D.11 PAYMENT DUE.

Subdivision 1. **Stamps affixed.** When a tax obligor purchases, acquires, transports, or imports into this state ~~marijuana~~ illegal cannabis or controlled substances on which a tax is imposed by section 297D.08, and if the indicia evidencing the payment of the tax have not already been affixed, the tax obligor shall have

them permanently affixed on the ~~marijuana~~ illegal cannabis or controlled substance immediately after receiving the substance. Each stamp or other official indicia may be used only once.

Subd. 2. **Payable on possession.** Taxes imposed upon ~~marijuana~~ illegal cannabis or controlled substances by this chapter are due and payable immediately upon acquisition or possession in this state by a tax obligor.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 28. **[477A.31] LOCAL GOVERNMENT CANNABIS AID.**

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "city" means a statutory or home rule charter city; and

(2) "director" means the director of the Office of Cannabis Management under section 342.02.

Subd. 2. **Certification to commissioner of revenue.** (a) By July 15, 2024, and annually thereafter, the commissioner of management and budget must certify to the commissioner of revenue the balance of the local government cannabis aid account in the special revenue fund as of the immediately preceding June 30.

(b) By June 1, 2024, and annually thereafter, the director must certify to the commissioner of revenue the number of cannabis businesses, as defined under section 342.01, subdivision 14, licensed under chapter 342 as of the previous January 1, disaggregated by county and city.

Subd. 3. **Aid to counties.** (a) Beginning for aid payable in 2024, the amount available for aid to counties under this subdivision equals 50 percent of the amount certified in that year to the commissioner under subdivision 2, paragraph (a).

(b) Twenty percent of the amount under paragraph (a) must be distributed equally among all counties.

(c) Eighty percent of the amount under paragraph (a) must be distributed proportionally to each county according to the number of cannabis businesses located in the county as compared to the number of cannabis businesses in all counties as of the most recent certification under subdivision 2, paragraph (b).

Subd. 4. **Aid to cities.** (a) Beginning for aid payable in 2024, the amount available for aid to cities under this subdivision equals 50 percent of the amount certified in that year to the commissioner under subdivision 2, paragraph (a).

(b) The amount under paragraph (a) must be distributed proportionally to each city according to the number of cannabis businesses located in the city as compared to the number of cannabis businesses in all cities as of the most recent certification under subdivision 2, paragraph (b).

Subd. 5. **Payment.** The commissioner of revenue must compute the amount of aid payable to each county and city under this section. On or before September 1 of each year, the commissioner must certify the amount to be paid to each county and city in that year. The commissioner must pay the full amount of the aid on December 26 annually.

Subd. 6. **Appropriation.** Beginning in fiscal year 2025 and annually thereafter, the amount in the local government cannabis aid account in the special revenue fund is annually appropriated to the commissioner of revenue to make the aid payments required under this section.

EFFECTIVE DATE. This section is effective July 1, 2023.

ARTICLE 3
BUSINESS DEVELOPMENT

Section 1. **[116J.659] CANNABIS INDUSTRY STARTUP FINANCING GRANTS.**

Subdivision 1. **Establishment.** The commissioner of employment and economic development shall establish CanStartup, a program to award grants to nonprofit corporations to fund loans to new cannabis microbusinesses and to support job creation in communities where long-term residents are eligible to be social equity applicants.

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Cannabis microbusiness" means a cannabis business that meets the requirements of section 342.28.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Industry" means the legal cannabis industry in the state of Minnesota.

(e) "New business" means a legal cannabis business that has been in existence for three years or less.

(f) "Program" means the CanStartup grant program.

(g) "Social equity applicant" means a person who meets the qualification requirements in section 342.17.

Subd. 3. **Grants.** (a) The CanStartup revolving loan account is established in the special revenue fund. Money in the account, including interest, is appropriated to the commissioner to make grants under the CanStartup program.

(b) The commissioner must award grants to nonprofit corporations through a competitive grant process.

(c) To receive grant money, a nonprofit corporation must submit a written application to the commissioner using a form developed by the commissioner.

(d) In awarding grants under this subdivision, the commissioner shall give weight to whether the nonprofit corporation:

(1) has a board of directors that includes citizens experienced in business and community development, new business enterprises, and creating jobs for people facing barriers to education or employment;

(2) has the technical skills to analyze projects;

(3) is familiar with other available public and private funding sources and economic development programs;

(4) can initiate and implement economic development projects;

(5) can establish and administer a revolving loan account;

(6) can work with job referral networks that assist people facing barriers to education or employment;
and

(7) has established relationships with communities where long-term residents are eligible to be social equity applicants.

The commissioner shall make grants that will assist new cannabis microbusinesses.

(e) A nonprofit corporation that receives a grant under the program must:

(1) establish a commissioner-certified revolving loan account for the purpose of making eligible loans; and

(2) enter into an agreement with the commissioner that the commissioner shall fund loans that the nonprofit corporation makes to new cannabis microbusinesses. The commissioner shall review existing agreements with nonprofit corporations every five years and may renew or terminate an agreement based on that review. In making this review, the commissioner shall consider, among other criteria, the criteria in paragraph (d).

Subd. 4. **Loans to businesses.** (a) The criteria in this subdivision apply to loans made by nonprofit corporations under the program.

(b) Loans must be used to support a new cannabis microbusiness 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.

(c) Loans must be made to cannabis microbusinesses that are not likely to undertake the project for which loans are sought without assistance from the program.

(d) The minimum state contribution to a loan is \$2,500 and the maximum is either:

(1) \$50,000; or

(2) \$150,000, if state contributions are matched by an equal or greater amount of new private investment.

(e) Loan applications given preliminary approval by the nonprofit corporation must be forwarded to the commissioner for approval. The commissioner must give final approval for each loan made by the nonprofit corporation under the program.

(f) A cannabis microbusiness that receives a loan may apply to renew the loan. Renewal applications must be made on an annual basis and a cannabis microbusiness may receive loans for up to six consecutive years. A nonprofit corporation may renew a loan to a cannabis microbusiness that is no longer a new business provided the business would otherwise qualify for an initial loan and is in good standing with the nonprofit corporation and the commissioner. A nonprofit corporation may adjust the amount of a renewed loan, or not renew a loan, if the nonprofit corporation determines that the cannabis microbusiness is financially stable and is substantially likely to continue the project for which the loan renewal is sought.

(g) If a borrower has met lender criteria, including being current with all payments for a minimum of three years, the commissioner may approve either full or partial forgiveness of interest or principal amounts.

Subd. 5. **Revolving loan account administration.** (a) The commissioner shall establish a minimum interest rate for loans or guarantees to ensure that necessary loan administration costs are covered. The interest rate charged by a nonprofit corporation for a loan under this section must not exceed the Wall Street Journal prime rate. For a loan under this section, the nonprofit corporation may charge a loan origination fee equal to or less than one percent of the loan value. The nonprofit corporation may retain the amount of the origination fee.

(b) Loan repayment of principal must be paid to the commissioner for deposit in the CanStartup revolving loan account. Loan interest payments must be deposited in a revolving loan account created by the nonprofit

corporation originating the loan being repaid for further distribution or use, consistent with the criteria of this section.

(c) Administrative expenses of the nonprofit corporations with whom the commissioner enters into agreements, including expenses incurred by a nonprofit corporation in providing financial, technical, managerial, and marketing assistance to a business receiving a loan under this section, are eligible program expenses the commissioner may agree to pay under the grant agreement.

Subd. 6. **Program outreach.** The commissioner shall make extensive efforts to publicize this program, including through partnerships with community organizations, particularly those organizations located in areas where long-term residents are eligible to be social equity applicants.

Subd. 7. **Reporting requirements.** (a) A nonprofit corporation that receives a grant shall:

(1) submit an annual report to the commissioner by February 1 of each year that the nonprofit corporation participates in the program that includes a description of businesses supported by the grant program, an account of loans made during the calendar year, the program's impact on business creation and job creation, particularly in communities where long-term residents are eligible to be social equity applicants, the source and amount of money collected and distributed by the program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the commissioner.

(b) By March 1, 2024, and each March 1 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development that details awards given through the CanStartup program and the use of grant money, including any measures of success toward financing new cannabis microbusinesses and creating jobs in communities where long-term residents are eligible to be social equity applicants.

Sec. 2. **[116J.6595] CANNABIS INDUSTRY NAVIGATION GRANTS.**

Subdivision 1. **Establishment.** The commissioner of employment and economic development shall establish CanNavigate, a program to award grants to eligible organizations to help individuals navigate the regulatory structure of the legal cannabis industry.

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Eligible organization" means any organization capable of helping individuals navigate the regulatory structure of the legal cannabis industry, particularly individuals facing barriers to education or employment, and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

(d) "Industry" means the legal cannabis industry in the state of Minnesota.

(e) "Program" means the CanNavigate grant program.

(f) "Social equity applicant" means a person who meets the qualification requirements in section 342.17.

Subd. 3. Grants to organizations. (a) Grant money awarded to eligible organizations may be used for both developing technical assistance resources relevant to the regulatory structure of the legal cannabis industry and for providing technical assistance or navigation services to individuals.

(b) The commissioner must award grants to eligible organizations through a competitive grant process.

(c) To receive grant money, an eligible organization must submit a written application to the commissioner, using a form developed by the commissioner, explaining the organization's ability to assist individuals in navigating the regulatory structure of the legal cannabis industry, particularly individuals facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed technical assistance or navigation services, including the types of individuals targeted for assistance;

(2) any evidence of the organization's past success in providing technical assistance or navigation services to individuals, particularly individuals who live in areas where long-term residents are eligible to be social equity applicants;

(3) an estimate of the cost of providing the technical assistance;

(4) the sources and amounts of any nonstate money or in-kind contributions that will supplement grant money, including any amounts that individuals will be charged to receive assistance; and

(5) any additional information requested by the commissioner.

(e) In awarding grants under this subdivision, the commissioner shall give weight to applications from organizations that demonstrate a history of successful technical assistance or navigation services, particularly for individuals facing barriers to education or employment. The commissioner shall also give weight to applications where the proposed technical assistance will serve areas where long-term residents are eligible to be social equity applicants. To the extent practicable, the commissioner shall fund technical assistance for a variety of sectors in the legal cannabis industry, including both processing and retail sectors.

Subd. 4. Program outreach. The commissioner shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those organizations located in areas where long-term residents are eligible to be social equity applicants.

Subd. 5. Reports to the legislature. By January 15, 2024, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development that details awards given through the CanNavigate program and the use of grant money, including any measures of success toward helping individuals navigate the regulatory structure of the legal cannabis industry.

Sec. 3. [116L.90] CANNABIS INDUSTRY TRAINING GRANTS.

Subdivision 1. Establishment. The commissioner of employment and economic development shall establish CanTrain, a program to award grants to (1) eligible organizations to train people for work in the legal cannabis industry, and (2) eligible individuals to acquire such training.

Subd. 2. Definitions. (a) For the purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Eligible organization" means any organization capable of providing training relevant to the legal cannabis industry, particularly for individuals facing barriers to education or employment, and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, labor organizations that represent cannabis workers in the state, or partnerships between different types of organizations.

(d) "Eligible individual" means a Minnesota resident who is 21 years old or older.

(e) "Industry" means the legal cannabis industry in Minnesota.

(f) "Program" means the CanTrain grant program.

(g) "Social equity applicant" means a person who meets the qualification requirements in section 342.17.

Subd. 3. **Grants to organizations.** (a) Grant money awarded to eligible organizations may be used for both developing a training program relevant to the legal cannabis industry and for providing such training to individuals.

(b) The commissioner must award grants to eligible organizations through a competitive grant process.

(c) To receive grant money, an eligible organization must submit a written application to the commissioner, using a form developed by the commissioner, explaining the organization's ability to train individuals for successful careers in the legal cannabis industry, particularly individuals facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed training;

(2) an analysis of the degree of demand in the legal cannabis industry for the skills gained through the proposed training;

(3) any evidence of the organization's past success in training individuals for successful careers, particularly in new or emerging industries;

(4) an estimate of the cost of providing the proposed training;

(5) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money, including any amounts that individuals will be charged to participate in the training; and

(6) any additional information requested by the commissioner.

(e) In awarding grants under this subdivision, the commissioner shall give weight to applications from organizations that demonstrate a history of successful career training, particularly for individuals facing barriers to education or employment. The commissioner shall also give weight to applications where the proposed training will:

(1) result in an industry-relevant credential; or

(2) include opportunities for hands-on or on-site experience in the industry.

The commissioner shall fund training for a broad range of careers in the legal cannabis industry, including both potential business owners and employees and for work in the growing, processing, and retail sectors of the legal cannabis industry.

Subd. 4. **Grants to individuals.** (a) The commissioner shall award grants of up to \$20,000 to eligible individuals to pursue a training program relevant to a career in the legal cannabis industry.

(b) To receive grant money, an eligible individual must submit a written application to the commissioner, using a form developed by the commissioner, identifying a training program relevant to the legal cannabis industry and the estimated cost of completing that training. The application must also indicate whether:

(1) the applicant is eligible to be a social equity applicant;

(2) the proposed training program results in an industry-relevant credential; and

(3) the proposed training program includes opportunities for hands-on or on-site experience in the industry.

The commissioner shall attempt to make the application process simple for individuals to complete, such as by publishing lists of industry-relevant training programs along with the training program's estimated cost of completing the training programs and whether the training programs will result in an industry-relevant credential or include opportunities for hands-on or on-site experience in the legal cannabis industry.

(c) The commissioner must award grants to eligible individuals through a lottery process. Applicants who have filed complete applications by the deadline set by the commissioner shall receive one entry in the lottery, plus one additional entry for each of the following:

(1) being eligible to be a social equity applicant;

(2) seeking to enroll in a training program that results in an industry-relevant credential; and

(3) seeking to enroll in a training program that includes opportunities for hands-on or on-site experience in the industry.

(d) Grant money awarded to eligible individuals shall be used to pay the costs of enrolling in a training program relevant to the legal cannabis industry, including tuition, fees, and materials costs. Grant money may also be used to remove external barriers to attending such a training program, such as the cost of child care, transportation, or other expenses approved by the commissioner.

Subd. 5. **Program outreach.** The commissioner shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those organizations located in areas where long-term residents are eligible to be social equity applicants.

Subd. 6. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over workforce development that describes awards given through the CanTrain program and the use of grant money, including any measures of success toward training people for successful careers in the legal cannabis industry.

ARTICLE 4

CRIMINAL PENALTIES

Section 1. Minnesota Statutes 2022, section 97B.065, subdivision 1, is amended to read:

Subdivision 1. **Acts prohibited.** (a) A person may not take wild animals with a firearm or by archery:

- (1) when the person is under the influence of alcohol;
- (2) when the person is under the influence of a controlled substance, as defined in section 152.01, subdivision 4;
- (3) when the person is under the influence of a combination of any two or more of the elements in clauses (1) ~~and~~, (2), and (7);
- (4) when the person's alcohol concentration is 0.08 or more;
- (5) when the person's alcohol concentration as measured within two hours of the time of taking is 0.08 or more; ~~or~~
- (6) when the person is under the influence of an intoxicating substance as defined in section 169A.03, subdivision 11a, and the person knows or has reason to know that the substance has the capacity to cause impairment; or
- (7) when the person is under the influence of cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, an artificially derived cannabinoid, or tetrahydrocannabinols, as those terms are defined in section 342.01.

(b) An owner or other person having charge or control of a firearm or bow may not authorize or permit an individual the person knows or has reason to believe is under the influence of alcohol or a controlled substance, as provided under paragraph (a), to possess the firearm or bow in this state or on a boundary water of this state.

(c) A person may not possess a loaded or uncased firearm or an uncased bow afield under any of the conditions in paragraph (a).

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 25. **Artificially derived cannabinoid.** "Artificially derived cannabinoid" has the meaning given in section 342.01, subdivision 6.

Sec. 3. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 26. **Cannabis concentrate.** "Cannabis concentrate" has the meaning given in section 342.01, subdivision 15.

Sec. 4. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 27. **Cannabis flower.** "Cannabis flower" has the meaning given in section 342.01, subdivision 16.

Sec. 5. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 28. **Cannabis plant.** "Cannabis plant" has the meaning given in section 342.01, subdivision 19.

Sec. 6. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 29. **Cannabis product.** "Cannabis product" has the meaning given in section 342.01, subdivision 20.

Sec. 7. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 30. **Edible cannabis product.** "Edible cannabis product" has the meaning given in section 342.01, subdivision 31.

Sec. 8. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 31. **Hemp-derived consumer product.** "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 37.

Sec. 9. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 32. **Lower-potency hemp edible.** "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 50.

Sec. 10. Minnesota Statutes 2022, section 152.021, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the first degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 17 grams or more containing cocaine or methamphetamine;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves two aggravating factors;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing heroin;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing a narcotic drug other than cocaine, heroin, or methamphetamine; or

(5) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing amphetamine, phenylcyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 200 or more dosage units; ~~or,~~

~~(6) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols.~~

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2022, section 152.021, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of a controlled substance crime in the first degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing cocaine or methamphetamine;

(2) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves two aggravating factors;

(3) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing heroin;

(4) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing a narcotic drug other than cocaine, heroin, or methamphetamine;

(5) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 500 or more dosage units; or

(6) the person unlawfully possesses ~~one or more mixtures of a total weight of 50 kilograms or more containing marijuana or Tetrahydrocannabinols, or possesses 500 or more marijuana plants.;~~

(i) 50 kilograms or more of cannabis flower;

(ii) ten kilograms or more of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than one kilogram of tetrahydrocannabinols.

(b) For the purposes of this subdivision, the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2022, section 152.022, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the second degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than heroin;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves three aggravating factors;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more containing heroin;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units;

~~(5) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols;~~

~~(6)~~ (5) the person unlawfully sells any amount of a Schedule I or II narcotic drug to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or

~~(7)~~ (6) the person unlawfully sells any of the following in a school zone, a park zone, a public housing zone, or a drug treatment facility:

(i) any amount of a Schedule I or II narcotic drug, lysergic acid diethylamide (LSD), 3,4-methylenedioxy amphetamine, or 3,4-methylenedioxymethamphetamine; or

(ii) one or more mixtures containing methamphetamine or amphetamine; or

~~(iii) one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols.~~

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 13. Minnesota Statutes 2022, section 152.022, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the second degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing cocaine or methamphetamine;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves three aggravating factors;

(3) the person unlawfully possesses one or more mixtures of a total weight of six grams or more containing heroin;

(4) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing a narcotic drug other than cocaine, heroin, or methamphetamine;

(5) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 100 or more dosage units; or

(6) the person unlawfully possesses ~~one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols, or possesses 100 or more marijuana plants;~~

(i) 25 kilograms or more of cannabis flower;

(ii) five kilograms or more of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than 500 grams of tetrahydrocannabinols.

(b) For the purposes of this subdivision, the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 14. Minnesota Statutes 2022, section 152.023, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully sells one or more mixtures containing a narcotic drug;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures containing phencyclidine or hallucinogen, it is packaged in dosage units, and equals ten or more dosage units;

(3) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule I, II, or III, except a Schedule I or II narcotic drug, cannabis flower, or cannabinoid products to a person under the age of 18; or

(4) the person conspires with or employs a person under the age of 18 to unlawfully sell one or more mixtures containing a controlled substance listed in Schedule I, II, or III, except a Schedule I or II narcotic drug; ~~or, cannabis flower, or cannabinoid products.~~

~~(5) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols.~~

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 15. Minnesota Statutes 2022, section 152.023, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the third degree if:

(1) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than heroin;

(2) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of a total weight of three grams or more containing heroin;

(3) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully possesses any amount of a schedule I or II narcotic drug or five or more dosage units of lysergic acid diethylamide (LSD), 3,4-methylenedioxy amphetamine, or 3,4-methylenedioxymethamphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility;

(5) on one or more occasions within a 90-day period the person unlawfully possesses ~~one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols;~~

(i) more than ten kilograms of cannabis flower;

(ii) more than two kilograms of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than 200 grams of tetrahydrocannabinol; or

(6) the person unlawfully possesses one or more mixtures containing methamphetamine or amphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility.

(b) For the purposes of this subdivision, the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 16. Minnesota Statutes 2022, section 152.024, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the fourth degree if:

(1) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule I, II, or III, except marijuana or Tetrahydrocannabinols;

(2) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule IV or V to a person under the age of 18; or

(3) the person conspires with or employs a person under the age of 18 to unlawfully sell a controlled substance classified in Schedule IV or V; ~~or.~~

~~(4) the person unlawfully sells any amount of marijuana or Tetrahydrocannabinols in a school zone, a park zone, a public housing zone, or a drug treatment facility, except a small amount for no remuneration.~~

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 17. Minnesota Statutes 2022, section 152.025, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of a controlled substance crime in the fifth degree and upon conviction may be sentenced as provided in subdivision 4 if:

~~(1) the person unlawfully sells one or more mixtures containing marijuana or tetrahydrocannabinols, except a small amount of marijuana for no remuneration; or~~

(2) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule IV.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 18. Minnesota Statutes 2022, section 152.025, subdivision 2, is amended to read:

Subd. 2. **Possession and other crimes.** A person is guilty of controlled substance crime in the fifth degree and upon conviction may be sentenced as provided in subdivision 4 if:

(1) the person unlawfully possesses one or more mixtures containing a controlled substance classified in Schedule I, II, III, or IV, except ~~a small amount of marijuana~~ cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products; or

(2) the person procures, attempts to procure, possesses, or has control over a controlled substance by any of the following means:

(i) fraud, deceit, misrepresentation, or subterfuge;

(ii) using a false name or giving false credit; or

(iii) falsely assuming the title of, or falsely representing any person to be, a manufacturer, wholesaler, pharmacist, physician, doctor of osteopathic medicine licensed to practice medicine, dentist, podiatrist, veterinarian, or other authorized person for the purpose of obtaining a controlled substance.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 19. **[152.0263] CANNABIS POSSESSION CRIMES.**

Subdivision 1. **Possession of cannabis in the first degree.** A person is guilty of cannabis possession in the first degree and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person unlawfully possesses any of the following:

(1) more than two pounds but not more than ten kilograms of cannabis flower;

(2) more than 160 grams but not more than two kilograms of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 16 grams but not more than 200 grams of tetrahydrocannabinol.

Subd. 2. **Possession of cannabis in the second degree.** A person is guilty of cannabis possession in the second degree and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the person unlawfully possesses any of the following:

(1) more than one pound but not more than two pounds of cannabis flower in any place other than the person's residence;

(2) more than 80 grams but not more than 160 grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than eight grams but not more than 16 grams of tetrahydrocannabinol.

Subd. 3. **Possession of cannabis in the third degree.** A person is guilty of cannabis possession in the third degree and may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both, if the person unlawfully possesses any of the following:

(1) more than four ounces but not more than one pound of cannabis flower in any place other than the person's residence;

(2) more than 16 grams but not more than 80 grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 1,600 milligrams but not more than eight grams of tetrahydrocannabinol.

Subd. 4. **Possession of cannabis in the fourth degree.** A person is guilty of a petty misdemeanor if the person unlawfully possesses any of the following:

(1) more than two ounces but not more than four ounces of cannabis flower in any place other than the person's residence;

(2) more than eight grams but not more than 16 grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams but not more than 1,600 milligrams of tetrahydrocannabinol.

Subd. 5. **Use of cannabis in public.** A local unit of government may adopt an ordinance establishing a petty misdemeanor offense for a person who unlawfully uses cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place provided that the definition of public place does not include the following:

(1) a private residence, including the person's curtilage or yard;

(2) private property not generally accessible by the public, unless the person is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property; or

(3) the premises of an establishment or event licensed to permit on-site consumption.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 20. **[152.0264] CANNABIS SALE CRIMES.**

Subdivision 1. **Sale of cannabis in the first degree.** An adult is guilty of the sale of cannabis in the first degree and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the adult unlawfully sells more than two ounces of cannabis flower; more than eight grams of cannabis concentrate; or edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of tetrahydrocannabinol:

(1) to a minor and the defendant is more than 36 months older than the minor;

(2) within ten years of two or more convictions under subdivision 2 or 3; or

(3) within ten years of a conviction under this subdivision.

Subd. 2. Sale of cannabis in the second degree. An adult is guilty of sale of cannabis in the second degree and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the adult:

(1) unlawfully sells more than two ounces of cannabis flower; more than eight grams of cannabis concentrate; or edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of tetrahydrocannabinol:

(i) in a school zone, a park zone, or a drug treatment facility; or

(ii) within ten years of a conviction under subdivision 1, 2, or 3; or

(2) unlawfully sells cannabis flower, cannabis concentrate, edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a minor.

Subd. 3. Sale of cannabis in the third degree. An adult is guilty of sale of cannabis in the third degree and may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both, if the adult unlawfully sells:

(1) more than two ounces of cannabis flower;

(2) more than eight grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of tetrahydrocannabinol.

Subd. 4. Sale of cannabis in the fourth degree. (a) An adult is guilty of a petty misdemeanor if the adult unlawfully sells:

(1) not more than two ounces of cannabis flower;

(2) not more than eight grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with not more than 800 milligrams of tetrahydrocannabinol.

(b) A sale for no remuneration by an individual over the age of 21 to another individual over the age of 21 is not an unlawful sale under this subdivision.

Subd. 5. Sale of cannabis by a minor. (a) A minor is guilty of a petty misdemeanor if the minor unlawfully sells:

(1) not more than two ounces of cannabis flower;

(2) not more than eight grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with not more than 800 milligrams of tetrahydrocannabinol.

(b) A minor is guilty of a misdemeanor if the minor unlawfully sells:

(1) more than two ounces of cannabis flower;

(2) more than eight grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of tetrahydrocannabinol.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 21. **[152.0265] CANNABIS CULTIVATION CRIMES.**

Subdivision 1. **Cultivation of cannabis in the first degree.** A person is guilty of cultivation of cannabis in the first degree and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person unlawfully cultivates more than 23 cannabis plants.

Subd. 2. **Cultivation of cannabis in the second degree.** A person is guilty of cultivation of cannabis in the second degree and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the person unlawfully cultivates more than 16 cannabis plants but not more than 23 cannabis plants.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 22. Minnesota Statutes 2022, section 152.11, subdivision 2, is amended to read:

Subd. 2. **Prescription requirements for Schedule III or IV controlled substances.** (a) Except as provided in paragraph (b), no person may dispense a controlled substance included in Schedule III or IV of section 152.02 without a prescription issued, as permitted under subdivision 1, by a doctor of medicine, a doctor of osteopathic medicine licensed to practice medicine, a doctor of dental surgery, a doctor of dental medicine, a doctor of podiatry, a doctor of optometry limited to Schedule IV, or a doctor of veterinary medicine, lawfully licensed to prescribe in this state or from a practitioner licensed to prescribe controlled substances by the state in which the prescription is issued, and having a current federal drug enforcement administration registration number. Such prescription may not be dispensed or refilled except with the documented consent of the prescriber, and in no event more than six months after the date on which such prescription was issued and no such prescription may be refilled more than five times.

(b) This subdivision does not apply to cannabis plants, cannabis flower, cannabis products, or hemp-derived consumer products sold or transferred in compliance with chapter 342.

Sec. 23. Minnesota Statutes 2022, section 169A.03, is amended by adding a subdivision to read:

Subd. 3a. **Artificially derived cannabinoid.** "Artificially derived cannabinoid" has the meaning given in section 342.01, subdivision 6.

Sec. 24. Minnesota Statutes 2022, section 169A.03, is amended by adding a subdivision to read:

Subd. 3b. **Cannabis flower.** "Cannabis flower" has the meaning given in section 342.01, subdivision 16.

Sec. 25. Minnesota Statutes 2022, section 169A.03, is amended by adding a subdivision to read:

Subd. 3c. **Cannabis product.** "Cannabis product" has the meaning given in section 342.01, subdivision 20.

Sec. 26. Minnesota Statutes 2022, section 169A.03, is amended by adding a subdivision to read:

Subd. 10a. **Hemp-derived consumer product.** "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 37.

Sec. 27. Minnesota Statutes 2022, section 169A.03, is amended by adding a subdivision to read:

Subd. 11b. **Lower-potency hemp edible.** "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 50.

