

CHAPTER 121--H.F.No. 4757

An act relating to commerce; modifying appropriations to the Office of Cannabis Management and the Department of Health; modifying cannabis provisions; modifying fees assessed by the Department of Commerce; adding and modifying consumer protection provisions; establishing the Minnesota Consumer Data Privacy Act; authorizing rulemaking; classifying data; making technical changes; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 18K.03, by adding a subdivision; 45.0135, subdivision 7; 62Q.73, subdivision 3; 152.22, subdivisions 11, 14, by adding a subdivision; 152.25, subdivision 2; 152.27, subdivisions 1, 2, 3, 4, 6, by adding a subdivision; 152.28, subdivision 2; 152.29, subdivision 3; 181.950, subdivision 10; 181.952, as amended; 325E.21, by adding a subdivision; 326.10, subdivision 8; 336.1-110; Minnesota Statutes 2023 Supplement, sections 3.9224, subdivision 1; 15A.0815, subdivision 2; 144.197; 151.72, subdivisions 1, 2, 3, 4, 5a, 5b, 6, 7; 152.28, subdivision 1; 152.30; 181.951, subdivisions 4, 5, 8; 181.954, subdivision 1; 290.0132, subdivision 29; 290.0134, subdivision 19; 295.81, subdivision 4; 297A.67, subdivision 39; 297A.70, subdivision 2; 325E.21, subdivision 1b; 342.01, subdivisions 14, 17, 19, 48, 50, 52, 54, 57, 63, 64, 65, 66, by adding subdivisions; 342.02, subdivisions 2, 3, 5, 6; 342.03, subdivisions 1, 4; 342.06; 342.07, subdivision 3; 342.09, subdivisions 1, 3; 342.10; 342.11; 342.12; 342.13; 342.14; 342.15, subdivisions 1, 2, by adding subdivisions; 342.16; 342.17; 342.18, subdivisions 2, 3, by adding a subdivision; 342.19, by adding a subdivision; 342.22; 342.24, subdivisions 1, 2; 342.28, subdivisions 2, 4, by adding subdivisions; 342.29, subdivision 4, by adding subdivisions; 342.30, subdivision 4; 342.31, subdivision 4; 342.32, subdivision 4; 342.35, subdivision 1; 342.37, subdivision 1; 342.40, subdivision 7; 342.41, subdivisions 1, 3; 342.46, subdivisions 6, 8; 342.51; 342.515; 342.52, subdivisions 1, 2, 3, 4, 5, 9, 11; 342.53; 342.54; 342.55, subdivisions 1, 2; 342.56, subdivisions 1, 2; 342.57, subdivisions 1, 2, 3, 4, 5, 6, 7; 342.60; 342.61, subdivisions 1, 4, 5; 342.62, subdivision 3, by adding subdivisions; 342.63, subdivisions 2, 3, 6; 342.64, subdivision 1; 342.70, subdivision 3; 342.72; 342.73, subdivision 4; 342.80; Laws 2023, chapter 63, article 1, sections 2; 51; 52; 53; 54; 55; 56; 57; 58; 59; 61; article 6, sections 10; 73; article 9, sections 10; 15, subdivision 4; 19; 20; proposing coding for new law in Minnesota Statutes, chapters 13; 58B; 62J; 342; proposing coding for new law as Minnesota Statutes, chapter 325O; repealing Minnesota Statutes 2022, sections 152.22, subdivision 3; 152.36; Minnesota Statutes 2023 Supplement, sections 342.01, subdivisions 28, 53, 55; 342.18, subdivision 1; 342.27, subdivision 13; 342.29, subdivision 9; 342.47; 342.48; 342.49; 342.50; 342.52, subdivision 8; Laws 1979, chapter 189, sections 1; 2, as amended; 3; Laws 2023, chapter 63, article 7, sections 4; 6.

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

ARTICLE 1**APPROPRIATIONS****Section 1. APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2023, chapter 63, article 9, to the agencies and for the purposes specified in this article. 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 addition to or subtraction from the appropriation listed under them is 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. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2024, are effective the day following final enactment.

| | | <u>APPROPRIATIONS</u> | |
|---|------------------|--------------------------------------|----------------------------|
| | | <u>Available for the Year</u> | |
| | | <u>Ending June 30</u> | |
| | | <u>2024</u> | <u>2025</u> |
| Sec. 2. <u>OFFICE OF CANNABIS MANAGEMENT</u> | <u>\$</u> | <u>-0-</u> | <u>\$ 5,531,000</u> |

Appropriations by Fund

| | <u>2024</u> | <u>2025</u> |
|-----------------------------|-------------|------------------|
| <u>General Fund</u> | <u>-0-</u> | <u>3,248,000</u> |
| <u>State Government</u> | | |
| <u>Special Revenue Fund</u> | <u>-0-</u> | <u>2,283,000</u> |

(a) Enforcement of Temporary Regulations

\$1,107,000 in fiscal year 2025 is for regulation of products subject to the requirements of Minnesota Statutes, section 151.72. This is a onetime appropriation.

(b) Product Testing

\$771,000 in fiscal year 2025 is for testing products regulated under Minnesota Statutes, section 151.72, and chapter 342. The base for this appropriation is \$690,000 in fiscal year 2026 and each year thereafter.

(c) Reference Laboratory

\$849,000 in fiscal year 2025 is to operate a state reference laboratory. The base for this appropriation is \$632,000 in fiscal year 2026 and \$696,000 in fiscal year 2027.

(d) Medical Cannabis

\$521,000 in fiscal year 2025 from the general fund and \$2,283,000 in fiscal year 2025 from the state government special revenue fund are for the operation of the medical cannabis program. These are onetime appropriations.

| | | | |
|--|------------------|-------------------|----------------------------|
| Sec. 3. <u>DEPARTMENT OF HEALTH</u> | <u>\$</u> | <u>-0-</u> | <u>\$ 5,500,000</u> |
|--|------------------|-------------------|----------------------------|

| | | |
|---|-----|------------|
| Subd. 4. Local and Tribal Health Departments | -0- | 10,000,000 |
|---|-----|------------|

For administration and grants under Minnesota Statutes, section 144.197, subdivision 4. Of the amount appropriated, \$1,094,000 is for administration and \$8,906,000 is for grants.

| | | |
|---|---------|---------|
| Subd. 5. Cannabis Data Collection and Biennial Reports | 493,000 | 493,000 |
|---|---------|---------|

For reports under Minnesota Statutes, section 144.196.

| | | |
|---|--------|--------|
| Subd. 6. Administration for Expungement Orders | 71,000 | 71,000 |
|---|--------|--------|

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.

| | | |
|---|---------|---------|
| Subd. 7. Grants to the Minnesota Poison Control System | 910,000 | 810,000 |
|---|---------|---------|

For administration and grants under Minnesota Statutes, section 145.93. Of the amount appropriated in fiscal year 2025, \$15,000 is for administration and \$795,000 is for grants.

| | | |
|---|-----------|-------------------------|
| Subd. 8. Temporary Regulation of Edible Products Extracted from Hemp | 1,107,000 | 1,107,000 <u>-0-</u> |
|---|-----------|-------------------------|

For temporary regulation under the health enforcement consolidation act of edible products extracted from hemp. The commissioner may transfer encumbrances and unobligated amounts to the Office of Cannabis Management for this purpose. This is a onetime appropriation.

| | | |
|--------------------------|---------|-----------------------|
| Subd. 9. Testing- | 719,000 | 771,000 <u>-0-</u> |
|--------------------------|---------|-----------------------|

For testing of edible cannabinoid products. The base for this appropriation is \$690,000 in fiscal year 2026 and each fiscal year thereafter. The commissioner may transfer encumbrances and unobligated amounts to the Office of Cannabis Management for this purpose.

Sec. 7. Laws 2023, chapter 63, article 9, section 15, subdivision 4, is amended to read:

| | | |
|--|------------|-----------|
| Subd. 4. Office of Traffic and Safety | 11,485,000 | 6,117,000 |
|--|------------|-----------|

(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, program administration, grants to local law enforcement divisions, and making grants to eligible employers for drug evaluation and classification training costs of their staff. The commissioner must make reasonable efforts to reflect the geographic diversity of the state in making expenditures under this appropriation. This appropriation is available until June 30, 2027.

(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.

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

Sec. 8. Laws 2023, chapter 63, article 9, section 19, is amended to read:

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~~ \$781,000 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~~ \$3,424,000 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. 9. Laws 2023, chapter 63, article 9, section 20, is amended to read:

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.~~

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

ARTICLE 2

CANNABIS POLICY

Section 1. Minnesota Statutes 2023 Supplement, section 3.9224, subdivision 1, is amended to read:

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~~ business with a medical cannabis endorsement.

(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 (e), 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.

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. **Agency head salaries.** The salary for a position listed in this subdivision shall be determined by the Compensation Council under section 15A.082. The commissioner of management and budget must publish the salaries on the department's website. This subdivision applies to the following positions:

Commissioner of administration;

Commissioner of agriculture;
Commissioner of education;
Commissioner of children, youth, and families;
Commissioner of commerce;
Commissioner of corrections;
Commissioner of health;
Commissioner, Minnesota Office of Higher Education;
Commissioner, Minnesota IT Services;
Commissioner, Housing Finance Agency;
Commissioner of human rights;
Commissioner of human services;
Commissioner of labor and industry;
Commissioner of management and budget;
Commissioner of natural resources;
Commissioner, Pollution Control Agency;
Commissioner of public safety;
Commissioner of revenue;
Commissioner of employment and economic development;
Commissioner of transportation;
Commissioner of veterans affairs;
Executive director of the Gambling Control Board;
Executive director of the Minnesota State Lottery;
Executive director of the Office of Cannabis Management;
Commissioner of Iron Range resources and rehabilitation;
Commissioner, Bureau of Mediation Services;
Ombudsman for mental health and developmental disabilities;
Ombudsperson for corrections;
Chair, Metropolitan Council;
Chair, Metropolitan Airports Commission;
School trust lands director;

Executive director of pari-mutuel racing; and

Commissioner, Public Utilities Commission.

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

Sec. 3. Minnesota Statutes 2022, section 18K.03, is amended by adding a subdivision to read:

Subd. 3. Sale to cannabis and hemp businesses. (a) An industrial hemp grower licensed under this chapter may sell hemp plant parts and propagules to a cannabis business or hemp business licensed under chapter 342.

(b) An industrial hemp processor licensed under this chapter may sell hemp concentrate to a cannabis business or hemp business licensed under chapter 342.

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

Sec. 4. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** 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.

(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)~~ (d) "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.

~~(f)~~ (e) "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.

~~(g)~~ (f) "Hemp" has the meaning given to "industrial hemp" in section 18K.02, subdivision 3.

~~(h)~~ (g) "Label" has the meaning given in section 151.01, subdivision 18.

~~(i)~~ (h) "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.

~~(i)~~ (i) "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.

~~(j)~~ (j) "Nonintoxicating cannabinoid" means substances extracted from certified hemp plants that do not produce intoxicating effects when consumed by any route of administration.

(k) "Office" means the director of the Office of Cannabis Management.

(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.

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 2, is amended to read:

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 ~~commissioner~~ office 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.

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

Sec. 6. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 3, is amended to read:

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~~ must not contain more than 0.3 percent of any tetrahydrocannabinol and an edible cannabinoid product ~~does~~ must 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.

(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.

(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.

(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~~ if all of the following conditions are met:

(1) the retailer must also hold an on-sale license issued under chapter 340A;

(2) products, other than products that are intended to be consumed as a beverage, 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.

(g) Edible cannabinoid products that are intended to be consumed as a beverage may be served outside of the products' packaging if the information that is required to be contained on the label of an edible cannabinoid product is posted or otherwise displayed by the retailer.

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

Sec. 7. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 4, is amended to read:

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 office.~~ 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~~ office. The disclosure must include all information known to the ~~licensee~~ manufacturer regardless of whether the application or addition was made intentionally or accidentally, or by the manufacturer or any other person.

(c) Upon the request of the ~~commissioner~~ office, the manufacturer of the product must provide the ~~commissioner~~ office with the results of the testing required in this section.

(d) The ~~commissioner~~ office 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) 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.

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

Sec. 8. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 5a, is amended to read:

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;

(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;

(6) be packaged in a way that resembles the trademarked, characteristic, or product-specialized packaging of any commercially available food product; or

(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.

(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. If it is not possible to indicate a single serving by scoring or use of another indicator that appears on the product, the edible cannabinoid product may not be packaged in a manner that includes more than a single serving in each container, except that a calibrated dropper, measuring spoon, or similar device for measuring a single serving, when sold with the product, may be used for any edible cannabinoid products that are intended to be combined with food or beverage products prior to consumption.

(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. 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~~ office 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.

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

Sec. 9. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 5b, is amended to read:

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.~~

(a) Every person selling an edible cannabinoid product to a consumer must be registered with the office. Existing registrations through the Department of Health must be transferred to the office by July 1, 2024. All other persons required to register must register in a form and manner established by the office. The sale of edible cannabinoid products by a person who is not registered with the office is prohibited and subject to the penalties in section 342.09, subdivision 6; any applicable criminal penalty; and any other applicable civil or administrative penalty.

(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~~ office must not charge a fee for registration under this subdivision.

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

Sec. 10. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 6, is amended to read:

Subd. 6. **Noncompliant products; enforcement.** (a) A product regulated under this section, including an edible cannabinoid product, shall be considered 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 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 ~~commissioner~~ office 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~~ office 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~~ section 342.19.

(e) ~~The commissioner may enter into an interagency agreement with The office of Cannabis Management and may enter into an interagency agreement with the commissioner of agriculture to perform inspections and take other enforcement actions on behalf of the commissioner office.~~

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

Sec. 11. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 7, is amended to read:

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 364 days 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~~ office.

(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 364 days 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 July 1, 2024.

Sec. 12. Minnesota Statutes 2022, section 152.22, subdivision 11, is amended to read:

Subd. 11. **Registered designated caregiver.** "Registered designated caregiver" means a person who:

- (1) is at least 18 years old;
- ~~(2) does not have a conviction for a disqualifying felony offense;~~
- ~~(3)~~ (2) has been approved by the ~~commissioner~~ office to assist a patient who requires assistance in administering medical cannabis or obtaining medical cannabis from a distribution facility; and
- ~~(4)~~ (3) is authorized by the ~~commissioner~~ office to assist the patient with the use of medical cannabis.

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

Sec. 13. Minnesota Statutes 2022, section 152.22, subdivision 14, is amended to read:

Subd. 14. **Qualifying medical condition.** "Qualifying medical condition" means either a medical condition for which an individual's health care practitioner has recommended, approved, or authorized the use of cannabis by that individual to treat the condition, or 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;

~~(4)~~ (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;

~~(2)~~ (6) glaucoma;

~~(3)~~ (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;

~~(4)~~ (11) Tourette's syndrome;

~~(5)~~ (12) amyotrophic lateral sclerosis;

~~(6)~~ (13) seizures, including those characteristic of epilepsy;

~~(7)~~ (14) severe and persistent muscle spasms, including those characteristic of multiple sclerosis;

~~(8)~~ (15) inflammatory bowel disease, including Crohn's disease;

(16) irritable bowel syndrome;

(17) obsessive-compulsive disorder;

(18) sickle cell disease; or

~~(9)~~ (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~~

~~(10) any other medical condition or its treatment approved by the commissioner.~~

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

Sec. 14. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 19. **Veteran.** "Veteran" means an individual who satisfies the requirements in section 197.447.

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

Sec. 15. Minnesota Statutes 2022, section 152.25, subdivision 2, is amended to read:

Subd. 2. **Range of compounds and dosages; report.** The ~~commissioner~~ office shall review and publicly report the existing medical and scientific literature regarding the range of recommended dosages for each qualifying condition and the range of chemical compositions of any plant of the genus cannabis that will likely be medically beneficial for each of the qualifying medical conditions. The ~~commissioner~~ office shall make this information available to patients with qualifying medical conditions beginning December 1, 2014, and update the information ~~annually~~ every three years. The ~~commissioner~~ office may consult with the independent laboratory under contract with the manufacturer or other experts in reporting the range of recommended dosages for each qualifying medical condition, the range of chemical compositions that will likely be medically beneficial, and any risks of noncannabis drug interactions. The ~~commissioner~~ office shall consult with each manufacturer on an annual basis on medical cannabis offered by the manufacturer. The list of medical cannabis offered by a manufacturer shall be published on the ~~Department of Health~~ Office of Cannabis Management website.

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

Sec. 16. Minnesota Statutes 2022, section 152.27, subdivision 1, is amended to read:

Subdivision 1. **Patient registry program; establishment.** ~~(a) The commissioner~~ office shall establish a patient registry program to evaluate data on patient demographics, effective treatment options, clinical outcomes, and quality-of-life outcomes for the purpose of reporting on the benefits, risks, and outcomes regarding patients with a qualifying medical condition engaged in the therapeutic use of medical cannabis.

~~(b) The establishment of the registry program shall not be construed or interpreted to condone or promote the illicit recreational use of marijuana.~~

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

Sec. 17. Minnesota Statutes 2022, section 152.27, subdivision 2, is amended to read:

Subd. 2. **~~Commissioner~~ Office duties.** (a) The ~~commissioner~~ office shall:

(1) give notice of the program to health care practitioners in the state who are eligible to serve as health care practitioners and explain the purposes and requirements of the program;

(2) allow each health care practitioner who meets or agrees to meet the program's requirements and who requests to participate, to be included in the registry program to collect data for the patient registry;

(3) provide explanatory information and assistance to each health care practitioner in understanding the nature of therapeutic use of medical cannabis within program requirements;

(4) create and provide a certification to be used by a health care practitioner for the practitioner to certify whether a patient has been diagnosed with a qualifying medical condition ~~and include in the certification an option for the practitioner to certify whether the patient, in the health care practitioner's medical opinion, is developmentally or physically disabled and, as a result of that disability, the patient requires assistance in administering medical cannabis or obtaining medical cannabis from a distribution facility;~~

(5) supervise the participation of the health care practitioner in conducting patient treatment and health records reporting in a manner that ensures stringent security and record-keeping requirements and that prevents the unauthorized release of private data on individuals as defined by section 13.02;

(6) develop safety criteria for patients with a qualifying medical condition as a requirement of the patient's participation in the program, to prevent the patient from undertaking any task under the influence of medical cannabis that would constitute negligence or professional malpractice on the part of the patient; and

(7) conduct research and studies based on data from health records submitted to the registry program and submit reports on intermediate or final research results to the legislature and major scientific journals. The ~~commissioner~~ office may contract with a third party to complete the requirements of this clause. Any reports submitted must comply with section 152.28, subdivision 2.

(b) The ~~commissioner~~ office may add a delivery method under section 152.22, subdivision 6, ~~or add, remove, or modify a qualifying medical condition under section 152.22, subdivision 14,~~ upon a petition from a member of the public or the ~~task force on medical cannabis therapeutic research~~ Cannabis Advisory Council under section 342.03 or as directed by law. ~~The commissioner shall evaluate all petitions to add a qualifying medical condition or to remove or modify an existing qualifying medical condition submitted by the task force on medical cannabis therapeutic research or as directed by law and may make the addition, removal, or modification if the commissioner determines the addition, removal, or modification is warranted based on the best available evidence and research.~~ If the ~~commissioner~~ office wishes to add a delivery method under section 152.22, subdivision 6, ~~or add or remove a qualifying medical condition under section 152.22, subdivision 14,~~ the ~~commissioner~~ office must notify the chairs and ranking minority members of the legislative policy committees having jurisdiction over health and public safety of the addition ~~or removal~~ and the reasons for its addition ~~or removal~~, including any written comments received by the ~~commissioner~~ office from the public and any guidance received from the ~~task force on medical cannabis research~~ Cannabis Advisory Council under section 342.03, by January 15 of the year in which the ~~commissioner~~ office wishes to make the change. The change shall be effective on August 1 of that year, unless the legislature by law provides otherwise.

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

Sec. 18. Minnesota Statutes 2022, section 152.27, subdivision 3, is amended to read:

Subd. 3. **Patient application.** (a) The ~~commissioner~~ office shall develop a patient application for enrollment into the registry program. The application shall be available to the patient and given to health care practitioners in the state who are eligible to serve as health care practitioners. The application must include:

- (1) the name, mailing address, and date of birth of the patient;
- (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 designated caregiver, if any, or the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will be acting as a caregiver;
- (4) a copy of the certification from the patient's health care practitioner that is dated within 90 days prior to submitting the application that certifies that the patient has been diagnosed with a qualifying medical condition; and

(5) all other signed affidavits and enrollment forms required by the ~~commissioner~~ office under sections 152.22 to 152.37, including, but not limited to, the disclosure form required under paragraph ~~(e)~~ (b).

~~(b) The commissioner shall require a patient to resubmit a copy of the certification from the patient's health care practitioner on a yearly basis and shall require that the recertification be dated within 90 days of submission.~~

~~(e)~~ (b) The ~~commissioner~~ office shall develop a disclosure form and require, as a condition of enrollment, all patients to sign a copy of the disclosure. The disclosure must include:

(1) a statement that, notwithstanding any law to the contrary, the ~~commissioner~~ office, 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; and

(2) the patient's acknowledgment that enrollment in the patient registry program is conditional on the patient's agreement to meet all of the requirements of sections 152.22 to 152.37.

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

Sec. 19. Minnesota Statutes 2022, section 152.27, is amended by adding a subdivision to read:

Subd. 3a. **Application procedure for veterans.** (a) Beginning July 1, 2024, the office shall establish an alternative certification procedure for veterans to enroll in the registry program.

(b) The office may request that a patient who is a veteran and is seeking to enroll in the registry program submit to the office a copy of the patient's veteran identification card and an attestation that the veteran has been diagnosed with a qualifying medical condition listed in section 152.22, subdivision 14, clauses (1) to (19).

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

Sec. 20. Minnesota Statutes 2022, section 152.27, subdivision 4, is amended to read:

Subd. 4. **Registered designated caregiver.** (a) The ~~commissioner~~ office shall register a designated caregiver for a patient if the patient requires assistance in administering medical cannabis or obtaining medical cannabis from a distribution facility and the caregiver has agreed, in writing, to be the patient's designated caregiver. As a condition of registration as a designated caregiver, the ~~commissioner~~ office shall require the person to:

(1) be at least 18 years of age;

(2) agree to only possess the patient's medical cannabis for purposes of assisting the patient; and

(3) agree that if the application is approved, the person will not be a registered designated caregiver for more than six registered patients at one time. Patients who reside in the same residence shall count as one patient.

~~(b) The commissioner 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.~~

~~(e)~~ (b) Nothing in sections 152.22 to 152.37 shall be construed to prevent a person registered as a designated caregiver from also being enrolled in the registry program as a patient and possessing and using medical cannabis as a patient.

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

Sec. 21. Minnesota Statutes 2022, section 152.27, subdivision 6, is amended to read:

Subd. 6. **Patient enrollment.** (a) After receipt of a patient's application, ~~application fees,~~ and signed disclosure, the ~~commissioner~~ office shall enroll the patient in the registry program and issue the patient and patient's registered designated caregiver or parent, legal guardian, or spouse, if applicable, a registry verification. The ~~commissioner~~ office shall approve or deny a patient's application for participation in the registry program within 30 days after the ~~commissioner~~ office receives the patient's application ~~and application fee.~~ ~~The commissioner may approve applications up to 60 days after the receipt of a patient's application and application fees until January 1, 2016.~~ A patient's enrollment in the registry program shall only be denied if the patient:

(1) does not have certification from a health care practitioner or, if the patient is a veteran, does not have the documentation requested by the office under subdivision 3a that the patient has been diagnosed with a qualifying medical condition;

(2) has not signed and returned the disclosure form required under subdivision 3, paragraph (c), to the ~~commissioner~~ office;

(3) does not provide the information required;

(4) has previously been removed from the registry program for violations of section 152.30 or 152.33;
or

(5) provides false information.

(b) The ~~commissioner~~ office shall give written notice to a patient of the reason for denying enrollment in the registry program.

(c) Denial of enrollment into the registry program is considered a final decision of the ~~commissioner~~ office and is subject to judicial review under the Administrative Procedure Act pursuant to chapter 14.

(d) A patient's enrollment in the registry program may only be revoked upon the death of the patient or if a patient violates a requirement under section 152.30 or 152.33.

(e) The ~~commissioner~~ office shall develop a registry verification to provide to the patient, the health care practitioner identified in the patient's application, and to the manufacturer. The registry verification shall 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 be acting as a caregiver.

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

Sec. 22. Minnesota Statutes 2023 Supplement, section 152.28, subdivision 1, is amended to read:

Subdivision 1. **Health care practitioner duties.** (a) Prior to a patient's enrollment in the registry program, a health care practitioner shall:

(1) determine, in the health care practitioner's medical judgment, whether a patient suffers from 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, or spouses who are acting as caregivers of the existence of any nonprofit patient support groups or organizations;

(3) provide explanatory information from the ~~commissioner~~ office to patients with qualifying medical conditions, including disclosure to all patients about the experimental nature of therapeutic use of medical cannabis; the possible risks, benefits, and side effects of the proposed treatment; the application and other materials from the ~~commissioner~~ office; and provide patients with the Tennessee warning as required by section 13.04, subdivision 2; and

(4) agree to continue treatment of the patient's qualifying medical condition and report medical findings to the ~~commissioner~~ office.

(b) Upon notification from the ~~commissioner~~ office of the patient's enrollment in the registry program, the health care practitioner shall:

(1) participate in the patient registry reporting system under the guidance and supervision of the ~~commissioner~~ office;

(2) report health records of the patient throughout the ongoing treatment of the patient to the ~~commissioner~~ office in a manner determined by the commissioner and in accordance with subdivision 2;

(3) determine, ~~on a yearly basis~~ every three years, if the patient continues to suffer from a qualifying medical condition and, if so, issue the patient a new certification of that diagnosis; and

(4) otherwise comply with all requirements developed by the ~~commissioner~~ office.

(c) A health care practitioner may utilize telehealth, as defined in section 62A.673, subdivision 2, for certifications and recertifications.

(d) Nothing in this section requires a health care practitioner to participate in the registry program.

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

Sec. 23. Minnesota Statutes 2022, section 152.28, subdivision 2, is amended to read:

Subd. 2. **Data.** Data collected on patients by a health care practitioner and reported to the patient registry, including data on patients who are veterans, 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 152.25 or in the creation of summary data, as defined in section 13.02, subdivision 19.

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

Sec. 24. Minnesota Statutes 2022, section 152.29, subdivision 3, is amended to read:

Subd. 3. **Manufacturer; distribution.** (a) A manufacturer shall require that employees licensed as pharmacists pursuant to chapter 151 be the only employees to give final approval for the distribution of medical cannabis to a patient. A manufacturer may transport medical cannabis or medical cannabis products that have been cultivated, harvested, manufactured, packaged, and processed by that manufacturer to another registered manufacturer for the other manufacturer to distribute.

(b) A manufacturer may distribute medical cannabis products, whether or not the products have been manufactured by that manufacturer.

(c) Prior to distribution of any medical cannabis, the manufacturer shall:

(1) verify that the manufacturer has received the registry verification from the ~~commissioner~~ office for that individual patient;

(2) verify that the person requesting the distribution of medical cannabis is the patient, the patient's registered designated caregiver, or the patient's parent, legal guardian, or spouse listed in the registry verification using the procedures described in section 152.11, subdivision 2d;

(3) assign a tracking number to any medical cannabis distributed from the manufacturer;

(4) ensure that any employee of the manufacturer licensed as a pharmacist pursuant to chapter 151 has consulted with the patient to determine the proper dosage for the individual patient after reviewing the ranges of chemical compositions of the medical cannabis and the ranges of proper dosages reported by the ~~commissioner~~ office. For purposes of this clause, a consultation may be conducted remotely by secure videoconference, telephone, or other remote means, so long as the employee providing the consultation is able to confirm the identity of the patient and the consultation adheres to patient privacy requirements that apply to health care services delivered through telehealth. A pharmacist consultation under this clause is ~~not required when a manufacturer is distributing medical cannabis to a patient according to a patient-specific dosage plan established with that manufacturer and is not modifying the dosage or product being distributed under that plan and the medical cannabis is distributed by a pharmacy technician;~~ only required:

(i) if the patient is purchasing the medical cannabis flower or medical cannabinoid product for the first time;

(ii) if the patient purchases medical cannabis flower or a medical cannabinoid product that the patient must administer using a different method than the patient's previous method of administration;

(iii) if the patient purchases medical cannabis flower or a medical cannabinoid product with a cannabinoid concentration of at least double the patient's prior dosage; or

(iv) upon the request of the patient; and

(5) properly package medical cannabis in compliance with the United States Poison Prevention Packing Act regarding child-resistant packaging and exemptions for packaging for elderly patients, and label distributed medical cannabis with a list of all active ingredients and individually identifying information, including:

(i) the patient's name and date of birth;

(ii) 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 or legal guardian, if applicable;

(iii) the patient's registry identification number;

(iv) the chemical composition of the medical cannabis; and

(v) the dosage; ~~and~~

~~(6) ensure that the medical cannabis distributed contains a maximum of a 90-day supply of the dosage determined for that patient.~~

(d) A manufacturer shall require any employee of the manufacturer who is transporting medical cannabis or medical cannabis products to a distribution facility or to another registered manufacturer to carry identification showing that the person is an employee of the manufacturer.

(e) A manufacturer shall distribute medical cannabis in dried raw cannabis form only to a patient age 21 or older, or to the registered designated caregiver, parent, legal guardian, or spouse of a patient age 21 or older.

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

Sec. 25. Minnesota Statutes 2023 Supplement, section 152.30, is amended to read:

152.30 PATIENT DUTIES.

(a) A patient shall apply to the ~~commissioner~~ office 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 July 1, 2024.

Sec. 26. Minnesota Statutes 2022, section 181.950, subdivision 10, is amended to read:

Subd. 10. **Positive test result.** "Positive test result" means a finding of the presence of drugs, cannabis, alcohol, or their metabolites in the sample tested in levels at or above the threshold detection levels contained in the standards of one of the programs listed in section 181.953, subdivision 1.

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

Sec. 27. Minnesota Statutes 2023 Supplement, 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~~ and 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.

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

Sec. 28. Minnesota Statutes 2023 Supplement, 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, cannabis, or alcohol;

(2) has violated the employer's written work rules prohibiting the use, possession, impairment, 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 if 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.

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

Sec. 29. Minnesota Statutes 2023 Supplement, section 181.951, subdivision 8, is amended 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)~~ this section must comply with the safeguards for testing employees provided in sections 181.953 and 181.954.

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

Sec. 30. Minnesota Statutes 2022, section 181.952, as amended by Laws 2023, chapter 63, article 6, section 38, is amended to read:

181.952 POLICY CONTENTS; PRIOR WRITTEN NOTICE.

Subdivision 1. **Contents of the policy.** An employer's drug and alcohol and cannabis testing policy must, at a minimum, set forth the following information:

(1) the employees or job applicants subject to testing under the policy;

- (2) the circumstances under which drug or alcohol and cannabis testing may be requested or required;
- (3) the right of an employee or job applicant to refuse to undergo drug and alcohol and cannabis testing and the consequences of refusal;
- (4) any disciplinary or other adverse personnel action that may be taken based on a confirmatory test verifying a positive test result on an initial screening test;
- (5) the right of an employee or job applicant to explain a positive test result on a confirmatory test or request and pay for a confirmatory retest; and
- (6) any other appeal procedures available.