Sec. 28. Minnesota Statutes 2022, section 169A.20, subdivision 1, is amended to read:

Subdivision 1. **Driving while impaired crime; motor vehicle.** It is a crime for any person to drive, operate, or be in physical control of any motor vehicle, as defined in section 169A.03, subdivision 15, within this state or on any boundary water of this state when:

- (1) the person is under the influence of alcohol;
- (2) the person is under the influence of a controlled substance;
- (3) the person is under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;
- (4) the person is under the influence of a combination of any two or more of the elements named in clauses (1) to (3) or (8);
- (5) the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the motor vehicle is 0.08 or more;
- (6) the vehicle is a commercial motor vehicle and the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the commercial motor vehicle is 0.04 or more; ~~or~~
- (7) the person's body contains any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, an artificially derived cannabinoid, or tetrahydrocannabinols; or
- (8) the person is under the influence of cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, an artificially derived cannabinoid, or tetrahydrocannabinols.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 29. Minnesota Statutes 2022, section 169A.31, subdivision 1, is amended to read:

Subdivision 1. **Crime described.** It is a crime for any person to drive, operate, or be in physical control of any class of school bus or Head Start bus within this state when there is physical evidence present in the person's body of the consumption of any alcohol, cannabis flower, a cannabis product, an artificially derived cannabinoid, or tetrahydrocannabinols.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 30. **[169A.36] OPEN PACKAGE LAW.**

Subdivision 1. **Definitions.** As used in this section:

(1) "motor vehicle" does not include motorboats in operation or off-road recreational vehicles except while operated on a roadway or shoulder of a roadway that is not part of a grant-in-aid trail or trail designated for that vehicle by the commissioner of natural resources; and

(2) "possession" means either that the person had actual possession of the package or that the person consciously exercised dominion and control over the package.

Subd. 2. **Use; crime described.** It is a crime for a person to use cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, or any other product containing an artificially derived cannabinoid in a motor vehicle when the vehicle is on a street or highway.

Subd. 3. **Possession; crime described.** It is a crime for a person to have in possession, while in a private motor vehicle on a street or highway, any cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, or any other product containing an artificially derived cannabinoid that:

(1) is in packaging or another container that does not comply with the relevant packaging requirements in chapter 152 or 342;

(2) has been removed from the packaging in which it was sold;

(3) is in packaging that has been opened or the seal has been broken; or

(4) is in packaging of which the contents have been partially removed.

Subd. 4. **Liability of nonpresent owner; crime described.** It is a crime for the owner of any private motor vehicle or the driver, if the owner is not present in the motor vehicle, to keep or allow to be kept in a motor vehicle when the vehicle is on a street or highway any cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, or any other product containing an artificially derived cannabinoid that:

(1) is in packaging or another container that does not comply with the relevant packaging requirements in chapter 152 or 342;

(2) has been removed from the packaging in which it was sold;

(3) is in packaging that has been opened or the seal has been broken; or

(4) is in packaging of which the contents have been partially removed.

Subd. 5. **Criminal penalty.** A person who violates subdivision 2, 3, or 4 is guilty of a misdemeanor.

Subd. 6. **Exceptions.** (a) This section does not prohibit the possession or consumption of cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, or any other product containing an artificially derived cannabinoid by passengers in:

(1) a bus that is operated by a motor carrier of passengers as defined in section 221.012, subdivision 26;

(2) a vehicle that is operated for commercial purposes in a manner similar to a bicycle as defined in section 169.011, subdivision 4, with five or more passengers who provide pedal power to the drive train of the vehicle; or

(3) a vehicle providing limousine service as defined in section 221.84, subdivision 1.

(b) Subdivisions 3 and 4 do not apply to: (1) a package that is in the trunk of the vehicle if the vehicle is equipped with a trunk; or (2) a package that is in another area of the vehicle not normally occupied by the driver and passengers if the vehicle is not equipped with a trunk. A utility compartment or glove compartment is deemed to be within the area occupied by the driver and passengers.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 31. Minnesota Statutes 2022, section 169A.51, subdivision 1, is amended to read:

Subdivision 1. **Implied consent; conditions; election of test.** (a) Any person who drives, operates, or is in physical control of a motor vehicle within this state or on any boundary water of this state consents, subject to the provisions of sections 169A.50 to 169A.53 (implied consent law), and section 169A.20 (driving while impaired), to a chemical test of that person's blood, breath, or urine for the purpose of determining the presence of alcohol; a controlled substance or its metabolite; cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or an intoxicating substance. The test must be administered at the direction of a peace officer.

(b) The test may be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired), and one of the following conditions exist:

(1) the person has been lawfully placed under arrest for violation of section 169A.20 or an ordinance in conformity with it;

(2) the person has been involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death;

(3) the person has refused to take the screening test provided for by section 169A.41 (preliminary screening test); or

(4) the screening test was administered and indicated an alcohol concentration of 0.08 or more.

(c) The test may also be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a commercial motor vehicle with the presence of any alcohol.

Sec. 32. Minnesota Statutes 2022, section 169A.51, subdivision 4, is amended to read:

Subd. 4. **Requirement of urine or blood test.** A blood or urine test may be required pursuant to a search warrant under sections 626.04 to 626.18 even after a breath test has been administered if there is probable cause to believe that:

(1) there is impairment by a controlled substance ~~or~~; an intoxicating substance; or cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols that is not subject to testing by a breath test;

(2) a controlled substance listed in Schedule I or II or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body; or

(3) the person is unconscious or incapacitated to the point that the peace officer providing a breath test advisory, administering a breath test, or serving the search warrant has a good-faith belief that the person is mentally or physically unable to comprehend the breath test advisory or otherwise voluntarily submit to chemical tests.

Action may be taken against a person who refuses to take a blood test under this subdivision only if a urine test was offered and action may be taken against a person who refuses to take a urine test only if a blood test was offered. This limitation does not apply to an unconscious person under the circumstances described in clause (3).

Sec. 33. Minnesota Statutes 2022, section 169A.72, is amended to read:

169A.72 DRIVER EDUCATION PROGRAMS.

Driver training courses offered through the public schools and driver training courses offered by private or commercial schools or institutes shall include instruction which must encompass at least:

(1) information on the effects of consumption of beverage alcohol products and the use of illegal drugs, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, artificially derived cannabinoids, tetrahydrocannabinol derived from any source, prescription drugs, and nonprescription drugs on the ability of a person to operate a motor vehicle;

(2) the hazards of driving while under the influence of alcohol, a controlled substance, or ~~drugs~~ an intoxicating substance; and

(3) the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol, a controlled substance, or ~~drugs~~ an intoxicating substance.

Sec. 34. Minnesota Statutes 2022, section 244.05, subdivision 2, is amended to read:

Subd. 2. **Rules.** (a) The commissioner of corrections shall adopt by rule standards and procedures for the establishment of conditions of release and the revocation of supervised or conditional release, and shall specify the period of revocation for each violation of release. Procedures for the revocation of release shall provide due process of law for the inmate.

(b) The commissioner may prohibit an inmate placed on parole, supervised release, or conditional release from using adult-use cannabis flower as defined in section 342.01, subdivision 3, or adult-use cannabis products as defined in section 342.01, subdivision 3, hemp-derived consumer products as defined in section 342.01, subdivision 35, or lower-potency hemp edibles as defined in section 342.01, subdivision 48, if the inmate undergoes a chemical use assessment and abstinence is consistent with a recommended level of care for the defendant in accordance with the criteria under section 254B.04, subdivision 4.

(c) The commissioner of corrections shall not prohibit an inmate placed on parole, supervised release, or conditional release from participating in the registry program as defined in section 342.01, subdivision 61, as a condition of release or revoke a patient's parole, supervised release, or conditional release or otherwise sanction a patient on parole, supervised release, or conditional release solely for participating in the registry program or for a positive drug test for cannabis components or metabolites.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to supervised release granted on or after that date.

Sec. 35. Minnesota Statutes 2022, section 192A.555, is amended to read:

192A.555 DRIVING WHILE UNDER THE INFLUENCE OR RECKLESS DRIVING.

Any person subject to this code who drives, operates or is in physical control of any motor vehicle or aircraft while under the influence of an alcoholic beverage ~~or~~; controlled substance; cannabis flower, cannabis product, lower-potency hemp edible, hemp-derived consumer product, artificially derived cannabinoid, or tetrahydrocannabinols, as those terms are defined in section 342.01, or a combination thereof or whose blood contains 0.08 percent or more by weight of alcohol or who operates said motor vehicle or aircraft in a reckless or wanton manner, shall be punished as a court-martial may direct.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 36. Minnesota Statutes 2022, section 360.0752, subdivision 2, is amended to read:

Subd. 2. **Crime; acts prohibited.** (a) It is a crime for any person to operate or attempt to operate an aircraft on or over land or water within this state or over any boundary water of this state under any of the following conditions:

- (1) when the person is under the influence of alcohol;
- (2) when the person is under the influence of a controlled substance;
- (3) when the person is under the influence of a combination of any two or more of the elements named in clauses (1), (2), ~~and~~ (6), and (9);
- (4) when the person's alcohol concentration is 0.04 or more;
- (5) when the person's alcohol concentration as measured within two hours of the time of operation or attempted operation is 0.04 or more;
- (6) when the person is under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;
- (7) when the person's body contains any amount of a controlled substance listed in Schedule I or II, other than marijuana or tetrahydrocannabinols; ~~or~~
- (8) within eight hours of having consumed any alcoholic beverage or used any controlled substance; or
- (9) when the person is under the influence of cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, an artificially derived cannabinoid, or tetrahydrocannabinols, as those terms are defined in section 342.01.

(b) If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of paragraph (a), clause (7), that the defendant used the controlled substance according to the terms of a prescription issued for the defendant in accordance with sections 152.11 and 152.12.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 37. Minnesota Statutes 2022, section 609.135, subdivision 1, is amended to read:

Subdivision 1. **Terms and conditions.** (a) Except when a sentence of life imprisonment is required by law, or when a mandatory minimum sentence is required by section 609.11, any court may stay imposition or execution of sentence and:

(1) may order intermediate sanctions without placing the defendant on probation; or

(2) may place the defendant on probation with or without supervision and on the terms the court prescribes, including intermediate sanctions when practicable. The court may order the supervision to be under the probation officer of the court, or, if there is none and the conviction is for a felony or gross misdemeanor, by the commissioner of corrections, or in any case by some other suitable and consenting person. Unless the court directs otherwise, state parole and probation agents and probation officers may impose community work service or probation violation sanctions, consistent with section 243.05, subdivision 1; sections 244.196 to 244.199; or 401.02, subdivision 5.

No intermediate sanction may be ordered performed at a location that fails to observe applicable requirements or standards of chapter 181A or 182, or any rule promulgated under them.

(b) For purposes of this subdivision, subdivision 6, and section 609.14, the term "intermediate sanctions" includes but is not limited to incarceration in a local jail or workhouse, home detention, electronic monitoring, intensive probation, sentencing to service, reporting to a day reporting center, chemical dependency or mental health treatment or counseling, restitution, fines, day-fines, community work service, work service in a restorative justice program, work in lieu of or to work off fines and, with the victim's consent, work in lieu of or to work off restitution.

(c) A court may not stay the revocation of the driver's license of a person convicted of violating the provisions of section 169A.20.

(d) If the court orders a fine, day-fine, or restitution as an intermediate sanction, payment is due on the date imposed unless the court otherwise establishes a due date or a payment plan.

(e) The court may prohibit a defendant from using adult-use cannabis flower as defined in section 342.01, subdivision 4, or adult-use cannabis products as defined in section 342.01, subdivision 2, if the defendant undergoes a chemical use assessment and abstinence is consistent with a recommended level of care for the defendant in accordance with the criteria under section 254B.04, subdivision 4. The assessment must be conducted by an assessor qualified under section 245G.11, subdivisions 1 and 5.

(f) A court shall not impose an intermediate sanction that has the effect of prohibiting a person from participating in the registry program as defined in section 342.01, subdivision 63.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to sentences ordered on or after that date.

Sec. 38. Minnesota Statutes 2022, section 609.2111, is amended to read:

609.2111 DEFINITIONS.

(a) For purposes of sections 609.2111 to 609.2114, the terms defined in this subdivision have the meanings given them.

(b) "Motor vehicle" has the meaning given in section 609.52, subdivision 1, and includes attached trailers.

(c) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

(d) "Intoxicating substance" has the meaning given in section 169A.03, subdivision 11a.

(e) "Qualified prior driving offense" includes a prior conviction:

(1) for a violation of section 169A.20 under the circumstances described in section 169A.24 or 169A.25;

(2) under section 609.2112, subdivision 1, paragraph (a), clauses (2) to (6); 609.2113, subdivision 1, clauses (2) to (6); 2, clauses (2) to (6); or 3, clauses (2) to (6); or 609.2114, subdivision 1, paragraph (a), clauses (2) to (6); or 2, clauses (2) to (6);

(3) under Minnesota Statutes 2012, section 609.21, subdivision 1, clauses (2) to (6); or

(4) under Minnesota Statutes 2006, section 609.21, subdivision 1, clauses (2) to (6); 2, clauses (2) to (6); 2a, clauses (2) to (6); 2b, clauses (2) to (6); 3, clauses (2) to (6); or 4, clauses (2) to (6).

(f) "Artificially derived cannabinoid" has the meaning given in section 342.01, subdivision 6.

(g) "Cannabis flower" has the meaning given in section 342.01, subdivision 16.

(h) "Cannabis product" has the meaning given in section 342.01, subdivision 20.

(i) "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 37.

(j) "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 50.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 39. Minnesota Statutes 2022, section 609.2112, subdivision 1, is amended to read:

Subdivision 1. **Criminal vehicular homicide.** (a) Except as provided in paragraph (b), a person is guilty of criminal vehicular homicide and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the person causes the death of a human being not constituting murder or manslaughter as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; ~~or~~

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

~~(iii)~~ (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the collision leaves the scene of the collision in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the death was caused by the defective maintenance.

(b) If a person is sentenced under paragraph (a) for a violation under paragraph (a), clauses (2) to (6), occurring within ten years of a qualified prior driving offense, the statutory maximum sentence of imprisonment is 15 years.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 40. Minnesota Statutes 2022, section 609.2113, subdivision 1, is amended to read:

Subdivision 1. **Great bodily harm.** A person is guilty of criminal vehicular operation resulting in great bodily harm and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person causes great bodily harm to another not constituting attempted murder or assault as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; ~~or~~

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

~~(iii)~~ (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 41. Minnesota Statutes 2022, section 609.2113, subdivision 2, is amended to read:

Subd. 2. **Substantial bodily harm.** A person is guilty of criminal vehicular operation resulting in substantial bodily harm and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$10,000, or both, if the person causes substantial bodily harm to another as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; ~~or~~

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

~~(iii)~~ (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 42. Minnesota Statutes 2022, section 609.2113, subdivision 3, is amended to read:

Subd. 3. **Bodily harm.** A person is guilty of criminal vehicular operation resulting in bodily harm and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the person causes bodily harm to another as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; ~~or~~

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

~~(iii)~~ (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 43. Minnesota Statutes 2022, section 609.2114, subdivision 1, is amended to read:

Subdivision 1. **Death to an unborn child.** (a) Except as provided in paragraph (b), a person is guilty of criminal vehicular operation resulting in death to an unborn child and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the person causes the death of an unborn child as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; ~~or~~

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

~~(iii)~~ (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

(b) If a person is sentenced under paragraph (a) for a violation under paragraph (a), clauses (2) to (6), occurring within ten years of a qualified prior driving offense, the statutory maximum sentence of imprisonment is 15 years.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 44. Minnesota Statutes 2022, section 609.2114, subdivision 2, is amended to read:

Subd. 2. **Injury to an unborn child.** A person is guilty of criminal vehicular operation resulting in injury to an unborn child and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person causes the great bodily harm to an unborn child subsequently born alive as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; ~~or~~

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

(iii) (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 45. Minnesota Statutes 2022, section 609.5311, subdivision 1, is amended to read:

Subdivision 1. **Controlled substances.** All controlled substances that were manufactured, distributed, dispensed, or acquired in violation of chapter 152 or 342 are subject to forfeiture under this section, except as provided in subdivision 3 and section 609.5316.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to violations committed on or after that date.

Sec. 46. Minnesota Statutes 2022, section 609.5314, subdivision 1, is amended to read:

Subdivision 1. **Property subject to administrative forfeiture.** (a) The following are subject to administrative forfeiture under this section:

(1) all money totaling \$1,500 or more, precious metals, and precious stones that there is probable cause to believe represent the proceeds of a controlled substance offense;

(2) all money found in proximity to controlled substances when there is probable cause to believe that the money was exchanged for the purchase of a controlled substance;

(3) all conveyance devices containing controlled substances with a retail value of \$100 or more if there is probable cause to believe that the conveyance device was used in the transportation or exchange of a controlled substance intended for distribution or sale; and

(4) all firearms, ammunition, and firearm accessories found:

(i) in a conveyance device used or intended for use to commit or facilitate the commission of a felony offense involving a controlled substance;

(ii) on or in proximity to a person from whom a felony amount of controlled substance is seized; or

(iii) on the premises where a controlled substance is seized and in proximity to the controlled substance, if possession or sale of the controlled substance would be a felony under chapter 152.

(b) The Department of Corrections Fugitive Apprehension Unit shall not seize items listed in paragraph (a), clauses (3) and (4), for the purposes of forfeiture.

(c) Money is the property of an appropriate agency and may be seized and recovered by the appropriate agency if:

(1) the money is used by an appropriate agency, or furnished to a person operating on behalf of an appropriate agency, to purchase or attempt to purchase a controlled substance; and

(2) the appropriate agency records the serial number or otherwise marks the money for identification.

(d) As used in this section, "money" means United States currency and coin; the currency and coin of a foreign country; a bank check, cashier's check, or traveler's check; a prepaid credit card; cryptocurrency; or a money order.

(e) As used in this section, "controlled substance" does not include cannabis flower as defined in section 342.01, subdivision 15, cannabis products as defined in section 342.01, subdivision 19, hemp-derived consumer products as defined in section 342.01, subdivision 35, or lower-potency hemp edibles as defined in section 342.01, subdivision 48.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 47. Minnesota Statutes 2022, section 609.5316, subdivision 2, is amended to read:

Subd. 2. **Controlled substances.** (a) Controlled substances listed in Schedule I that are possessed, transferred, sold, or offered for sale in violation of chapter 152 or 342, are contraband and must be seized and summarily forfeited. Controlled substances listed in Schedule I that are seized or come into the possession of peace officers, the owners of which are unknown, are contraband and must be summarily forfeited.

(b) Species of plants from which controlled substances in Schedules I and II may be derived that have been planted or cultivated in violation of chapter 152 or of which the owners or cultivators are unknown, or that are wild growths, may be seized and summarily forfeited to the state. The appropriate agency or its authorized agent may seize the plants if the person in occupancy or in control of land or premises where the plants are growing or being stored fails to produce an appropriate registration or proof that the person is the holder of appropriate registration.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 48. Minnesota Statutes 2022, section 624.7142, subdivision 1, is amended to read:

Subdivision 1. **Acts prohibited.** A person may not carry a pistol on or about the person's clothes or person in a public place:

(1) when the person is under the influence of a controlled substance, as defined in section 152.01, subdivision 4;

(2) when the person is under the influence of a combination of any two or more of the elements named in clauses (1) ~~and~~ (4), and (7);

(3) when the person is under the influence of an intoxicating substance as defined in section 169A.03, subdivision 11a, and the person knows or has reason to know that the substance has the capacity to cause impairment;

(4) when the person is under the influence of alcohol;

(5) when the person's alcohol concentration is 0.10 or more; ~~or~~

(6) when the person's alcohol concentration is less than 0.10, but more than 0.04; or

(7) when the person is under the influence of cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, an artificially derived cannabinoid, or tetrahydrocannabinols, as those terms are defined in section 342.01.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 49. DWI CONTROLLED SUBSTANCE ROADSIDE TESTING INSTRUMENT PILOT PROJECT; REPORT REQUIRED.

(a) The commissioner of public safety must design, plan, and implement a pilot project to study oral fluid roadside testing instruments to determine the presence of a controlled substance or intoxicating substance in individuals stopped or arrested for driving while impaired offenses. The pilot project must determine the practicality, accuracy, and efficacy of these testing instruments and determine and make recommendations on the best instrument or instruments to pursue in the future.

(b) The pilot project must begin on September 1, 2023, and continue until August 31, 2024.

(c) The commissioner must consult with law enforcement officials, prosecutors, criminal defense attorneys, and other interested and knowledgeable parties when designing, implementing, and evaluating the pilot project.

(d) All oral fluid samples obtained for the purpose of this pilot project must be obtained by a certified drug recognition evaluator and may only be collected with the express voluntary consent of the person stopped or arrested for suspicion of driving while impaired. Results of tests conducted under the pilot project are to be used for the purpose of analyzing the practicality, accuracy, and efficacy of the instrument. Results may not be used to decide whether an arrest should be made and are not admissible in any legal proceeding.

(e) By February 1, 2025, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety on the results of the pilot project. At a minimum, the report must include information on how accurate the instruments were when tested against laboratory results, how often participants were found to have controlled substances or intoxicating substances in their systems, how often there was commingling of controlled substances or intoxicating substances with alcohol, the types of controlled substances or intoxicating substances found in participants' systems and which types were most common, and the number of participants in the project. In addition, the report must assess the

practicality and reliability of using the instruments in the field and make recommendations on continuing the project permanently.

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

ARTICLE 5 EXPUNGEMENT

Section 1. Minnesota Statutes 2022, section 609A.01, is amended to read:

609A.01 EXPUNGEMENT OF CRIMINAL RECORDS.

This chapter provides the grounds and procedures for expungement of criminal records under section 13.82; 152.18, subdivision 1; 299C.11, where a petition is authorized under section 609A.02, subdivision 3; expungement is automatic under section 609A.055; expungement is considered by a panel under section 609A.06; or other applicable law. The remedy available is limited to a court order sealing the records and prohibiting the disclosure of their existence or their opening except under court order or statutory authority. Nothing in this chapter authorizes the destruction of records or their return to the subject of the records.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 2. [609A.055] AUTOMATIC EXPUNGEMENT OF CERTAIN CANNABIS OFFENSES.

Subdivision 1. **Eligibility; dismissal, exoneration, or conviction of nonfelony cannabis offenses.** (a) A person is eligible for expungement:

(1) upon the dismissal and discharge of proceedings against a person under section 152.18, subdivision 1, for violation of section 152.024, 152.025, or 152.027;

(2) if the person was convicted of or received a stayed sentence for a violation of section 152.027, subdivision 3 or 4;

(3) if the person was arrested and all charges were dismissed prior to a determination of probable cause for charges under section 152.021, subdivision 2, paragraph (a), clause (6); 152.022, subdivision 2, paragraph (a), clause (6); 152.023, subdivision 2, paragraph (a), clause (5); 152.024, subdivision 2, clause (2); 152.025, subdivision 2, clause (1); or 152.027, subdivision 3 or 4; or

(4) if all pending actions or proceedings were resolved in favor of the person for charges under section 152.021, subdivision 2, paragraph (a), clause (6); 152.022, subdivision 2, paragraph (a), clause (6); 152.023, subdivision 2, paragraph (a), clause (5); 152.024, subdivision 2, clause (2); 152.025, subdivision 2, clause (1); or 152.027, subdivision 3 or 4.

(b) For purposes of this section:

(1) a verdict of not guilty by reason of mental illness is not a resolution in favor of the person; and

(2) an action or proceeding is resolved in favor of the person if the person received an order under section 590.11 determining that the person is eligible for compensation based on exoneration.

Subd. 2. **Bureau of Criminal Apprehension to identify eligible individuals.** (a) The Bureau of Criminal Apprehension shall identify bureau records that qualify for expungement pursuant to subdivision 1.

(b) The Bureau of Criminal Apprehension shall notify the judicial branch of:

(1) the name and date of birth of each person whose case is eligible for an order of expungement; and

(2) the court file number of the eligible case.

Subd. 3. **Expungement relief; notification requirements.** (a) The Bureau of Criminal Apprehension shall grant expungement relief to each qualifying person whose records the bureau possesses and seal the bureau's records without requiring an application, petition, or motion. The bureau shall seal records related to an expungement within 60 days after the bureau sent notice of the expungement to the judicial branch pursuant to subdivision 2, paragraph (b), unless an order of the judicial branch prohibits sealing the records or additional information establishes that the records are not eligible for expungement.

(b) Nonpublic criminal records maintained by the bureau and subject to a grant of expungement relief must display a notation stating "expungement relief granted pursuant to section 609A.055."

(c) The bureau shall inform the judicial branch of all cases that are granted expungement relief pursuant to this section. The bureau may notify the judicial branch using electronic means and may notify the judicial branch immediately or in a monthly report. Upon receiving notice of an expungement, the judicial branch shall seal all related records, including records of the person's arrest, indictment, trial, verdict, and dismissal or discharge of the case. Upon receiving notice of an expungement, the judicial branch shall issue any order necessary to seal related records. The judicial branch shall not order the Department of Health or the Department of Human Services to seal records under this section.

(d) The bureau shall inform each arresting or citing law enforcement agency or prosecutorial office with records affected by the grant of expungement relief issued pursuant to paragraph (a) that expungement has been granted. The bureau shall notify each agency or office of an expungement within 60 days after the bureau sent notice of the expungement to the judicial branch. The bureau may notify each agency or office using electronic means. Upon receiving notification of an expungement, an agency or office shall seal all records related to the expungement, including the records of the person's arrest, indictment, trial, verdict, and dismissal or discharge of the case.

(e) The bureau shall provide information on its publicly facing website clearly stating that persons who are noncitizens may need copies of records affected by a grant of expungement relief for immigration purposes, explaining how they can obtain these copies after expungement or other granted relief, and stating that a noncitizen should consult with an immigration attorney.

(f) Data on a person whose offense has been expunged under this subdivision, including any notice sent pursuant to paragraph (d), are private data on individuals as defined in section 13.02, subdivision 12.

(g) Section 609A.03, subdivision 6, applies to an order issued under this section sealing the record of proceedings under section 152.18.

(h) The limitations under section 609A.03, subdivision 7a, paragraph (b), do not apply to an order issued under this section.

(i) The subject whose record qualifies for expungement shall be given access to copies of the records of arrest, conviction, or incarceration for any purposes, including immigration purposes.

(j) Relief granted under this subdivision shall not impact the ability of a petitioner to file for relief under section 590.01.

Subd. 4. **Immunity from civil liability.** The Department of Public Safety, commissioner of public safety, Bureau of Criminal Apprehension, superintendent of the Bureau of Criminal Apprehension, and all employees of the Bureau of Criminal Apprehension shall not be held civilly liable when acting in good faith to exercise the powers granted by this section or for acts or omissions occurring within the scope of the performance of their duties under this section.

Subd. 5. **Report.** The Bureau of Criminal Apprehension shall issue a report to the legislative committees and divisions with jurisdiction over public safety policy and finance upon completion of the work required under subdivision 2. The report shall contain summary data and must include the total number of expungements granted by the Bureau of Criminal Apprehension.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 3. [609A.06] EXPUNGEMENT AND RESENTENCING OF FELONY CANNABIS OFFENSES.

Subdivision 1. **Cannabis Expungement Board.** (a) The Cannabis Expungement Board is created with the powers and duties established by law.

(b) The Cannabis Expungement Board is composed of the following members:

(1) the chief justice of the supreme court or a designee;

(2) the attorney general or a designee;

(3) one public defender, appointed by the governor upon recommendation of the state public defender;

(4) the commissioner of corrections or a designee; and

(5) one public member with relevant experience, appointed by the governor.

(c) In appointing the public member described in paragraph (b), clause (5), the governor shall prioritize appointment of an individual with experience as an advocate for victim's rights.

(d) Subject to the notice requirements in section 15.0575, subdivision 4, a member may be removed by the appointing authority at any time (1) for cause, after notice and hearing, or (2) after missing three consecutive meetings. Vacancies shall be filled by the appointing authority.

(e) Members are eligible for compensation pursuant to section 15.0575, subdivision 3.

(f) The Cannabis Expungement Board shall have the following powers and duties:

(1) to obtain and review the records, including but not limited to all matters, files, documents, and papers incident to the arrest, indictment, information, trial, appeal, or dismissal and discharge, which relate to a charge for sale or possession of a controlled substance;

(2) to determine whether a person committed an act involving the sale or possession of cannabis flower or cannabinoid products that would either be a lesser offense or no longer be a crime after August 1, 2023;

(3) to determine whether a person's conviction should be vacated, charges should be dismissed, and records should be expunged, or whether the person should be resentenced to a lesser offense;

(4) to identify violations of section 152.027, subdivisions 3 and 4, that were not automatically expunged pursuant to section 609A.055; and

(5) to notify the judicial branch of individuals eligible for an expungement or resentencing to a lesser offense.

(g) The Cannabis Expungement Board shall determine when it has completed its work.

Subd. 2. **Executive director.** (a) The governor must appoint the initial executive director of the Cannabis Expungement Board. The executive director must be knowledgeable about expungement law and criminal justice. The executive director serves at the pleasure of the board in the unclassified service as an executive branch employee. Any vacancy shall be filled by the board.

(b) The executive director's salary is set in accordance with section 15A.0815, subdivision 3.

(c) The executive director may obtain office space and supplies and hire administrative staff necessary to carry out the board's official functions, including providing administrative support to the board and attending board meetings. Any additional staff serve in the classified service.