Subd. 2. **Notice.** An employer shall provide written notice of its drug and alcohol testing and cannabis testing policy to all affected employees upon adoption of the policy, to a previously nonaffected employee upon transfer to an affected position under the policy, and to a job applicant upon hire and before any testing of the applicant if the job offer is made contingent on the applicant passing drug and alcohol testing. An employer shall also post notice in an appropriate and conspicuous location on the employer's premises that the employer has adopted a drug and alcohol testing and cannabis testing policy and that copies of the policy are available for inspection during regular business hours by its employees or job applicants in the employer's personnel office or other suitable locations.

Subd. 3. **Cannabis ~~policy~~ work rules.** (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.

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

Sec. 31. Minnesota Statutes 2023 Supplement, section 181.954, subdivision 1, is amended to read:

Subdivision 1. **Privacy limitations.** A laboratory may only disclose to the employer test result data regarding the presence or absence of drugs, cannabis, alcohol, or their metabolites in a sample tested.

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

Sec. 32. Minnesota Statutes 2023 Supplement, section 290.0132, subdivision 29, is amended to read:

Subd. 29. **Disallowed section 280E expenses; cannabis licensees.** The amount of expenses of a ~~medical cannabis business license holder, as defined under section 342.01, subdivision 53.48, related to the business of medical cannabis under sections 342.47 to 342.59, or a license holder under chapter 342, related to the business of nonmedical cannabis under that chapter,~~ cannabis or hemp 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 the day following final enactment.

Sec. 33. Minnesota Statutes 2023 Supplement, section 290.0134, subdivision 19, is amended to read:

Subd. 19. **Disallowed section 280E expenses; cannabis licensees.** The amount of expenses of a ~~medical cannabis business license holder~~, as defined under section 342.01, subdivision ~~53~~ 48, related to the business of ~~medical cannabis under sections 342.47 to 342.59, or a license holder under chapter 342, related to the business of nonmedical cannabis under that chapter~~, cannabis or hemp 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 the day following final enactment.

Sec. 34. Minnesota Statutes 2023 Supplement, section 295.81, subdivision 4, is amended to read:

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~~ on Tribally regulated land as defined in section 3.9228, subdivision 1, 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).

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

Sec. 35. Minnesota Statutes 2023 Supplement, section 297A.67, subdivision 39, is amended 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~~ on Tribally regulated land as defined in section 3.9228, subdivision 1, 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 the day following final enactment.

Sec. 36. Minnesota Statutes 2023 Supplement, 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) other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state; and

(5) 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), prepared food, candy, soft drinks, 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, 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, taxable cannabis product retailer as defined under section 295.81, subdivision 1, paragraph (p), 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 the day following final enactment.

Sec. 37. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 14, is amended to read:

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; and
- ~~(11) medical cannabis cultivator;~~
- ~~(12) medical cannabis processor;~~
- ~~(13) medical cannabis retailer; and~~
- ~~(14)~~ (11) medical cannabis combination business.

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

Sec. 38. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 17, is amended to read:

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

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

Sec. 39. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 19, is amended to read:

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, including but not limited to a mother plant; a mature, flowering plant; an immature plant; or a seedling.~~ Cannabis plant does not include a hemp plant.

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

Sec. 40. Minnesota Statutes 2023 Supplement, section 342.01, is amended by adding a subdivision to read:

Subd. 31a. **Endorsement.** "Endorsement" means an authorization from the office to conduct a specified operation activity.

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

Sec. 41. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 48, is amended to read:

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; or
- ~~(13) medical cannabis cultivator;~~
- ~~(14) medical cannabis processor;~~
- ~~(15) medical cannabis retailer; or~~
- ~~(16)~~ (13) medical cannabis combination business.

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

Sec. 42. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 50, is amended to read:

Subd. 50. **Lower-potency hemp edible.** (a) "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)~~ (4) does not contain a cannabinoid derived from cannabis plants or cannabis flower; ~~and~~

~~(8)~~ (5) 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; and

(6) meets either of the requirements in paragraph (b).

(b) A lower-potency hemp edible includes:

(1) a product that:

(i) consists of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol; no more than 25 milligrams of cannabidiol, cannabigerol, cannabinol, or cannabichromene; any other cannabinoid authorized by the office; or any combination of those cannabinoids that does not exceed the identified amounts;

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

(iii) does not contain an artificially derived cannabinoid other than delta-9 tetrahydrocannabinol, except that a product may include artificially derived cannabinoids created during the process of creating the delta-9 tetrahydrocannabinol that is added to the product, if no artificially derived cannabinoid is added to the ingredient containing delta-9 tetrahydrocannabinol and the ratio of delta-9 tetrahydrocannabinol to all other artificially derived cannabinoids is no less than 20 to one; or

(2) a product that:

(i) contains hemp concentrate processed or refined without increasing the percentage of targeted cannabinoids or altering the ratio of cannabinoids in the extracts or resins of a hemp plant or hemp plant parts beyond the variability generally recognized for the method used for processing or refining or by an amount needed to reduce the total THC in the hemp concentrate; and

(ii) consists of servings that contain no more than five milligrams of total THC.

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

Sec. 43. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 52, is amended to read:

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 registered designated caregiver, cannabis retailer, or ~~medical cannabis retailer~~ cannabis business with a medical cannabis retail endorsement 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.

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

Sec. 44. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 54, is amended to read:

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

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

Sec. 45. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 57, is amended to read:

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

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

Sec. 46. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 63, is amended to read:

Subd. 63. **Qualifying medical condition.** "Qualifying medical condition" means either a medical condition for which an individual's health care practitioner has recommended, approved, or authorized the use of cannabis by that individual to treat the condition, or 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; or

(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.~~

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

Sec. 47. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 64, is amended to read:

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

~~(4) (3) is authorized by the Division of Medical Cannabis office to assist a patient with the use of medical cannabis flower and medical cannabinoid products.~~

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

Sec. 48. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 65, is amended to read:

Subd. 65. **Registry or registry program.** "Registry" or "registry program" means the patient registry established under this chapter listing patients; registered designated caregivers; and any parent, legal guardian, or spouse of a patient who is authorized to perform the following acts either as a patient or to assist a patient:

(1) obtain medical cannabis flower, medical cannabinoid products, and medical cannabis paraphernalia from a cannabis retailers and medical cannabis retailers business with a medical cannabis retail endorsement; and

(2) administer medical cannabis flower and medical cannabinoid products.

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

Sec. 49. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 66, is amended to read:

Subd. 66. **Registry verification.** "Registry verification" means the verification provided by the ~~Division of Medical Cannabis~~ office 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.

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

Sec. 50. Minnesota Statutes 2023 Supplement, section 342.01, is amended by adding a subdivision to read:

Subd. 69b. **Total THC.** "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.

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

Sec. 51. Minnesota Statutes 2023 Supplement, section 342.02, subdivision 2, is amended to read:

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 order a person or business that cultivates cannabis flower or manufactures or produces cannabis products, medical cannabinoid products, artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products to recall any cannabis flower, product, or ingredient containing cannabinoids that is used in a product if the office determines that the flower, product, or ingredient represents a risk of causing a serious adverse incident; and

~~(19)~~ (20) 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.

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

Sec. 52. Minnesota Statutes 2023 Supplement, section 342.02, subdivision 3, is amended to read:

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.

(c) This subdivision is effective July 1, 2024.

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

Sec. 53. Minnesota Statutes 2023 Supplement, section 342.02, subdivision 5, is amended to read:

Subd. 5. **Rulemaking.** (a) The office may adopt rules to implement any provisions in this chapter.

(b) 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. The 18-month time limit imposed by section 14.125 does not apply to rules adopted under this paragraph.

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

Sec. 54. Minnesota Statutes 2023 Supplement, section 342.02, subdivision 6, is amended to read:

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 be established by the Compensation Council under section 15A.0815, subdivision 3 15A.082.

(c) The director may appoint and employ no more than two deputy directors.

(d) The director has administrative control of the office. The director has the powers described in section 15.06, subdivision 6.

(e) The director may apply for and accept on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying out the duties and responsibilities of the director.

(f) Pursuant to state law, the director may apply for and receive money made available from federal sources for the purpose of carrying out the duties and responsibilities of the director.

(g) The director may make contracts with and grants to Tribal Nations, public and private agencies, for-profit and nonprofit organizations, and individuals using appropriated money.

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

Sec. 55. Minnesota Statutes 2023 Supplement, section 342.03, subdivision 1, is amended to read:

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) an expert in clinical pharmacy appointed by the governor;

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

~~(36)~~ (37) a veteran appointed by the governor;

~~(37)~~ (38) 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)~~ (39) a representative from the Local Public Health Association of Minnesota appointed by the association; and

(40) one youth from outside the seven-county metropolitan area as defined in section 473.121, subdivision 4, and one youth from the seven-county metropolitan area who are both appointed by the governor. The youths must have been disproportionately affected by cannabis or cannabis use or have an immediate family member who was negatively affected by cannabis use. The youths must be between the ages of 18 and 24 years old.

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

Sec. 56. Minnesota Statutes 2023 Supplement, section 342.03, subdivision 4, is amended to read:

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) considering the impact of legalized adult-use cannabis on the rate of cannabis use by minors; and
 - ~~(6)~~ (7) making recommendations to the Office of Cannabis Management.
- (b) At its discretion, the advisory council may examine other related issues consistent with this section.

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

Sec. 57. Minnesota Statutes 2023 Supplement, section 342.06, is amended to read:

342.06 APPROVAL OF CANNABIS FLOWER, PRODUCTS, AND CANNABINOIDS.

Subdivision 1. Approval of cannabis flower and products. (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.

Subd. 2. Approval of cannabinoids. (a) The office may designate any cannabinoid as nonintoxicating and may approve the use of any cannabinoid in lower-potency hemp edibles. The office may establish limits on the amount of an intoxicating cannabinoid that may be present in a lower-potency hemp edible.

(b) Beginning January 1, 2026, any person may petition the office to designate a cannabinoid as nonintoxicating or to allow the use of any cannabinoid in lower-potency hemp edibles. Petitions must be filed in the form and manner established by the office and must:

(1) specify the cannabinoid that is the subject of the petition;

(2) indicate whether the petition seeks to have the cannabinoid designated as nonintoxicating or approved for use in lower-potency hemp edibles;

(3) indicate whether the cannabinoid has been identified in cannabis plants, cannabis extract, hemp plant parts, or hemp extract; and

(4) include verified data, validated studies, or other evidence that is generally relied upon in the scientific community to support the petition.

(c) The office must post all final determinations on the office's publicly facing website.

(d) If the office denies a petition to designate a cannabinoid as nonintoxicating or to allow the cannabinoid's use in lower-potency hemp edibles, that denial shall be in effect for two years. Any petition filed under this subdivision within two years of a final determination denying a petition for the same cannabinoid must be summarily denied.

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

Sec. 58. Minnesota Statutes 2023 Supplement, section 342.07, subdivision 3, is amended to read:

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 in a manner provided for~~ consistent with Department of Agriculture regulation of 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.

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

Sec. 59. Minnesota Statutes 2023 Supplement, section 342.09, subdivision 1, is amended to read:

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) The possession limits in paragraph (a), clauses (2) to (5), do not apply to a person enrolled in the medical cannabis patient registry program under section 342.52 if the person possesses cannabis flower or cannabinoid products that include patient-specific labeling according to sections 342.51, subdivision 2, and 342.63, subdivision 4.

~~(d)~~ (e) 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.

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

Sec. 60. Minnesota Statutes 2023 Supplement, section 342.09, subdivision 3, is amended to read:

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~~ combination business, or lower-potency hemp edible manufacturer license issued under this chapter.

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

Sec. 61. Minnesota Statutes 2023 Supplement, section 342.10, is amended to read:

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; and
- ~~(13) medical cannabis cultivator;~~
- ~~(14) medical cannabis processor;~~
- ~~(15) medical cannabis retailer; or~~
- ~~(16)~~ (13) medical cannabis combination business.

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

Sec. 62. Minnesota Statutes 2023 Supplement, section 342.11, is amended to read:

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; and
- ~~(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) (13) 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.

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

Sec. 63. Minnesota Statutes 2023 Supplement, section 342.12, is amended to read:

342.12 LICENSES; TRANSFERS; ADJUSTMENTS.

(a) Licenses issued under this chapter that are available to all applicants pursuant to section 342.14, subdivision 1b, paragraph (c), 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 unless the license holder has not received a final site inspection or the license holder is a social equity applicant.

(b) Licenses issued as social equity licenses pursuant to either section 342.14, subdivision 1b, paragraph (b), or section 342.175, paragraph (b), may only be transferred to another social equity applicant for three years after the date on which the office issues the license. Three years after the date of issuance, a license holder may transfer a license to any entity. Transfer of a license that was issued as a social equity license must be reviewed by the Division of Social Equity and is subject to the prior written approval of the office.

(c) License preapproval issued pursuant to section 342.125 may not be transferred.

(d) 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.~~

~~(e) (e)~~ Licenses must be renewed annually.

~~(4) (f)~~ License holders may petition the office to adjust the tier of a license issued within a license category ~~provided that~~ if the license holder meets all applicable requirements.

~~(e) (g)~~ The office by rule may permit the relocation of a licensed cannabis business; permit the relocation of an approved operational location, including a cultivation, manufacturing, processing, or retail location; 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.

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

Sec. 64. Minnesota Statutes 2023 Supplement, section 342.13, is amended to read:

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 or hemp 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 the local unit of government informs the office that the cannabis business does not meet local zoning and land use laws. If the local unit of government does not provide the certification to the office within 30 days of receiving a copy of an application from the office, the office may issue a license.

~~(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)~~ (g) 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 or cannabis mezzobusiness with a retail operations endorsement, ~~cannabis mezzobusiness~~, lower-potency hemp edible retailer, ~~medical cannabis retailer~~, or medical cannabis combination business operating a retail location 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)~~ (h) A local government unit that issues a 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)~~ (i) 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)~~ (j) Nothing in this section shall prohibit a local government unit from allowing licensed cannabis retailers in excess of the minimums set in paragraph ~~(i)~~ (h).

~~(l)~~ (k) 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.

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

Sec. 65. Minnesota Statutes 2023 Supplement, section 342.14, is amended to read:

342.14 CANNABIS LICENSE APPLICATION AND RENEWAL; PROCEDURE.

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, if applicable, except an applicant is not required to secure a physical premises for the business at the time of application;

(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, including security monitoring, security equipment, and facility maps if applicable, except an applicant is not required to secure a physical premises for the business at the time of application;

(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) standard operating procedures for:

(i) quality assurance;

(ii) inventory control, storage, and diversion prevention; and

(iii) accounting and tax compliance;

~~(9)~~ (10) an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement;

(11) a description of any training and education that the applicant will provide to employees of the business;

(12) a disclosure of any violation of a license agreement or a federal, state, or local law or regulation committed by the applicant or any true party of interest in the applicant's business that is relevant to business and working conditions;

~~(10)~~ (13) certification that the applicant will comply with the requirements of this chapter ~~relating to the ownership and operation of a cannabis business;~~

~~(11)~~ (14) 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)~~ (15) a statement that the applicant agrees to respond to the office's supplemental requests for information; and

(16) a release of information for the applicant and every true party of interest in the applicant's business license for the office to perform the background checks required under section 342.15.

(b) An applicant must file and update as necessary a disclosure of ownership and control identifying any true party of interest as defined in section 342.185, subdivision 1, paragraph (g). 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. 1a. **Market stability.** Subject to the limits under subdivision 1b, paragraphs (a) to (d), the office shall issue the necessary number of licenses in order to ensure that there is a sufficient supply of cannabis flower and cannabis products to meet demand, provide market stability, ensure that there is a competitive market, and limit the sale of unregulated cannabis flower and cannabis products.

Subd. 1b. **Maximum number of licenses.** (a) Before July 1, 2026, the office may issue up to the maximum total number of licenses in each license category listed in paragraphs (b) and (c).