(d) At the direction of the board, the executive director may enter into interagency agreements with the Department of Corrections or any other agency to obtain material and personnel support necessary to carry out the board's mandates, policies, activities, and objectives.

Subd. 3. **Eligibility; cannabis offense.** (a) A person is eligible for an expungement or resentencing to a lesser offense if:

(1) the person was convicted of, or adjudication was stayed for, a violation of any of the following involving the sale or possession of marijuana or tetrahydrocannabinols:

(i) section 152.021, subdivision 1, clause (6);

(ii) section 152.021, subdivision 2, clause (6);

(iii) section 152.022, subdivision 1, clause (5), or clause (7), item (iii);

(iv) section 152.022, subdivision 2, clause (6);

(v) section 152.023, subdivision 1, clause (5);

(vi) section 152.023, subdivision 2, clause (5);

(vii) section 152.024, subdivision (4); or

(viii) section 152.025, subdivision 2, clause (1);

(2) the offense did not involve a dangerous weapon, the intentional infliction of bodily harm on another, an attempt to inflict bodily harm on another, or an act committed with the intent to cause fear in another of immediate bodily harm or death;

(3) the act on which the charge was based would either be a lesser offense or no longer be a crime after August 1, 2023; and

(4) the person did not appeal the conviction, any appeal was denied, or the deadline to file an appeal has expired.

(b) For purposes of this subdivision, a "lesser offense" means a nonfelony offense if the person was charged with a felony.

Subd. 4. **Bureau of Criminal Apprehension to identify eligible records.** (a) The Bureau of Criminal Apprehension shall identify convictions and sentences where adjudication was stayed that qualify for review under subdivision 3, paragraph (a), clause (1).

(b) The Bureau of Criminal Apprehension shall notify the Cannabis Expungement Board of:

(1) the name and date of birth of a person whose record is eligible for review; and

(2) the court file number of the eligible conviction or stay of adjudication.

(c) For the purposes of identifying background studies records that may be expunged or resentenced, the Bureau of Criminal Apprehension shall share the information provided to the Cannabis Expungement Board under paragraph (b) with the Department of Human Services. The Bureau of Criminal Apprehension and the Department of Human Services shall consult about the form and manner of information sharing.

Subd. 5. **Access to records.** Notwithstanding chapter 13 or any law to the contrary, the Cannabis Expungement Board shall have free access to records, including but not limited to all matters, files, documents, and papers incident to the arrest, indictment, information, trial, appeal, or dismissal and discharge that relate to a charge and conviction or stay of adjudication for sale or possession of a controlled substance held by law enforcement agencies, prosecuting authorities, and court administrators. The Cannabis Expungement Board may issue subpoenas for and compel the production of books, records, accounts, documents, and papers. If any person fails or refuses to produce any books, records, accounts, documents, or papers material in the matter under consideration after having been lawfully required by order or subpoena, any judge of the district court in any county of the state where the order or subpoena was made returnable, on application of the commissioner of management and budget or commissioner of administration, as the case may be, shall compel obedience or punish disobedience as for contempt, as in the case of disobedience of a similar order or subpoena issued by such court.

Subd. 6. **Meetings; anonymous identifier.** (a) The Cannabis Expungement Board shall hold meetings at least monthly and shall hold a meeting whenever the board takes formal action on a review of a conviction or stay of adjudication for an offense involving the sale or possession of marijuana or tetrahydrocannabinols. All board meetings shall be open to the public and subject to chapter 13D.

(b) Any victim of a crime being reviewed and any law enforcement agency may submit an oral or written statement at the meeting, giving a recommendation on whether a person's record should be expunged or the person should be resentenced to a lesser offense. The board must consider the victim's and the law enforcement agency's statement when making the board's decision.

(c) Section 13D.05 governs the board's treatment of not public data, as defined by section 13.02, subdivision 8a, discussed at open meetings of the board. Notwithstanding section 13.03, subdivision 11, the board shall assign an anonymous, unique identifier to each victim of a crime and person whose conviction or stay of adjudication the board reviews. The identifier shall be used in any discussion in a meeting open to the public and on any records available to the public to protect the identity of the person whose records are being considered.

Subd. 7. **Review and determination.** (a) The Cannabis Expungement Board shall review all available records to determine whether the conviction or stay of adjudication is eligible for an expungement or resentencing to a lesser offense. An expungement under this section is presumed to be in the public interest unless there is clear and convincing evidence that an expungement or resentencing to a lesser offense would create a risk to public safety.

(b) If the Cannabis Expungement Board determines that an expungement is in the public interest, the board shall determine whether a person's conviction should be vacated and charges should be dismissed.

(c) If the Cannabis Expungement Board determines that an expungement is in the public interest, the board shall determine whether the limitations under section 609A.03, subdivision 5a, apply.

(d) If the Cannabis Expungement Board determines that an expungement is in the public interest, the board shall determine whether the limitations under section 609A.03, subdivision 7a, paragraph (b), clause (5), apply.

(e) If the Cannabis Expungement Board determines that an expungement is not in the public interest, the board shall determine whether the person is eligible for resentencing to a lesser offense.

(f) In making a determination under this subdivision, the Cannabis Expungement Board shall consider:

(1) the nature and severity of the underlying crime, including but not limited to the total amount of marijuana or tetrahydrocannabinols possessed by the person and whether the offense involved a dangerous weapon, the intentional infliction of bodily harm on another, an attempt to inflict bodily harm on another, or an act committed with the intent to cause fear in another of immediate bodily harm or death;

(2) whether an expungement or resentencing the person a lesser offense would increase the risk, if any, the person poses to other individuals or society;

(3) if the person is under sentence, whether an expungement or resentencing to a lesser offense would result in the release of the person and whether release earlier than the date that the person would be released under the sentence currently being served would present a danger to the public or would be compatible with the welfare of society;

(4) aggravating or mitigating factors relating to the underlying crime, including the person's level of participation and the context and circumstances of the underlying crime;

(5) statements from victims and law enforcement, if any;

(6) if an expungement or resentencing the person to a lesser offense is considered, whether there is good cause to restore the person's right to possess firearms and ammunition;

(7) if an expungement is considered, whether an expunged record of a conviction or stay of adjudication may be opened for purposes of a background check required under section 122A.18, subdivision 8; and

(8) other factors deemed relevant by the Cannabis Expungement Board.

(g) In making a determination under this subdivision, the Cannabis Expungement Board shall not consider the impact the expungement would have on the offender based on any records held by the Department of Health or Human Services.

(h) The affirmative vote of three members is required for action taken at any meeting.

Subd. 8. **Identification of eligible misdemeanor and petty misdemeanor records.** The board shall identify violations of section 152.027, subdivisions 3 and 4, that were not automatically expunged pursuant to section 609A.055. Pursuant to subdivision 10, the board shall notify the judicial branch that any identified records are eligible for expungement.

Subd. 9. **Annual report.** Until the board completes its work, the board shall issue a report by January 15 of each year to the legislative committees and divisions with jurisdiction over public safety policy and finance on the board's work. The report shall contain summary data and must include:

- (1) the total number of cases reviewed in the previous year;
- (2) the total number of cases in which the board determined that an expungement is in the public interest;
- (3) the total number of cases in which the board determined that resentencing to a lesser offense is appropriate, the original sentence in those cases, and the lesser offense recommended by the board;
- (4) the total number of cases in which the board determined that no change to the original sentence was appropriate; and
- (5) the total number of cases remaining to be reviewed.

Subd. 10. **Notice to judicial branch and offenders.** (a) The Cannabis Expungement Board shall identify any conviction or stay of adjudication that qualifies for an order of expungement or resentencing to a lesser offense and notify the judicial branch of:

- (1) the name and date of birth of a person whose conviction or stay of adjudication is eligible for an order of expungement or resentencing to a lesser offense;
- (2) the court file number of the eligible conviction or stay of adjudication;
- (3) whether the person is eligible for an expungement;
- (4) if the person is eligible for an expungement, whether the person's conviction should be vacated and charges should be dismissed;
- (5) if the person is eligible for an expungement, whether there is good cause to restore the offender's right to possess firearms and ammunition;
- (6) if the person is eligible for an expungement, whether the limitations under section 609A.03, subdivision 7a, paragraph (b), clause (5), apply; and
- (7) if the person is eligible for resentencing to a lesser offense, the lesser sentence to be imposed.

(b) The Cannabis Expungement Board shall make a reasonable and good faith effort to notify any person whose conviction or stay of adjudication qualifies for an order of expungement that the offense qualifies and notice is being sent to the judicial branch. Notice sent pursuant to this paragraph shall inform the person that, following the order of expungement, any records of an arrest, conviction, or incarceration should not appear on any background check or study.

Subd. 11. **Data classification.** All data collected, created, received, maintained, or disseminated by the Cannabis Expungement Board in which each victim of a crime and person whose conviction or stay of adjudication that the Cannabis Expungement Board reviews is or can be identified as the subject of the data is classified as private data on individuals, as defined in section 13.02, subdivision 12.

Subd. 12. **Order of expungement.** (a) Upon receiving notice that an offense qualifies for expungement, the court shall issue an order sealing all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for an offense described in subdivision 3. The courts shall not order the Department of Health or Human Services to seal records under this section. If the Cannabis Expungement Board

determined that the person's conviction should be vacated and charges should be dismissed, the order shall vacate and dismiss the charges.

(b) If the Cannabis Expungement Board determined that there is good cause to restore the person's right to possess firearms and ammunition, the court shall issue an order pursuant to section 609.165, subdivision 1d.

(c) If the Cannabis Expungement Board determined that an expunged record of a conviction or stay of adjudication may not be opened for purposes of a background check required under section 122A.18, subdivision 8, the court shall direct the order specifically to the Professional Educator Licensing and Standards Board.

(d) The court administrator shall send a copy of an expungement order issued under this section to each agency and jurisdiction whose records are affected by the terms of the order and send a letter to the last known address of the person whose offense has been expunged identifying each agency to which the order was sent.

(e) In consultation with the commissioner of human services, the court shall establish a schedule on which it shall provide the commissioner of human services a list identifying the name and court file number or, if no court file number is available, the citation number of each record for a person who received an expungement under this section.

(f) Data on the person whose offense has been expunged in a letter sent under this subdivision are private data on individuals as defined in section 13.02, subdivision 12.

Subd. 13. **Resentencing.** (a) If the Cannabis Expungement Board determined that a person is eligible for resentencing to a lesser offense and the person is currently under sentence, the court shall proceed as if the appellate court directed a reduction of the conviction to an offense of lesser degree pursuant to rule 28.02, subdivision 12, of the Rules of Criminal Procedure.

(b) If the Cannabis Expungement Board determined that a person is eligible for resentencing to a lesser offense and the person completed or has been discharged from the sentence, the court may issue an order amending the conviction to an offense of lesser degree without holding a hearing.

(c) If the Cannabis Expungement Board determined that there is good cause to restore the person's right to possess firearms and ammunition, the court shall, as necessary, issue an order pursuant to section 609.165, subdivision 1d.

(d) In consultation with the commissioner of human services, the court shall establish a schedule on which it shall provide the commissioner of human services a list identifying the name and court file number or, if no court file number is available, the citation number of each record for a person who was resentenced under this section.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 4. **PROCUREMENT.**

To the extent practicable, the commissioner of public safety must comply with the requirements of Minnesota Statutes, chapter 16C. The commissioner of administration may waive the application of any provision of Minnesota Statutes, chapter 16C, on a case by case basis if the commissioner of public safety demonstrates that full compliance with that chapter would be impractical given the effective date or other

deadlines established by this act related to the responsibilities established under Minnesota Statutes, section 609A.055.

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

Sec. 5. **TRANSITION PERIOD.**

Beginning August 1, 2023, through March 1, 2024, the Department of Corrections must provide the Cannabis Expungement Board with administrative assistance, technical assistance, office space, and other assistance necessary for the board to carry out its duties under Minnesota Statutes, section 609A.06. The Cannabis Expungement Board shall reimburse the Department of Corrections for the services and space provided.

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

ARTICLE 6

MISCELLANEOUS PROVISIONS

Section 1. **[3.9224] MEDICAL CANNABIS; COMPACTS TO BE NEGOTIATED.**

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Medical cannabis law" or "medical cannabis program" means the regulatory framework for cultivation, production, distribution, and sale of cannabis to qualifying patients for therapeutic use in the treatment of a qualifying condition.

(c) "Medical cannabis flower" means cannabis flower approved for sale under the medical cannabis law of a Minnesota Tribal government or under a compact entered into under this section.

(d) "Medical cannabis product" means a cannabis product approved for sale under the medical cannabis law of a Minnesota Tribal government or under a compact entered into under this section.

(e) "Medical cannabis business" means a medical cannabis cultivator, processor, or retailer.

(f) "Medical cannabis industry" means every item, product, person, process, action, business, or other thing or activity related to medical cannabis flower or medical cannabis products and subject to regulation under the law of a Minnesota Tribal government or under a compact entered into under this section.

(g) "Cannabis product" means any of the following:

(1) cannabis concentrate;

(2) a product infused with cannabinoids (whether artificially derived, or extracted or derived from cannabis plants or cannabis flower) including but not limited to tetrahydrocannabinol; or

(3) any other product that contains cannabis concentrate.

(h) "Minnesota Tribal governments" means the following federally recognized Indian Tribes located in Minnesota:

(1) Bois Forte Band;

(2) Fond Du Lac Band;

- (3) Grand Portage Band;
- (4) Leech Lake Band;
- (5) Mille Lacs Band;
- (6) White Earth Band;
- (7) Red Lake Nation;
- (8) Lower Sioux Indian Community;
- (9) Prairie Island Indian Community;
- (10) Shakopee Mdewakanton Sioux Community; and
- (11) Upper Sioux Indian Community.

(i) "Tribal medical cannabis business" means a medical cannabis business licensed by a Minnesota Tribal government, including the business categories identified in paragraph (d), as well as any others that may be provided under the law of a Minnesota Tribal government.

(j) "Tribally regulated land" means:

(1) all land held in trust by the United States for the benefit of a Minnesota Tribal government ("trust land");

(2) all land held by a Minnesota Tribal government in restricted fee status; and

(3) all land within the exterior boundaries of the reservation of a Minnesota Tribal government that is subject to the civil regulatory jurisdiction of the Tribal government. For the purposes of this section, land that is subject to the civil regulatory jurisdiction of the Tribal government includes:

(i) trust land, or fee land held (including leased land) by the Tribe, entities organized under Tribal law, or individual Indians; and

(ii) land held (including leased land) by non-Indian entities or individuals who consent to the civil regulation of the Tribal government or are otherwise subject to such regulation under federal law.

Subd. 2. Acknowledgment and purpose; negotiations authorized. (a) The state of Minnesota acknowledges the sovereign right of Minnesota Tribal governments to regulate the medical cannabis industry and address other matters of cannabis regulation related to the internal affairs of Minnesota Tribal governments or otherwise within their jurisdiction, without regard to whether such Tribal government has entered a compact authorized by this section. The purpose of this section is to provide for the negotiation of compacts to proactively address jurisdictional issues related to the regulation of the medical cannabis industry. The legislature finds that these agreements will facilitate and promote a cooperative and mutually beneficial relationship between the state and the Tribes regarding the legalization of cannabis. Such cooperative agreements will enhance public health and safety, ensure a lawful and well-regulated medical cannabis market, encourage economic development, and provide fiscal benefits to both Indian Tribes and the state.

(b) The governor or his designee shall negotiate in good faith, and has the authority to execute and bind the state to, a compact with any Minnesota Tribal government wishing to enter into such a compact regulating medical cannabis flower and medical cannabis products.

Subd. 3. Terms of compact; rights of parties. (a) A compact agreed to under this section may address any issues related to the medical cannabis industry, including medical cannabis flower, medical cannabis products, extracts, concentrates, and artificially derived cannabinoids that affect the interest of both the state and Minnesota Tribal government or otherwise have an impact on Tribal-state relations. Indian Tribes are not required to enter into compacts pursuant to this section in order to: regulate the medical cannabis industry, or engage in medical cannabis businesses or activities on Tribally regulated land or participate as a licensee in the state's legal medical cannabis market.

(b) The state shall not, as a condition for entering into a compact under this section:

(1) require any Minnesota Tribal government to waive any right, privilege, or immunity based on their status as independent sovereigns;

(2) require that any revenue generated by a medical cannabis business licensed by a Minnesota Tribal government be subject to any state cannabis gross receipt taxes or state and local sales or use taxes on sales of cannabis;

(3) require any taxes collected by Minnesota Tribal governments to be shared in any manner with the state or any subdivisions thereof;

(4) require a Minnesota Tribal government to consent to state licensing of a medical cannabis business on the Tribally regulated land of the Minnesota Tribal government;

(5) require any Minnesota Tribal government or any medical cannabis business licensed by a Minnesota Tribal government pursuant to a compact agreed to under this section to comply with specific state law or regulations on Tribally regulated land; or

(6) impose, or attempt to impose, and shall not require or attempt to require any Indian Tribe to impose, any taxes, fees, assessments, and other charges related to the production, processing, sale, purchase, distribution, or possession of medical cannabis flower and medical cannabis products on Minnesota Tribal governments, or their members, on a reservation or Tribally regulated land.

(c) Compacts agreed to under this section may allow an exemption from any otherwise applicable tax for: (i) sales to a Minnesota Tribal government, a Tribal medical cannabis business, or Tribal members, of medical cannabis flower and cannabis products grown, produced, or processed as provided for in said compacts; or, (ii) for activities of Tribal medical cannabis businesses.

Subd. 4. Civil and criminal immunities. (a) Without limiting any immunity or exemption that may apply under federal law, the following acts, when performed by a Tribal medical cannabis business or an employee in the course of their employment for a Tribal medical cannabis business, pursuant to a compact entered into under this section, do not constitute a criminal or civil offense under state law:

(1) the cultivation of medical cannabis flower, and the extraction, processing, or manufacture of medical cannabis and artificially derived cannabinoid products, extracts, or concentrates;

(2) the possession, purchase, and receipt of medical cannabis seed, flower, and medical cannabis products that are properly packaged and labeled as authorized under a compact entered into pursuant to this section, and the sale, delivery, transport, or distribution of such products to a licensed cannabis business; and

(3) the delivery, distribution, and sale of medical cannabis seed, flower, and medical cannabis products as authorized under a compact entered into pursuant to this section and that takes place on or, originates

from, the premises of a Tribal medical cannabis business on Tribally regulated land, to any person eligible to participate in a medical cannabis program.

(b) The following acts, when performed by a patron of a Tribal medical cannabis business do not constitute a criminal or civil offense under state law: the purchase, possession, or receipt of medical cannabis seed, flower, and medical cannabis products as authorized under a compact entered into pursuant to this section.

(c) Without limiting any immunity or exemption that may apply under federal law, actions by a Tribal medical cannabis business, a Tribal member, employee, or agent of a Minnesota Tribal government or Tribal medical cannabis business on Tribally regulated land pursuant to Tribal laws governing cannabis, or a compact entered into under this section, do not constitute a criminal or civil offense under state law.

(d) The following acts, when performed by a state-licensed medical cannabis business, or an employee of such business, and which would be permitted under the terms of the applicable medical cannabis business license if undertaken with another state-licensed medical cannabis business, are permitted under the state license conditions when undertaken with a Tribal medical cannabis business and do not constitute a criminal or civil offense under state law: the possession, purchase, wholesale and retail sale, delivery, transport, distribution, and receipt of medical cannabis, seed, flower, and medical cannabis products that are properly packaged and labeled as authorized under a compact entered into pursuant to this section.

(e) Without limiting any immunity or exemption that may apply under federal law, the following acts, when performed by a Minnesota Tribal government, a Tribal medical cannabis business licensed by such Tribal government, or an employee of such Tribal government or Tribal medical cannabis business, regardless of whether the Minnesota Tribal government issuing such license has compacted with the state under this section, do not constitute a criminal or civil offense under state law: purchase, sale, receipt, or delivery (including delivery that involves transit through the state, outside a reservation), of medical cannabis flower, seed, and medical cannabis products from or to another Minnesota Tribal government or cannabis business licensed by such government.

(f) Notwithstanding any other provision of law, a state-licensed cannabis testing facility may provide cannabis testing services to a Tribal medical cannabis business, and the possession or transport of cannabis flower or cannabis products for such purpose by a Tribal cannabis business shall not constitute a criminal or civil offense under state law.

Subd. 5. **Publication.** The governor shall post any compact entered into under this section on a publicly accessible website.

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

Sec. 2. **[3.9228] ADULT-USE CANNABIS; COMPACTS TO BE NEGOTIATED.**

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Adult-use cannabis flower" means cannabis flower approved for sale to adults under the law of a Minnesota Tribal government or under a compact entered under this section.

(c) "Adult-use cannabis product" means cannabis product approved for sale to adults under the law of a Minnesota Tribal government or under a compact entered under this section.

(d) "Cannabis business" means a cannabis cultivator, manufacturer, retailer, wholesaler, transporter, testing facility, microbusiness, mezzobusiness, event organizer, delivery service, or lower potency hemp edible manufacturer or retailer.

(e) "Cannabis industry" means every item, product, person, process, action, business, or other thing or activity related to cannabis flower or cannabis products and subject to regulation under the law of a Minnesota Tribal government or under a compact entered under this section.

(f) "Cannabis product" means any of the following:

(1) cannabis concentrate;

(2) a product infused with cannabinoids (whether artificially derived, or extracted or derived from cannabis plants or cannabis flower) including but not limited to tetrahydrocannabinol; or

(3) any other product that contains cannabis concentrate.

(g) "Minnesota Tribal governments" means the following federally recognized Indian Tribes located in Minnesota:

(1) Bois Forte Band;

(2) Fond Du Lac Band;

(3) Grand Portage Band;

(4) Leech Lake Band;

(5) Mille Lacs Band;

(6) White Earth Band;

(7) Red Lake Nation;

(8) Lower Sioux Indian Community;

(9) Prairie Island Indian Community;

(10) Shakopee Mdewakanton Sioux Community; and

(11) Upper Sioux Indian Community.

(h) "Tribal cannabis business" means a cannabis business licensed by a Minnesota Tribal government, including the business categories identified in paragraph (d), as well as any others that may be provided under the law of a Minnesota Tribal government.

(i) "Tribally regulated land" means:

(1) all land held in trust by the United States for the benefit of a Minnesota Tribal government ("trust land");

(2) all land held by a Minnesota Tribal government in restricted fee status; and

(3) all land within the exterior boundaries of the reservation of a Minnesota Tribal government that is subject to the civil regulatory jurisdiction of the Tribal government. For the purposes of this section, land that is subject to the civil regulatory jurisdiction of the Tribal government includes:

(i) trust land, or fee land held (including leased land) by the Tribe, entities organized under Tribal law, or individual Indians; and

(ii) land held (including leased land) by non-Indian entities or individuals who consent to the civil regulation of the Tribal government or are otherwise subject to such regulation under federal law.

Subd. 2. Acknowledgment and purpose; negotiations authorized. (a) The state of Minnesota acknowledges the sovereign right of Minnesota Tribal governments to regulate the cannabis industry and address other matters of cannabis regulation related to the internal affairs of Minnesota Tribal governments or otherwise within their jurisdiction, without regard to whether such Tribal government has entered a compact authorized by this section. The purpose of this section is to provide for the negotiation of compacts to proactively address jurisdictional issues related to the regulation of the cannabis industry. The legislature finds that these agreements will facilitate and promote a cooperative and mutually beneficial relationship between the state and the Tribes regarding the legalization of cannabis. Such cooperative agreements will enhance public health and safety, ensure a lawful and well-regulated cannabis market, encourage economic development, and provide fiscal benefits to both Indian Tribes and the state.

(b) The governor or his designee shall negotiate in good faith, and has the authority to execute and bind the state to, a compact with any Minnesota Tribal government wishing to enter into such compact regulating adult-use cannabis flower and adult-use cannabis products.

Subd. 3. Terms of compact; rights of parties. (a) A compact agreed to under this section may address any issues related to the cannabis industry including adult-use cannabis flower, adult-use cannabis products, extracts, concentrates, and artificially derived cannabinoids that affect the interest of both the state and Minnesota Tribal government or otherwise have an impact on Tribal-state relations. Indian Tribes are not required to enter into compacts pursuant to this section in order to: regulate the cannabis industry, or engage in cannabis businesses or activities on Tribally regulated lands; or participate as a licensee in the state's legal cannabis market.

(b) The state shall not, as a condition for entering into a compact under this section:

(1) require any Minnesota Tribal government to waive any right, privilege, or immunity based on their status as independent sovereigns;

(2) require that any revenue generated by cannabis businesses licensed by a Minnesota Tribal government be subject to any state cannabis gross receipt taxes imposed under section 295.81 or state and local sales or use taxes on sales of cannabis;

(3) require any taxes collected by Minnesota Tribal governments to be shared in any manner with the state or any subdivisions thereof;

(4) require a Minnesota Tribal government to consent to state licensing of cannabis businesses on the Tribally regulated land of the Minnesota Tribal government;

(5) require any Minnesota Tribal government, or any cannabis business licensed by a Minnesota Tribal government pursuant to a compact agreed to under this section, to comply with specific state law or regulations on Tribally regulated land; or

(6) impose, or attempt to impose, and shall not require or attempt to require any Indian Tribe to impose, any taxes, fees, assessments, and other charges related to the production, processing, sale, purchase, distribution, or possession of adult-use cannabis flower and adult-use cannabis products on Minnesota Tribal governments, or their members, on a reservation or Tribally regulated land.

(c) Compacts agreed to under this section may allow an exemption from any otherwise applicable tax for: (i) sales to a Minnesota Tribal government, a Tribal cannabis business, or Tribal members, of cannabis flower and adult use cannabis products grown, produced, or processed as provided for in said compacts; or, (ii) for activities of Tribal cannabis businesses.

Subd. 4. **Civil and criminal immunities.** (a) Without limiting any immunity or exemption that may apply under federal law, the following acts, when performed by a Tribal cannabis business or an employee in the course of their employment for a Tribal cannabis business, pursuant to a compact entered into under this section, do not constitute a criminal or civil offense under state law:

(1) the cultivation of cannabis flower, and the extraction, processing, or manufacture of adult-use cannabis and artificially derived cannabinoid products, extracts, or concentrates;

(2) the possession, purchase, and receipt of adult-use cannabis seed, flower, and adult-use cannabis products that are properly packaged and labeled as authorized under a compact entered into pursuant to this section, and the sale, delivery, transport, or distribution of such products to a licensed cannabis business; and

(3) the delivery, distribution, and sale of adult-use cannabis seed, flower, and adult-use cannabis products as authorized under a compact entered into pursuant to this section and that takes place on, or originates from, the premises of a Tribal cannabis business on Tribally regulated land, to any person 21 years of age or older.

(b) The following acts, when performed by a patron of a Tribal cannabis business do not constitute a criminal or civil offense under state law: the purchase, possession, or receipt of adult-use cannabis seed, flower, and adult-use cannabis products as authorized under a compact entered into pursuant to this section.

(c) Without limiting any immunity or exemption that may apply under federal law, actions by a Tribal cannabis business, a Tribal member, employee, or agent of a Minnesota Tribal government or Tribal cannabis business on Tribally regulated land pursuant to Tribal laws governing cannabis, or a compact entered into under this section, do not constitute a criminal or civil offense under state law.

(d) The following acts, when performed by a state-licensed cannabis business, or an employee of such business, and which would be permitted under the terms of the applicable cannabis business license if undertaken with another state-licensed cannabis business, are permitted under the state license conditions when undertaken with a Tribal cannabis business and do not constitute a criminal or civil offense under state law: the possession, purchase, wholesale and retail sale, delivery, transport, distribution, and receipt of adult-use cannabis, seed, flower, and adult-use cannabis products that are properly packaged and labeled as authorized under a compact entered into pursuant to this section.

(e) Without limiting any immunity or exemption that may apply under federal law, the following acts, when performed by a Minnesota Tribal government, a Tribal cannabis business licensed by such Tribal government, or an employee of such Tribal government or Tribal cannabis business, regardless of whether the Minnesota Tribal government issuing such license has compacted with the state under this section, do not constitute a criminal or civil offense under state law: purchase, sale, receipt, or delivery (including delivery that involves transit through the state, outside a reservation), of adult-use cannabis flower, seed, or adult-use cannabis product from or to another Minnesota Tribal government or cannabis business licensed by such government.

(f) Notwithstanding any other provision of law, a state-licensed cannabis testing facility may provide cannabis testing services to a Tribal cannabis business, and the possession or transport of cannabis flower

or cannabis products for such purpose by a Tribal cannabis business shall not constitute a criminal or civil offense under state law.

Subd. 5. **Publication.** The governor shall post any compact entered into under this section on a publicly accessible website.

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

Sec. 3. Minnesota Statutes 2022, section 13.411, is amended by adding a subdivision to read:

Subd. 12. **Cannabis businesses.** Data submitted to the Office of Cannabis Management for a cannabis business license or a hemp business license and data relating to investigations and disciplinary proceedings involving cannabis businesses and hemp businesses licensed by the Office of Cannabis Management are classified under section 342.20.

Sec. 4. Minnesota Statutes 2022, section 13.871, is amended by adding a subdivision to read:

Subd. 15. **Cannabis Expungement Board records.** Data collected, created, received, maintained, or disseminated by the Cannabis Expungement Board are classified under section 609A.06, subdivision 11.

Sec. 5. Minnesota Statutes 2022, section 18K.02, subdivision 5, is amended to read:

Subd. 5. **Processing.** "Processing" means rendering by refinement hemp plants or hemp plant parts from their natural or original state after harvest. Processing includes but is not limited to decortication, devitalization, chopping, crushing, extraction, and packaging. Processing does not include typical farm operations such as sorting, grading, baling, and harvesting. Processing does not include the production of artificially derived cannabinoids as defined in section 342.01, subdivision 6.

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

Sec. 6. Minnesota Statutes 2022, section 34A.01, subdivision 4, is amended to read:

Subd. 4. **Food.** "Food" means every ingredient used for, entering into the consumption of, or used or intended for use in the preparation of food, drink, confectionery, or condiment for humans or other animals, whether simple, mixed, or compound; and articles used as components of these ingredients, except that edible ~~cannabinoid~~ cannabis products, as defined in section ~~151.72, subdivision 1, paragraph (e)~~ 342.01, subdivision 20, lower-potency hemp edibles as defined in section 342.01, subdivision 50, and hemp-derived consumer products, as defined in section 342.01, subdivision 37, that are intended to be eaten or consumed as a beverage are not food.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 7. **[120B.215] EDUCATION ON CANNABIS USE AND SUBSTANCE USE.**

Subdivision 1. **Model program.** The commissioner of education, in consultation with the commissioners of health and human services, local district and school health education specialists, and other qualified experts, shall identify one or more model programs that may be used to educate middle school and high school students on the health effects on children and adolescents of cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl, consistent with local standards as required in section 120B.021, subdivision 1, paragraph (a), clause (6), for elementary and secondary school students. The commissioner must publish a list of model programs that include written materials, resources,

and training for instructors by June 1, 2025. A model program identified by the commissioner must be medically accurate, age and developmentally appropriate, culturally inclusive, and grounded in science, and must address:

(1) the physical and mental health effects of cannabis use and substance use by children, adolescents, and persons under 25 years of age, including effects on the developing brains of children, adolescents, and persons under 25 years of age;

(2) unsafe or unhealthy behaviors associated with cannabis use and substance use;

(3) signs of substance use disorders;

(4) treatment options; and

(5) healthy coping strategies for children and adolescents.

Subd. 2. **School programs.** (a) Starting in the 2026-2027 school year, a school district or charter school must implement a comprehensive education program on cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl, for students in middle school and high school. The program must include instruction on the topics listed in subdivision 1 and must:

(1) respect community values and encourage students to communicate with parents, guardians, and other trusted adults about cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl; and

(2) refer students to local resources where students may obtain medically accurate information about cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl, and treatment for a substance use disorder.

(b) District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10 and 120B.11.

Subd. 3. **Parental review.** Notwithstanding any law to the contrary, each school district shall have a procedure for a parent, a guardian, or an adult student 18 years of age or older to review the content of the instructional materials to be provided to a minor child or to an adult student pursuant to this section. The district or charter school must allow a parent or adult student to opt out of instruction under this section with no academic or other penalty for the student and must inform parents and adult students of this right to opt out.

Subd. 4. **Youth council.** A school district or charter school may establish one or more youth councils in which student members of the council receive education and training on cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl, and provide peer-to-peer education on these topics.

Sec. 8. [144.196] CANNABIS DATA COLLECTION AND BIENNIAL REPORTS.

Subdivision 1. **General.** The commissioner of health shall engage in research and data collection activities to measure the prevalence of cannabis flower use and the use of cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in the state by persons under 21 years of age and by persons 21 years of age or older, and the trends in hospital-treated cannabis poisoning and adverse events. In order to collect data, the commissioner may modify existing data collection tools used by the department or other state agencies or may establish one or more new data collection tools.

Subd. 2. **Statewide assessment; baseline data; updates.** (a) The commissioner shall conduct a statewide assessment to establish a baseline for the prevalence of cannabis flower use and the use of cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in the state, and the trends in hospital-treated cannabis poisoning and adverse events broken out by:

(1) the current age of the customer;

(2) the age at which the customer began consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(3) whether the customer consumes cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, and by type of product that the customer consumes, if applicable;

(4) the amount of cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product typically consumed at one time;

(5) the typical frequency of consumption; and

(6) other criteria specified by the commissioner.

(b) The initial assessment must be completed by July 1, 2024. The commissioner shall collect updated data under this subdivision at least every two years thereafter.

Subd. 3. **Reports.** Beginning January 1, 2025, and January 1 every two years thereafter, the commissioner shall issue a public report on the prevalence of cannabis flower use and the use of cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in the state by persons under age 21 and by persons age 21 or older. The report may include recommendations from the commissioner for changes to this chapter that would discourage or prevent personal use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by persons under age 21, that would discourage personal use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by pregnant or breastfeeding individuals, that would prevent access to cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by young children, or that would otherwise promote public health.

Sec. 9. **[144.197] CANNABIS EDUCATION PROGRAMS.**

Subdivision 1. **Youth education.** The commissioner of health, in consultation with the commissioners of human services and education and in collaboration with local health departments, shall conduct a long-term, coordinated education program to raise public awareness about and address the top three adverse health effects, as determined by the commissioner, associated with the use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by persons under age 25. In conducting this education program, the commissioner shall engage and consult with youth around the state on program content and on methods to effectively disseminate program information to youth around the state.

Subd. 2. **Education for pregnant and breastfeeding individuals; individuals who may become pregnant.** The commissioner of health, in consultation with the commissioners of human services and education, shall conduct a long-term, coordinated program to educate pregnant individuals, breastfeeding individuals, and individuals who may become pregnant on the adverse health effects of prenatal exposure to cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products and on the adverse health effects experienced by infants and children who are exposed to cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in breast milk, from

secondhand smoke, or by ingesting cannabinoid products. This education program must also educate individuals on what constitutes a substance use disorder, signs of a substance use disorder, and treatment options for persons with a substance use disorder.

Subd. 3. **Home visiting programs.** The commissioner of health shall provide training, technical assistance, and education materials to local public health home visiting programs and Tribal home visiting programs and child welfare workers regarding the safe and unsafe use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in homes with infants and young children. Training, technical assistance, and education materials shall address substance use, the signs of a substance use disorder, treatment options for persons with a substance use disorder, the dangers of driving under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, how to safely consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in homes with infants and young children, and how to prevent infants and young children from being exposed to cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by ingesting cannabinoid products or through secondhand smoke.

Subd. 4. **Local and Tribal health departments.** The commissioner of health shall distribute grants to local health departments and Tribal health departments for these departments to create and disseminate educational materials on cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products and to provide safe use and prevention training, education, technical assistance, and community engagement regarding cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Sec. 10. Minnesota Statutes 2022, section 144.99, subdivision 1, is amended to read:

Subdivision 1. **Remedies available.** The provisions of chapters 103I and 157 and sections 115.71 to 115.77; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.1201 to 144.1204; 144.121; 144.1215; 144.1222; 144.35; 144.381 to 144.385; 144.411 to 144.417; 144.495; 144.71 to 144.74; 144.9501 to 144.9512; 144.97 to 144.98; 144.992; ~~152.22 to 152.37~~; 326.70 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted or issued by the department or under any other law now in force or later enacted for the preservation of public health may, in addition to provisions in other statutes, be enforced under this section.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 11. Minnesota Statutes 2022, section 144A.4791, subdivision 14, is amended to read:

Subd. 14. **Application of other law.** Home care providers may exercise the authority and are subject to the protections in section ~~152.34~~ 342.57, subdivision 2.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 12. Minnesota Statutes 2022, section 152.01, subdivision 9, is amended to read:

Subd. 9. **Marijuana.** (a) "Marijuana" means ~~all parts of the plant of any species of the genus Cannabis, including all agronomical varieties, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin, but shall:~~

(1) cannabis plants;

(2) cannabis flower;

(3) cannabis concentrate;

(4) cannabis products;

(5) cannabis seed; or

(6) a mixture containing any tetrahydrocannabinol or artificially derived cannabinoid in a concentration that exceeds 0.3 percent as measured by weight.

(b) Marijuana does not include:

(1) the mature stalks of ~~such~~ a cannabis plant;

(2) fiber from such stalks;

(3) any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks, except the resin extracted therefrom, fiber, oil, or cake;

(4) oil or cake made from the seeds of ~~such~~ a cannabis plant, ~~any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks, except the resin extracted therefrom, fiber, oil, or cake, or;~~

(5) the sterilized seed of ~~such~~ a cannabis plant which is incapable of germination. ~~Marijuana does not include; or~~

(6) industrial hemp as defined in section ~~152.22, subdivision 5a~~ 18K.02, subdivision 3.

Sec. 13. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 5d. **Indian lands.** "Indian lands" means all lands within the limits of any Indian reservation within the boundaries of Minnesota and any lands within the boundaries of Minnesota, title to which are either held in trust by the United States or over which an Indian Tribe exercises governmental power.

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

Sec. 14. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 15. **Tribal medical cannabis board.** "Tribal medical cannabis board" means an agency established by each federally recognized Tribal government and duly authorized by that Tribe's governing body to perform regulatory oversight and monitor compliance with a Tribal medical cannabis program and applicable regulations.

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

Sec. 15. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 16. **Tribal medical cannabis program.** "Tribal medical cannabis program" means a program established by a federally recognized Tribal government within the boundaries of Minnesota regarding the commercial production, processing, sale or distribution, and possession of medical cannabis and medical cannabis products.

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

Sec. 16. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 17. **Tribal medical cannabis program manufacturer.** "Tribal medical cannabis program manufacturer" means an entity designated by a Tribal medical cannabis board within the boundaries of Minnesota or a federally recognized Tribal government within the boundaries of Minnesota to engage in production, processing, and sale or distribution of medical cannabis and medical cannabis products under that Tribe's Tribal medical cannabis program.

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

Sec. 17. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 18. **Tribal medical cannabis program patient.** "Tribal medical cannabis program patient" means a person who possesses a valid registration verification card or equivalent document that is issued under the laws or regulations of a Tribal Nation within the boundaries of Minnesota and that verifies that the person is enrolled in or authorized to participate in that Tribal Nation's Tribal medical cannabis program.

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

Sec. 18. Minnesota Statutes 2022, section 152.29, subdivision 4, is amended to read:

Subd. 4. **Report.** (a) Each manufacturer shall report to the commissioner on a monthly basis the following information on each individual patient for the month prior to the report:

- (1) the amount and dosages of medical cannabis distributed;
- (2) the chemical composition of the medical cannabis; and
- (3) the tracking number assigned to any medical cannabis distributed.

(b) For transactions involving Tribal medical cannabis program patients, each manufacturer shall report to the commissioner on a weekly basis the following information on each individual Tribal medical cannabis program patient for the week prior to the report:

- (1) the name of the Tribal medical cannabis program in which the Tribal medical cannabis program patient is enrolled;
- (2) the amount and dosages of medical cannabis distributed;
- (3) the chemical composition of the medical cannabis distributed; and
- (4) the tracking number assigned to the medical cannabis distributed.

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

Sec. 19. Minnesota Statutes 2022, section 152.29, is amended by adding a subdivision to read:

Subd. 5. **Distribution to Tribal medical cannabis program patient.** (a) A manufacturer may distribute medical cannabis in accordance with subdivisions 1 to 4 to a Tribal medical cannabis program patient.

(b) Prior to distribution, the Tribal medical cannabis program patient must provide to the manufacturer:

(1) a valid medical cannabis registration verification card or equivalent document issued by a Tribal medical cannabis program that indicates that the Tribal medical cannabis program patient is authorized to use medical cannabis on Indian lands over which the Tribe has jurisdiction; and

(2) a valid photographic identification card issued by the Tribal medical cannabis program, a valid driver's license, or a valid state identification card.

(c) A manufacturer shall distribute medical cannabis to a Tribal medical cannabis program patient only in a form allowed under section 152.22, subdivision 6.

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

Sec. 20. [152.291] TRIBAL MEDICAL CANNABIS PROGRAM MANUFACTURER TRANSPORTATION.

(a) A Tribal medical cannabis program manufacturer may transport medical cannabis to testing laboratories in the state and to other Indian lands.

(b) A Tribal medical cannabis program manufacturer must staff a motor vehicle used to transport medical cannabis with at least two employees of the manufacturer. Each employee in the transport vehicle must carry identification specifying that the employee is an employee of the manufacturer, and one employee in the transport vehicle must carry a detailed transportation manifest that includes the place and time of departure, the address of the destination, and a description and count of the medical cannabis being transported.

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

Sec. 21. Minnesota Statutes 2022, section 152.30, is amended to read:

152.30 PATIENT DUTIES.

(a) A patient shall apply to the commissioner for enrollment in the registry program by submitting an application as required in section 152.27 and an annual registration fee as determined under section 152.35.

(b) As a condition of continued enrollment, patients shall agree to:

(1) continue to receive regularly scheduled treatment for their qualifying medical condition from their health care practitioner; and

(2) report changes in their qualifying medical condition to their health care practitioner.

(c) A patient shall only receive medical cannabis from a registered manufacturer or Tribal medical cannabis program but is not required to receive medical cannabis products from only a registered manufacturer or Tribal medical cannabis program.

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

Sec. 22. Minnesota Statutes 2022, section 152.32, is amended to read:

152.32 PROTECTIONS FOR REGISTRY PROGRAM OR TRIBAL MEDICAL CANNABIS PROGRAM PARTICIPATION.

Subdivision 1. **Presumption.** (a) There is a presumption that a patient enrolled in the registry program under sections 152.22 to 152.37 or a Tribal medical cannabis program patient is engaged in the authorized use of medical cannabis.

(b) The presumption may be rebutted by evidence that:

(1) a patient's conduct related to use of medical cannabis was not for the purpose of treating or alleviating the patient's qualifying medical condition or symptoms associated with the patient's qualifying medical condition; or

(2) a Tribal medical cannabis program patient's use of medical cannabis was not for a purpose authorized by the Tribal medical cannabis program.

Subd. 2. **Criminal and civil protections.** (a) Subject to section 152.23, the following are not violations under this chapter:

(1) use or possession of medical cannabis or medical cannabis products by a patient enrolled in the registry program; ~~or;~~ possession by a registered designated caregiver or the parent, legal guardian, or spouse of a patient if the parent, legal guardian, or spouse is listed on the registry verification; or use or possession of medical cannabis or medical cannabis products by a Tribal medical cannabis program patient;

(2) possession, dosage determination, or sale of medical cannabis or medical cannabis products by a medical cannabis manufacturer, employees of a manufacturer, a Tribal medical cannabis program manufacturer, employees of a Tribal medical cannabis program manufacturer, a laboratory conducting testing on medical cannabis, or employees of the laboratory; and

(3) possession of medical cannabis or medical cannabis products by any person while carrying out the duties required under sections 152.22 to 152.37.

(b) Medical cannabis obtained and distributed pursuant to sections 152.22 to 152.37 and associated property is not subject to forfeiture under sections 609.531 to 609.5316.

(c) The commissioner, members of a Tribal medical cannabis board, the commissioner's or Tribal medical cannabis board's staff, the commissioner's or Tribal medical cannabis board's agents or contractors, and any health care practitioner are not subject to any civil or disciplinary penalties by the Board of Medical Practice, the Board of Nursing, or by any business, occupational, or professional licensing board or entity, solely for ~~the~~ participation in the registry program under sections 152.22 to 152.37 or in a Tribal medical cannabis program. A pharmacist licensed under chapter 151 is not subject to any civil or disciplinary penalties by the Board of Pharmacy when acting in accordance with the provisions of sections 152.22 to 152.37. Nothing in this section affects a professional licensing board from taking action in response to violations of any other section of law.

(d) Notwithstanding any law to the contrary, the commissioner, the governor of Minnesota, or an employee of any state agency may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections 152.22 to 152.37.

(e) Federal, state, and local law enforcement authorities are prohibited from accessing the patient registry under sections 152.22 to 152.37 except when acting pursuant to a valid search warrant.

(f) Notwithstanding any law to the contrary, neither the commissioner nor a public employee may release data or information about an individual contained in any report, document, or registry created under sections 152.22 to 152.37 or any information obtained about a patient participating in the program, except as provided in sections 152.22 to 152.37.

(g) No information contained in a report, document, or registry or obtained from a patient under sections 152.22 to 152.37 or from a Tribal medical cannabis program patient may be admitted as evidence in a criminal proceeding unless independently obtained or in connection with a proceeding involving a violation of sections 152.22 to 152.37.

(h) Notwithstanding section 13.09, any person who violates paragraph (e) or (f) is guilty of a gross misdemeanor.

(i) An attorney may not be subject to disciplinary action by the Minnesota Supreme Court, a Tribal court, or the professional responsibility board for providing legal assistance to prospective or registered manufacturers or others related to activity that is no longer subject to criminal penalties under state law pursuant to sections 152.22 to 152.37, or for providing legal assistance to a Tribal medical cannabis program or a Tribal medical cannabis program manufacturer.

(j) ~~Possession of a registry verification or application for enrollment in the program by a person entitled to possess or apply for enrollment in the registry program does~~ The following do not constitute probable cause or reasonable suspicion, nor and shall it not be used to support a search of the person or property of the person possessing or applying for the registry verification or equivalent, or otherwise subject the person or property of the person to inspection by any governmental agency:

(1) possession of a registry verification or application for enrollment in the registry program by a person entitled to possess a registry verification or apply for enrollment in the registry program; or

(2) possession of a verification or equivalent issued by a Tribal medical cannabis program or application for enrollment in a Tribal medical cannabis program by a person entitled to possess such a verification or application.

Subd. 3. **Discrimination prohibited.** (a) No school or landlord may refuse to enroll or lease to and may not otherwise penalize a person solely for the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37 or for the person's status as a Tribal medical cannabis program patient, unless failing to do so would violate federal law or regulations or cause the school or landlord to lose a monetary or licensing-related benefit under federal law or regulations.

(b) For the purposes of medical care, including organ transplants, a registry program enrollee's use of medical cannabis under sections 152.22 to 152.37, or a Tribal medical cannabis program patient's use of medical cannabis as authorized by the Tribal medical cannabis program, is considered the equivalent of the authorized use of any other medication used at the discretion of a physician, advanced practice registered nurse, or physician assistant and does not constitute the use of an illicit substance or otherwise disqualify a patient from needed medical care.

(c) Unless a failure to do so would violate federal law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based upon ~~either~~ any of the following:

(1) the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37; ~~or~~

(2) the person's status as a Tribal medical cannabis program patient; or

~~(2) (3)~~ a patient's positive drug test for cannabis components or metabolites, unless the patient used, possessed, or was impaired by medical cannabis on the premises of the place of employment or during the hours of employment.

(d) An employee who is required to undergo employer drug testing pursuant to section 181.953 may present verification of enrollment in the patient registry or of enrollment in a Tribal medical cannabis program as part of the employee's explanation under section 181.953, subdivision 6.

(e) A person shall not be denied custody of a minor child or visitation rights or parenting time with a minor child solely based on the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37, or on the person's status as a Tribal medical cannabis program patient. There shall be no presumption of neglect or child endangerment for conduct allowed under sections 152.22 to 152.37 or under a Tribal medical cannabis program, unless the person's behavior is such that it creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

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

Sec. 23. Minnesota Statutes 2022, section 152.33, subdivision 1, is amended to read:

Subdivision 1. **Intentional diversion; criminal penalty.** In addition to any other applicable penalty in law, a manufacturer or an agent of a manufacturer who intentionally transfers medical cannabis to a person other than another registered manufacturer, a patient, a Tribal medical cannabis program patient, a registered designated caregiver or, if listed on the registry verification, a parent, legal guardian, or spouse of a patient is guilty of a felony punishable by imprisonment for not more than two years or by payment of a fine of not more than \$3,000, or both. A person convicted under this subdivision may not continue to be affiliated with the manufacturer and is disqualified from further participation under sections 152.22 to 152.37.

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

Sec. 24. Minnesota Statutes 2022, section 152.35, is amended to read:

152.35 FEES; DEPOSIT OF REVENUE.

~~(a) The commissioner shall collect an enrollment fee of \$200 from patients enrolled under this section. If the patient provides evidence of receiving Social Security disability insurance (SSDI), Supplemental Security Income (SSI), veterans disability, or railroad disability payments, or being enrolled in medical assistance or MinnesotaCare, then the fee shall be \$50. For purposes of this section:~~

~~(1) a patient is considered to receive SSDI if the patient was receiving SSDI at the time the patient was transitioned to retirement benefits by the United States Social Security Administration; and~~

~~(2) veterans disability payments include VA dependency and indemnity compensation.~~

~~Unless a patient provides evidence of receiving payments from or participating in one of the programs specifically listed in this paragraph, the commissioner of health must collect the \$200 enrollment fee from a patient to enroll the patient in the registry program. The fees shall be payable annually and are due on the anniversary date of the patient's enrollment. The fee amount shall be deposited in the state treasury and credited to the state government special revenue fund.~~

~~(b)~~ (a) The commissioner shall collect an application fee of \$20,000 from each entity submitting an application for registration as a medical cannabis manufacturer. Revenue from the fee shall be deposited in the state treasury and credited to the state government special revenue fund.

~~(e)~~ (b) The commissioner shall establish and collect an annual fee from a medical cannabis manufacturer equal to the cost of regulating and inspecting the manufacturer in that year. Revenue from the fee amount shall be deposited in the state treasury and credited to the state government special revenue fund.

~~(d)~~ (c) A medical cannabis manufacturer may charge patients enrolled in the registry program a reasonable fee for costs associated with the operations of the manufacturer. The manufacturer may establish a sliding scale of patient fees based upon a patient's household income and may accept private donations to reduce patient fees.

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

Sec. 25. Minnesota Statutes 2022, section 175.45, subdivision 1, is amended to read:

Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall convene industry representatives, identify occupational competency standards, and provide technical assistance to develop dual-training programs. The competency standards shall be identified for employment in occupations in advanced manufacturing, health care services, information technology, ~~and~~ agriculture, and the legal cannabis industry. Competency standards are not rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do not apply.

Sec. 26. Minnesota Statutes 2022, section 181.938, subdivision 2, is amended to read:

Subd. 2. **Prohibited practice.** (a) An employer may not refuse to hire a job applicant or discipline or discharge an employee because the applicant or employee engages in or has engaged in the use or enjoyment of lawful consumable products, if the use or enjoyment takes place off the premises of the employer during nonworking hours. For purposes of this section, "lawful consumable products" means products whose use or enjoyment is lawful and which are consumed during use or enjoyment, and includes food, alcoholic or nonalcoholic beverages, ~~and~~ tobacco, cannabis flower, as defined in section 342.01, subdivision 16, cannabis products, as defined in section 342.01, subdivision 20, lower-potency hemp edibles as defined in section 342.01, subdivision 50, and hemp-derived consumer products as defined in section 342.01, subdivision 37.

(b) Cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products are lawful consumable products for the purpose of Minnesota law, regardless of whether federal or other state law considers cannabis use, possession, impairment, sale, or transfer to be unlawful. Nothing in this section shall be construed to limit an employer's ability to discipline or discharge an employee for cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product use, possession, impairment, sale, or transfer during working hours, on work premises, or while operating an employer's vehicle, machinery, or equipment, or if a failure to do so would violate federal or state law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations.

Sec. 27. Minnesota Statutes 2022, section 181.950, subdivision 2, is amended to read:

Subd. 2. **Confirmatory test; confirmatory retest.** "Confirmatory test" and "confirmatory retest" mean a drug or alcohol test or cannabis test that uses a method of analysis allowed under one of the programs listed in section 181.953, subdivision 1.

Sec. 28. Minnesota Statutes 2022, section 181.950, subdivision 4, is amended to read:

Subd. 4. **Drug.** "Drug" means a controlled substance as defined in section 152.01, subdivision 4, but does not include marijuana, tetrahydrocannabinols, cannabis flower as defined in section 342.01, subdivision 16, cannabis products as defined in section 342.01, subdivision 20, lower-potency hemp edibles as defined in section 342.01, subdivision 50, and hemp-derived consumer products as defined in section 342.01, subdivision 37.

Sec. 29. Minnesota Statutes 2022, section 181.950, subdivision 5, is amended to read:

Subd. 5. **Drug and alcohol testing.** "Drug and alcohol testing," "drug or alcohol testing," and "drug or alcohol test" mean analysis of a body component sample according to the standards established under one of the programs listed in section 181.953, subdivision 1, for the purpose of measuring the presence or absence of drugs, alcohol, or their metabolites in the sample tested. "Drug and alcohol testing," "drug or alcohol testing," and "drug or alcohol test" do not include cannabis or cannabis testing, unless stated otherwise.

Sec. 30. Minnesota Statutes 2022, section 181.950, is amended by adding a subdivision to read:

Subd. 5a. **Cannabis testing.** "Cannabis testing" means the analysis of a body component sample according to the standards established under one of the programs listed in section 181.953, subdivision 1, for the purpose of measuring the presence or absence of cannabis flower, as defined in section 342.01, subdivision 16, cannabis products, as defined in section 342.01, subdivision 20, lower-potency hemp edibles as defined in section 342.01, subdivision 50, hemp-derived consumer products as defined in section 342.01, subdivision 37, or cannabis metabolites in the sample tested. The definitions in this section apply to cannabis testing unless stated otherwise.

Sec. 31. Minnesota Statutes 2022, section 181.950, subdivision 8, is amended to read:

Subd. 8. **Initial screening test.** "Initial screening test" means a drug or alcohol test or cannabis test which uses a method of analysis under one of the programs listed in section 181.953, subdivision 1.

Sec. 32. Minnesota Statutes 2022, section 181.950, subdivision 13, is amended to read:

Subd. 13. **Safety-sensitive position.** "Safety-sensitive position" means a job, including any supervisory or management position, in which an impairment caused by drug ~~or~~₂ alcohol, or cannabis usage would threaten the health or safety of any person.

Sec. 33. Minnesota Statutes 2022, section 181.951, subdivision 4, is amended to read:

Subd. 4. **Random testing.** An employer may request or require employees to undergo cannabis testing or drug and alcohol testing on a random selection basis only if (1) they are employed in safety-sensitive positions, or (2) they are employed as professional athletes if the professional athlete is subject to a collective bargaining agreement permitting random testing but only to the extent consistent with the collective bargaining agreement.

Sec. 34. Minnesota Statutes 2022, section 181.951, subdivision 5, is amended to read:

Subd. 5. **Reasonable suspicion testing.** An employer may request or require an employee to undergo cannabis testing and drug and alcohol testing if the employer has a reasonable suspicion that the employee:

(1) is under the influence of drugs or alcohol;

(2) has violated the employer's written work rules prohibiting the use, possession, sale, or transfer of drugs or alcohol, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products while the employee is working or while the employee is on the employer's premises or operating the employer's vehicle, machinery, or equipment, provided the work rules are in writing and contained in the employer's written cannabis testing or drug and alcohol testing policy;

(3) has sustained a personal injury, as that term is defined in section 176.011, subdivision 16, or has caused another employee to sustain a personal injury; or

(4) has caused a work-related accident or was operating or helping to operate machinery, equipment, or vehicles involved in a work-related accident.

Sec. 35. Minnesota Statutes 2022, section 181.951, subdivision 6, is amended to read:

Subd. 6. **Treatment program testing.** An employer may request or require an employee to undergo cannabis testing and drug and alcohol testing if the employee has been referred by the employer for substance use disorder treatment or evaluation or is participating in a substance use disorder treatment program under an employee benefit plan, in which case the employee may be requested or required to undergo cannabis testing and drug or alcohol testing without prior notice during the evaluation or treatment period and for a period of up to two years following completion of any prescribed substance use disorder treatment program.

Sec. 36. Minnesota Statutes 2022, section 181.951, is amended by adding a subdivision to read:

Subd. 8. **Limitations on cannabis testing.** (a) An employer must not request or require a job applicant to undergo cannabis testing solely for the purpose of determining the presence or absence of cannabis as a condition of employment unless otherwise required by state or federal law.

(b) Unless otherwise required by state or federal law, an employer must not refuse to hire a job applicant solely because the job applicant submits to a cannabis test or a drug and alcohol test authorized by this section and the results of the test indicate the presence of cannabis.

(c) An employer must not request or require an employee or job applicant to undergo cannabis testing on an arbitrary or capricious basis.

(d) Cannabis testing authorized under paragraph (d) must comply with the safeguards for testing employees provided in sections 181.953 and 181.954.