(b) For licenses that are available to social equity applicants, the maximum number of licenses that the office may issue are:

(1) cannabis cultivator licenses, 25;

(2) cannabis manufacturer licenses, 12;

(3) cannabis retailer licenses, 75; and

(4) cannabis mezzobusiness licenses, 50.

(c) For licenses that are available to all applicants, the maximum number of licenses that the office may issue are:

(1) cannabis cultivator licenses, 25;

(2) cannabis manufacturer licenses, 12;

(3) cannabis retailer licenses, 75; and

(4) cannabis mezzobusiness licenses, 50.

(d) Beginning July 1, 2026, the office must determine the number of cannabis cultivator licenses, cannabis manufacturer licenses, cannabis retailer licenses, and cannabis mezzobusiness licenses that the office will issue consistent with the goals identified in subdivision 1a. If the office makes any of those types of licenses available, the number of licenses available to social equity applicants must be equal to or greater than the number of licenses available to all applicants.

(e) The office may issue as many licenses as the office deems necessary of a license type that is not listed in this subdivision. If the office limits the number of license types not listed in this subdivision available in any licensing period, the office must identify the number of licenses available to social equity applicants and the number of licenses available to all applicants. The number of licenses available to social equity applicants must be equal to or greater than the number of licenses available to all applicants. The office is not required to issue a license for a license type that is not listed in this subdivision.

(f) The office is not required to issue licenses to meet the maximum number of licenses that may be issued under paragraphs (b) and (c).

Subd. 1c. **Social equity applicant verification.** (a) The office must establish a procedure to verify that an individual seeking to apply for a cannabis business license as a social equity applicant, either as an individual or as a true party of interest who must be identified on an application, meets the requirements of section 342.17. As used in this paragraph, "true party of interest" has the meaning given in section 342.185, subdivision 1, paragraph (g).

(b) The office may announce social equity applicant verification periods and may require verification that an individual seeking to apply for a cannabis business license as a social equity applicant meets the requirements of section 342.17 before the office accepts an application from the individual.

(c) A person seeking to be verified as a social equity applicant must submit all required information on the forms and in the manner prescribed by the office.

(d) The office must issue a notice to an individual seeking to be verified as a social equity applicant stating that the office has verified the individual's status as a social equity applicant or that the office has been unable to verify the individual's status as a social equity applicant.

(e) Data collected, created, or maintained by the office pursuant to this subdivision, other than data listed in section 342.20, subdivision 2, 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.

Subd. 2. **Licensing periods; initial application; process.** (a) The office must announce the commencement of a licensing period in advance of accepting applications for cannabis business licenses. At a minimum, the announcement must include:

(1) the types of licenses that will be available during the licensing period;

(2) if the office limits the number of a type of license that will be available, the number of that type of license available in the licensing period;

(3) the date on which the office will begin accepting applications; and

(4) the date on which the office will no longer accept applications.

~~(a)~~ (b) An applicant must submit all required information and the applicable application fee to the office on the forms and in the manner prescribed by the office.

~~(b)~~ (c) If the office receives an application that fails to provide the required information or pay the applicable application fee, 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)~~ (d) Failure by an applicant to submit all required information or pay the application fee to the office 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.

Subd. 3. **Review.** (a) After an applicant submits an application that contains all required information and pays the applicable licensing fee, the office must review the application.

(b) The office may deny an application if:

(1) the application is incomplete;

(2) the application contains a materially false statement about the applicant or omits information required under subdivision 1;

(3) the applicant does not meet the qualifications under section 342.16;

(4) the applicant is prohibited from holding the license under section 342.18, subdivision 2;

(5) the application does not meet the minimum requirements under section 342.18, subdivision 3;

(6) the applicant fails to pay the applicable application fee;

(7) the application was not submitted by the application deadline;

(8) the applicant submitted more than one application for a license type; or

(9) the office determines that the applicant would be prohibited from holding a license for any other reason.

(c) If the office denies an application, the office must notify the applicant of the denial and the basis for the denial.

(d) The office may request additional information from any applicant if the office determines that the information is necessary to review or process the application. If the applicant does not provide the additional requested information within 14 calendar days of the office's request for information, the office may deny the application.

(e) An applicant whose application is not denied under this subdivision is a qualified applicant.

Subd. 4. **Lottery.** (a) If the number of qualified applicants who are verified social equity applicants seeking a type of license exceeds the number of licenses of that type that are made available for social equity applicants, the office must first conduct a lottery consisting of verified social equity applicants to select qualified applicants for preliminary license approval. If a social equity applicant is not selected in a lottery conducted under this paragraph, the office must include the social equity applicant in the pool of applicants for licenses of that type that are made available to all applicants.

(b) If the number of qualified applicants seeking a type of license exceeds the number of licenses of that type that are made available to all applicants, the office must conduct a lottery to select applicants for preliminary license approval.

(c) A lottery conducted under this section must be impartial, random, and in a format determined by the office.

(d) Following the completion of any lottery conducted pursuant to paragraphs (a) or (b), the office must notify each applicant entered in the lottery that the applicant was either selected or not selected in the lottery.

Subd. 5. **Background check; preliminary license approval.** (a) Before granting preliminary license approval, the office may conduct a background check of qualified applicants consistent with section 342.15.

(b) The office must issue preliminary license approval to a qualified applicant if the applicant is not disqualified under section 342.15, and:

(1) there are a sufficient number of licenses of the type the applicant is seeking for all qualified applicants to receive preliminary license approval; or

(2) the qualified applicant is selected in the lottery conducted under subdivision 4.

(c) The office must notify an applicant of the results of any background check and whether the office has granted preliminary license approval. If the office does not grant preliminary license approval, the notice must state the specific reasons for the office's decision.

Subd. 6. **Completed application; final authorization; issuance of license.** (a) Within 18 months of receiving notice of preliminary license approval, an applicant must provide:

(1) the address and legal property description of the location where the business will operate;

(2) the name of the local unit of government where the business will be located; and

(3) if applicable, an updated description of the location where the business will operate, an updated security plan, and any other additional information required by the office.

(b) Upon receipt of the information required under paragraph (a) from an applicant that has received preliminary license approval, the office must:

(1) 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;

(2) schedule a site inspection; and

(3) require the applicant to pay the applicable license fee.

(c) The office may deny final authorization if:

(1) an applicant fails to submit any required information;

(2) the applicant submits a materially false statement about the applicant or fails to provide any required information;

(3) the office confirms that the cannabis business for which the office granted a license preapproval does not meet local zoning and land use laws;

(4) the applicant fails to pay the applicable license fee; or

(5) the office determines that the applicant is disqualified from holding the license or would operate in violation of the provisions of this chapter.

(d) Within 90 days of receiving the information required under paragraph (a) and the results of any required background check, the office shall grant final authorization and issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons that the office did not approve the application.

Subd. 7. **Local units of government.** (a) Except as provided in paragraph (d), the office must issue a license to a city or county seeking to establish, own, or operate a single municipal cannabis store authorized under section 342.32, subdivision 5, if the city or county:

(1) submits all information required by the office;

(2) meets the minimum requirements under section 342.18, subdivision 3; and

(3) pays the applicable application and license fee.

(b) A license issued to a city or county must not be counted against the maximum number of licenses made available in a licensing period.

(c) A municipal cannabis store established, owned, or operated by a city or county must not be included in any limitation on the number of licensed cannabis retailers, cannabis mezzobusinesses with a retail operations endorsement, or cannabis microbusinesses with a retail operations endorsement that a local unit of government imposes or adopts pursuant to section 342.13, paragraph (i) or (j).

(d) The office may refuse to issue a license to a city or county if the office determines that the issuance of the license would be inconsistent with the goals in subdivision 1a.

(e) Nothing in this subdivision prohibits a city or county from applying for a cannabis retail license subject to the requirements and procedure applicable to all other applicants.

Subd. 8. **Reconsideration.** If the office denies an application or denies final authorization and does not issue a license after granting preliminary license approval, the applicant may seek reconsideration from the office. A decision by the office on a request for reconsideration is final.

Subd. 9. **Retention.** (a) If the office holds a lottery as provided in subdivision 4, the office must retain the applications of any applicant not selected in the lottery for one year. The office must consider a retained application during any licensing periods that begin within the year and, except as otherwise provided in this subdivision, the office must treat a retained application as if the application were submitted during the licensing period.

(b) At the beginning of a subsequent licensing period, the applicant may amend an application or provide additional information to the office. The office may request additional information from any applicant whose application is retained to determine if the applicant meets the requirements for a subsequent licensing period. If the applicant does not provide the requested information to the office within 14 calendar days of the office's request, the office may deny the application.

(c) The office must not charge an additional application fee to an applicant whose application was retained by the office.

(d) An applicant may withdraw a retained application at any time. If the applicant withdraws a retained application, the applicant may submit a new application during a licensing period. An applicant who submits a new application must pay the applicable application fee.

(e) The office may disqualify an application from retention if the office could deny the application under subdivision 3, paragraph (a).

Subd. 10. **Revocation or expiration of preliminary approval.** (a) A preliminary license approval expires after 18 months unless the office revokes the preliminary license approval or grants an extension. The office may grant a onetime extension of up to six months if an applicant has made good faith efforts to convert a preliminary license approval into a license. The office must not issue a license to an applicant whose preliminary license approval has expired.

(b) If the office determines that an applicant is not eligible for a license, the office may revoke a preliminary license approval.

(c) The office must notify an applicant if the office revokes the applicant's preliminary license approval or if the applicant's preliminary license approval expires.

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

Sec. 66. Minnesota Statutes 2023 Supplement, section 342.15, subdivision 1, is amended to read:

Subdivision 1. **Criminal history check.** (a) Upon request by the office, every license applicant, license holder, or, in the case of a business entity, every individual responsible for conducting the affairs of the entity, including but not limited to every owner and 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.

~~(b)~~ After receiving this information, the bureau must conduct a ~~Minnesota state criminal history records check of the license applicant or prospective cannabis worker~~ an individual identified in paragraph (a). The bureau may exchange a ~~license applicant's or prospective cannabis worker's~~ an individual's fingerprints with the Federal Bureau of Investigation to obtain the ~~license applicant's or prospective cannabis worker's~~ national criminal history record information of the individual. The bureau must return the results of the ~~Minnesota state and federal criminal history records checks to the office to determine if the license applicant or prospective cannabis worker~~ individual is disqualified under rules adopted pursuant to this section.

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

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

Sec. 67. Minnesota Statutes 2023 Supplement, section 342.15, subdivision 2, is amended to read:

Subd. 2. **Criminal offenses; disqualifications.** (a) The office may by rule determine whether any felony convictions ~~shall~~, including but not limited to convictions for noncannabis controlled substance crimes in the first or second degree, human trafficking, labor trafficking, fraud, or financial crimes, disqualify ~~a person~~ an individual 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~~ an individual for a violation of section 152.025.

(b) The office must not issue a cannabis business license to any person or business who was convicted of illegally selling cannabis after August 1, 2023, unless five years have passed since the date of conviction.

(c) The office must not issue a cannabis business license to any person or business who violated this chapter after August 1, 2023, unless five years have passed since the date of violation. The office may set aside the violation if the office finds that the violation occurred as a result of a mistake made in good faith and the violation did not involve gross negligence, an illegal sale of cannabis, or cause harm to the public. The office must not issue a license to any person or business who the office has assessed a fine to under section 342.09, subdivision 6.

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

Sec. 68. Minnesota Statutes 2023 Supplement, section 342.15, is amended by adding a subdivision to read:

Subd. 5. **Civil and regulatory offenses; disqualifications.** The office may determine whether any civil or regulatory violations, as determined by another state agency, local unit of government, or any other jurisdiction, disqualify an individual from holding or receiving a cannabis business license issued under this chapter or disqualify an individual from working for a cannabis business, and the length of the disqualification. Upon the office's request, a state agency, as defined in section 13.02, subdivision 17, except for the Department of Revenue, may release civil investigative data, including data classified as protected nonpublic or confidential under section 13.39, subdivision 2, if the request is related to a specific applicant and the data is necessary to make a determination under this section.

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

Sec. 69. **[342.151] EMPLOYEES OF LICENSE HOLDERS.**

Subdivision 1. Definitions. For purposes of this section, a "license holder" includes a cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis retailer, cannabis wholesaler, cannabis transporter, cannabis testing facility, cannabis event organizer, cannabis delivery service, lower-potency hemp edible manufacturer, lower-potency hemp edible retailer, or medical cannabis combination business.

Subd. 2. Criminal history check. A license holder may employ or contract with as many unlicensed individuals as may be necessary, provided that the license holder is at all times accountable for the good conduct of every individual employed by or contracted with the license holder. Before hiring an individual as a cannabis worker, the license holder must submit to the Bureau of Criminal Apprehension the individual's full set of fingerprints and written consent for the bureau to conduct a state and national criminal history check. The bureau may exchange an individual's fingerprints with the Federal Bureau of Investigation. The Bureau of Criminal Apprehension must determine whether the individual is qualified to be employed as a cannabis worker and must notify the license holder of the bureau's determination. The license holder must not employ an individual who is disqualified from being employed as a cannabis worker.

Subd. 3. Disqualification. (a) A license holder must not employ an individual as a cannabis worker if the individual has been convicted of any of the following crimes that would constitute a felony:

- (1) human trafficking;
- (2) noncannabis controlled substance crimes in the first or second degree;
- (3) labor trafficking;
- (4) fraud;
- (5) embezzlement;
- (6) extortion;
- (7) money laundering; or
- (8) insider trading;

if committed in this state or any other jurisdiction for which a full pardon or similar relief has not been granted.

(b) A license holder must not employ an individual as a cannabis worker if the individual made any false statement in an application for employment.

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

Sec. 70. Minnesota Statutes 2023 Supplement, section 342.16, is amended to read:

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, and never have had a cannabis license, a registration, an agreement, or another authorization to operate a cannabis business issued under the laws of another state 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; and
 - (14) not have had any confirmed labor violation with the Department of Labor, National Labor Relations Board, or the Occupational Safety and Health Administration within the last five years.
- (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.

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

Sec. 71. Minnesota Statutes 2023 Supplement, section 342.17, is amended to read:

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 military veteran, including a service-disabled veteran, current or former member of the national guard, ~~or any;~~

(5) is a 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 cannabis or marijuana;

~~(5)~~ (6) has been a resident for the last five years of one or more subareas, such as census tracts or neighborhoods;

(i) 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 or another report based on federal or state data on arrests or convictions;

(ii) where the poverty rate was 20 percent or more;

(iii) where the median family income did not exceed 80 percent of the 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;

(iv) where at least 20 percent of the households receive assistance through the Supplemental Nutrition Assistance Program; or

(v) where the population has a high level of vulnerability according to the Centers for Disease Control and Prevention and Agency for Toxic Substances and Disease Registry (CDC/ATSDR) Social Vulnerability Index; or

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

(7) has participated in the business operation of a farm for at least three years and currently provides the majority of the day-to-day physical labor and management of a farm that had gross farm sales of at least \$5,000 but not more than \$100,000 in the previous year.

~~(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~~ apply to at least 65 percent of the controlling ownership of the business entity.

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

Sec. 72. **[342.175] SOCIAL EQUITY LICENSE CLASSIFICATION.**

(a) The office must classify licenses listed in section 342.10, clauses (1) to (10) and (13) as:

(1) available to social equity applicants who meet the requirements of section 342.17; and

(2) available to all applicants.

(b) The office must classify any license issued to a social equity applicant as a social equity license.

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

Sec. 73. Minnesota Statutes 2023 Supplement, section 342.18, subdivision 2, is amended to read:

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 medical cannabis combination business licenses, or the issuance of both lower-potency hemp edible manufacturer and lower-potency hemp edible retailer licenses to the same person or entity.