Sec. 37. Minnesota Statutes 2022, section 181.951, is amended by adding a subdivision to read:

Subd. 9. **Cannabis testing exceptions.** For the following positions, cannabis and its metabolites are considered a drug and subject to the drug and alcohol testing provisions in sections 181.950 to 181.957:

(1) a safety-sensitive position, as defined in section 181.950, subdivision 13;

(2) a peace officer position, as defined in section 626.84, subdivision 1;

(3) a firefighter position, as defined in section 299N.01, subdivision 3;

(4) a position requiring face-to-face care, training, education, supervision, counseling, consultation, or medical assistance to:

- (i) children;
- (ii) vulnerable adults, as defined in section 626.5572, subdivision 21; or
- (iii) patients who receive health care services from a provider for the treatment, examination, or emergency care of a medical, psychiatric, or mental condition;
- (5) a position requiring a commercial driver's license or requiring an employee to operate a motor vehicle for which state or federal law requires drug or alcohol testing of a job applicant or an employee;
- (6) a position of employment funded by a federal grant; or
- (7) any other position for which state or federal law requires testing of a job applicant or an employee for cannabis.

Sec. 38. Minnesota Statutes 2022, section 181.952, is amended by adding a subdivision to read:

Subd. 3. **Cannabis policy.** (a) Unless otherwise provided by state or federal law, an employer is not required to permit or accommodate cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product use, possession, impairment, sale, or transfer while an employee is working or while an employee is on the employer's premises or operating the employer's vehicle, machinery, or equipment.

(b) An employer may only enact and enforce written work rules prohibiting cannabis flower, cannabis product, lower-potency hemp edible, and hemp-derived consumer product use, possession, impairment, sale, or transfer while an employee, is working or while an employee is on the employer's premises or operating the employer's vehicle, machinery, or equipment in a written policy that contains the minimum information required by this section.

Sec. 39. Minnesota Statutes 2022, section 181.953, is amended to read:

181.953 RELIABILITY AND FAIRNESS SAFEGUARDS.

Subdivision 1. **Use of licensed, accredited, or certified laboratory required.** (a) An employer who requests or requires an employee or job applicant to undergo drug or alcohol testing or cannabis testing shall use the services of a testing laboratory that meets one of the following criteria for drug testing:

(1) is certified by the National Institute on Drug Abuse as meeting the mandatory guidelines published at 53 Federal Register 11970 to 11989, April 11, 1988;

(2) is accredited by the College of American Pathologists, 325 Waukegan Road, Northfield, Illinois, 60093-2750, under the forensic urine drug testing laboratory program; or

(3) is licensed to test for drugs by the state of New York, Department of Health, under Public Health Law, article 5, title V, and rules adopted under that law.

(b) For alcohol testing, the laboratory must either be:

(1) licensed to test for drugs and alcohol by the state of New York, Department of Health, under Public Health Law, article 5, title V, and the rules adopted under that law; or

(2) accredited by the College of American Pathologists, 325 Waukegan Road, Northfield, Illinois, 60093-2750, in the laboratory accreditation program.

Subd. 3. **Laboratory testing, reporting, and sample retention requirements.** A testing laboratory that is not certified by the National Institute on Drug Abuse according to subdivision 1 shall follow the chain-of-custody procedures prescribed for employers in subdivision 5. A testing laboratory shall conduct a confirmatory test on all samples that produced a positive test result on an initial screening test. A laboratory shall disclose to the employer a written test result report for each sample tested within three working days after a negative test result on an initial screening test or, when the initial screening test produced a positive test result, within three working days after a confirmatory test. A test report must indicate the drugs, alcohol, ~~or drug or alcohol metabolites,~~ or cannabis or cannabis metabolites tested for and whether the test produced negative or positive test results. A laboratory shall retain and properly store for at least six months all samples that produced a positive test result.

Subd. 4. **Prohibitions on employers.** An employer may not conduct drug or alcohol testing or cannabis testing of its own employees and job applicants using a testing laboratory owned and operated by the employer; except that, one agency of the state may test the employees of another agency of the state. Except as provided in subdivision 9, an employer may not request or require an employee or job applicant to contribute to, or pay the cost of, drug or alcohol testing or cannabis testing under sections 181.950 to 181.954.

Subd. 5. **Employer chain-of-custody procedures.** An employer shall establish its own reliable chain-of-custody procedures to ensure proper record keeping, handling, labeling, and identification of the samples to be tested. The procedures must require the following:

(1) possession of a sample must be traceable to the employee from whom the sample is collected, from the time the sample is collected through the time the sample is delivered to the laboratory;

(2) the sample must always be in the possession of, must always be in view of, or must be placed in a secured area by a person authorized to handle the sample;

(3) a sample must be accompanied by a written chain-of-custody record; and

(4) individuals relinquishing or accepting possession of the sample must record the time the possession of the sample was transferred and must sign and date the chain-of-custody record at the time of transfer.

Subd. 6. **Rights of employees and job applicants.** (a) Before requesting an employee or job applicant to undergo drug or alcohol testing or requesting cannabis testing, an employer shall provide the employee or job applicant with a form, developed by the employer, on which to acknowledge that the employee or job applicant has seen the employer's drug and alcohol testing or cannabis testing policy.

(b) If an employee or job applicant tests positive for drug use, the employee must be given written notice of the right to explain the positive test and the employer may request that the employee or job applicant indicate any over-the-counter or prescription medication that the individual is currently taking or has recently taken and any other information relevant to the reliability of, or explanation for, a positive test result.

(c) Within three working days after notice of a positive test result on a confirmatory test, the employee or job applicant may submit information to the employer, in addition to any information already submitted under paragraph (b), to explain that result, or may request a confirmatory retest of the original sample at the employee's or job applicant's own expense as provided under subdivision 9.

Subd. 7. **Notice of test results.** Within three working days after receipt of a test result report from the testing laboratory, an employer shall inform in writing an employee or job applicant who has undergone drug or alcohol testing or cannabis testing of (1) a negative test result on an initial screening test or of a negative or positive test result on a confirmatory test and (2) the right provided in subdivision 8. In the case of a positive test result on a confirmatory test, the employer shall also, at the time of this notice, inform the

employee or job applicant in writing of the rights provided in subdivisions 6, paragraph (b), 9, and either subdivision 10 or 11, whichever applies.

Subd. 8. **Right to test result report.** An employee or job applicant has the right to request and receive from the employer a copy of the test result report on any drug or alcohol test or cannabis test.

Subd. 9. **Confirmatory retests.** An employee or job applicant may request a confirmatory retest of the original sample at the employee's or job applicant's own expense after notice of a positive test result on a confirmatory test. Within five working days after notice of the confirmatory test result, the employee or job applicant shall notify the employer in writing of the employee's or job applicant's intention to obtain a confirmatory retest. Within three working days after receipt of the notice, the employer shall notify the original testing laboratory that the employee or job applicant has requested the laboratory to conduct the confirmatory retest or transfer the sample to another laboratory licensed under subdivision 1 to conduct the confirmatory retest. The original testing laboratory shall ensure that the chain-of-custody procedures in subdivision 3 are followed during transfer of the sample to the other laboratory. The confirmatory retest must use the same drug ~~or~~ alcohol, or cannabis threshold detection levels as used in the original confirmatory test. If the confirmatory retest does not confirm the original positive test result, no adverse personnel action based on the original confirmatory test may be taken against the employee or job applicant.

Subd. 10. **Limitations on employee discharge, discipline, or discrimination.** (a) An employer may not discharge, discipline, discriminate against, or request or require rehabilitation of an employee on the basis of a positive test result from an initial screening test that has not been verified by a confirmatory test.

(b) In addition to the limitation under paragraph (a), an employer may not discharge an employee for whom a positive test result on a confirmatory test was the first such result for the employee on a drug or alcohol test or cannabis test requested by the employer unless the following conditions have been met:

(1) the employer has first given the employee an opportunity to participate in, at the employee's own expense or pursuant to coverage under an employee benefit plan, either a drug ~~or~~ alcohol, or cannabis counseling or rehabilitation program, whichever is more appropriate, as determined by the employer after consultation with a certified chemical use counselor or a physician trained in the diagnosis and treatment of substance use disorder; and

(2) the employee has either refused to participate in the counseling or rehabilitation program or has failed to successfully complete the program, as evidenced by withdrawal from the program before its completion or by a positive test result on a confirmatory test after completion of the program.

(c) Notwithstanding paragraph (a), an employer may temporarily suspend the tested employee or transfer that employee to another position at the same rate of pay pending the outcome of the confirmatory test and, if requested, the confirmatory retest, provided the employer believes that it is reasonably necessary to protect the health or safety of the employee, coemployees, or the public. An employee who has been suspended without pay must be reinstated with back pay if the outcome of the confirmatory test or requested confirmatory retest is negative.

(d) An employer may not discharge, discipline, discriminate against, or request or require rehabilitation of an employee on the basis of medical history information revealed to the employer pursuant to subdivision 6 unless the employee was under an affirmative duty to provide the information before, upon, or after hire.

(e) An employee must be given access to information in the employee's personnel file relating to positive test result reports and other information acquired in the drug and alcohol testing process or cannabis testing process and conclusions drawn from and actions taken based on the reports or other acquired information.

Subd. 10a. **Additional limitations for cannabis.** An employer may discipline, discharge, or take other adverse personnel action against an employee for cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product use, possession, impairment, sale, or transfer while an employee is working, on the employer's premises, or operating the employer's vehicle, machinery, or equipment as follows:

(1) if, as the result of consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product, the employee does not possess that clearness of intellect and control of self that the employee otherwise would have;

(2) if cannabis testing verifies the presence of cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product following a confirmatory test;

(3) as provided in the employer's written work rules for cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products and cannabis testing, provided that the rules are in writing and in a written policy that contains the minimum information required by section 181.952; or

(4) as otherwise authorized or required under state or federal law or regulations, or if a failure to do so would cause an employer to lose a monetary or licensing-related benefit under federal law or regulations.

Subd. 11. **Limitation on withdrawal of job offer.** If a job applicant has received a job offer made contingent on the applicant passing drug and alcohol testing, the employer may not withdraw the offer based on a positive test result from an initial screening test that has not been verified by a confirmatory test.

Sec. 40. Minnesota Statutes 2022, section 181.954, is amended to read:

181.954 PRIVACY, CONFIDENTIALITY, AND PRIVILEGE SAFEGUARDS.

Subdivision 1. **Privacy limitations.** A laboratory may only disclose to the employer test result data regarding the presence or absence of drugs, alcohol, or their metabolites in a sample tested.

Subd. 2. **Confidentiality limitations.** Test result reports and other information acquired in the drug or alcohol testing or cannabis testing process are, with respect to private sector employees and job applicants, private and confidential information, and, with respect to public sector employees and job applicants, private data on individuals as that phrase is defined in chapter 13, and may not be disclosed by an employer or laboratory to another employer or to a third-party individual, governmental agency, or private organization without the written consent of the employee or job applicant tested.

Subd. 3. **Exceptions to privacy and confidentiality disclosure limitations.** Notwithstanding subdivisions 1 and 2, evidence of a positive test result on a confirmatory test may be: (1) used in an arbitration proceeding pursuant to a collective bargaining agreement, an administrative hearing under chapter 43A or other applicable state or local law, or a judicial proceeding, provided that information is relevant to the hearing or proceeding; (2) disclosed to any federal agency or other unit of the United States government as required under federal law, regulation, or order, or in accordance with compliance requirements of a federal government contract; and (3) disclosed to a substance abuse treatment facility for the purpose of evaluation or treatment of the employee.

Subd. 4. **Privilege.** Positive test results from an employer drug or alcohol testing or cannabis testing program may not be used as evidence in a criminal action against the employee or job applicant tested.

Sec. 41. Minnesota Statutes 2022, section 181.955, is amended to read:

181.955 CONSTRUCTION.

Subdivision 1. **Freedom to collectively bargain.** Sections 181.950 to 181.954 shall not be construed to limit the parties to a collective bargaining agreement from bargaining and agreeing with respect to a drug and alcohol testing or a cannabis testing policy that meets or exceeds, and does not otherwise conflict with, the minimum standards and requirements for employee protection provided in those sections.

Subd. 2. **Employee protections under existing collective bargaining agreements.** Sections 181.950 to 181.954 shall not be construed to interfere with or diminish any employee protections relating to drug and alcohol testing or cannabis testing already provided under collective bargaining agreements in effect on the effective date of those sections that exceed the minimum standards and requirements for employee protection provided in those sections.

Subd. 3. **Professional athletes.** Sections 181.950 to 181.954 shall not be construed to interfere with the operation of a drug and alcohol testing or cannabis testing program if:

(1) the drug and alcohol testing program is permitted under a contract between the employer and employees; and

(2) the covered employees are employed as professional athletes.

Upon request of the commissioner of labor and industry, the exclusive representative of the employees and the employer shall certify to the commissioner of labor and industry that the drug and alcohol testing or cannabis testing program permitted under the contract should operate without interference from the sections specified in this subdivision. This subdivision must not be construed to create an exemption from controlled substance crimes in chapter 152.

Sec. 42. Minnesota Statutes 2022, section 181.957, subdivision 1, is amended to read:

Subdivision 1. **Excluded employees and job applicants.** Except as provided under subdivision 2, the employee and job applicant protections provided under sections 181.950 to 181.956 do not apply to employees and job applicants where the specific work performed requires those employees and job applicants to be subject to drug and alcohol testing or cannabis testing pursuant to:

(1) federal regulations that specifically preempt state regulation of drug and alcohol testing or cannabis testing with respect to those employees and job applicants;

(2) federal regulations or requirements necessary to operate federally regulated facilities;

(3) federal contracts where the drug and alcohol testing or cannabis testing is conducted for security, safety, or protection of sensitive or proprietary data; or

(4) state agency rules that adopt federal regulations applicable to the interstate component of a federally regulated industry, and the adoption of those rules is for the purpose of conforming the nonfederally regulated intrastate component of the industry to identical regulation.

Sec. 43. Minnesota Statutes 2022, section 245C.08, subdivision 1, is amended to read:

Subdivision 1. **Background studies conducted by Department of Human Services.** (a) For a background study conducted by the Department of Human Services, the commissioner shall review:

(1) information related to names of substantiated perpetrators of maltreatment of vulnerable adults that has been received by the commissioner as required under section 626.557, subdivision 9c, paragraph (j);

(2) the commissioner's records relating to the maltreatment of minors in licensed programs, and from findings of maltreatment of minors as indicated through the social service information system;

(3) information from juvenile courts as required in subdivision 4 for individuals listed in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

(4) information from the Bureau of Criminal Apprehension, including information regarding a background study subject's registration in Minnesota as a predatory offender under section 243.166;

(5) except as provided in clause (6), information received as a result of submission of fingerprints for a national criminal history record check, as defined in section 245C.02, subdivision 13c, when the commissioner has reasonable cause for a national criminal history record check as defined under section 245C.02, subdivision 15a, or as required under section 144.057, subdivision 1, clause (2);

(6) for a background study related to a child foster family setting application for licensure, foster residence settings, children's residential facilities, a transfer of permanent legal and physical custody of a child under sections 260C.503 to 260C.515, or adoptions, and for a background study required for family child care, certified license-exempt child care, child care centers, and legal nonlicensed child care authorized under chapter 119B, the commissioner shall also review:

(i) information from the child abuse and neglect registry for any state in which the background study subject has resided for the past five years;

(ii) when the background study subject is 18 years of age or older, or a minor under section 245C.05, subdivision 5a, paragraph (c), information received following submission of fingerprints for a national criminal history record check; and

(iii) when the background study subject is 18 years of age or older or a minor under section 245C.05, subdivision 5a, paragraph (d), for licensed family child care, certified license-exempt child care, licensed child care centers, and legal nonlicensed child care authorized under chapter 119B, information obtained using non-fingerprint-based data including information from the criminal and sex offender registries for any state in which the background study subject resided for the past five years and information from the national crime information database and the national sex offender registry; and

(7) for a background study required for family child care, certified license-exempt child care centers, licensed child care centers, and legal nonlicensed child care authorized under chapter 119B, the background study shall also include, to the extent practicable, a name and date-of-birth search of the National Sex Offender Public website.

(b) Except as otherwise provided in this paragraph, notwithstanding expungement by a court, the commissioner may consider information obtained under paragraph (a), clauses (3) and (4), unless the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner. The commissioner may not consider information obtained under paragraph (a), clauses (3) and (4), or from any other source that identifies a violation of chapter 152 without determining if the offense involved the possession of marijuana or tetrahydrocannabinol and, if so, whether the person received a grant of expungement or order of expungement, or the person was resentenced to a lesser offense. If the person received a grant of expungement or order of expungement, the commissioner may not consider information related to that violation but may consider any other relevant information arising out of the same incident.

(c) The commissioner shall also review criminal case information received according to section 245C.04, subdivision 4a, from the Minnesota court information system that relates to individuals who have already been studied under this chapter and who remain affiliated with the agency that initiated the background study.

(d) When the commissioner has reasonable cause to believe that the identity of a background study subject is uncertain, the commissioner may require the subject to provide a set of classifiable fingerprints for purposes of completing a fingerprint-based record check with the Bureau of Criminal Apprehension. Fingerprints collected under this paragraph shall not be saved by the commissioner after they have been used to verify the identity of the background study subject against the particular criminal record in question.

(e) The commissioner may inform the entity that initiated a background study under NETStudy 2.0 of the status of processing of the subject's fingerprints.

Sec. 44. Minnesota Statutes 2022, section 256.01, subdivision 18c, is amended to read:

Subd. 18c. **Drug convictions.** (a) The state court administrator shall provide a report every six months by electronic means to the commissioner of human services, including the name, address, date of birth, and, if available, driver's license or state identification card number, date of the sentence, effective date of the sentence, and county in which the conviction occurred, of each person convicted of a felony under chapter 152, except for convictions under section 152.0263 or 152.0264, during the previous six months.

(b) The commissioner shall determine whether the individuals who are the subject of the data reported under paragraph (a) are receiving public assistance under chapter 256D or 256J, and if ~~the~~ an individual is receiving assistance under chapter 256D or 256J, the commissioner shall instruct the county to proceed under section 256D.024 or 256J.26, whichever is applicable, for this individual.

(c) The commissioner shall not retain any data received under paragraph (a) ~~or (d)~~ that does not relate to an individual receiving publicly funded assistance under chapter 256D or 256J.

~~(d) In addition to the routine data transfer under paragraph (a), the state court administrator shall provide a onetime report of the data fields under paragraph (a) for individuals with a felony drug conviction under chapter 152 dated from July 1, 1997, until the date of the data transfer. The commissioner shall perform the tasks identified under paragraph (b) related to this data and shall retain the data according to paragraph (c).~~

Sec. 45. Minnesota Statutes 2022, section 256B.0625, subdivision 13d, is amended to read:

Subd. 13d. **Drug formulary.** (a) The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the Administrative Procedure Act, but the Formulary Committee shall review and comment on the formulary contents.

(b) The formulary shall not include:

- (1) drugs, active pharmaceutical ingredients, or products for which there is no federal funding;
- (2) over-the-counter drugs, except as provided in subdivision 13;
- (3) drugs or active pharmaceutical ingredients when used for the treatment of impotence or erectile dysfunction;
- (4) drugs or active pharmaceutical ingredients for which medical value has not been established;

(5) drugs from manufacturers who have not signed a rebate agreement with the Department of Health and Human Services pursuant to section 1927 of title XIX of the Social Security Act; and

(6) medical cannabis flower as defined in section ~~152.22, subdivision 6~~ 342.01, subdivision 54, or medical cannabinoid products as defined in section 342.01, subdivision 52.

(c) If a single-source drug used by at least two percent of the fee-for-service medical assistance recipients is removed from the formulary due to the failure of the manufacturer to sign a rebate agreement with the Department of Health and Human Services, the commissioner shall notify prescribing practitioners within 30 days of receiving notification from the Centers for Medicare and Medicaid Services (CMS) that a rebate agreement was not signed.

Sec. 46. Minnesota Statutes 2022, section 256D.024, subdivision 1, is amended to read:

Subdivision 1. **Person convicted of drug offenses.** (a) If an applicant or recipient has been convicted of a drug offense after July 1, 1997, the assistance unit is ineligible for benefits under this chapter until five years after the applicant has completed terms of the court-ordered sentence, unless the person is participating in a drug treatment program, has successfully completed a drug treatment program, or has been assessed by the county and determined not to be in need of a drug treatment program. Persons subject to the limitations of this subdivision who become eligible for assistance under this chapter shall be subject to random drug testing as a condition of continued eligibility and shall lose eligibility for benefits for five years beginning the month following:

(1) any positive test result for an illegal controlled substance; or

(2) discharge of sentence after conviction for another drug felony.

(b) For the purposes of this subdivision, "drug offense" means a conviction that occurred after July 1, 1997, of sections 152.021 to 152.025, 152.0261, 152.0262, or 152.096. Drug offense also means a conviction in another jurisdiction of the possession, use, or distribution of a controlled substance, or conspiracy to commit any of these offenses, if the offense occurred after July 1, 1997, and the conviction is ~~a felony offense in that jurisdiction, or in the case of New Jersey, a high misdemeanor~~ for a crime that would be a felony if committed in Minnesota.

(c) This subdivision does not apply for convictions or positive test results related to cannabis, marijuana, or tetrahydrocannabinols.

Sec. 47. Minnesota Statutes 2022, section 256D.024, subdivision 3, is amended to read:

Subd. 3. **Fleeing felons.** An individual who is fleeing to avoid prosecution, or custody, or confinement after conviction for a crime that ~~is a felony under the laws of the jurisdiction from which the individual flees, or in the case of New Jersey, is a high misdemeanor,~~ would be a felony if committed in Minnesota, is ineligible to receive benefits under this chapter.

Sec. 48. Minnesota Statutes 2022, section 256J.26, subdivision 1, is amended to read:

Subdivision 1. **Person convicted of drug offenses.** (a) An individual who has been convicted of a felony level drug offense committed during the previous ten years from the date of application or recertification is subject to the following:

(1) Benefits for the entire assistance unit must be paid in vendor form for shelter and utilities during any time the applicant is part of the assistance unit.

(2) The convicted applicant or participant shall be subject to random drug testing as a condition of continued eligibility and following any positive test for an illegal controlled substance is subject to the following sanctions:

(i) for failing a drug test the first time, the residual amount of the participant's grant after making vendor payments for shelter and utility costs, if any, must be reduced by an amount equal to 30 percent of the MFIP standard of need for an assistance unit of the same size. When a sanction under this subdivision is in effect, the job counselor must attempt to meet with the person face-to-face. During the face-to-face meeting, the job counselor must explain the consequences of a subsequent drug test failure and inform the participant of the right to appeal the sanction under section 256J.40. If a face-to-face meeting is not possible, the county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting; or

(ii) for failing a drug test two times, the participant is permanently disqualified from receiving MFIP assistance, both the cash and food portions. The assistance unit's MFIP grant must be reduced by the amount which would have otherwise been made available to the disqualified participant. Disqualification under this item does not make a participant ineligible for the Supplemental Nutrition Assistance Program (SNAP). Before a disqualification under this provision is imposed, the job counselor must attempt to meet with the participant face-to-face. During the face-to-face meeting, the job counselor must identify other resources that may be available to the participant to meet the needs of the family and inform the participant of the right to appeal the disqualification under section 256J.40. If a face-to-face meeting is not possible, the county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting.

(3) A participant who fails a drug test the first time and is under a sanction due to other MFIP program requirements is considered to have more than one occurrence of noncompliance and is subject to the applicable level of sanction as specified under section 256J.46, subdivision 1, paragraph (d).

(b) Applicants requesting only SNAP benefits or participants receiving only SNAP benefits, who have been convicted of a drug offense that occurred after July 1, 1997, may, if otherwise eligible, receive SNAP benefits if the convicted applicant or participant is subject to random drug testing as a condition of continued eligibility. Following a positive test for an illegal controlled substance, the applicant is subject to the following sanctions:

(1) for failing a drug test the first time, SNAP benefits shall be reduced by an amount equal to 30 percent of the applicable SNAP benefit allotment. When a sanction under this clause is in effect, a job counselor must attempt to meet with the person face-to-face. During the face-to-face meeting, a job counselor must explain the consequences of a subsequent drug test failure and inform the participant of the right to appeal the sanction under section 256J.40. If a face-to-face meeting is not possible, a county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting; and

(2) for failing a drug test two times, the participant is permanently disqualified from receiving SNAP benefits. Before a disqualification under this provision is imposed, a job counselor must attempt to meet with the participant face-to-face. During the face-to-face meeting, the job counselor must identify other resources that may be available to the participant to meet the needs of the family and inform the participant of the right to appeal the disqualification under section 256J.40. If a face-to-face meeting is not possible, a

county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting.

(c) For the purposes of this subdivision, "drug offense" means an offense that occurred during the previous ten years from the date of application or recertification of sections 152.021 to 152.025, 152.0261, 152.0262, 152.096, or 152.137. Drug offense also means a conviction in another jurisdiction of the possession, use, or distribution of a controlled substance, or conspiracy to commit any of these offenses, if the offense occurred during the previous ten years from the date of application or recertification and the conviction is a felony offense in that jurisdiction, or in the case of New Jersey, a high misdemeanor for a crime that would be a felony if committed in Minnesota.

(d) This subdivision does not apply for convictions or positive test results related to cannabis, marijuana, or tetrahydrocannabinols.

Sec. 49. Minnesota Statutes 2022, section 256J.26, subdivision 3, is amended to read:

Subd. 3. **Fleeing felons.** An individual who is fleeing to avoid prosecution, or custody, or confinement after conviction for a crime that ~~is a felony under the laws of the jurisdiction from which the individual flees, or in the case of New Jersey, is a high misdemeanor,~~ would be a felony if committed in Minnesota, is disqualified from receiving MFIP.

Sec. 50. Minnesota Statutes 2022, section 340A.402, subdivision 1, is amended to read:

Subdivision 1. **Disqualifiers.** No retail license may be issued to:

(1) a person under 21 years of age;

(2) a person who has had an intoxicating liquor or 3.2 percent malt liquor license revoked within five years of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested;

(3) a person not of good moral character and repute; ~~or~~

(4) a person who:

(i) has had a license or registration issued pursuant to chapter 342 or section 151.72, subdivision 5b, revoked;

(ii) has been convicted of an offense under section 151.72, subdivision 7; or

(iii) has been convicted under any other statute for the illegal sale of marijuana, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products and the sale took place on the premises of a business that sells intoxicating liquor or 3.2 percent malt liquor to customers; or

~~(4)~~ (5) a person who has a direct or indirect interest in a manufacturer, brewer, or wholesaler.

In addition, no new retail license may be issued to, and the governing body of a municipality may refuse to renew the license of, a person who, within five years of the license application, has been convicted of a felony or a willful violation of a federal or state law or local ordinance governing the manufacture, sale,

distribution, or possession for sale or distribution of an alcoholic beverage. The Alcohol and Gambling Enforcement Division or licensing authority may require that fingerprints be taken and forwarded to the Federal Bureau of Investigation for purposes of a criminal history check.

Sec. 51. [340A.4022] RETAIL LICENSE NOT PROHIBITED; LOWER-POTENCY HEMP EDIBLES.

(a) Nothing in this chapter:

(1) prohibits the issuance of a retail license or permit to a person also holding a hemp business license authorizing the manufacture or retail sale of lower-potency hemp edibles;

(2) allows any agreement between a licensing authority and retail license or permit holder that prohibits the license or permit holder from also holding a lower-potency hemp edible manufacturer or retailer license; or

(3) allows the revocation or suspension of a retail license or permit, or the imposition of a penalty on a retail license or permit holder, due to the retail license or permit holder also holding a lower-potency hemp edible manufacturer or retailer license.

(b) For purposes of this section, "hemp business license authorizing manufacture or retail sale of lower-potency hemp edibles" means a license issued by the Office of Cannabis Management pursuant to sections 342.43 to 342.46.

Sec. 52. Minnesota Statutes 2022, section 340A.412, subdivision 14, is amended to read:

Subd. 14. **Exclusive liquor stores.** (a) Except as otherwise provided in this subdivision, an exclusive liquor store may sell only the following items:

- (1) alcoholic beverages;
- (2) tobacco products;
- (3) ice;
- (4) beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor;
- (5) soft drinks;
- (6) liqueur-filled candies;
- (7) food products that contain more than one-half of one percent alcohol by volume;
- (8) cork extraction devices;
- (9) books and videos on the use of alcoholic beverages;
- (10) magazines and other publications published primarily for information and education on alcoholic beverages;
- (11) multiple-use bags designed to carry purchased items;
- (12) devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers;

(13) home brewing equipment;

(14) clothing marked with the specific name, brand, or identifying logo of the exclusive liquor store, and bearing no other name, brand, or identifying logo;

(15) citrus fruit; ~~and~~

(16) glassware;

(17) lower-potency hemp edibles as defined in section 342.01, subdivision 50; and

(18) products that detect the presence of fentanyl or a fentanyl analog.

(b) An exclusive liquor store that has an on-sale, or combination on-sale and off-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.

(c) An exclusive liquor store may offer live or recorded entertainment.

EFFECTIVE DATE. This section is effective March 1, 2025.

Sec. 53. Minnesota Statutes 2022, section 461.12, is amended by adding a subdivision to read:

Subd. 2a. **Penalties for sales of certain products; licensees.** (a) A licensee's authority to sell tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products at that location must be suspended for not less than seven days and may be revoked if the licensee:

(1) holds a license or registration issued pursuant to chapter 342 or section 151.72, subdivision 5b, and the license or registration is revoked;

(2) is convicted of an offense under section 151.72, subdivision 7; or

(3) has been convicted under any other statute for the illegal sale of marijuana, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products and the sale took place on the premises of a business that sells tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products.

(b) No suspension, revocation, or other penalty may take effect until the licensee has received notice, served personally or by mail, of the alleged violation and an opportunity for a hearing before a person authorized by the licensing authority to conduct the hearing. A decision that a violation has occurred must be in writing.

Sec. 54. Minnesota Statutes 2022, section 484.014, subdivision 3, is amended to read:

Subd. 3. **Mandatory expungement.** (a) The court shall order expungement of an eviction case commenced solely on the grounds provided in section 504B.285, subdivision 1, clause (1), if the court finds that the defendant occupied real property that was subject to contract for deed cancellation or mortgage foreclosure and:

(1) the time for contract cancellation or foreclosure redemption has expired and the defendant vacated the property prior to commencement of the eviction action; or

(2) the defendant was a tenant during the contract cancellation or foreclosure redemption period and did not receive a notice under section 504B.285, subdivision 1a, 1b, or 1c, to vacate on a date prior to commencement of the eviction case.

(b) If a tenant brings a motion for the expungement of an eviction, the court shall order the expungement of an eviction case that was commenced on the grounds of a violation of section 504B.171 or any other claim of breach regardless of when the original eviction was ordered, if the tenant could receive an automatic expungement under section 609A.055, or if the breach was based solely on the possession of marijuana or tetrahydrocannabinols.

Sec. 55. Minnesota Statutes 2022, section 504B.171, subdivision 1, is amended to read:

Subdivision 1. **Terms of covenant.** (a) In every lease or license of residential premises, whether in writing or parol, the landlord or licensor and the tenant or licensee covenant that:

(1) neither will:

(i) ~~unlawfully~~ allow controlled substances in those premises or in the common area and curtilage of the premises in violation of any criminal provision of chapter 152;

(ii) allow prostitution or prostitution-related activity as defined in section 617.80, subdivision 4, to occur on the premises or in the common area and curtilage of the premises;

(iii) allow the unlawful use or possession of a firearm in violation of section 609.66, subdivision 1a, 609.67, or 624.713, on the premises or in the common area and curtilage of the premises; or

(iv) allow stolen property or property obtained by robbery in those premises or in the common area and curtilage of the premises; and

(2) the common area and curtilage of the premises will not be used by either the landlord or licensor or the tenant or licensee or others acting under the control of either to manufacture, sell, give away, barter, deliver, exchange, distribute, purchase, or possess a controlled substance in violation of any criminal provision of chapter 152. The covenant is not violated when a person other than the landlord or licensor or the tenant or licensee possesses or allows controlled substances in the premises, common area, or curtilage, unless the landlord or licensor or the tenant or licensee knew or had reason to know of that activity.

(b) In every lease or license of residential premises, whether in writing or parol, the tenant or licensee covenant that the tenant or licensee will not commit an act enumerated under section 504B.206, subdivision 1, paragraph (a), against a tenant or licensee or any authorized occupant.

(c) A landlord cannot prohibit a tenant from legally possessing, and a tenant cannot waive the right to legally possess, any cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, or using any cannabinoid product or hemp-derived consumer product, other than consumption by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product.

Sec. 56. **[504B.1715] COVENANTS; SOBER HOMES.**

A sober housing program for people with substance use disorders may prohibit people in the program from the possession and use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Sec. 57. Minnesota Statutes 2022, section 609B.425, subdivision 2, is amended to read:

Subd. 2. **Benefit eligibility.** (a) A person convicted of a drug offense after July 1, 1997, is ineligible for general assistance benefits and Supplemental Security Income under chapter 256D until:

(1) five years after completing the terms of a court-ordered sentence; or

(2) unless the person is participating in a drug treatment program, has successfully completed a program, or has been determined not to be in need of a drug treatment program.

(b) A person who becomes eligible for assistance under chapter 256D is subject to random drug testing and shall lose eligibility for benefits for five years beginning the month following:

(1) any positive test for an illegal controlled substance; or

(2) discharge of sentence for conviction of another drug felony.

(c) Parole violators and fleeing felons are ineligible for benefits and persons fraudulently misrepresenting eligibility are also ineligible to receive benefits for ten years.

(d) This subdivision does not apply for convictions or positive test results related to cannabis, marijuana, or tetrahydrocannabinols.

Sec. 58. Minnesota Statutes 2022, section 609B.435, subdivision 2, is amended to read:

Subd. 2. **Drug offenders; random testing; sanctions.** A person who is an applicant for benefits from the Minnesota family investment program or MFIP, the vehicle for temporary assistance for needy families or TANF, and who has been convicted of a drug offense shall be subject to certain conditions, including random drug testing, in order to receive MFIP benefits. Following any positive test for a controlled substance, the convicted applicant or participant is subject to the following sanctions:

(1) a first time drug test failure results in a reduction of benefits in an amount equal to 30 percent of the MFIP standard of need; and

(2) a second time drug test failure results in permanent disqualification from receiving MFIP assistance.

A similar disqualification sequence occurs if the applicant is receiving Supplemental Nutrition Assistance Program (SNAP) benefits.

This subdivision does not apply for convictions or positive test results related to cannabis, marijuana, or tetrahydrocannabinols.

Sec. 59. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 13. **Adult-use cannabis flower.** "Adult-use cannabis flower" has the meaning given in section 342.01, subdivision 3.

Sec. 60. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 14. **Adult-use cannabis product.** "Adult-use cannabis product" has the meaning given in section 342.01, subdivision 4.

Sec. 61. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 15. **Medical cannabis flower.** "Medical cannabis flower" has the meaning given in section 342.01, subdivision 54.

Sec. 62. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 16. **Medical cannabinoid product.** "Medical cannabinoid product" has the meaning given in section 342.01, subdivision 52.

Sec. 63. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 17. **Patient.** "Patient" has the meaning given in section 342.01, subdivision 59.

Sec. 64. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 18. **Qualifying medical condition.** "Qualifying medical condition" has the meaning given in section 342.01, subdivision 63.

Sec. 65. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 19. **Registry or registry program.** "Registry" or "registry program" has the meaning given in section 342.01, subdivision 65.

Sec. 66. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 20. **Hemp-derived consumer product.** "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 37.

Sec. 67. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 21. **Lower-potency hemp edible.** "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 50.

Sec. 68. Minnesota Statutes 2022, section 624.713, subdivision 1, is amended to read:

Subdivision 1. **Ineligible persons.** The following persons shall not be entitled to possess ammunition or a pistol or semiautomatic military-style assault weapon or, except for clause (1), any other firearm:

(1) a person under the age of 18 years except that a person under 18 may possess ammunition designed for use in a firearm that the person may lawfully possess and may carry or possess a pistol or semiautomatic military-style assault weapon (i) in the actual presence or under the direct supervision of the person's parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol or semiautomatic military-style assault weapon and approved by the commissioner of natural resources;

(2) except as otherwise provided in clause (9), a person who has been convicted of, or adjudicated delinquent or convicted as an extended jurisdiction juvenile for committing, in this state or elsewhere, a crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been crimes of violence as herein defined if they had been committed in this state;

(3) a person who is or has ever been committed in Minnesota or elsewhere by a judicial determination that the person is mentally ill, developmentally disabled, or mentally ill and dangerous to the public, as

defined in section 253B.02, to a treatment facility, or who has ever been found incompetent to stand trial or not guilty by reason of mental illness, unless the person's ability to possess a firearm and ammunition has been restored under subdivision 4;

(4) a person who has been convicted in Minnesota or elsewhere of a misdemeanor or gross misdemeanor violation of chapter 152, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other such violation of chapter 152 or a similar law of another state; or a person who is or has ever been committed by a judicial determination for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the person's ability to possess a firearm and ammunition has been restored under subdivision 4;

(5) a person who has been committed to a treatment facility in Minnesota or elsewhere by a judicial determination that the person is chemically dependent as defined in section 253B.02, unless the person has completed treatment or the person's ability to possess a firearm and ammunition has been restored under subdivision 4. Property rights may not be abated but access may be restricted by the courts;

(6) a peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility. Property rights may not be abated but access may be restricted by the courts;

(7) a person, including a person under the jurisdiction of the juvenile court, who has been charged with committing a crime of violence and has been placed in a pretrial diversion program by the court before disposition, until the person has completed the diversion program and the charge of committing the crime of violence has been dismissed;

(8) except as otherwise provided in clause (9), a person who has been convicted in another state of committing an offense similar to the offense described in section 609.224, subdivision 3, against a family or household member or section 609.2242, subdivision 3, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other violation of section 609.224, subdivision 3, or 609.2242, subdivision 3, or a similar law of another state;

(9) a person who has been convicted in this state or elsewhere of assaulting a family or household member and who was found by the court to have used a firearm in any way during commission of the assault is prohibited from possessing any type of firearm or ammunition for the period determined by the sentencing court;

(10) a person who:

(i) has been convicted in any court of a crime punishable by imprisonment for a term exceeding one year;

(ii) is a fugitive from justice as a result of having fled from any state to avoid prosecution for a crime or to avoid giving testimony in any criminal proceeding;

(iii) is an unlawful user of any controlled substance as defined in chapter 152. The use of medical cannabis flower or medical cannabinoid products by a patient enrolled in the registry program or the use of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by a person 21 years of age or older does not constitute the unlawful use of a controlled substance under this item;

(iv) has been judicially committed to a treatment facility in Minnesota or elsewhere as a person who is mentally ill, developmentally disabled, or mentally ill and dangerous to the public, as defined in section 253B.02;

(v) is an alien who is illegally or unlawfully in the United States;

(vi) has been discharged from the armed forces of the United States under dishonorable conditions;

(vii) has renounced the person's citizenship having been a citizen of the United States; or

(viii) is disqualified from possessing a firearm under United States Code, title 18, section 922(g)(8) or (9), as amended through March 1, 2014;

(11) a person who has been convicted of the following offenses at the gross misdemeanor level, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other violation of these sections: section 609.229 (crimes committed for the benefit of a gang); 609.2231, subdivision 4 (assaults motivated by bias); 609.255 (false imprisonment); 609.378 (neglect or endangerment of a child); 609.582, subdivision 4 (burglary in the fourth degree); 609.665 (setting a spring gun); 609.71 (riot); or 609.749 (harassment or stalking). For purposes of this paragraph, the specified gross misdemeanor convictions include crimes committed in other states or jurisdictions which would have been gross misdemeanors if conviction occurred in this state;

(12) a person who has been convicted of a violation of section 609.224 if the court determined that the assault was against a family or household member in accordance with section 609.2242, subdivision 3 (domestic assault), unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of another violation of section 609.224 or a violation of a section listed in clause (11); or

(13) a person who is subject to an order for protection as described in section 260C.201, subdivision 3, paragraph (d), or 518B.01, subdivision 6, paragraph (g).

A person who issues a certificate pursuant to this section in good faith is not liable for damages resulting or arising from the actions or misconduct with a firearm or ammunition committed by the individual who is the subject of the certificate.

The prohibition in this subdivision relating to the possession of firearms other than pistols and semiautomatic military-style assault weapons does not apply retroactively to persons who are prohibited from possessing a pistol or semiautomatic military-style assault weapon under this subdivision before August 1, 1994.

The lifetime prohibition on possessing, receiving, shipping, or transporting firearms and ammunition for persons convicted or adjudicated delinquent of a crime of violence in clause (2), applies only to offenders who are discharged from sentence or court supervision for a crime of violence on or after August 1, 1993.

Participation as a patient in the registry program or use of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by a person 21 years of age or older does not disqualify the person from possessing firearms and ammunition under this section.

For purposes of this section, "judicial determination" means a court proceeding pursuant to sections 253B.07 to 253B.09 or a comparable law from another state.

Sec. 69. Minnesota Statutes 2022, section 624.714, subdivision 6, is amended to read:

Subd. 6. **Granting and denial of permits.** (a) The sheriff must, within 30 days after the date of receipt of the application packet described in subdivision 3:

(1) issue the permit to carry;

(2) deny the application for a permit to carry solely on the grounds that the applicant failed to qualify under the criteria described in subdivision 2, paragraph (b); or

(3) deny the application on the grounds that there exists a substantial likelihood that the applicant is a danger to self or the public if authorized to carry a pistol under a permit.

(b) Failure of the sheriff to notify the applicant of the denial of the application within 30 days after the date of receipt of the application packet constitutes issuance of the permit to carry and the sheriff must promptly fulfill the requirements under paragraph (c). To deny the application, the sheriff must provide the applicant with written notification and the specific factual basis justifying the denial under paragraph (a), clause (2) or (3), including the source of the factual basis. The sheriff must inform the applicant of the applicant's right to submit, within 20 business days, any additional documentation relating to the propriety of the denial. Upon receiving any additional documentation, the sheriff must reconsider the denial and inform the applicant within 15 business days of the result of the reconsideration. Any denial after reconsideration must be in the same form and substance as the original denial and must specifically address any continued deficiencies in light of the additional documentation submitted by the applicant. The applicant must be informed of the right to seek de novo review of the denial as provided in subdivision 12.

(c) Upon issuing a permit to carry, the sheriff must provide a laminated permit card to the applicant by first class mail unless personal delivery has been made. Within five business days, the sheriff must submit the information specified in subdivision 7, paragraph (a), to the commissioner for inclusion solely in the database required under subdivision 15, paragraph (a). The sheriff must transmit the information in a manner and format prescribed by the commissioner.

(d) Within five business days of learning that a permit to carry has been suspended or revoked, the sheriff must submit information to the commissioner regarding the suspension or revocation for inclusion solely in the databases required or permitted under subdivision 15.

(e) Notwithstanding paragraphs (a) and (b), the sheriff may suspend the application process if a charge is pending against the applicant that, if resulting in conviction, will prohibit the applicant from possessing a firearm.

(f) A sheriff shall not deny an application for a permit to carry solely because the applicant is a patient enrolled in the registry program and uses medical cannabis flower or medical cannabinoid products for a qualifying medical condition or because the person is 21 years of age or older and uses adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Sec. 70. Minnesota Statutes 2022, section 624.7151, is amended to read:

624.7151 STANDARDIZED FORMS.

By December 1, 1992, the commissioner shall adopt statewide standards governing the form and contents, as required by sections 624.7131 to 624.714, of every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is granted or renewed on or after January 1, 1993.

Every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is received, granted, or renewed by a police chief or county sheriff on or after January 1, 1993, must meet the statewide standards adopted by the commissioner. Notwithstanding the previous sentence, neither failure of the Department of Public Safety to adopt standards nor failure of the police chief or county sheriff to meet them shall delay the timely processing of applications nor invalidate permits issued on other forms meeting the requirements of sections 624.7131 to 624.714.

Any form used for the purpose of approving or disapproving a person from purchasing, owning, possessing, or carrying a firearm that inquires about the applicant's use of controlled substances shall specifically authorize a patient in the registry program to refrain from reporting the use of medical cannabis flower and medical cannabinoid products and shall specifically authorize a person 21 years of age or older from refraining from reporting the use of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Sec. 71. **[624.7152] LAWFUL CANNABIS USERS.**

(a) A person may not be denied the right to purchase, own, possess, or carry a firearm solely on the basis that the person is a patient in the registry program.

(b) A person may not be denied the right to purchase, own, possess, or carry a firearm solely on the basis that the person is 21 years of age or older and uses adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

(c) A state or local agency may not access a database containing the identities of patients in the registry program to obtain information for the purpose of approving or disapproving a person from purchasing, owning, possessing, or carrying a firearm.

(d) A state or local agency may not use information gathered from a database containing the identities of patients in the registry program to obtain information for the purpose of approving or disapproving a person from purchasing, owning, possessing, or carrying a firearm.

(e) A state or local agency may not inquire about a person's status as a patient in the registry program for the purpose of approving or disapproving the person from purchasing, owning, possessing, or carrying a firearm.

(f) A state or local agency may not inquire about the use of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by a person 21 years of age or older for the purpose of approving or disapproving the person from purchasing, owning, possessing, or carrying a firearm.

Sec. 72. **HIGH INTENSITY DRUG TRAFFICKING AREA REPORT.**

The commissioner of public safety shall contract with Hennepin County to produce a statewide baseline high intensity drug trafficking area report on marijuana. The report must include information on past and present marijuana use in Minnesota; potency of marijuana; impacts of marijuana use on public health, emergency room admissions, traffic accidents, impaired driving citations, workforce, and schools; marijuana crimes and the juvenile justice system; marijuana's influence on the opioid epidemic; and the illicit market for marijuana. The report must be submitted to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety, health, education policy, labor, and transportation by February 1, 2024.

Sec. 73. REPEALER.

(a) Minnesota Statutes 2022, sections 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, and 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, and 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, and 7; 152.28, subdivisions 1, 2, and 3; 152.29, subdivisions 1, 2, 3, 3a, and 4; 152.291; 152.30; 152.31; 152.32, subdivisions 1, 2, and 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, and 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, and 5; and 152.37, are repealed.

(b) Minnesota Statutes 2022, section 152.027, subdivisions 3 and 4, are repealed.

(c) Minnesota Statutes 2022, section 152.21, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective March 1, 2025. Paragraph (b) is effective August 1, 2023. Paragraph (c) is effective July 1, 2023.

ARTICLE 7**TEMPORARY REGULATION OF CERTAIN PRODUCTS**

Section 1. Minnesota Statutes 2022, section 34A.01, subdivision 4, is amended to read:

Subd. 4. **Food.** "Food" means every ingredient used for, entering into the consumption of, or used or intended for use in the preparation of food, drink, confectionery, or condiment for humans or other animals, whether simple, mixed, or compound; and articles used as components of these ingredients, except that edible cannabinoid products, as defined in section 151.72, subdivision 1, paragraph ~~(e)~~ (f), are not food.

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

Sec. 2. Minnesota Statutes 2022, section 151.72, is amended to read:

151.72 SALE OF CERTAIN CANNABINOID PRODUCTS.

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(a) "Artificially derived cannabinoid" means a cannabinoid extracted from a hemp plant or hemp plant parts with a chemical makeup that is changed after extraction to create a different cannabinoid or other chemical compound by applying a catalyst other than heat or light. Artificially derived cannabinoid includes but is not limited to any tetrahydrocannabinol created from cannabidiol.

(b) "Batch" means a specific quantity of a specific product containing cannabinoids derived from hemp, including an edible cannabinoid product, that is manufactured at the same time and using the same methods, equipment, and ingredients that is uniform and intended to meet specifications for identity, strength, purity, and composition, and that is manufactured, packaged, and labeled according to a single batch production record executed and documented.

~~(b)~~ (c) "Certified hemp" means hemp plants that have been tested and found to meet the requirements of chapter 18K and the rules adopted thereunder.

(d) "Commissioner" means the commissioner of health.

(e) "Distributor" means a person who sells, arranges a sale, or delivers a product containing cannabinoids derived from hemp, including an edible cannabinoid product, that the person did not manufacture to a retail

establishment for sale to consumers. Distributor does not include a common carrier used only to complete delivery to a retailer.

~~(e)~~ (f) "Edible cannabinoid product" means any product that is intended to be eaten or consumed as a beverage by humans, contains a cannabinoid in combination with food ingredients, and is not a drug.

~~(d)~~ (g) "Hemp" has the meaning given to "industrial hemp" in section 18K.02, subdivision 3.

~~(e)~~ (h) "Label" has the meaning given in section 151.01, subdivision 18.

~~(f)~~ (i) "Labeling" means all labels and other written, printed, or graphic matter that are:

(1) affixed to the immediate container in which a product regulated under this section is sold;

(2) provided, in any manner, with the immediate container, including but not limited to outer containers, wrappers, package inserts, brochures, or pamphlets; or

(3) provided on that portion of a manufacturer's website that is linked by a scannable barcode or matrix barcode.

~~(g)~~ (j) "Matrix barcode" means a code that stores data in a two-dimensional array of geometrically shaped dark and light cells capable of being read by the camera on a smartphone or other mobile device.

~~(h)~~ (k) "Nonintoxicating cannabinoid" means substances extracted from certified hemp plants that do not produce intoxicating effects when consumed by any route of administration.

(l) "Synthetic cannabinoid" means a substance with a similar chemical structure and pharmacological activity to a cannabinoid, but which is not extracted or derived from hemp plants, or hemp plant parts and is instead created or produced by chemical or biochemical synthesis.

Subd. 2. **Scope.** (a) This section applies to the sale of any product that contains cannabinoids extracted from hemp and that is an edible cannabinoid product or is intended for human or animal consumption by any route of administration.

(b) This section does not apply to any product dispensed by a registered medical cannabis manufacturer pursuant to sections 152.22 to 152.37.

(c) The ~~board~~ commissioner must have no authority over food products, as defined in section 34A.01, subdivision 4, that do not contain cannabinoids extracted or derived from hemp.

Subd. 3. **Sale of cannabinoids derived from hemp.** (a) Notwithstanding any other section of 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 percent of any tetrahydrocannabinol and an edible cannabinoid product does not contain an amount of any tetrahydrocannabinol that exceeds the limits established in subdivision 5a, paragraph (f).

(b) A product containing nonintoxicating cannabinoids, other than an edible cannabinoid product, may be sold for human or animal consumption only if it is intended for application externally to a part of the body of a human or animal. Such a product must not be manufactured, marketed, distributed, or intended to be consumed:

(1) by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product;

(2) through chewing, drinking, or swallowing; or

(3) through injection or application to a mucous membrane or nonintact skin.

~~(b)~~ (c) No other substance extracted or otherwise derived from hemp may be sold for human consumption if the substance is intended:

(1) for external or internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals; or

(2) to affect the structure or any function of the bodies of humans or other animals.

~~(c)~~ (d) No product containing any cannabinoid or tetrahydrocannabinol extracted or otherwise derived from hemp may be sold to any individual who is under the age of 21.

~~(d)~~ (e) Products that meet the requirements of this section are not controlled substances under section 152.02.

(f) Products may be sold for on-site consumption provided that all of the following conditions are met:

(1) the retailer must also hold an on-sale license issued under chapter 340A;

(2) products must be served in original packaging, but may be removed from the products' packaging by customers and consumed on site;

(3) products must not be sold to a customer who the retailer knows or reasonably should know is intoxicated;

(4) products must not be permitted to be mixed with an alcoholic beverage; and

(5) products that have been removed from packaging must not be removed from the premises.

Subd. 4. **Testing requirements.** (a) A manufacturer of a product regulated under this section must submit representative samples of each batch of the product to an independent, accredited laboratory in order to certify that the product complies with the standards adopted by the board on or before July 1, 2023, or the standards adopted by the commissioner. Testing must be consistent with generally accepted industry standards for herbal and botanical substances, and, at a minimum, the testing must confirm that the product:

(1) contains the amount or percentage of cannabinoids that is stated on the label of the product;

(2) does not contain more than trace amounts of any mold, residual solvents or other catalysts, pesticides, fertilizers, or heavy metals; and

(3) does not contain more than 0.3 percent of any tetrahydrocannabinol.

(b) A manufacturer of a product regulated under this section must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign materials applied to industrial hemp or added to industrial hemp during any production or processing stages of any batch from which a representative sample has been sent for testing, including any catalysts used to create artificially derived cannabinoids. The disclosure must be made to the laboratory performing testing or sampling and, upon request, to the commissioner. The disclosure must include all information known to the licensee regardless of whether the application or addition was made intentionally or accidentally, or by the manufacturer or any other person.

~~(b)~~ (c) Upon the request of the ~~board~~ commissioner, the manufacturer of the product must provide the ~~board~~ commissioner with the results of the testing required in this section.

(d) The commissioner may determine that any testing laboratory that does not operate formal management systems under the International Organization for Standardization is not an accredited laboratory and require that a representative sample of a batch of the product be retested by a testing laboratory that meets this requirement.

~~(e)~~ (e) Testing of the hemp from which the nonintoxicating cannabinoid was derived, or possession of a certificate of analysis for such hemp, does not meet the testing requirements of this section.

Subd. 5. **Labeling requirements.** (a) A product regulated under this section must bear a label that contains, at a minimum:

(1) the name, location, contact phone number, and website of the manufacturer of the product;

(2) the name and address of the independent, accredited laboratory used by the manufacturer to test the product; ~~and~~

(3) the batch number; and

~~(3)~~ (4) an accurate statement of the amount or percentage of cannabinoids found in each unit of the product meant to be consumed.

(b) The information in paragraph (a) may be provided on an outer package if the immediate container that holds the product is too small to contain all of the information.

(c) The information required in paragraph (a) may be provided through the use of a scannable barcode or matrix barcode that links to a page on the manufacturer's website if that page contains all of the information required by this subdivision.

(d) The label must also include a statement stating that the product does not claim to diagnose, treat, cure, or prevent any disease and has not been evaluated or approved by the United States Food and Drug Administration (FDA) unless the product has been so approved.

(e) The information required by this subdivision must be prominently and conspicuously placed on the label or displayed on the website in terms that can be easily read and understood by the consumer.

(f) The labeling must not contain any claim that the product may be used or is effective for the prevention, treatment, or cure of a disease or that it may be used to alter the structure or function of human or animal bodies, unless the claim has been approved by the FDA.

Subd. 5a. **Additional requirements for edible cannabinoid products.** (a) In addition to the testing and labeling requirements under subdivisions 4 and 5, an edible cannabinoid must meet the requirements of this subdivision.

(b) An edible cannabinoid product must not:

(1) bear the likeness or contain cartoon-like characteristics of a real or fictional person, animal, or fruit that appeals to children;

(2) be modeled after a brand of products primarily consumed by or marketed to children;

(3) be made by applying an extracted or concentrated hemp-derived cannabinoid to a commercially available candy or snack food item;

(4) be substantively similar to a meat food product; poultry food product as defined in section 31A.02, subdivision 10; or a dairy product as defined in section 32D.01, subdivision 7;

~~(4)~~ (5) contain an ingredient, other than a hemp-derived cannabinoid, that is not approved by the United States Food and Drug Administration for use in food;

~~(5)~~ (6) be packaged in a way that resembles the trademarked, characteristic, or product-specialized packaging of any commercially available food product; or

~~(6)~~ (7) be packaged in a container that includes a statement, artwork, or design that could reasonably mislead any person to believe that the package contains anything other than an edible cannabinoid product.

(c) An edible cannabinoid product must be prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque or placed in packaging or a container that is child-resistant, tamper-evident, and opaque at the final point of sale to a customer. The requirement that packaging be child-resistant does not apply to an edible cannabinoid product that is intended to be consumed as a beverage ~~and which contains no more than a trace amount of any tetrahydrocannabinol.~~

(d) If an edible cannabinoid product, other than a product that is intended to be consumed as a beverage, is intended for more than a single use or contains multiple servings, each serving must be indicated by scoring, wrapping, or other indicators designating the individual serving size that appear on the edible cannabinoid product.

(e) A label containing at least the following information must be affixed to the packaging or container of all edible cannabinoid products sold to consumers:

- (1) the serving size;
- (2) the cannabinoid profile per serving and in total;
- (3) a list of ingredients, including identification of any major food allergens declared by name; and
- (4) the following statement: "Keep this product out of reach of children."

(f) An edible cannabinoid product must not contain more than five milligrams of any tetrahydrocannabinol in a single serving, ~~or~~. An edible cannabinoid product, other than a product that is intended to be consumed as a beverage, may not contain more than a total of 50 milligrams of any tetrahydrocannabinol per package. An edible cannabinoid product that is intended to be consumed as a beverage may not contain more than two servings per container.

(g) An edible cannabinoid product may contain delta-8 tetrahydrocannabinol or delta-9 tetrahydrocannabinol that is extracted from hemp plants or hemp plant parts or is an artificially derived cannabinoid. Edible cannabinoid products are prohibited from containing any other artificially derived cannabinoid, including but not limited to THC-P, THC-O, and HHC, unless the commissioner authorizes use of the artificially derived cannabinoid in edible cannabinoid products. Edible cannabinoid products are prohibited from containing synthetic cannabinoids.

(h) Every person selling edible cannabinoid products to consumers, other than products that are intended to be consumed as a beverage, must ensure that all edible cannabinoid products are displayed behind a checkout counter where the public is not permitted or in a locked case.