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

Sec. 74. Minnesota Statutes 2023 Supplement, section 342.18, subdivision 3, is amended to read:

Subd. 3. **Application score; license priority review.** (a) The office shall ~~award points to~~ review 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)~~ (1) security and record keeping;

~~(4)~~ (2) employee training plan;

~~(5)~~ (3) business plan and financial situation;

~~(6)~~ (4) labor and employment practices;

~~(7)~~ (5) knowledge and experience; and

~~(8)~~ (6) 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.~~

~~(e) 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) (b) The office shall establish policies and guidelines, which the office must be made make available to the public, regarding the number of points available minimum qualifications 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 criteria that the office uses to determine whether an applicant meets the minimum qualifications in each category.~~

~~(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.~~

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

Sec. 75. Minnesota Statutes 2023 Supplement, section 342.18, is amended by adding a subdivision to read:

Subd. 5. Conversion to hemp business license. (a) After the office adopts initial rules pursuant to section 342.02, subdivision 5, the office may permit a person selling edible cannabinoid products who has registered pursuant to section 151.72, subdivision 5b, to convert the registration to a comparable hemp business license if:

(1) the registration was active before the office adopted initial rules;

(2) the person submits documentation to the office sufficient to meet the minimum requirements in section 342.44;

(3) the person pays the applicable application and licensing fee as required by section 342.11; and

(4) the person is in good standing with the state.

(b) A person selling edible cannabinoid products who has registered pursuant to section 151.72, subdivision 5b, and remains in good standing with the state may continue operations under an active registration for the longer of:

(1) 30 days after the date that the office begins accepting applications for hemp business licenses; or

(2) if the person submits an application for a hemp business license, until the office makes a determination regarding the registrant's application.

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

Sec. 76. **[342.185] TRUE PARTY OF INTEREST.**

Subdivision 1. Definitions. (a) As used in this section, the following terms have the meanings given.

(b) "Control" means the power to independently order or direct the management, managers, or policies of a cannabis business.

(c) "Financial institution" means any bank, mutual savings bank, consumer loan company, credit union, savings and loan association, trust company, or other lending institution under the jurisdiction of the Minnesota Department of Commerce, the United States Department of Commerce, or both.

(d) "Financier" means any person that:

(1) is not a financial institution or government entity;

(2) provides money as a gift, grant, or loan to an applicant for a cannabis business license, a cannabis business, or both; and

(3) expects to be repaid for the money provided, with or without reasonable interest.

(e) "Gross profit" means sales minus the cost of goods sold.

(f) "Revenue" means the income generated from the sale of goods and services associated with the main operations of a business before any costs or expenses have been deducted.

(g) "True party of interest" means an individual who as an individual or as part of another business:

(1) is a sole proprietor of a sole proprietorship;

(2) is a partner in a general partnership;

(3) is a general partner or limited partner in a limited partnership, a limited liability partnership, or a limited liability limited partnership;

(4) is a member of a limited liability company or a manager in a limited liability company;

(5) is a corporate officer or director or holds an equivalent title in a privately held corporation;

(6) is a stockholder in a privately held corporation;

(7) is part of a multilevel ownership structure;

(8) has membership rights to a nonprofit corporation in accordance with the provisions of the articles of incorporation or bylaws for the nonprofit corporation;

(9) has the right to receive some or all of the revenue, gross profit, or net profit from a cannabis business during any full or partial calendar or fiscal year; or

(10) has the right to exercise control over a cannabis business.

True party of interest does not include:

(1) an individual receiving payment for rent on a fixed basis under a lease or rental agreement;

(2) an employee of a cannabis business who receives a salary or hourly rate compensation if the employee does not otherwise hold an ownership interest in the cannabis business or have the right to exercise control over the cannabis business;

(3) an individual who receives a bonus or commission based on the individual's sales, if the bonus or commission does not exceed ten percent of the individual's sales in any given bonus or commission period and the terms of the bonus or commission-based compensation agreement is in writing;

(4) an individual with an ownership interest held or acquired solely for the purpose of passive investment as described in Code of Federal Regulations, title 31, section 800.243;

(5) an individual contracting with a cannabis business to receive a commission for the sale of a business or real property;

(6) a consultant receiving a flat or hourly rate compensation under a written contractual agreement;

(7) any person with a contract or an agreement for services with a cannabis business, such as a branding or staffing company, as long as that person does not obtain any ownership or control of the cannabis business; or

(8) a financial institution.

Subd. 2. **Application number limitations.** An individual may not be a true party of interest for more than one application for (1) any single type of license, or (2) multiple types of licenses if the individual would be prohibited from holding the licenses under section 342.18, subdivision 2. The limitation does not apply to an individual who holds no more than ten percent ownership of the business entity.

Subd. 3. **License number limitations.** An individual may not be a true party of interest for more than one license unless explicitly allowed by this chapter. The limitation does not apply to an individual who holds ten percent or less controlling ownership of the business entity.

Subd. 4. **Notification.** Except as otherwise provided in this subdivision, a cannabis business has a continuing duty to disclose the source of all money that will be invested in the cannabis business, including but not limited to all money obtained from financiers, before investing the money in the cannabis business. The notice requirement under this section does not apply to:

(1) revenues of a licensed cannabis business that are reinvested in the business; and

(2) proceeds of a revolving loan unless the source of the money has changed or the approved loan amount has increased.

Subd. 5. **Disclosure agreements and intellectual property.** A cannabis business must not enter into an intellectual property agreement with another cannabis business if a single entity could not hold licenses for both types of cannabis business.

Subd. 6. **Financiers.** A financier may not receive an ownership interest, control of a business, a share of revenue, gross profits or net profits, a profit sharing interest, or a percentage of the profits in exchange for a loan or gift of money, unless the financier, if directly involved in the loaning of money, has been disclosed to the office as a true party of interest.

Subd. 7. **Disclosure requirements.** An applicant for a cannabis business license and cannabis business license holders must disclose all true parties of interest. Applicants and license holders have a continuing duty to notify the office of any change in true parties of interest in the form and manner specified by the office.

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

Sec. 77. Minnesota Statutes 2023 Supplement, section 342.19, is amended by adding a subdivision to read:

Subd. 6. **Inspection of unlicensed businesses and facilities.** (a) The office may inspect any commercial premises that is not licensed under this chapter where cultivation, manufacturing, processing, or sale of cannabis plants, cannabis flower, cannabis concentrate, artificially derived cannabinoids, hemp-derived consumer products, or edible cannabinoid products is taking place.

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

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

(1) inspect and investigate the commercial premises;

(2) inspect and copy records; and

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

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

(e) If the office finds any cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product on the inspected commercial premises, the office may either immediately seize the item or 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, possessed or 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 a 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 may be treated as a sale for the purposes of imposing a penalty pursuant to section 342.09, subdivision 6.

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

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

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

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

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

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

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

Sec. 78. Minnesota Statutes 2023 Supplement, section 342.22, is amended to read:

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)~~ (c) 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~~ combination business operating a retail location, or lower-potency hemp edible retailer that:

(1) has a valid license or license preapproval 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 any 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~~ local ordinance established pursuant to section 342.13.

(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~~ During a compliance check, a local unit of government shall assess a business's compliance with age verification requirements, ~~the and compliance with any 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~~ local ordinance established pursuant to section 342.13.

(b) ~~The~~ A local unit of government must conduct unannounced age verification compliance checks of every cannabis business and hemp business 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.

~~(e) 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~~ a local ordinance authorized under section 342.13 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 with a local unit of government and a valid license with any applicable endorsement from the office. A local unit of government may impose a civil penalty of up to \$2,000 for each violation of this paragraph.~~

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

Sec. 79. Minnesota Statutes 2023 Supplement, section 342.24, subdivision 1, is amended to read:

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 person 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 enrolled in the registry program and the cannabis business holds a medical cannabis retail endorsement.

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

Sec. 80. Minnesota Statutes 2023 Supplement, section 342.24, subdivision 2, is amended to read:

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 enrolled in the registry program.

(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.

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

Sec. 81. Minnesota Statutes 2023 Supplement, section 342.28, is amended by adding a subdivision to read:

Subd. 1a. **Cannabis research.** An institution of higher education, any department or program of an institution of higher education that is regionally or nationally accredited, and any entity working in partnership with an institution of higher education may apply for a cannabis microbusiness license to conduct cannabis crop research. A cannabis researcher with a cannabis microbusiness license may perform activities identified in subdivision 1, clauses (1) to (9) and (13). Cannabis plants and cannabis flower grown for research purposes must not be offered for sale or otherwise enter the stream of commerce. As used in this subdivision, "institution

of higher education" has the meaning given in sections 135A.51, subdivision 5, and 136A.28, subdivision 6.

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

Sec. 82. Minnesota Statutes 2023 Supplement, section 342.28, subdivision 2, is amended to read:

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 for licensed businesses upward to meet market demand consistent with the goals identified in section 342.02, subdivision 1. In each licensing period, the office may adjust plant canopy limits upward or downward for licenses that will be issued in that period to meet market demand consistent with the goals identified in section 342.02, subdivision 1, except that the office must not impose a limit of less than 5,000 square feet of plant canopy.

(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~~ for licensed businesses to meet market demand consistent with the goals identified in section 342.02, subdivision 1. In each licensing period, the office may adjust the limit upward or downward for licenses that will be issued in that period to meet market demand consistent with the goals identified in section 342.02, subdivision 1, except that the office must not impose a limit of less than one-half acre of mature, flowering plants.

(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.

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

Sec. 83. Minnesota Statutes 2023 Supplement, section 342.28, subdivision 4, is amended to read:

Subd. 4. **Exception.** ~~The requirement of (a)~~ (a) 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.

(b) When renewing a cannabis microbusiness license, a cannabis microbusiness with ten or more full-time equivalent employees must submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement.

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

Sec. 84. Minnesota Statutes 2023 Supplement, section 342.28, is amended by adding a subdivision to read:

Subd. 11. **Transportation between facilities.** A cannabis microbusiness may 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 between facilities operated by the cannabis microbusiness if the cannabis microbusiness:

(1) provides the office with the information described in section 342.35, subdivision 2; and

(2) complies with the requirements of section 342.36.

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

Sec. 85. Minnesota Statutes 2023 Supplement, section 342.29, subdivision 4, is amended to read:

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.

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

Sec. 86. Minnesota Statutes 2023 Supplement, section 342.29, is amended by adding a subdivision to read:

Subd. 8a. **Multiple endorsements required.** Within 18 months of receiving a cannabis mezzobusiness license, a cannabis mezzobusiness must obtain at least two of the endorsements identified in subdivisions 5, 6, 7, and 8. If a cannabis mezzobusiness fails to obtain multiple endorsements within 18 months, the office may suspend, revoke, or not renew the license as provided in section 342.21.

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

Sec. 87. Minnesota Statutes 2023 Supplement, section 342.29, is amended by adding a subdivision to read:

Subd. 10. **Transportation between facilities.** A cannabis mezzobusiness may 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 between facilities operated by the cannabis mezzobusiness if the cannabis mezzobusiness:

(1) provides the office with the information described in section 342.35, subdivision 2; and

(2) complies with the requirements of section 342.36.

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

Sec. 88. Minnesota Statutes 2023 Supplement, section 342.30, subdivision 4, is amended to read:

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.

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

Sec. 89. Minnesota Statutes 2023 Supplement, section 342.31, subdivision 4, is amended to read:

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.

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

Sec. 90. Minnesota Statutes 2023 Supplement, section 342.32, subdivision 4, is amended to read:

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.

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

Sec. 91. Minnesota Statutes 2023 Supplement, section 342.35, subdivision 1, is amended to read:

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.

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

Sec. 92. Minnesota Statutes 2023 Supplement, section 342.37, subdivision 1, is amended to read:

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.

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

Sec. 93. Minnesota Statutes 2023 Supplement, section 342.40, subdivision 7, is amended to read:

Subd. 7. **Cannabis event sales.** (a) Cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, medical cannabis combination businesses operating a retail location, 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.

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

Sec. 94. Minnesota Statutes 2023 Supplement, section 342.41, subdivision 1, is amended to read:

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.

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

Sec. 95. Minnesota Statutes 2023 Supplement, section 342.41, subdivision 3, is amended to read:

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, ~~and 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.

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

Sec. 96. Minnesota Statutes 2023 Supplement, section 342.46, subdivision 6, is amended to read:

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, except that a calibrated dropper, measuring spoon, or similar device for measuring a single serving may be used for any edible cannabinoid products that are intended to be combined with food or beverage products prior to consumption. 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.

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

Sec. 97. Minnesota Statutes 2023 Supplement, section 342.46, subdivision 8, is amended to read:

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~~ the edibles' packaging ~~provided that~~ if 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~~ if 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~~ if 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, give, furnish, or in any way procure for another 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~~ for the use of an obviously intoxicated person;

(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.

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

Sec. 98. **[342.465] LOWER-POTENCY HEMP EDIBLES; PROHIBITED CONDUCT.**

No person may sell, give, furnish, or in any way procure for another lower-potency hemp edibles for the use of an obviously intoxicated person.

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

Sec. 99. Minnesota Statutes 2023 Supplement, section 342.51, is amended to read:

342.51 MEDICAL CANNABIS ~~RETAILERS~~ ENDORSEMENTS.

Subdivision 1. **Endorsement; authorized actions.** (a) The office may issue a medical cannabis endorsement to a cannabis business authorizing the business to:

(1) cultivate medical cannabis;

(2) process medical cannabinoid products; or

(3) sell or distribute medical cannabis flower and medical cannabinoid products to any person authorized to receive medical cannabis flower or medical cannabinoid products.

(b) The office must issue a medical cannabis cultivation endorsement to a cannabis license holder if the license holder:

(1) is authorized to cultivate cannabis;

(2) submits a medical cannabis endorsement application to the office; and

(3) otherwise meets all applicable requirements established by the office.

(c) A medical cannabis cultivation endorsement entitles the license holder to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant, harvest cannabis flower from a mature plant, package and label cannabis flower as medical cannabis flower, sell medical cannabis flower to cannabis businesses with a medical cannabis endorsement, and perform other actions approved by the office.

(d) The office must issue a medical cannabis processor endorsement to a cannabis license holder if the license holder:

(1) is authorized to manufacture cannabis products;

(2) submits a medical cannabis endorsement application to the office; and

(3) otherwise meets all applicable requirements established by the office.

(e) A medical cannabis processor endorsement entitles the license holder to:

(1) purchase medical cannabis flower, medical cannabinoid products, hemp plant parts, and hemp concentrate from cannabis businesses with a medical cannabis cultivator endorsement or a medical cannabis processor endorsement;

(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 cannabis businesses with a medical cannabis processor endorsement or a medical cannabis retailer endorsement; and

(7) perform other actions approved by the office.

(f) The office must issue a medical cannabis retailer endorsement to a cannabis license holder if the license holder:

(1) submits a medical cannabis retail endorsement application to the office;

(2) has at least one employee who earned a medical cannabis consultant certificate issued by the office and has completed the required training or has at least one employee who is a licensed pharmacist under chapter 151; and

(3) otherwise meets all applicable requirements established by the office.

(g) A medical cannabis ~~retailer license~~ retail endorsement entitles the license holder to purchase medical cannabis flower and medical cannabinoid products from ~~medical cannabis cultivators and medical cannabis processors~~ cannabis businesses with medical cannabis cultivator endorsements and medical cannabis processor endorsements, and sell or distribute medical cannabis flower ~~and~~, medical cannabinoid products, and associated paraphernalia to any person authorized to receive medical cannabis flower or medical cannabinoid products.

~~(b)~~ (h) A medical cannabis ~~retailer license holder~~ business with a medical cannabis retail endorsement 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~~ cannabis business with a medical cannabis retail endorsement may distribute the medical cannabis flower or medical cannabinoid product to any person ~~authorized to receive medical cannabis flower or medical cannabinoid products~~ enrolled in the registry program.

Subd. 2. **Distribution requirements.** (a) Prior to distribution of medical cannabis flower or medical cannabinoid products, ~~a medical cannabis retailer licensee~~ to a person enrolled in the registry program, an employee with a valid medical cannabis consultant certificate issued by the office or a licensed pharmacist under chapter 151 must:

(1) review and confirm the patient's ~~enrollment in the registry~~ verification program;

(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~~ established by the office;

~~(3) ensure that a pharmacist employee of the medical cannabis retailer has consulted with the patient if required according to subdivision 3; and~~

(3) provide consultation to the patient to determine the proper medical cannabis flower or medical cannabinoid product, dosage, and paraphernalia for the patient if required under subdivision 3;

(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; and

(5) provide the patient with any other information required by the office.

(b) A ~~cannabis business with a medical cannabis retailer~~ retail endorsement may not deliver medical cannabis flower or medical cannabinoid products ~~to a person enrolled in the registry program~~ unless the

cannabis business with a medical cannabis ~~retailer~~ retail endorsement also holds a cannabis delivery service license. The 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 cannabis business with a medical cannabis ~~retailer~~ and retail endorsement who is licensed as a pharmacist pursuant to chapter 151 ~~shall be~~ or certified as a medical cannabis consultant by the office is 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 or certified medical cannabis consultant employed by the cannabis business with a medical cannabis ~~retailer~~ retail endorsement must consult with the patient to determine the proper type of medical cannabis flower, medical cannabinoid product, or medical cannabis paraphernalia, and the proper dosage for the patient after reviewing the range of chemical compositions of medical cannabis flower or medical cannabinoid product: intended for distribution:

(1) if the patient is purchasing the medical cannabis flower or medical cannabinoid product for the first time;

(2) if the patient purchases medical cannabis flower or a medical cannabinoid product that the patient must administer using a different method than the patient's previous method of administration;

(3) if the patient purchases medical cannabis flower or a medical cannabinoid product with a cannabinoid concentration of at least double the patient's prior dosage; or

(4) upon the request of the patient.

(b) 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 or consultant 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 cannabis business with a medical cannabis ~~retailer~~ retail endorsement may distribute medical cannabis flower and medical cannabinoid products to a patient, registered designated caregiver, or parent, legal guardian, or spouse of a patient person enrolled in the registry program who is at a dispensary location but remains in a motor vehicle, provided that if:

(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 cannabis business with a medical cannabis ~~retailer~~ retail endorsement 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 cannabis business with a medical cannabis ~~retailer~~ retail endorsement 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 person enrolled in the registry program has arrived in the designated zone;

(4) the payment for and distribution of medical cannabis flower and medical cannabinoid products take place only after a pharmacist consultation takes place, if required under subdivision 3 meeting the requirements in subdivision 2;

(5) immediately following the distribution of medical cannabis flower or medical cannabinoid products, staff enter record the transaction in the statewide monitoring system; and

(6) immediately following the distribution of medical cannabis flower and medical cannabinoid products, staff take the payment received into the facility.

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

Sec. 100. Minnesota Statutes 2023 Supplement, section 342.515, is amended to read:

342.515 MEDICAL CANNABIS COMBINATION BUSINESSES.

Subdivision 1. **Authorized actions.** (a) A person, cooperative, or business holding a medical cannabis combination business license is prohibited from owning or operating any other cannabis business or hemp business or holding an active registration agreement under section 152.25, subdivision 1.

(b) A person or business may hold only one medical cannabis combination business license.

(c) 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 ~~flower~~ and medical cannabinoid products for sale to cannabis businesses with a medical cannabis processors processor endorsement, cannabis businesses with a medical cannabis retailers retail endorsement, other medical cannabis combination businesses, and patients enrolled persons 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.

(d) A medical cannabis combination business is not required to obtain a medical cannabis endorsement to perform any actions authorized under this section.

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 subject to the limits on adult-use cannabis cultivation in paragraph (c). A medical cannabis combination business may cultivate cannabis and manufacture cannabis in more than one location, except the aggregate total of plant canopy in all locations must count toward the business' canopy limit.

(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.

Subd. 7. **Transportation between facilities.** A medical cannabis combination business may 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 between facilities operated by the medical cannabis combination business if the medical cannabis combination business:

(1) provides the office with the information described in section 342.35, subdivision 2; and

(2) complies with the requirements of section 342.36.

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

Sec. 101. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 1, is amended to read:

Subdivision 1. **Administration.** ~~The Division of Medical Cannabis office~~ must administer the medical cannabis patient registry program.

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

Sec. 102. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 2, is amended to read:

Subd. 2. **Application procedure for patients.** (a) A patient seeking to enroll in the registry program must submit to the ~~Division of Medical Cannabis office~~ an application established by the ~~Division of Medical Cannabis office~~ 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 requested by the office~~ 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~~ office.

(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~~ office 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~~ office 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~~ office 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.

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

Sec. 103. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 3, is amended to read:

Subd. 3. **Application procedure for veterans.** (a) The ~~Division of Medical Cannabis~~ office 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~~ enroll in the patient registry program.

(b) ~~A~~ The office may request that a patient who is ~~also~~ a veteran and is seeking to enroll in the registry program ~~must submit to the Division of Medical Cannabis office a copy of the patient's veteran identification card and 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 attestation that the veteran has been diagnosed with a qualifying medical condition listed in section 342.01, subdivision 63, clauses (1) to (19).~~

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

Sec. 104. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 4, is amended to read:

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~~ office must approve or deny a patient's enrollment in the registry program. If the ~~Division of Medical Cannabis~~ office 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) The office may deny a patient's enrollment in the registry program ~~must only be denied only~~ if the patient:

(1) does not submit a certification from a health care practitioner or, if the patient is a veteran, the documentation ~~required~~ requested by the office 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~~ office;

(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~~ office denies a patient's enrollment in the registry program, the ~~Division of Medical Cannabis~~ office 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) The office may revoke 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.

(e) If the office has revoked 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.

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

Sec. 105. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 5, is amended to read:

Subd. 5. **Registry verification.** When a patient is enrolled in the registry program, the ~~Division of Medical Cannabis~~ office 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~~ office must also make the registry verification available to

~~medical cannabis retailers~~ businesses with a medical cannabis retail endorsement. 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.

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

Sec. 106. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 9, is amended to read:

Subd. 9. **Registered designated caregiver.** (a) ~~The Division of Medical Cannabis office~~ 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 cannabis business with a medical cannabis retailer retail endorsement; or cultivating cannabis plants as permitted by section 342.09, subdivision 2.

(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.

~~(e) 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)~~ (c) 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.

(d) Notwithstanding any law to the contrary, a registered designated caregiver approved to assist a patient enrolled in the registry program with obtaining medical cannabis flower may cultivate cannabis plants on behalf of one patient. A registered designated caregiver may grow up to eight cannabis plants for the patient household that the registered designated caregiver is approved to assist with obtaining medical cannabis flower. If a patient enrolled in the registry program directs the patient's registered designated caregiver to cultivate cannabis plants on behalf of the patient, the patient must assign the patient's right to cultivate cannabis plants to the registered designated caregiver and the patient is prohibited from cultivating cannabis plants for personal use. Nothing in this paragraph limits the right of a registered designated caregiver cultivating cannabis plants on behalf of a patient enrolled in the registry program to also cultivate cannabis plants for personal use pursuant to section 342.09, subdivision 2.

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

Sec. 107. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 11, is amended to read:

Subd. 11. **Notice of change of name or address.** Patients and registered designated caregivers must notify the ~~Division of Medical Cannabis~~ office 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 July 1, 2024.

Sec. 108. Minnesota Statutes 2023 Supplement, section 342.53, is amended to read:

342.53 DUTIES OF OFFICE OF CANNABIS MANAGEMENT; APPROVAL OF CANNABINOID PRODUCTS FOR 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 July 1, 2024.

Sec. 109. Minnesota Statutes 2023 Supplement, section 342.54, is amended to read:

342.54 DUTIES OF ~~DIVISION OF MEDICAL CANNABIS~~ OFFICE OF CANNABIS MANAGEMENT; REGISTRY PROGRAM.

Subdivision 1. **Duties related to health care practitioners.** The ~~Division of Medical Cannabis~~ office 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~~ office 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~~ every three years. 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~~ office website a list of the medical cannabis flower and medical cannabinoid products offered for sale by each cannabis business with a medical cannabis retailer endorsement.

Subd. 3. **Research.** (a) The ~~Division of Medical Cannabis~~ office 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~~ office contracts with a third party for research and studies, the third party must provide the ~~division~~ office with access to all research and study results. The ~~division~~ office must submit reports on intermediate or final research results to the legislature and major scientific journals. All data used by the ~~division~~ office 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~~ office 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 July 1, 2024.

Sec. 110. Minnesota Statutes 2023 Supplement, section 342.55, subdivision 1, is amended to read:

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~~ office, 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 Tennessean 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~~ office.

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

Sec. 111. Minnesota Statutes 2023 Supplement, section 342.55, subdivision 2, is amended to read:

Subd. 2. **Duties upon patient's enrollment in registry program.** Upon receiving notification from the ~~Division of Medical Cannabis~~ office 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~~ office;

(2) report to the ~~Division of Medical Cannabis~~ office 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~~, every three years, 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~~.

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

Sec. 112. Minnesota Statutes 2023 Supplement, section 342.56, subdivision 1, is amended to read:

Subdivision 1. **Limitations on consumption; locations of consumption.** (a) Nothing in sections ~~342.47~~ 342.51 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.

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

Sec. 113. Minnesota Statutes 2023 Supplement, section 342.56, subdivision 2, is amended to read:

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~~ 342.51 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~~ controlled substance 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.

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

Sec. 114. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 1, is amended to read:

Subdivision 1. **Presumption.** There is a presumption that a patient or other person enrolled in the registry program is engaged in the authorized use or possession 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~~ use or possession of medical cannabis flower or medical cannabinoid products by a patient or other person enrolled in the registry program was not for the purpose of assisting with, treating, or alleviating the patient's qualifying medical condition or symptoms associated with the patient's qualifying medical condition.

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

Sec. 115. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 2, is amended to read:

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~~ 342.51 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~~ 342.51 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~~ 342.51 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~~ 342.51 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~~ 342.51 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~~ 342.51 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.

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

Sec. 116. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 3, is amended to read:

Subd. 3. **School enrollment; rental property.** (a) No school may refuse to enroll or otherwise penalize a patient or person enrolled in the registry program as a pupil ~~or otherwise penalize a patient~~ solely because the patient or person 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 person enrolled in the registry program or otherwise penalize a patient or person enrolled in the registry program solely because the patient or person 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.

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

Sec. 117. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 4, is amended to read:

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~~ 342.51 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.

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

Sec. 118. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 5, is amended to read:

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 or person 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.

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

Sec. 119. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 6, is amended to read:

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 or person enrolled in the registry program. There must be no presumption of neglect or child endangerment for conduct allowed under sections ~~342.47~~ 342.51 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.

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

Sec. 120. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 7, is amended to read:

Subd. 7. **Action for damages.** In addition to any other remedy provided by law, a patient or person enrolled in the registry program 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 or person enrolled in the registry program injured by the violation for the greater of the person's actual damages or a civil penalty of \$100 and reasonable attorney fees.

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

Sec. 121. Minnesota Statutes 2023 Supplement, section 342.60, is amended to read:

342.60 APPLIED RESEARCH.

The ~~Division of Medical Cannabis~~ office 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 July 1, 2024.

Sec. 122. Minnesota Statutes 2023 Supplement, section 342.61, subdivision 1, is amended to read:

Subdivision 1. **Testing required.** (a) 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 or meeting the requirements of paragraph (b); 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.

(b) Testing of lower-potency hemp edibles and hemp-derived consumer products that do not contain intoxicating cannabinoids may be performed by any laboratory that has been accredited pursuant to standard ISO/IEC 17025 of the International Organization for Standardization with specific accreditation for cannabis testing until January 1, 2026.

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

Sec. 123. Minnesota Statutes 2023 Supplement, section 342.61, subdivision 4, is amended to read:

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.

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

Sec. 124. Minnesota Statutes 2023 Supplement, section 342.61, subdivision 5, is amended to read:

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.

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

Sec. 125. Minnesota Statutes 2023 Supplement, section 342.62, is amended by adding a subdivision to read:

Subd. 1a. **Appeal to individuals under 21 years of age.** For the purposes of this section and section 342.64, "appeal to individuals under 21 years of age" means any of the following:

- (1) the use of images depicting toys or robots;
- (2) the use of any images depicting fruits or vegetables, except when used to accurately describe ingredients or flavors contained in a product;
- (3) the use of any images bearing a likeness to characters or phrases that are popularly used to advertise to children; or
- (4) the use of brand names or close imitations of brand names of candies, cereals, sweets, chips, or other food products typically marketed to children.

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

Sec. 126. Minnesota Statutes 2023 Supplement, section 342.62, subdivision 3, is amended to read:

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~~ individuals 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.

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

Sec. 127. Minnesota Statutes 2023 Supplement, section 342.62, is amended by adding a subdivision to read:

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

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

Sec. 128. Minnesota Statutes 2023 Supplement, section 342.63, subdivision 2, is amended to read:

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~~ combination business, 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~~ information on the usage of the cannabis flower or hemp-derived consumer product;

(8) the following statement: "Keep this product out of reach of children."; and

(9) any other statements or information required by the office.

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

Sec. 129. Minnesota Statutes 2023 Supplement, section 342.63, subdivision 3, is amended to read:

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~~ combination business, 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~~ combination business, 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~~ combination business 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~~ information on the usage of the product;
 - (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~~ if those requirements provide consumers with information that is substantially similar to the information described in paragraph (a).

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

Sec. 130. Minnesota Statutes 2023 Supplement, section 342.63, subdivision 6, is amended to read:

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~~ combination business 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.

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

Sec. 131. Minnesota Statutes 2023 Supplement, section 342.64, subdivision 1, is amended to read:

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) contains an image of alcohol or a person or persons consuming alcohol; and

(7) does not contain a warning as specified by the office regarding impairment and health risks.

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

Sec. 132. Minnesota Statutes 2023 Supplement, section 342.70, subdivision 3, is amended to read:

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) a description of the organization's engagement with youth-centered, community-based organizations working with youth who are 14 to 24 years of age that have been most impacted by cannabis-related usage, criminalization, or incarceration; and

(8) any additional information requested by the office.

(d) In awarding grants under this subdivision, the office shall give ~~weight~~ priority to the following:

(1) 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;~~

(2) applications that support youth civic engagement, leadership, and youth-led health education opportunities; and

(3) applications where there is demonstrated community support for the proposed investment.

(e) The office shall fund investments in eligible communities throughout the state.

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

Sec. 133. Minnesota Statutes 2023 Supplement, section 342.73, subdivision 4, is amended to read:

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~~ office 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).

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

Sec. 134. Minnesota Statutes 2023 Supplement, section 342.80, is amended to read:

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, medical cannabis combination business, 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. 135. Laws 2023, chapter 63, article 1, section 2, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, 2023, except for subdivision 3, which is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 136. Laws 2023, chapter 63, article 1, section 51, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ the day following final enactment.

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

Sec. 137. Laws 2023, chapter 63, article 1, section 52, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ the day following final enactment.

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

Sec. 138. Laws 2023, chapter 63, article 1, section 53, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 139. Laws 2023, chapter 63, article 1, section 54, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 140. Laws 2023, chapter 63, article 1, section 55, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 141. Laws 2023, chapter 63, article 1, section 56, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 142. Laws 2023, chapter 63, article 1, section 57, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 143. Laws 2023, chapter 63, article 1, section 58, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 144. Laws 2023, chapter 63, article 1, section 59, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 145. Laws 2023, chapter 63, article 1, section 61, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1, 2025~~ July 1, 2024.

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

Sec. 146. Laws 2023, chapter 63, article 6, section 10, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March~~ July 1, 2025 2024.