Subd. 5b. **Registration; prohibitions.** (a) On or before October 1, 2023, every person selling edible cannabinoid products to consumers must register with the commissioner in a form and manner established

by the commissioner. After October 1, 2023, the sale of edible cannabinoid products by a person that is not registered is prohibited.

(b) The registration form must contain an attestation of compliance and each registrant must affirm that it is operating and will continue to operate in compliance with the requirements of this section and all other applicable state and local laws and ordinances.

(c) The commissioner shall not charge a fee for registration under this subdivision.

Subd. 5c. **Age verification.** (a) Prior to initiating a sale or otherwise providing an edible cannabinoid product to an individual, an employee of a retailer must verify that the individual is at least 21 years of age.

(b) Proof of age may be established only by one of the following:

(1) a valid driver's license or identification card issued by Minnesota, another state, or a province of Canada and including the photograph and date of birth of the licensed person;

(2) a valid Tribal identification card as defined in section 171.072, paragraph (b);

(3) a valid passport issued by the United States;

(4) a valid instructional permit issued under section 171.05 to a person of legal age to purchase edible cannabinoid products, which includes a photograph and the date of birth of the person issued the permit; or

(5) in the case of a foreign national, by a valid passport.

(c) A registered retailer may seize a form of identification listed under paragraph (b) if the registered retailer has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A registered retailer that seizes a form of identification as authorized under this paragraph must deliver it to a law enforcement agency within 24 hours of seizing it.

Subd. 6. **Noncompliant products; enforcement.** (a) A product regulated under this section, including an edible cannabinoid product, shall be considered ~~an adulterated drug~~ a noncompliant product if the product is offered for sale in this state or if the product is manufactured, imported, distributed, or stored with the intent to be offered for sale in this state in violation of any provision of this section, including but not limited to if:

(1) it consists, in whole or in part, of any filthy, putrid, or decomposed substance;

(2) it has been produced, prepared, packed, or held under unsanitary conditions where it may have been rendered injurious to health, or where it may have been contaminated with filth;

(3) its container is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health;

(4) it contains any food additives, color additives, or excipients that have been found by the FDA to be unsafe for human or animal consumption;

(5) it contains an amount or percentage of nonintoxicating cannabinoids that is different than the amount or percentage stated on the label;

(6) it contains more than 0.3 percent of any tetrahydrocannabinol or, if the product is an edible cannabinoid product, an amount of tetrahydrocannabinol that exceeds the limits established in subdivision 5a, paragraph (f); or

(7) it contains more than trace amounts of mold, residual solvents, pesticides, fertilizers, or heavy metals.

(b) A product regulated under this section shall be considered a ~~misbranded drug~~ noncompliant product if the product's labeling is false or misleading in any manner or in violation of the requirements of this section.

(c) ~~The board's authority to issue cease and desist orders under section 151.06; to embargo adulterated and misbranded drugs under section 151.38; and to seek injunctive relief under section 214.11, extends to any commissioner may assume that any product regulated under this section that is present in the state, other than a product lawfully possessed for personal use, has been manufactured, imported, distributed, or stored with the intent to be offered for sale in this state if a product of the same type and brand was sold in the state on or after July 1, 2023, or if the product is in the possession of a person who has sold any product in violation of this section.~~

(d) The commissioner may enforce this section, including enforcement against a manufacturer or distributor of a product regulated under this section, under sections 144.989 to 144.993.

(e) The commissioner may enter into an interagency agreement with the Office of Cannabis Management and the commissioner of agriculture to perform inspections and take other enforcement actions on behalf of the commissioner.

Subd. 7. Violations; criminal penalties. (a) Notwithstanding section 144.99, subdivision 11, a person who does any of the following regarding a product regulated under this section is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both:

(1) knowingly alters or otherwise falsifies testing results;

(2) intentionally alters or falsifies any information required to be included on the label of an edible cannabinoid product; or

(3) intentionally makes a false material statement to the commissioner.

(b) Notwithstanding section 144.99, subdivision 11, a person who does any of the following on the premises of a registered retailer or another business that sells retail goods to customers is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both:

(1) sells an edible cannabinoid product knowing that the product does not comply with the limits on the amount or types of cannabinoids that a product may contain;

(2) sells an edible cannabinoid product knowing that the product does not comply with the applicable testing, packaging, or labeling requirements; or

(3) sells an edible cannabinoid product to a person under the age of 21, except that it is an affirmative defense to a charge under this clause if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in subdivision 5c.

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

Sec. 3. Minnesota Statutes 2022, section 340A.412, subdivision 14, is amended to read:

Subd. 14. **Exclusive liquor stores.** (a) Except as otherwise provided in this subdivision, an exclusive liquor store may sell only the following items:

- (1) alcoholic beverages;
- (2) tobacco products;
- (3) ice;
- (4) beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor;
- (5) soft drinks;
- (6) liqueur-filled candies;
- (7) food products that contain more than one-half of one percent alcohol by volume;
- (8) cork extraction devices;
- (9) books and videos on the use of alcoholic beverages;
- (10) magazines and other publications published primarily for information and education on alcoholic beverages;
- (11) multiple-use bags designed to carry purchased items;
- (12) devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers;
- (13) home brewing equipment;
- (14) clothing marked with the specific name, brand, or identifying logo of the exclusive liquor store, and bearing no other name, brand, or identifying logo;
- (15) citrus fruit; ~~and~~
- (16) glassware;
- (17) edible cannabinoid products as defined in section 151.72, subdivision 1, paragraph (f); and
- (18) products that detect the presence of fentanyl or a fentanyl analog.

(b) An exclusive liquor store that has an on-sale, or combination on-sale and off-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.

(c) An exclusive liquor store may offer live or recorded entertainment.

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

Sec. 4. **EDIBLE CANNABINOID PRODUCTS; ENFORCEMENT.**

(a) The Department of Health shall enforce the provisions of Minnesota Statutes, section 151.72, and all rules, orders, stipulation agreements, settlements, compliance agreements, and registrations related to that section adopted or issued by the Office of Medical Cannabis or the Department of Health pursuant to

the Health Enforcement Consolidation Act of 1993 contained in Minnesota Statutes, sections 144.989 to 144.993, and the authority to embargo products described in paragraph (b). The commissioner of health may assign enforcement responsibilities to the Office of Medical Cannabis.

(b) Whenever a duly authorized agent of the Department of Health finds or has probable cause to believe that any product is being sold in violation of the provisions of Minnesota Statutes, section 151.72, the agent shall affix thereto an appropriate marking, giving notice that the article is, or is suspected of being in violation of Minnesota Statutes, section 151.72, has been embargoed, and warning that it is unlawful for any person to remove or dispose of the embargoed article by sale or otherwise without permission from the agent or the court. When an agent of the Department of Health has embargoed an article, the Department of Health shall, within 30 days, petition the district court in whose jurisdiction the article is embargoed for an order of condemnation. When an embargoed article is not so found by the agent, the agent shall remove the marking. If the court finds that an embargoed article is being sold in violation of the provisions of Minnesota Statutes, section 151.72, the article shall be destroyed at the expense of the claimant thereof, who shall also pay all court costs and fees, storage, and other proper expenses. If the violation can be corrected by proper labeling or processing of the article, or by filing the proper documents with the court, the court, after the costs, fees, and expenses have been paid and a sufficient bond has been executed, may order that the article be delivered to the claimant for labeling, processing, or filing under supervision of an agent of the board. The expense of the supervision shall be paid by the claimant. The bond shall be returned to the claimant on the representation to the court by the board that the article is no longer in violation of this chapter and that the expenses of supervision have been paid.

(c) The enforcement authority under paragraphs (a) and (b) shall transfer to the Office of Cannabis Management at any such time that the powers and duties of the Department of Health with respect to the medical cannabis program under Minnesota Statutes, sections 152.22 to 152.37, are transferred to the Office of Cannabis Management. The director of the Office of Cannabis Management may assign enforcement responsibilities to the Division of Medical Cannabis.

(d) This section shall expire on March 1, 2025.

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

Sec. 5. TRANSFER OF ACTIVE AND INACTIVE COMPLAINTS.

(a) The Board of Pharmacy shall transfer all data, including not public data as defined in Minnesota Statutes, section 13.02, subdivision 8a, on active complaints and inactive complaints involving alleged violations of Minnesota Statutes, section 151.72, to the Department of Health. The Board of Pharmacy and Department of Health shall ensure that the transfer takes place in a manner and on a schedule that prioritizes public health.

(b) The Department of Health shall transfer all complaint data described in paragraph (a) to the Office of Cannabis Management at any such time that the powers and duties of the Department of Health with respect to the medical cannabis program under Minnesota Statutes, sections 152.22 to 152.37, are transferred to the Office of Cannabis Management. The director of the Office of Cannabis Management may assign enforcement responsibilities to the Division of Medical Cannabis.

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

Sec. 6. REPEALER.

Minnesota Statutes 2022, section 151.72, is repealed.

EFFECTIVE DATE. This section is effective March 1, 2025.

ARTICLE 8

SCHEDULING OF MARIJUANA

Section 1. Minnesota Statutes 2022, section 152.02, subdivision 2, is amended to read:

Subd. 2. **Schedule I.** (a) Schedule I consists of the substances listed in this subdivision.

(b) Opiates. Unless specifically excepted or unless listed in another schedule, any of the following substances, including their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the analogs, isomers, esters, ethers, and salts is possible:

- (1) acetylmethadol;
- (2) allylprodine;
- (3) alphacetylmethadol (except levo-alphacetylmethadol, also known as levomethadyl acetate);
- (4) alphameprodine;
- (5) alphamethadol;
- (6) alpha-methylfentanyl benzethidine;
- (7) betacetylmethadol;
- (8) betameprodine;
- (9) betamethadol;
- (10) betaproline;
- (11) clonitazene;
- (12) dextromoramide;
- (13) diampromide;
- (14) diethylambutene;
- (15) difenoxin;
- (16) dimenoxadol;
- (17) dimepheptanol;
- (18) dimethylambutene;
- (19) dioxaphetyl butyrate;
- (20) dipipanone;
- (21) ethylmethylthiambutene;
- (22) etonitazene;

- (23) etoxeridine;
- (24) furethidine;
- (25) hydroxypethidine;
- (26) ketobemidone;
- (27) levomoramide;
- (28) levophenacymorphan;
- (29) 3-methylfentanyl;
- (30) acetyl-alpha-methylfentanyl;
- (31) alpha-methylthiofentanyl;
- (32) benzylfentanyl beta-hydroxyfentanyl;
- (33) beta-hydroxy-3-methylfentanyl;
- (34) 3-methylthiofentanyl;
- (35) thenylfentanyl;
- (36) thiofentanyl;
- (37) para-fluorofentanyl;
- (38) morpheridine;
- (39) 1-methyl-4-phenyl-4-propionoxypiperidine;
- (40) noracymethadol;
- (41) norlevorphanol;
- (42) normethadone;
- (43) norpipanone;
- (44) 1-(2-phenylethyl)-4-phenyl-4-acetoxypiperidine (PEPAP);
- (45) phenadoxone;
- (46) phenampromide;
- (47) phenomorphan;
- (48) phenoperidine;
- (49) piritramide;
- (50) proheptazine;
- (51) properidine;
- (52) propiram;

- (53) racemoramide;
 - (54) tilidine;
 - (55) trimeperidine;
 - (56) N-(1-Phenethylpiperidin-4-yl)-N-phenylacetamide (acetyl fentanyl);
 - (57) 3,4-dichloro-N-[(1R,2R)-2-(dimethylamino)cyclohexyl]-N-methylbenzamide(U47700);
 - (58) N-phenyl-N-[1-(2-phenylethyl)piperidin-4-yl]furan-2-carboxamide(furanylfentanyl);
 - (59) 4-(4-bromophenyl)-4-dimethylamino-1-phenethylcyclohexanol (bromadol);
 - (60) N-(1-phenethylpiperidin-4-yl)-N-phenylcyclopropanecarboxamide (Cyclopropyl fentanyl);
 - (61) N-(1-phenethylpiperidin-4-yl)-N-phenylbutanamide) (butyryl fentanyl);
 - (62) 1-cyclohexyl-4-(1,2-diphenylethyl)piperazine) (MT-45);
 - (63) N-(1-phenethylpiperidin-4-yl)-N-phenylcyclopentanecarboxamide (cyclopentyl fentanyl);
 - (64) N-(1-phenethylpiperidin-4-yl)-N-phenylisobutyramide (isobutyryl fentanyl);
 - (65) N-(1-phenethylpiperidin-4-yl)-N-phenylpentanamide (valeryl fentanyl);
 - (66) N-(4-chlorophenyl)-N-(1-phenethylpiperidin-4-yl)isobutyramide (para-chloroisobutyryl fentanyl);
 - (67) N-(4-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)butyramide (para-fluorobutyryl fentanyl);
 - (68) N-(4-methoxyphenyl)-N-(1-phenethylpiperidin-4-yl)butyramide (para-methoxybutyryl fentanyl);
 - (69) N-(2-fluorophenyl)-2-methoxy-N-(1-phenethylpiperidin-4-yl)acetamide (ocfentanil);
 - (70) N-(4-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)isobutyramide (4-fluoroisobutyryl fentanyl or para-fluoroisobutyryl fentanyl);
 - (71) N-(1-phenethylpiperidin-4-yl)-N-phenylacrylamide (acryl fentanyl or acryloylfentanyl);
 - (72) 2-methoxy-N-(1-phenethylpiperidin-4-yl)-N-phenylacetamide (methoxyacetyl fentanyl);
 - (73) N-(2-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)propionamide (ortho-fluorofentanyl or 2-fluorofentanyl);
 - (74) N-(1-phenethylpiperidin-4-yl)-N-phenyltetrahydrofuran-2-carboxamide (tetrahydrofuranyl fentanyl);
- and
- (75) Fentanyl-related substances, their isomers, esters, ethers, salts and salts of isomers, esters and ethers, meaning any substance not otherwise listed under another federal Administration Controlled Substance Code Number or not otherwise listed in this section, and for which no exemption or approval is in effect under section 505 of the Federal Food, Drug, and Cosmetic Act, United States Code , title 21, section 355, that is structurally related to fentanyl by one or more of the following modifications:
- (i) replacement of the phenyl portion of the phenethyl group by any monocycle, whether or not further substituted in or on the monocycle;

(ii) substitution in or on the phenethyl group with alkyl, alkenyl, alkoxy, hydroxyl, halo, haloalkyl, amino, or nitro groups;

(iii) substitution in or on the piperidine ring with alkyl, alkenyl, alkoxy, ester, ether, hydroxyl, halo, haloalkyl, amino, or nitro groups;

(iv) replacement of the aniline ring with any aromatic monocycle whether or not further substituted in or on the aromatic monocycle; or

(v) replacement of the N-propionyl group by another acyl group.

(c) Opium derivatives. Any of the following substances, their analogs, salts, isomers, and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) acetorphine;
- (2) acetyldihydrocodeine;
- (3) benzylmorphine;
- (4) codeine methylbromide;
- (5) codeine-n-oxide;
- (6) cyprenorphine;
- (7) desomorphine;
- (8) dihydromorphine;
- (9) drotebanol;
- (10) etorphine;
- (11) heroin;
- (12) hydromorphanol;
- (13) methyl-desorphine;
- (14) methyldihydromorphine;
- (15) morphine methylbromide;
- (16) morphine methylsulfonate;
- (17) morphine-n-oxide;
- (18) myrophine;
- (19) nicocodeine;
- (20) nicomorphine;
- (21) normorphine;

(22) pholcodine; and

(23) thebacon.

(d) Hallucinogens. Any material, compound, mixture or preparation which contains any quantity of the following substances, their analogs, salts, isomers (whether optical, positional, or geometric), and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) methylenedioxy amphetamine;
- (2) methylenedioxymethamphetamine;
- (3) methylenedioxy-N-ethylamphetamine (MDEA);
- (4) n-hydroxy-methylenedioxyamphetamine;
- (5) 4-bromo-2,5-dimethoxyamphetamine (DOB);
- (6) 2,5-dimethoxyamphetamine (2,5-DMA);
- (7) 4-methoxyamphetamine;
- (8) 5-methoxy-3, 4-methylenedioxyamphetamine;
- (9) alpha-ethyltryptamine;
- (10) bufotenine;
- (11) diethyltryptamine;
- (12) dimethyltryptamine;
- (13) 3,4,5-trimethoxyamphetamine;
- (14) 4-methyl-2, 5-dimethoxyamphetamine (DOM);
- (15) ibogaine;
- (16) lysergic acid diethylamide (LSD);
- (17) mescaline;
- (18) parahexyl;
- (19) N-ethyl-3-piperidyl benzilate;
- (20) N-methyl-3-piperidyl benzilate;
- (21) psilocybin;
- (22) psilocyn;
- (23) tenocyclidine (TPCP or TCP);
- (24) N-ethyl-1-phenyl-cyclohexylamine (PCE);
- (25) 1-(1-phenylcyclohexyl) pyrrolidine (PCPy);

- (26) 1-[1-(2-thienyl)cyclohexyl]-pyrrolidine (TCPy);
- (27) 4-chloro-2,5-dimethoxyamphetamine (DOC);
- (28) 4-ethyl-2,5-dimethoxyamphetamine (DOET);
- (29) 4-iodo-2,5-dimethoxyamphetamine (DOI);
- (30) 4-bromo-2,5-dimethoxyphenethylamine (2C-B);
- (31) 4-chloro-2,5-dimethoxyphenethylamine (2C-C);
- (32) 4-methyl-2,5-dimethoxyphenethylamine (2C-D);
- (33) 4-ethyl-2,5-dimethoxyphenethylamine (2C-E);
- (34) 4-iodo-2,5-dimethoxyphenethylamine (2C-I);
- (35) 4-propyl-2,5-dimethoxyphenethylamine (2C-P);
- (36) 4-isopropylthio-2,5-dimethoxyphenethylamine (2C-T-4);
- (37) 4-propylthio-2,5-dimethoxyphenethylamine (2C-T-7);
- (38) 2-(8-bromo-2,3,6,7-tetrahydrofuro [2,3-f][1]benzofuran-4-yl)ethanamine (2-CB-FLY);
- (39) bromo-benzodifuranyl-isopropylamine (Bromo-DragonFLY);
- (40) alpha-methyltryptamine (AMT);
- (41) N,N-diisopropyltryptamine (DiPT);
- (42) 4-acetoxy-N,N-dimethyltryptamine (4-AcO-DMT);
- (43) 4-acetoxy-N,N-diethyltryptamine (4-AcO-DET);
- (44) 4-hydroxy-N-methyl-N-propyltryptamine (4-HO-MPT);
- (45) 4-hydroxy-N,N-dipropyltryptamine (4-HO-DPT);
- (46) 4-hydroxy-N,N-diallyltryptamine (4-HO-DALT);
- (47) 4-hydroxy-N,N-diisopropyltryptamine (4-HO-DiPT);
- (48) 5-methoxy-N,N-diisopropyltryptamine (5-MeO-DiPT);
- (49) 5-methoxy- α -methyltryptamine (5-MeO-AMT);
- (50) 5-methoxy-N,N-dimethyltryptamine (5-MeO-DMT);
- (51) 5-methylthio-N,N-dimethyltryptamine (5-MeS-DMT);
- (52) 5-methoxy-N-methyl-N-isopropyltryptamine (5-MeO-MiPT);
- (53) 5-methoxy- α -ethyltryptamine (5-MeO-AET);
- (54) 5-methoxy-N,N-dipropyltryptamine (5-MeO-DPT);
- (55) 5-methoxy-N,N-diethyltryptamine (5-MeO-DET);

- (56) 5-methoxy-N,N-diallyltryptamine (5-MeO-DALT);
- (57) methoxetamine (MXE);
- (58) 5-iodo-2-aminoindane (5-IAI);
- (59) 5,6-methylenedioxy-2-aminoindane (MDAI);
- (60) 2-(4-bromo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25B-NBOMe);
- (61) 2-(4-chloro-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25C-NBOMe);
- (62) 2-(4-iodo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25I-NBOMe);
- (63) 2-(2,5-Dimethoxyphenyl)ethanamine (2C-H);
- (64) 2-(4-Ethylthio-2,5-dimethoxyphenyl)ethanamine (2C-T-2);
- (65) N,N-Dipropyltryptamine (DPT);
- (66) 3-[1-(Piperidin-1-yl)cyclohexyl]phenol (3-HO-PCP);
- (67) N-ethyl-1-(3-methoxyphenyl)cyclohexanamine (3-MeO-PCE);
- (68) 4-[1-(3-methoxyphenyl)cyclohexyl]morpholine (3-MeO-PCMo);
- (69) 1-[1-(4-methoxyphenyl)cyclohexyl]-piperidine (methoxydine, 4-MeO-PCP);
- (70) 2-(2-Chlorophenyl)-2-(ethylamino)cyclohexan-1-one (N-Ethyl-norketamine, ethketamine, NENK);
- (71) methylenedioxy-N,N-dimethylamphetamine (MDDMA);
- (72) 3-(2-Ethyl(methyl)aminoethyl)-1H-indol-4-yl (4-AcO-MET); and
- (73) 2-Phenyl-2-(methylamino)cyclohexanone (deschloroketamine).

(e) Peyote. All parts of the plant presently classified botanically as *Lophophora williamsii* Lemaire, whether growing or not, the seeds thereof, any extract from any part of the plant, and every compound, manufacture, salts, derivative, mixture, or preparation of the plant, its seeds or extracts. The listing of peyote as a controlled substance in Schedule I does not apply to the nondrug use of peyote in bona fide religious ceremonies of the American Indian Church, and members of the American Indian Church are exempt from registration. Any person who manufactures peyote for or distributes peyote to the American Indian Church, however, is required to obtain federal registration annually and to comply with all other requirements of law.

(f) Central nervous system depressants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) mecloqualone;
- (2) methaqualone;
- (3) gamma-hydroxybutyric acid (GHB), including its esters and ethers;

(4) flunitrazepam;

(5) 2-(2-Methoxyphenyl)-2-(methylamino)cyclohexanone (2-MeO-2-deschloroketamine, methoxyketamine);

(6) tianeptine;

(7) clonazepam;

(8) etizolam;

(9) flubromazepam; and

(10) flubromazepam.

(g) Stimulants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

(1) aminorex;

(2) cathinone;

(3) fenethylamine;

(4) methcathinone;

(5) methylaminorex;

(6) N,N-dimethylamphetamine;

(7) N-benzylpiperazine (BZP);

(8) methylmethcathinone (mephedrone);

(9) 3,4-methylenedioxy-N-methylcathinone (methylenone);

(10) methoxymethcathinone (methedrone);

(11) methylenedioxypyrovalerone (MDPV);

(12) 3-fluoro-N-methylcathinone (3-FMC);

(13) methylethcathinone (MEC);

(14) 1-benzofuran-6-ylpropan-2-amine (6-APB);

(15) dimethylmethcathinone (DMMC);

(16) fluoroamphetamine;

(17) fluoromethamphetamine;

(18) α -methylaminobutyrophenone (MABP or buphedrone);

(19) 1-(1,3-benzodioxol-5-yl)-2-(methylamino)butan-1-one (butylone);

(20) 2-(methylamino)-1-(4-methylphenyl)butan-1-one (4-MEMABP or BZ-6378);

- (21) 1-(naphthalen-2-yl)-2-(pyrrolidin-1-yl) pentan-1-one (naphthylpyrovalerone or naphyrone);
- (22) (alpha-pyrrolidinopentiophenone (alpha-PVP);
- (23) (RS)-1-(4-methylphenyl)-2-(1-pyrrolidinyl)-1-hexanone (4-Me-PHP or MPHP);
- (24) 2-(1-pyrrolidinyl)-hexanophenone (Alpha-PHP);
- (25) 4-methyl-N-ethylcathinone (4-MEC);
- (26) 4-methyl-alpha-pyrrolidinopropiophenone (4-MePPP);
- (27) 2-(methylamino)-1-phenylpentan-1-one (pentedrone);
- (28) 1-(1,3-benzodioxol-5-yl)-2-(methylamino)pentan-1-one (pentylone);
- (29) 4-fluoro-N-methylcathinone (4-FMC);
- (30) 3,4-methylenedioxy-N-ethylcathinone (ethylone);
- (31) alpha-pyrrolidinobutiophenone (α -PBP);
- (32) 5-(2-Aminopropyl)-2,3-dihydrobenzofuran (5-APDB);
- (33) 1-phenyl-2-(1-pyrrolidinyl)-1-heptanone (PV8);
- (34) 6-(2-Aminopropyl)-2,3-dihydrobenzofuran (6-APDB);
- (35) 4-methyl-alpha-ethylaminopentiophenone (4-MEAPP);
- (36) 4'-chloro-alpha-pyrrolidinopropiophenone (4'-chloro-PPP);
- (37) 1-(1,3-Benzodioxol-5-yl)-2-(dimethylamino)butan-1-one (dibutylone, bk-DMBDB);
- (38) 1-(3-chlorophenyl) piperazine (meta-chlorophenylpiperazine or mCPP);
- (39) 1-(1,3-benzodioxol-5-yl)-2-(ethylamino)-pentan-1-one (N-ethylpentylone, ephylone); and

(40) any other substance, except bupropion or compounds listed under a different schedule, that is structurally derived from 2-aminopropan-1-one by substitution at the 1-position with either phenyl, naphthyl, or thiophene ring systems, whether or not the compound is further modified in any of the following ways:

(i) by substitution in the ring system to any extent with alkyl, alkylenedioxy, alkoxy, haloalkyl, hydroxyl, or halide substituents, whether or not further substituted in the ring system by one or more other univalent substituents;

(ii) by substitution at the 3-position with an acyclic alkyl substituent;

(iii) by substitution at the 2-amino nitrogen atom with alkyl, dialkyl, benzyl, or methoxybenzyl groups;
or

(iv) by inclusion of the 2-amino nitrogen atom in a cyclic structure.

~~(h) Marijuana, tetrahydrocannabinols, and synthetic cannabinoids. Unless specifically excepted or unless listed in another schedule, any natural or synthetic material, compound, mixture, or preparation that contains any quantity of the following substances, their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, or salts is possible:~~

~~(1) marijuana;~~

~~(2) tetrahydrocannabinols naturally contained in a plant of the genus Cannabis, except that tetrahydrocannabinols do not include any material, compound, mixture, or preparation that qualifies as industrial hemp as defined in section 18K.02, subdivision 3; synthetic equivalents of the substances contained in the cannabis plant or in the resinous extractives of the plant; or synthetic substances with similar chemical structure and pharmacological activity to those substances contained in the plant or resinous extract, including, but not limited to, 1-cis or trans-tetrahydrocannabinol, 6-cis or trans-tetrahydrocannabinol, and 3,4-cis or trans-tetrahydrocannabinol;~~

~~(3)~~ (h) Synthetic cannabinoids, including the following substances:

(i) Naphthoylindoles, which are any compounds containing a 3-(1-naphthoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylindoles include, but are not limited to:

~~(A)~~ (i) 1-Pentyl-3-(1-naphthoyl)indole (JWH-018 and AM-678);

~~(B)~~ (ii) 1-Butyl-3-(1-naphthoyl)indole (JWH-073);

~~(C)~~ (iii) 1-Pentyl-3-(4-methoxy-1-naphthoyl)indole (JWH-081);

~~(D)~~ (iv) 1-[2-(4-morpholinyl)ethyl]-3-(1-naphthoyl)indole (JWH-200);

~~(E)~~ (v) 1-Propyl-2-methyl-3-(1-naphthoyl)indole (JWH-015);

~~(F)~~ (vi) 1-Hexyl-3-(1-naphthoyl)indole (JWH-019);

~~(G)~~ (vii) 1-Pentyl-3-(4-methyl-1-naphthoyl)indole (JWH-122);

~~(H)~~ (viii) 1-Pentyl-3-(4-ethyl-1-naphthoyl)indole (JWH-210);

~~(I)~~ (ix) 1-Pentyl-3-(4-chloro-1-naphthoyl)indole (JWH-398);

~~(J)~~ (x) 1-(5-fluoropentyl)-3-(1-naphthoyl)indole (AM-2201).

(ii) Naphthylmethylindoles, which are any compounds containing a 1H-indol-3-yl-(1-naphthyl)methane structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthylmethylindoles include, but are not limited to:

~~(A)~~ (i) 1-Pentyl-1H-indol-3-yl-(1-naphthyl)methane (JWH-175);

~~(B)~~ (ii) 1-Pentyl-1H-indol-3-yl-(4-methyl-1-naphthyl)methane (JWH-184).

(iii) (3) Naphthoylpyrroles, which are any compounds containing a 3-(1-naphthoyl)pyrrole structure with substitution at the nitrogen atom of the pyrrole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the pyrrole ring to any extent, whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylpyrroles include, but are not limited to, (5-(2-fluorophenyl)-1-pentylpyrrol-3-yl)-naphthalen-1-ylmethanone (JWH-307).