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

Sec. 147. Laws 2023, chapter 63, article 6, section 73, the effective date, is amended to read:

EFFECTIVE DATE. Paragraph (a) is effective ~~March~~ December 1, 2025. Paragraph (b) is effective August 1, 2023. Paragraph (c) is effective July 1, 2023.

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

Sec. 148. **LICENSE PREAPPROVAL.**

Subdivision 1. **Establishment.** (a) Prior to the adoption of initial rules pursuant to Minnesota Statutes, section 342.02, subdivision 5, the Office of Cannabis Management may establish a license preapproval process for applicants who meet the requirements in Minnesota Statutes, section 342.17.

(b) The office may issue up to the following number of license preapprovals for the following types of licenses:

- (1) cannabis microbusiness licenses, 100;
- (2) cannabis mezzobusiness licenses, 25;
- (3) cannabis cultivator licenses, 13;
- (4) cannabis manufacturer licenses, six;
- (5) cannabis retailer licenses, 38;
- (6) cannabis wholesaler licenses, 20;
- (7) cannabis transporter licenses, 20;
- (8) cannabis testing facility licenses, 50; and
- (9) cannabis delivery service licenses, ten.

(c) A license preapproval remains valid for 18 months from the date that the office adopts initial rules pursuant to Minnesota Statutes, section 342.02, subdivision 5, unless the office revokes the license preapproval or grants an extension. The office may grant a onetime extension of up to six months if an applicant has made good faith efforts to convert a license preapproval into a license. The office must not issue a license to an applicant whose license preapproval has expired.

Subd. 2. **Eligibility; social equity applicants.** Only a social equity applicant who meets the requirements in Minnesota Statutes, section 342.17, is eligible for license preapproval.

Subd. 3. Preapproval period. (a) The office must announce the commencement of a license preapproval application period at least 14 days before the date that the office begins to accept applications. The announcement must include:

- (1) the types of licenses that will be available for preapproval during the license preapproval period;
- (2) the number of each type of license available during the license preapproval period;
- (3) the date on which the office will begin accepting applications for license preapproval; and
- (4) the date on which the office will no longer accept applications.

(b) The office must begin accepting applications no later than July 24, 2024. The application period must end on August 12, 2024.

Subd. 4. Application requirements. (a) An applicant for license preapproval must:

(1) complete an application that contains the information described in Minnesota Statutes, section 342.14, subdivision 1, on a form and in a manner approved by the office; and

(2) pay the applicable application fee required under Minnesota Statutes, section 342.11, paragraph (b), for the license being sought.

(b) The office shall not require an applicant for a license preapproval to identify or have acquired any property on which the cannabis business will operate.

(c) If the office receives an application that fails to provide the office with the required information or pay the applicable application fee, the office shall issue a deficiency notice to the applicant that states the amount of time that the applicant has to submit the required information or pay the application fee to the office.

(d) Failure by an applicant to submit all required information to the office or pay the application fee to the office shall result in the application being rejected.

Subd. 5. Application review; qualified applicants. (a) The office must accept applications for license preapproval during the application period. As part of the application process, the office must verify the applicant's status as a social equity applicant.

(b) The office may deny an application if:

- (1) the application is incomplete;
- (2) the application contains a materially false statement about the applicant or omits information required under Minnesota Statutes, section 342.14, subdivision 1;
- (3) the applicant does not meet the qualifications under Minnesota Statutes, section 342.16;
- (4) the applicant is prohibited from holding the license under Minnesota Statutes, section 342.18, subdivision 2;
- (5) the application does not meet the minimum requirements under Minnesota Statutes, section 342.18, subdivision 3;
- (6) the applicant fails to pay the applicable application fee to the office;

(7) the applicant failed to submit the application to the office by the application deadline;

(8) the applicant submitted more than one application for a license type; or

(9) the office determines that the applicant would be prohibited from holding a license for any other reason.

(c) If the office denies an application, the office must notify the applicant of the denial and the basis for the denial.

(d) The office may request additional information from an applicant if the office determines that the information is necessary to review or process the application. If the applicant does not provide the additional requested information within 14 calendar days, the office may deny the application.

(e) An applicant whose application is not denied under this subdivision is a qualified applicant.

Subd. 6. Lottery. (a) If there are fewer license preapprovals available for a license type than the number of qualified applicants for that license type, the office must conduct a lottery to select applicants for license preapproval. The lottery must include all qualified applicants seeking license preapproval for the license type and must be impartial, random, and in a format determined by the office.

(b) The office may remove an applicant from the lottery if the office determines that the applicant has violated this chapter or rules adopted pursuant to this chapter that would justify the revocation or nonrenewal of a license. If the office removes an applicant from a lottery, the office must notify the applicant of the removal and the basis for the removal.

(c) Following the completion of any lottery conducted under this subdivision, the office must notify each applicant that the applicant was either selected or not selected in the lottery.

Subd. 7. Background check; preapproval. (a) Before granting a license preapproval, the office may conduct a background check of a qualified applicant consistent with Minnesota Statutes, section 342.15.

(b) The office must issue license preapproval to a qualified applicant if the applicant is not disqualified under Minnesota Statutes, section 342.15, and:

(1) there are a sufficient number of licenses of the type the applicant is seeking for all qualified applicants to receive a license preapproval; or

(2) the qualified applicant is selected in the lottery conducted under subdivision 6.

(c) The office must notify an applicant of the results of any background check and whether the office has granted a license preapproval. If the office does not grant a license preapproval, the notice must state the specific reasons for the office's decision.

Subd. 8. License preapproval; purpose; restrictions. (a) A license preapproval issued by the office is evidence that:

(1) the applicant has submitted all necessary information to the office;

(2) the office has determined that the applicant is qualified to hold a license of the type for which the license preapproval is issued; and

(3) the office will issue the person a license after the office adopts initial rules pursuant to Minnesota Statutes, section 342.02, subdivision 5, unless the office revokes the license preapproval pursuant to subdivision 9.

(b) Upon request by a person with a license preapproval, the office must provide confirmation of the license preapproval to third parties to assist the person in taking the steps necessary to prepare for business operations, including:

(1) establishing legal control of the site of the cannabis business through a lease, purchase, or other means;

(2) gaining zoning or planning approval from a local unit of government for the site of the cannabis business; and

(3) raising capital for the person's business operations.

(c) A person with a license preapproval is not authorized to open a cannabis business or engage in any activity that requires a license issued under this chapter.

(d) A person with a license preapproval must not:

(1) purchase, possess, cultivate, manufacture, distribute, dispense, or sell cannabis plants, cannabis flower, cannabis products, medical cannabis flower, or medical cannabinoid products;

(2) manufacture, distribute, or sell edible cannabinoid products or lower-potency hemp edibles unless the person has explicit permission from the office to engage in those activities and has a valid license authorizing those actions or is registered pursuant to Minnesota Statutes, section 151.72;

(3) make any transfer of an ownership interest that causes a change in the individual or entity that holds the controlling ownership interest of the cannabis business;

(4) make any change or transfer of ownership or control that would require a new business registration with the secretary of state; or

(5) make any transfer of ownership interest that causes the person with a license preapproval to no longer qualify as a social equity applicant under Minnesota Statutes, section 342.17.

(e) The prohibitions under paragraphs (c) and (d) do not prohibit a person with a license preapproval from engaging in early cultivation if authorized by the office.

Subd. 9. **Revocation of preapproval.** The office may revoke a license preapproval if the person holding the license preapproval, including any true party of interest as defined in Minnesota Statutes, section 342.185, subdivision 1, paragraph (g):

(1) fraudulently or deceptively obtained a license preapproval;

(2) fails to reveal any material fact pertaining to the qualification for a license preapproval;

(3) violates any provision of this chapter; or

(4) is not registered or in good standing with the Office of the Secretary of State.

Subd. 10. **Conversion of preapproval.** (a) After the office adopts initial rules pursuant to Minnesota Statutes, section 342.02, subdivision 5, the office must issue a license to any person who has received a license preapproval if:

(1) the person provides the address and legal property description of the location where the business will operate;

(2) the person provides the name of the local unit of government where the business will be located;

(3) if applicable, the person provides an updated description of the location where the business will operate, an updated security plan, and any other additional information required by the office;

(4) the office contacts the appropriate local unit of government as provided in Minnesota Statutes, section 342.13, paragraph (f), to confirm that the proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code;

(5) the office completes an inspection of the site where the cannabis business will be located and approves the site; and

(6) the person pays any applicable license fee.

(b) The office must not grant a license to a person who has received a license preapproval if:

(1) the ownership of the cannabis business has changed since the office granted a license preapproval and the person has not filed an updated ownership disclosure as required by the office;

(2) the office confirms that the cannabis business for which the office granted a license preapproval does not meet local zoning and land use laws;

(3) the person fails to submit any required information;

(4) the person submits a materially false statement about the applicant or fails to provide any required information;

(5) the person fails to pay the applicable license fee; or

(6) the office determines that the person is disqualified from holding the license or would operate in violation of the provisions of this chapter.

(d) Within 90 days of receiving the information required under paragraph (a), clauses (1) to (3), the office shall grant final authorization and issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons that the office did not grant a license.

Subd. 11. Applicants; right to a reconsideration. (a) If the office denies an application for a license preapproval or removes an applicant from a lottery, the applicant may request a records review of the submitted application materials within seven calendar days of receiving notification that the office denied the application or removed the applicant.

(b) Upon an applicant's request, the office must allow the applicant to examine the applicant's records received by the office.

(c) A person whose license preapproval is later revoked by the office may request reconsideration by the director.

(d) An applicant whose application is denied or not selected in a lottery may not appeal or request a hearing.

Subd. 12. **Retention of applications.** The office must retain an application that was not selected in a lottery for one year. An application retained under this subdivision is subject to the requirements under Minnesota Statutes, section 342.14, subdivision 9.

Subd. 13. **Data.** Data collected, created, or maintained by the office pursuant to this section are application data submitted by an applicant for a cannabis business license and are subject to Minnesota Statutes, section 342.20.

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

Sec. 149. THIRD-PARTY BACKGROUND CHECKS FOR LICENSE APPLICATIONS.

(a) Notwithstanding Minnesota Statutes, section 342.15, until approved by the Federal Bureau of Investigation, the director may accept a third-party local and national criminal background check submitted by an applicant for a license or renewal in lieu of a fingerprint-based national criminal history records check. Any third-party background check must:

(1) be conducted by a third-party consumer reporting agency or background screening company that is in compliance with the federal Fair Credit Reporting Act and accredited by the Professional Background Screening Association;

(2) include a multistate and multijurisdiction criminal record locator or other similar commercial nationwide database with validation; and

(3) include other background screening as the director may require.

(b) The applicant must request a background check not more than 60 days before submitting the application.

(c) Notwithstanding Minnesota Statutes, section 342.15, until approved by the Federal Bureau of Investigation, a license holder may use a third-party local and national criminal background check submitted by a cannabis worker in lieu of a fingerprint-based national criminal history records check. Any third-party background check must:

(1) be conducted by a third-party consumer reporting agency or background screening company that is in compliance with the federal Fair Credit Reporting Act and accredited by the Professional Background Screening Association;

(2) include a multistate and multijurisdiction criminal record locator or other similar commercial nationwide database with validation; and

(3) include other background screening as the director may require.

(d) The cannabis worker must request a background check not more than 60 days before submitting the application.

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

Sec. 150. EMPLOYEE TRANSFER.

(a) The powers, duties, rights, obligations, and other authority imposed by law on the Department of Health with respect to the sale of certain cannabinoid products under Minnesota Statutes, section 151.72, are transferred to the Office of Cannabis Management under Minnesota Statutes, 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 at 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.

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

Sec. 151. EARLY CULTIVATION.

(a) A social equity applicant with a license preapproval for a cannabis microbusiness license, cannabis mezzobusiness license, or cannabis cultivator license, may grow cannabis plants from seeds or immature plants if the social equity applicant:

(1) has provided documentation in a form and manner prescribed by the Office of Cannabis Management from the applicable local unit of government that states the social equity applicant is in compliance with local zoning ordinances and state fire and building codes; and

(2) complies with Minnesota Rules, parts 4770.0100 to 4770.4030.

(b) According to Minnesota Statutes, section 342.19, the Office of Cannabis Management may enforce Minnesota Rules, parts 4770.0100 to 4770.4030 against a social equity applicant who cultivates cannabis under paragraph (a).

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

Sec. 152. TRANSFER OF ACTIVE AND INACTIVE COMPLAINTS.

The Department of Health 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 2023 Supplement, section 151.72, as well as registration data collected under Minnesota Statutes 2023 Supplement, section 151.72, subdivision 5b, to the Office of Cannabis Management. The Department of Health and the Office of Cannabis Management shall ensure that the transfer takes place in a manner and on a schedule that prioritizes public health.

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

Sec. 153. **TRANSFER OF MEDICAL PROGRAM.**

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

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

(c) The director of the Office of Cannabis Management may use the good cause exempt rulemaking process under Minnesota Statutes, section 14.388, subdivision 1, clauses (3) and (4), to copy and adopt any portions of Minnesota Rules, parts 4770.0100 to 4770.4030, that are necessary to effectuate the transfer of authority granted under Minnesota Statutes, section 342.02, subdivision 3. The commissioner may make technical changes and any changes necessary to conform with the transfer of authority. Any change to the rules that is not authorized under this paragraph must be adopted according to Minnesota Statutes, sections 14.001 to 14.366.

(d) Unless otherwise specified in this section or Minnesota Statutes, section 342.02, subdivision 3, transfer of the powers, duties, rights, obligations, and other authority imposed by law on the Department of Health with respect to the medical cannabis program under Minnesota Statutes 2022, sections 152.22 to 152.37, to the Office of Cannabis Management is subject to Minnesota Statutes, section 15.039.

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

Sec. 154. **REPEALER.**

(a) Minnesota Statutes 2023 Supplement, sections 342.01, subdivisions 28, 53, and 55; 342.18, subdivision 1; 342.27, subdivision 13; and 342.29, subdivision 9, are repealed.

(b) Minnesota Statutes 2023 Supplement, sections 342.47; 342.48; 342.49; 342.50; and 342.52, subdivision 8, are repealed.

(c) Laws 2023, chapter 63, article 7, sections 4; and 6, are repealed.

(d) Minnesota Statutes 2022, sections 152.22, subdivision 3; and 152.36, are repealed.

EFFECTIVE DATE. Paragraphs (a) and (b) are effective the day following final enactment. Paragraphs (c) and (d) are effective July 1, 2024.

ARTICLE 3**CANNABIS AND HEALTH-RELATED RESPONSIBILITIES**

Section 1. Minnesota Statutes 2023 Supplement, section 144.197, is amended to read:

144.197 CANNABIS AND SUBSTANCE MISUSE PREVENTION AND EDUCATION PROGRAMS.

Subdivision 1. **Youth prevention and education program.** The commissioner of health, in consultation with the commissioners of human services and education and in collaboration with local health departments and Tribal health departments, shall conduct a long-term, coordinated ~~education~~ program to raise public awareness about ~~and address the top three~~ substance misuse prevention, treatment options, and recovery options. The program must address 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. **Prevention and education program for pregnant and breastfeeding individuals; and 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 ~~prevention~~ program ~~to educate~~ focused on (1) preventing substance use by pregnant individuals, breastfeeding individuals, and individuals who may become pregnant, and (2) raising public awareness of the risks of substance use while pregnant or breastfeeding. The program must include education 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 ~~prevention and~~ 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. The ~~prevention and education~~ program must also provide resources, including training resources, technical assistance, or educational materials, to local public health home visiting programs, Tribal home visiting programs, and child welfare workers.

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~~ the 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; prevention, education, and recovery programs focusing on substance misuse prevention and treatment options. The programs must include specific cannabis-related initiatives.~~

Sec. 2. Minnesota Statutes 2023 Supplement, section 342.15, is amended by adding a subdivision to read:

Subd. 1a. **Transmission of fees.** A cannabis business background check account is established as a separate account in the special revenue fund. All fees received by the office under subdivision 1 must be deposited in the account and are appropriated to the office to pay for the criminal records checks conducted by the Bureau of Criminal Apprehension and Federal Bureau of Investigation.