~~(iv)~~ (4) Naphthylmethylindenes, which are any compounds containing a naphthylideneindene structure with substitution at the 3-position of the indene ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidiny)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indene ring to any extent, whether or not substituted in the naphthyl ring to any extent. Examples of naphthylmethylindenes include, but are not limited to, E-1-[1-(1-naphthalenylmethylene)-1H-inden-3-yl]pentane (JWH-176).

~~(v)~~ (5) Phenylacetylindoles, which are any compounds containing a 3-phenylacetylindole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidiny)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent, whether or not substituted in the phenyl ring to any extent. Examples of phenylacetylindoles include, but are not limited to:

~~(A)~~ (i) 1-(2-cyclohexylethyl)-3-(2-methoxyphenylacetyl)indole (RCS-8);

~~(B)~~ (ii) 1-pentyl-3-(2-methoxyphenylacetyl)indole (JWH-250);

~~(C)~~ (iii) 1-pentyl-3-(2-methylphenylacetyl)indole (JWH-251);

~~(D)~~ (iv) 1-pentyl-3-(2-chlorophenylacetyl)indole (JWH-203).

~~(vi)~~ (6) Cyclohexylphenols, which are compounds containing a 2-(3-hydroxycyclohexyl)phenol structure with substitution at the 5-position of the phenolic ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidiny)methyl or 2-(4-morpholinyl)ethyl group whether or not substituted in the cyclohexyl ring to any extent. Examples of cyclohexylphenols include, but are not limited to:

~~(A)~~ (i) 5-(1,1-dimethylheptyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (CP 47,497);

~~(B)~~ (ii) 5-(1,1-dimethyloctyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (Cannabicyclohexanol or CP 47,497 C8 homologue);

~~(C)~~ (iii) 5-(1,1-dimethylheptyl)-2-[(1R,2R)-5-hydroxy-2-(3-hydroxypropyl)cyclohexyl]-phenol (CP 55,940).

~~(vii)~~ (7) Benzoylindoles, which are any compounds containing a 3-(benzoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidiny)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent and whether or not substituted in the phenyl ring to any extent. Examples of benzoylindoles include, but are not limited to:

~~(A)~~ (i) 1-Pentyl-3-(4-methoxybenzoyl)indole (RCS-4);

~~(B)~~ (ii) 1-(5-fluoropentyl)-3-(2-iodobenzoyl)indole (AM-694);

~~(C)~~ (iii) (4-methoxyphenyl-[2-methyl-1-(2-(4-morpholinyl)ethyl)indol-3-yl]methanone (WIN 48,098 or Pravadoline).

~~(viii)~~ (8) Others specifically named:

~~(A)~~ (i) (6aR,10aR)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (HU-210);

~~(B)~~ (ii) (6aS,10aS)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (Dexanabinol or HU-211);

~~(C)~~ (iii) 2,3-dihydro-5-methyl-3-(4-morpholinylmethyl)pyrrolo[1,2,3-de]-1,4-benzoxazin-6-yl-1-naphthalenylmethanone (WIN 55,212-2);

~~(D)~~ (iv) (1-pentylindol-3-yl)-(2,2,3,3-tetramethylcyclopropyl)methanone (UR-144);

~~(E)~~ (v) (1-(5-fluoropentyl)-1H-indol-3-yl)(2,2,3,3-tetramethylcyclopropyl)methanone (XLR-11);

~~(F)~~ (vi) 1-pentyl-N-tricyclo[3.3.1.1^{3,7}]dec-1-yl-1H-indazole-3-carboxamide (AKB-48(APINACA));

~~(G)~~ (vii) N-((3s,5s,7s)-adamantan-1-yl)-1-(5-fluoropentyl)-1H-indazole-3-carboxamide (5-Fluoro-AKB-48);

~~(H)~~ (viii) 1-pentyl-8-quinolinyl ester-1H-indole-3-carboxylic acid (PB-22);

~~(I)~~ (ix) 8-quinolinyl ester-1-(5-fluoropentyl)-1H-indole-3-carboxylic acid (5-Fluoro PB-22);

~~(J)~~ (x) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-pentyl-1H-indazole-3-carboxamide (AB-PINACA);

~~(K)~~ (xi) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-[(4-fluorophenyl)methyl]-1H-indazole-3-carboxamide (AB-FUBINACA);

~~(L)~~ (xii) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-(cyclohexylmethyl)-1H-indazole-3-carboxamide(AB-CHMINACA);

~~(M)~~ (xiii) (S)-methyl 2-(1-(5-fluoropentyl)-1H-indazole-3-carboxamido)-3-methylbutanoate (5-fluoro-AMB);

~~(N)~~ (xiv) [1-(5-fluoropentyl)-1H-indazol-3-yl](naphthalen-1-yl) methanone (THJ-2201);

~~(O)~~ (xv) (1-(5-fluoropentyl)-1H-benzo[d]imidazol-2-yl)(naphthalen-1-yl)methanone (FUBIMINA);

~~(P)~~ (xvi) (7-methoxy-1-(2-morpholinoethyl)-N-((1S,2S,4R)-1,3,3-trimethylbicyclo[2.2.1]heptan-2-yl)-1H-indole-3-carboxamide (MN-25 or UR-12);

~~(Q)~~ (xvii) (S)-N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(5-fluoropentyl)-1H-indole-3-carboxamide (5-fluoro-ABICA);

~~(R)~~ (xviii) N-(1-amino-3-phenyl-1-oxopropan-2-yl)-1-(5-fluoropentyl)-1H-indole-3-carboxamide;

~~(S)~~ (xix) N-(1-amino-3-phenyl-1-oxopropan-2-yl)-1-(5-fluoropentyl)-1H-indazole-3-carboxamide;

~~(T)~~ (xx) methyl 2-(1-(cyclohexylmethyl)-1H-indole-3-carboxamido)-3,3-dimethylbutanoate;

~~(U)~~ (xxi) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-(cyclohexylmethyl)-1H-indazole-3-carboxamide (MAB-CHMINACA);

~~(V)~~ (xxii) N-(1-Amino-3,3-dimethyl-1-oxo-2-butanyl)-1-pentyl-1H-indazole-3-carboxamide (ADB-PINACA);

~~(W)~~ (xxiii) methyl (1-(4-fluorobenzyl)-1H-indazole-3-carbonyl)-L-valinate (FUB-AMB);

~~(X)~~ (xxiv) N-[(1S)-2-amino-2-oxo-1-(phenylmethyl)ethyl]-1-(cyclohexylmethyl)-1H-Indazole-3-carboxamide. (APP-CHMINACA);

~~(Y)~~ (xxv) quinolin-8-yl 1-(4-fluorobenzyl)-1H-indole-3-carboxylate (FUB-PB-22); and

~~(Z)~~ (xxvi) methyl N-[1-(cyclohexylmethyl)-1H-indole-3-carbonyl]valinate (MMB-CHMICA).

~~(ix)~~ (9) Additional substances specifically named:

~~(A)~~ (i) 1-(5-fluoropentyl)-N-(2-phenylpropan-2-yl)-1 H-pyrrolo[2,3-B]pyridine-3-carboxamide (5F-CUMYL-P7AICA);

~~(B)~~ (ii) 1-(4-cyanobutyl)-N-(2-phenylpropan-2-yl)-1 H-indazole-3-carboxamide (4-CN-Cumyl-Butinaca);

~~(C)~~ (iii) naphthalen-1-yl-1-(5-fluoropentyl)-1-H-indole-3-carboxylate (NM2201; CBL2201);

~~(D)~~ (iv) N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(5-fluoropentyl)-1 H-indazole-3-carboxamide (5F-ABPINACA);

~~(E)~~ (v) methyl-2-(1-(cyclohexylmethyl)-1H-indole-3-carboxamido)-3,3-dimethylbutanoate (MDMB CHMICA);

~~(F)~~ (vi) methyl 2-(1-(5-fluoropentyl)-1H-indazole-3-carboxamido)-3,3-dimethylbutanoate (5F-ADB; 5F-MDMB-PINACA); and

~~(G)~~ (vii) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-(4-fluorobenzyl) 1H-indazole-3-carboxamide (ADB-FUBINACA).

(i) A controlled substance analog, to the extent that it is implicitly or explicitly intended for human consumption.

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

Sec. 2. Minnesota Statutes 2022, section 152.02, subdivision 4, is amended to read:

Subd. 4. **Schedule III.** (a) Schedule III consists of the substances listed in this subdivision.

(b) Stimulants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a potential for abuse associated with a stimulant effect on the central nervous system, including its salts, isomers, and salts of such isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

- (1) benzphetamine;
- (2) chlorphentermine;
- (3) clortermine;
- (4) phendimetrazine.

(c) Depressants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a potential for abuse associated with a depressant effect on the central nervous system:

- (1) any compound, mixture, or preparation containing amobarbital, secobarbital, pentobarbital or any salt thereof and one or more other active medicinal ingredients which are not listed in any schedule;
- (2) any suppository dosage form containing amobarbital, secobarbital, pentobarbital, or any salt of any of these drugs and approved by the food and drug administration for marketing only as a suppository;

(3) any substance which contains any quantity of a derivative of barbituric acid, or any salt of a derivative of barbituric acid, except those substances which are specifically listed in other schedules;

(4) any drug product containing gamma hydroxybutyric acid, including its salts, isomers, and salts of isomers, for which an application is approved under section 505 of the federal Food, Drug, and Cosmetic Act;

(5) any of the following substances:

(i) chlorhexadol;

(ii) ketamine, its salts, isomers and salts of isomers;

(iii) lysergic acid;

(iv) lysergic acid amide;

(v) methypylon;

(vi) sulfondiethylmethane;

(vii) sulfonethylmethane;

(viii) sulfonmethane;

(ix) tiletamine and zolazepam and any salt thereof;

(x) embutramide;

(xi) Perampanel [2-(2-oxo-1-phenyl-5-pyridin-2-yl-1,2-Dihydropyridin-3-yl) benzonitrile].

(d) Nalorphine.

(e) Narcotic drugs. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation containing any of the following narcotic drugs, or their salts calculated as the free anhydrous base or alkaloid, in limited quantities as follows:

(1) not more than 1.80 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit, with an equal or greater quantity of an isoquinoline alkaloid of opium;

(2) not more than 1.80 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(3) not more than 1.80 grams of dihydrocodeine per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(4) not more than 300 milligrams of ethylmorphine per 100 milliliters or not more than 15 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(5) not more than 500 milligrams of opium per 100 milliliters or per 100 grams, or not more than 25 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(6) not more than 50 milligrams of morphine per 100 milliliters or per 100 grams with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

- (xxvi) 4-hydroxy-19-nortestosterone (4,17[beta]-dihydroxyestr-4-en-3-one);
- (xxvii) mestanolone (17[alpha]-methyl-17[beta]-hydroxy-5[alpha]-androst-3-one);
- (xxviii) mesterolone (1[alpha]-methyl-17[beta]-hydroxy-5[alpha]-androst-3-one);
- (xxix) methandienone (17[alpha]-methyl-17[beta]-hydroxyandrost-1,4-dien-3-one);
- (xxx) methandriol (17[alpha]-methyl-3[beta],17[beta]-dihydroxyandrost-5-ene);
- (xxxi) methasterone (2 alpha-17 alpha-dimethyl-5 alpha-androst-17beta-ol-3-one);
- (xxxii) methenolone (1-methyl-17[beta]-hydroxy-5[alpha]-androst-1-en-3-one);
- (xxxiii) 17[alpha]-methyl-3[beta],17[beta]-dihydroxy-5[alpha]-androstane;
- (xxxiv) 17[alpha]-methyl-3[alpha],17[beta]-dihydroxy-5[alpha]-androstane;
- (xxxv) 17[alpha]-methyl-3[beta],17[beta]-dihydroxyandrost-4-ene;
- (xxxvi) 17[alpha]-methyl-4-hydroxynandrolone (17[alpha]-methyl-4-hydroxy-17[beta]-hydroxyestr-4-en-3-one);
- (xxxvii) methyldienolone (17[alpha]-methyl-17[beta]-hydroxyestra-4,9(10)-dien-3-one);
- (xxxviii) methyltrienolone (17[alpha]-methyl-17[beta]-hydroxyestra-4,9,11-trien-3-one);
- (xxxix) methyltestosterone (17[alpha]-methyl-17[beta]-hydroxyandrost-4-en-3-one);
- (xl) mibolerone (7[alpha],17[alpha]-dimethyl-17[beta]-hydroxyestr-4-en-3-one);
- (xli) 17[alpha]-methyl-[delta]1-dihydrotestosterone (17[beta]-hydroxy-17[alpha]-methyl-5[alpha]-androst-1-en-3-one);
- (xlii) nandrolone (17[beta]-hydroxyestr-4-en-3-one);
- (xliii) 19-nor-4-androstenediol (3[beta],17[beta]-dihydroxyestr-4-ene);
- (xliv) 3[alpha],17[beta]-dihydroxyestr-4-ene; 19-nor-5-androstenediol (3[beta],17[beta]-dihydroxyestr-5-ene);
- (xlv) 3[alpha],17[beta]-dihydroxyestr-5-ene);
- (xlvi) 19-nor-4,9(10)-androstadienedione (estra-4,9(10)-diene-3,17-dione);
- (xlvii) 19-nor-5-androstenedione (estr-5-en-3,17-dione);
- (xlviii) norbolethone (13[beta],17[alpha]-diethyl-17[beta]-hydroxygon-4-en-3-one);
- (xlix) norclostebol (4-chloro-17[beta]-hydroxyestr-4-en-3-one);
- (l) norethandrolone (17[alpha]-ethyl-17[beta]-hydroxyestr-4-en-3-one);
- (li) normethandrolone (17[alpha]-methyl-17[beta]-hydroxyestr-4-en-3-one);
- (lii) oxandrolone (17[alpha]-methyl-17[beta]-hydroxy-2-oxa-5[alpha]-androst-3-one);
- (liii) oxymesterone (17[alpha]-methyl-4,17[beta]-dihydroxyandrost-4-en-3-one);

- (liv) oxymetholone (17[alpha]-methyl-2-hydroxymethylene-17[beta]-hydroxy-5[alpha]-androst-3-one);
- (lv) prostanazol (17 beta-hydroxy-5 alpha-androstano[3,2-C]pyrazole);
- (lvi) stanozolol (17[alpha]-methyl-17[beta]-hydroxy-5[alpha]-androst-2-eno[3,2-c]-pyrazole);
- (lvii) stenbolone (17[beta]-hydroxy-2-methyl-5[alpha]-androst-1-en-3-one);
- (lviii) testolactone (13-hydroxy-3-oxo-13,17-secoandrost-1,4-dien-17-oic acid lactone);
- (lix) testosterone (17[beta]-hydroxyandrost-4-en-3-one);
- (lx) tetrahydrogestrinone (13[beta],17[alpha]-diethyl-17[beta]-hydroxygon-4,9,11-trien-3-one);
- (lxi) trenbolone (17[beta]-hydroxyestr-4,9,11-trien-3-one);
- (lxii) any salt, ester, or ether of a drug or substance described in this paragraph.

Anabolic steroids are not included if they are: (A) expressly intended for administration through implants to cattle or other nonhuman species; and (B) approved by the United States Food and Drug Administration for that use;

(2) Human growth hormones.

(3) Chorionic gonadotropin, except that a product containing chorionic gonadotropin is not included if it is:

- (i) expressly intended for administration to cattle or other nonhuman species; and
- (ii) approved by the United States Food and Drug Administration for that use.

(g) Hallucinogenic substances. Dronabinol (synthetic) in sesame oil and encapsulated in a soft gelatin capsule in a United States Food and Drug Administration approved product.

(h) Any material, compound, mixture, or preparation containing the following narcotic drug or its salt: buprenorphine.

(i) Marijuana, tetrahydrocannabinols, and synthetic cannabinoids. Unless specifically excepted or unless listed in another schedule, any natural or synthetic material, compound, mixture, or preparation that contains any quantity of the following substances, their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, or salts is possible:

(1) marijuana;

(2) tetrahydrocannabinols naturally contained in a plant of the genus Cannabis, except that tetrahydrocannabinols do not include any material, compound, mixture, or preparation that qualifies as industrial hemp as defined in section 18K.02, subdivision 3; synthetic equivalents of the substances contained in the cannabis plant or in the resinous extractives of the plant; or synthetic substances with similar chemical structure and pharmacological activity to those substances contained in the plant or resinous extract, including but not limited to 1 cis or trans tetrahydrocannabinol, 6 cis or trans tetrahydrocannabinol, and 3,4 cis or trans tetrahydrocannabinol.

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

ARTICLE 9

APPROPRIATIONS

Section 1. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes of this act. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

<u>APPROPRIATIONS</u>			
<u>Available for the Year</u>			
<u>Ending June 30</u>			
	<u>2024</u>		<u>2025</u>
Sec. 2. <u>AGRICULTURE</u>	\$ <u>411,000</u>	\$	<u>411,000</u>
<u>The base for this appropriation is \$338,000 in fiscal year 2026 and each fiscal year thereafter.</u>			
Sec. 3. <u>ATTORNEY GENERAL</u>	\$ <u>358,000</u>	\$	<u>358,000</u>
<u>The base for this appropriation is \$358,000 in fiscal years 2026, 2027, and 2028. The base for this appropriation is \$0 in fiscal year 2029.</u>			
Sec. 4. <u>CANNABIS EXPUNGEMENT BOARD</u>	\$ <u>5,871,000</u>	\$	<u>5,356,000</u>
Sec. 5. <u>OFFICE OF CANNABIS MANAGEMENT</u>	\$ <u>21,614,000</u>	\$	<u>17,953,000</u>
<u>The base for this appropriation is \$35,587,000 in fiscal year 2026 and \$38,144,000 in fiscal year 2027.</u>			
<u>\$1,000,000 the second year is for cannabis industry community renewal grants under Minnesota Statutes, section 342.70. Of these amounts, up to three percent may be used for administrative expenses. The base for this appropriation is \$15,000,000 in fiscal year 2026 and each fiscal year thereafter.</u>			
<u>\$1,000,000 each year is for transfer to the CanGrow revolving loan account established under Minnesota Statutes, section 342.73, subdivision 4. Of these</u>			

amounts, up to three percent may be used for administrative expenses.

Sec. 6. <u>COMMERCE</u>	\$	<u>527,000</u>	\$	<u>1,093,000</u>
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The base for this appropriation is \$1,341,000 in fiscal year 2026 and \$1,520,000 in fiscal year 2027.

\$82,000 each year is to establish appropriate energy standards.

\$445,000 the first year and \$1,011,000 the second year are for scale and packaging inspections. The base for this appropriation is \$1,259,000 in fiscal year 2026 and \$1,438,000 in fiscal year 2027.

Sec. 7. <u>DISTRICT COURT</u>	\$	<u>1,500,000</u>	\$	<u>1,500,000</u>
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This appropriation is to support treatment courts. The base for this appropriation is \$2,500,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 8. <u>EDUCATION</u>	\$	<u>180,000</u>	\$	<u>120,000</u>
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Sec. 9. <u>EMPLOYMENT AND ECONOMIC DEVELOPMENT</u>	\$	<u>6,000,000</u>	\$	<u>6,000,000</u>
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(a) For the CanStartup, CanNavigate, and CanTrain programs. Any unencumbered balances remaining in the first year do not cancel but are available for the second year.

(b) \$3,000,000 each year is for transfer to the CanStartup revolving loan account established under Minnesota Statutes, section 116J.659, subdivision 3.

(c) \$1,000,000 each year is for the CanNavigate program established under Minnesota Statutes, section 116J.6595.

(d) \$2,000,000 each year is for the CanTrain program established under Minnesota Statutes, section 116L.90.

(e) Of these amounts, up to four percent may be used for administrative expenses.

Sec. 10. **HEALTH**

Subdivision 1. <u>Total Appropriation</u>	\$	<u>3,300,000</u>	\$	<u>20,252,000</u>
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The base for this appropriation is \$19,064,000 in fiscal year 2026 and each fiscal year thereafter.

The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Youth Education</u>	<u>-0-</u>	<u>5,000,000</u>
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For grants under Minnesota Statutes, section 144.197, subdivision 1.

<u>Subd. 3. Education Grants for Pregnant or Breastfeeding Individuals</u>	<u>-0-</u>	<u>2,000,000</u>
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For grants under Minnesota Statutes, section 144.197, subdivision 2.

<u>Subd. 4. Local and Tribal Health Departments</u>	<u>-0-</u>	<u>10,000,000</u>
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For grants under Minnesota Statutes, section 144.197, subdivision 4.

<u>Subd. 5. Cannabis Data Collection and Biennial Reports</u>	<u>493,000</u>	<u>493,000</u>
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For reports under Minnesota Statutes, section 144.196.

<u>Subd. 6. Administration for Expungement Orders</u>	<u>71,000</u>	<u>71,000</u>
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For administration related to orders issued by the Cannabis Expungement Board. The base for this appropriation is \$71,000 in fiscal year 2026, \$71,000 in fiscal year 2027, \$71,000 in fiscal year 2028, \$71,000 in fiscal year 2029, and \$0 in fiscal year 2030.

<u>Subd. 7. Grants to the Minnesota Poison Control System</u>	<u>910,000</u>	<u>810,000</u>
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For grants under Minnesota Statutes, section 145.93.

<u>Subd. 8. Temporary Regulation of Edible Products Extracted from Hemp</u>	<u>1,107,000</u>	<u>1,107,000</u>
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For temporary regulation under the health enforcement consolidation act of edible products extracted from hemp. This is a onetime appropriation.

<u>Subd. 9. Testing.</u>	<u>719,000</u>	<u>771,000</u>
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For testing of edible cannabinoid products. The base for this appropriation is \$690,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 11. <u>HUMAN SERVICES</u>	\$ <u>1,506,000</u>	\$ <u>1,360,000</u>
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Central Office Administration

For the Office of Inspector General to process additional background studies and for the behavioral health, deaf and hard-of-hearing, and housing division to provide data required under Minnesota Statutes, section 342.04, and the consultation requirements under Minnesota Statutes, section 342.72.

Sec. 12. <u>LABOR AND INDUSTRY</u>	\$ <u>116,000</u>	\$ <u>123,000</u>
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Sec. 13. <u>NATURAL RESOURCES</u>	\$ <u>338,000</u>	\$ <u>-0-</u>
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Sec. 14. <u>POLLUTION CONTROL AGENCY</u>	\$ <u>140,000</u>	\$ <u>70,000</u>
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Sec. 15. **PUBLIC SAFETY**

Subdivision 1. <u>Total Appropriation</u>	\$ <u>18,422,000</u>	\$ <u>11,964,000</u>
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The base for this appropriation is \$10,847,000 in fiscal year 2026 and each fiscal year thereafter. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Administration</u>	<u>760,000</u>	<u>-0-</u>
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\$760,000 the first year is for a public information campaign relating to automatic expungement of cannabis-related crimes. This appropriation is available until June 30, 2025.

Subd. 3. <u>Bureau of Criminal Apprehension</u>	<u>-0-</u>	<u>3,629,000</u>
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Subd. 4. <u>Office of Traffic and Safety</u>	<u>11,485,000</u>	<u>6,117,000</u>
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(a) The base for this appropriation is \$5,000,000 in fiscal year 2026 and each fiscal year thereafter.

(b) \$10,000,000 the first year and \$5,000,000 the second year are for the drug evaluation and classification program for drug recognition evaluator training; additional phlebotomists; drug recognition training for peace officers, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c); and required continuing education training for drug recognition experts. The commissioner must make reasonable efforts to reflect the geographic diversity of the state in making expenditures under this appropriation.

(c) \$1,485,000 the first year and \$1,117,000 the second year are for a roadside testing pilot project. These are onetime appropriations.

Subd. 5. Office of Justice Programs

20,000

-0-

For a grant to Hennepin County to produce the High Intensity Drug Trafficking Area report in article 6, section 72.

Subd. 6. State Patrol

6,157,000

2,218,000

This appropriation is from the trunk highway fund.

Sec. 16. REVENUE

\$

4,559,000 \$

3,931,000

The base for this appropriation is \$3,896,000 in fiscal year 2026 and \$3,897,000 in fiscal year 2027.

Sec. 17. SUPREME COURT

\$

545,000 \$

545,000

These are onetime appropriations.

Sec. 18. UNIVERSITY OF MINNESOTA

\$

2,600,000 \$

2,600,000

(a) The base for this appropriation is \$3,250,000 in fiscal year 2026 and each fiscal year thereafter.

(b) \$2,500,000 each year is to establish a Center for Cannabis Research within the School of Public Health. The center must investigate the effects of cannabis use on health and research other topics related to cannabis, including but not limited to prevention and treatment of substance use disorders, equity issues, education, and decriminalization.

(c) \$100,000 each year is for grants for cannabis genetics and agronomy research and for the creation

and maintenance of a University of Minnesota Extension position and a postdoctoral position. The base for this appropriation is \$750,000 in fiscal year 2026 and each fiscal year thereafter. In awarding grants under this paragraph, the University of Minnesota must give priority to applications by researchers who are eligible to be social equity applicants as defined in Minnesota Statutes, section 342.17.

Sec. 19. APPROPRIATION AND BASE REDUCTIONS.

(a) The commissioner of management and budget must reduce general fund appropriations to the commissioner of corrections by \$165,000 in fiscal year 2024 and \$368,000 in fiscal year 2025. The commissioner must reduce the base for general fund appropriations to the commissioner of corrections by \$460,000 in fiscal year 2026 and \$503,000 in fiscal year 2027.

(b) The commissioner of management and budget must reduce general fund appropriations to the commissioner of health by \$260,000 in fiscal year 2025 for the administration of the medical cannabis program. The commissioner must reduce the base for general fund appropriations to the commissioner of health by \$781,000 in fiscal year 2026 and each fiscal year thereafter.

(c) The commissioner of management and budget must reduce state government special revenue fund appropriations to the commissioner of health by \$1,141,000 in fiscal year 2025 for the administration of the medical cannabis program. The commissioner must reduce the base for state government special revenue fund appropriations to the commissioner of health by \$3,424,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 20. TRANSFERS.

(a) \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are transferred from the general fund to the dual training account in the special revenue fund under Minnesota Statutes, section 136A.246, subdivision 10, for grants to employers in the legal cannabis industry. The base for this transfer is \$1,000,000 in fiscal year 2026 and each fiscal year thereafter. The commissioner may use up to six percent of the amount transferred for administrative costs. The commissioner shall give priority to applications from employers who are, or who are training employees who are, eligible to be social equity applicants under Minnesota Statutes, section 342.17. After June 30, 2025, any unencumbered balance from this transfer may be used for grants to any eligible employer under Minnesota Statutes, section 136A.246.

(b) \$5,500,000 in fiscal year 2024 and \$5,500,000 in fiscal year 2025 are transferred from the general fund to the substance use treatment, recovery, and prevention grant account established under Minnesota Statutes, section 342.72. The base for this transfer is \$5,500,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 21. OFFICE OF CANNABIS MANAGEMENT; IMPLEMENTATION.

(a) \$3,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of agriculture for the planning, research, analysis, and other efforts needed to establish the Office of Cannabis Management and transition programs, authorities, and responsibilities contained in Minnesota Statutes, chapter 342, to that office. This is a onetime appropriation and is available until June 30, 2025.

(b) Upon the effective date of this act, the commissioner of agriculture may exercise all authorities and responsibilities granted to the Office of Cannabis Management under Minnesota Statutes, chapter 342, that are necessary to establish the Office of Cannabis Management and transition programs, authorities, and responsibilities to that office.

(c) On or after January 1, 2024, and at such time that the Office of Cannabis Management is able to fulfill the powers and duties enumerated in Minnesota Statutes, section 342.02, subdivision 2, the commissioner of agriculture may transfer all or some Minnesota Statutes, chapter 342, programs, authorities, and responsibilities to the Office of Cannabis Management. Upon such transfer, existing contracts, obligations, and funds managed by the commissioner of agriculture that are necessary to administer the transferred programs, authorities, or responsibilities shall be transferred to the Office of Cannabis Management.

(d) To the extent practicable, the commissioner of agriculture and the Office of Cannabis Management must comply with Minnesota Statutes, chapter 16C. The commissioner of administration may waive the application of any provision of Minnesota Statutes, chapter 16C, on a case-by-case basis, if the commissioner of agriculture or the Office of Cannabis Management demonstrates that full compliance with Minnesota Statutes, chapter 16C, would be impractical given the effective date or other deadlines established by this act. This exemption expires July 1, 2025.

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

Sec. 22. APPROPRIATION; DEPARTMENT OF PUBLIC SAFETY; BUREAU OF CRIMINAL APPREHENSION.

\$6,656,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety for the Bureau of Criminal Apprehension to identify and provide records of convictions for certain offenses involving the possession of cannabis that may be eligible for expungement and resentencing; for forensic science services including additional staff, equipment, and supplies; and for the investigation of diversion crimes. This is a onetime appropriation and is available until June 30, 2025.

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

Presented to the governor May 30, 2023

Signed by the governor May 30, 2023, 12:14 p.m.