Sec. 3. Minnesota Statutes 2023 Supplement, section 342.72, is amended to read:

342.72 SUBSTANCE USE TREATMENT, RECOVERY, AND PREVENTION GRANTS.

~~Subdivision 1. **Account Grant program established; appropriation.** A substance use treatment, recovery, and prevention grant account program is created in the special revenue fund established and must be administered by the commissioner of health. 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 grants 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, including substance use prevention for youth, 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 commissioner of health shall consult with the Governor's Advisory Council on Opioids, Substance Use, and Addiction; the commissioner of human services; and the commissioner of health the Office of Cannabis Management 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~~ year, the ~~office commissioner of health~~ 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~~ grants awarded, including the total amount awarded, total number of recipients, and geographic distribution of those recipients. Notwithstanding section 144.05, subdivision 7, the reporting requirement under this subdivision does not expire.

ARTICLE 4

COMMERCE POLICY

Section 1. Minnesota Statutes 2022, section 45.0135, subdivision 7, is amended to read:

Subd. 7. **Assessment.** Each insurer authorized to sell insurance in the state of Minnesota, including surplus lines carriers, and having Minnesota earned premium the previous calendar year shall remit an assessment to the commissioner for deposit in the insurance fraud prevention account on or before June 1 of each year. The amount of the assessment shall be based on the insurer's total assets and on the insurer's total written Minnesota premium, for the preceding fiscal year, as reported pursuant to section 60A.13. The assessment is calculated to be an amount up to the following Beginning with the payment due on or before June 1, 2024, the assessment amount is:

| Total Assets | Assessment |
|----------------------------------|-------------------------------------|
| Less than \$100,000,000 | 200 \$ <u>400</u> |
| \$100,000,000 to \$1,000,000,000 | 750 \$ <u>1,500</u> |
| Over \$1,000,000,000 | 2,000 \$ <u>4,000</u> |
| Minnesota Written Premium | Assessment |
| Less than \$10,000,000 | 200 \$ <u>400</u> |
| \$10,000,000 to \$100,000,000 | 750 \$ <u>1,500</u> |
| Over \$100,000,000 | 2,000 \$ <u>4,000</u> |

For purposes of this subdivision, the following entities are not considered to be insurers authorized to sell insurance in the state of Minnesota: risk retention groups; or township mutuals organized under chapter 67A.

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

Sec. 2. **[58B.051] REGISTRATION FOR LENDERS.**

(a) Beginning January 1, 2025, a lender must register with the commissioner as a lender before providing services in Minnesota. A lender must not offer or make a student loan to a resident of Minnesota without first registering with the commissioner as provided in this section.

(b) A registration application must include:

(1) the lender's name;

(2) the lender's address;

(3) the names of all officers, directors, owners, or other persons in control of an applicant, as defined in section 58B.02, subdivision 6; and

(4) any other information the commissioner requires by rule.

(c) Registration issued or renewed expires December 31 of each year. A lender must renew the lender's registration on an annual basis.

(d) The commissioner may adopt and enforce:

(1) registration procedures for lenders, which may include using the Nationwide Multistate Licensing System and Registry;

(2) nonrefundable registration fees for lenders, which may include fees for using the Nationwide Multistate Licensing System and Registry, to be paid directly by the lender;

(3) procedures and nonrefundable fees to renew a lender's registration, which may include fees for the renewed use of Nationwide Multistate Licensing System and Registry, to be paid directly by the lender; and

(4) alternate registration procedures and nonrefundable fees for postsecondary education institutions that offer student loans.

Sec. 3. **[62J.96] ACCESS TO 340B DRUGS.**

Subdivision 1. **Manufacturers.** A manufacturer must not directly or indirectly restrict, prohibit, or otherwise interfere with the delivery of a covered outpatient drug to a pharmacy that is under contract with a 340B covered entity to receive and dispense covered outpatient drugs on behalf of the covered entity, unless the delivery of the drug to the pharmacy is prohibited under the 340B Drug Pricing Program.

Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "340B covered entity" has the meaning provided in section 340B(a)(4) of the Public Health Service Act.

(c) "Covered outpatient drug" has the meaning provided in section 1927(k) of the Social Security Act.

(d) "Manufacturer" has the meaning provided in section 151.01, subdivision 14a.

Subd. 3. **Expiration.** This section expires July 1, 2027.

Sec. 4. Minnesota Statutes 2022, section 62Q.73, subdivision 3, is amended to read:

Subd. 3. **Right to external review.** (a) Any enrollee or anyone acting on behalf of an enrollee who has received an adverse determination may submit a written request for an external review of the adverse determination, if applicable under section 62Q.68, subdivision 1, or 62M.06, to the commissioner of health if the request involves a health plan company regulated by that commissioner or to the commissioner of commerce if the request involves a health plan company regulated by that commissioner. Notification of the enrollee's right to external review must accompany the denial issued by the insurer. ~~The written request must be accompanied by a filing fee of \$25. The fee may be waived by the commissioner of health or commerce in cases of financial hardship and must be refunded if the adverse determination is completely reversed. No enrollee may be subject to filing fees totaling more than \$75 during a plan year for group coverage or policy year for individual coverage.~~

(b) Nothing in this section requires the commissioner of health or commerce to independently investigate an adverse determination referred for independent external review.

(c) If an enrollee requests an external review, the health plan company must participate in the external review. The cost of the external review ~~in excess of the filing fee described in paragraph (a) shall~~ must be borne by the health plan company.

(d) The enrollee must request external review within six months from the date of the adverse determination.

Sec. 5. Minnesota Statutes 2023 Supplement, section 325E.21, subdivision 1b, is amended to read:

Subd. 1b. **Purchase or acquisition record required.** (a) Every scrap metal dealer, including an agent, employee, or representative of the dealer, shall create a permanent record written in English, using an electronic record program at the time of each purchase or acquisition of scrap metal or a motor vehicle. The record must include:

(1) a complete and accurate account or description, including the weight if customarily purchased by weight, of the scrap metal or motor vehicle purchased or acquired;

(2) the date, time, and place of the receipt of the scrap metal or motor vehicle purchased or acquired and a unique transaction identifier;

(3) a photocopy or electronic scan of the seller's proof of identification including the identification number;

(4) the amount paid and the number of the check or electronic transfer used to purchase or acquire the scrap metal or motor vehicle;

(5) the license plate number and description of the vehicle used by the person when delivering the scrap metal or motor vehicle, including the vehicle make and model, and any identifying marks on the vehicle, such as a business name, decals, or markings, if applicable;

(6) a statement signed by the seller, under penalty of perjury as provided in section 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens or encumbrances and the seller has the right to sell it;

(7) a copy of the receipt, which must include at least the following information: the name and address of the dealer, the date and time the scrap metal or motor vehicle was received by the dealer, an accurate description of the scrap metal or motor vehicle, and the amount paid for the scrap metal or motor vehicle;

(8) in order to purchase or acquire a detached catalytic converter, the vehicle identification number of the car it was removed from or, as an alternative, any numbers, bar codes, stickers, or other unique markings, whether resulting from the pilot project created under subdivision 2b or some other source. The alternative number must be under a numbering system that can be immediately linked to the vehicle identification number by law enforcement; ~~and~~

(9) the identity or identifier of the employee completing the transaction; and

(10) if the seller is attempting to sell copper metal, a photocopy or electronic scan of the seller's:

(i) current license to sell scrap metal copper issued by the commissioner under subdivision 2c; or

(ii) the documentation used to support the seller being deemed to hold a license to sell scrap metal copper under subdivision 2c, paragraph (f), clauses (1) to (3).

(b) The record, as well as the scrap metal or motor vehicle purchased or acquired, shall at all reasonable times be open to the inspection of any properly identified law enforcement officer.

(c) Except for the purchase or acquisition of detached catalytic converters or motor vehicles, no record is required for property purchased or acquired from merchants, manufacturers, salvage pools, insurance companies, rental car companies, financial institutions, charities, dealers licensed under section 168.27, or wholesale dealers, having an established place of business, or of any goods purchased or acquired at open sale from any bankrupt stock, but a receipt as required under paragraph (a), clause (7), shall be obtained and kept by the person, which must be shown upon demand to any properly identified law enforcement officer.

(d) The dealer must provide a copy of the receipt required under paragraph (a), clause (7), to the seller in every transaction.

(e) The commissioner of public safety and law enforcement agencies in the jurisdiction where a dealer is located may conduct inspections and audits as necessary to ensure compliance, refer violations to the city or county attorney for criminal prosecution, and notify the registrar of motor vehicles.

(f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's agent, employee, or representative may not disclose personal information concerning a customer without the customer's consent unless the disclosure is required by law or made in response to a request from a law enforcement agency. A scrap metal dealer must implement reasonable safeguards to protect the security of the personal information and prevent unauthorized access to or disclosure of the information. For purposes of this paragraph, "personal information" is any individually identifiable information gathered in connection with a record under paragraph (a).

Sec. 6. Minnesota Statutes 2022, section 325E.21, is amended by adding a subdivision to read:

Subd. 2c. License required for scrap metal copper sale. (a) Beginning January 1, 2025, a person is prohibited from engaging in the sale of scrap metal copper unless the person has a valid license issued by the commissioner under this subdivision.

(b) On the first Friday of the months of April and October of each calendar year, from 8:00 a.m. to 5:00 p.m., a scrap metal dealer may purchase up to \$25 of scrap metal copper from individuals who do not have

an approved license to sell scrap metal copper under this subdivision. All other requirements of subdivision 1b apply and must be documented by the scrap metal dealer on the dates specified in this paragraph.

(c) A seller of scrap metal copper may apply to the commissioner on a form prescribed by the commissioner. The application form must include, at a minimum:

(1) the name, permanent address, telephone number, and date of birth of the applicant; and

(2) an acknowledgment that the applicant obtained the copper by lawful means in the regular course of the applicant's business, trade, or authorized construction work.

(d) Each application must be accompanied by a nonrefundable fee of \$250.

(e) Within 30 days of the date an application is received, the commissioner may require additional information or submissions from an applicant and may obtain any document or information that is reasonably necessary to verify the information contained in the application. Within 90 days after the date a completed application is received, the commissioner must review the application and issue a license if the applicant is deemed qualified under this section. The commissioner may issue a license subject to restrictions or limitations. If the commissioner determines the applicant is not qualified, the commissioner must notify the applicant and must specify the reason for the denial.

(f) A person is deemed to hold a license to sell scrap metal copper if the person holds one of the following:

(1) a license to perform work pursuant to chapter 326B or section 103I.501;

(2) a document, certificate, or card of competency issued by a municipality to perform work in a given trade or craft in the building trades. The document, certificate, or card must state that the individual is authorized to sell scrap metal copper. This clause is effective January 1, 2025; or

(3) a Section 608 Technician Certification issued by the United States Environmental Protection Agency.

(g) A license issued under this subdivision is valid for one year. To renew a license, an applicant must submit a completed renewal application on a form prescribed by the commissioner and a renewal fee of \$250. The commissioner may request that a renewal applicant submit additional information to clarify any new information presented in the renewal application. A renewal application submitted after the renewal deadline must be accompanied by a nonrefundable late fee of \$500.

(h) The commissioner may deny a license renewal under this subdivision if:

(1) the commissioner determines that the applicant is in violation of or noncompliant with federal or state law; or

(2) the applicant fails to timely submit a renewal application and the information required under this subdivision.

(i) In lieu of denying a renewal application under paragraph (g), the commissioner may permit the applicant to submit to the commissioner a corrective action plan to cure or correct deficiencies.

(j) The commissioner may suspend, revoke, or place on probation a license issued under this subdivision if:

(1) the applicant engages in fraudulent activity that violates state or federal law;

(2) the commissioner receives consumer complaints that justify an action under this subdivision to protect the safety and interests of consumers;

(3) the applicant fails to pay an application license or renewal fee; or

(4) the applicant fails to comply with a requirement established in this subdivision.

(k) This subdivision does not apply to transfers by or to an auctioneer who is in compliance with chapter 330 and acting in the person's official role as an auctioneer to facilitate or conduct an auction of scrap metal.

(l) The commissioner must enforce this subdivision under chapter 45.

Sec. 7. Minnesota Statutes 2022, section 326.10, subdivision 8, is amended to read:

Subd. 8. **Expiration and renewal.** (a) All licenses and certificates, other than in-training certificates, issued by the board expire at midnight on June 30 of each even-numbered calendar year if not renewed. A holder of a license or certificate issued by the board may renew it by completing and filing with the board an application for renewal consisting of a fully completed form provided by the board and the fee specified in section 326.105. Both the fee and the application must be submitted at the same time and by June 30 of each even-numbered calendar year. The form must be signed by the applicant, contain all of the information requested, and clearly show that the licensee or certificate holder has completed the minimum number of required professional development hours or has been granted an exemption under section 326.107, subdivision 4. An application for renewal that does not comply with the requirements of this subdivision is an incomplete application and must not be accepted by the board.

(b) No later than 30 days before the date a license or certificate expires, the board must send the license or certificate holder a notice by email that indicates the license or certificate is about to expire. The notice must include information on the process and requirements to renew the license or certificate. The application form for a new or renewed license or certificate issued by the board must request that the applicant provide an email address for the purpose of providing the notice under this paragraph. If the board does not possess a record of a license or certificate holder's email address, the board must send the notice to the holder by United States mail.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to licenses and renewals scheduled to expire on or after that date.

Sec. 8. Minnesota Statutes 2022, section 336.1-110, is amended to read:

336.1-110 UNIFORM COMMERCIAL CODE ACCOUNT.

The Uniform Commercial Code account is established as an account in the state treasury. Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing a service under this chapter must be deposited in the state treasury and credited to the Uniform Commercial Code account.

Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing information contained in the computerized records maintained by the secretary of state must be deposited in the state treasury and credited to the Uniform Commercial Code account.

Money in the Uniform Commercial Code account is continuously appropriated to the secretary of state to implement and maintain the central filing system under this chapter, to provide, improve, and expand other online or remote lien and business entity filing, retrieval, and payment method services provided by

the secretary of state, and to provide electronic access and to support, maintain, and expand all other computerized records and systems maintained by the secretary of state.

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

Sec. 9. **SCRAP METAL WORKING GROUP.**

The commissioner of public safety may convene a working group of representatives designated by the Minnesota Sheriffs Association, the Minnesota Chiefs of Police Association, and the trade association representing scrap metal recyclers. Meetings may occur monthly to discuss metal theft and share nonproprietary and nonprivileged information related to prevention, investigation, and prosecution of metal theft crimes.

Sec. 10. **REPEALER.**

Laws 1979, chapter 189, sections 1; 2, as amended by Laws 1984, chapter 548, section 8; and 3, are repealed.

ARTICLE 5

CONSUMER DATA POLICY

Section 1. **[13.6505] ATTORNEY GENERAL DATA CODED ELSEWHERE.**

Subdivision 1. **Scope.** The section referred to in this section is codified outside this chapter. Those sections classify attorney general data as other than public, place restrictions on access to government data, or involve data sharing.

Subd. 2. **Data privacy and protection assessments.** A data privacy and protection assessment collected or maintained by the attorney general is classified under section 325O.08.

Sec. 2. **[325O.01] CITATION.**

This chapter may be cited as the "Minnesota Consumer Data Privacy Act."

Sec. 3. **[325O.02] DEFINITIONS.**

(a) For purposes of this chapter, the following terms have the meanings given.

(b) "Affiliate" means a legal entity that controls, is controlled by, or is under common control with another legal entity. For purposes of this paragraph, "control" or "controlled" means: ownership of or the power to vote more than 50 percent of the outstanding shares of any class of voting security of a company; control in any manner over the election of a majority of the directors or of individuals exercising similar functions; or the power to exercise a controlling influence over the management of a company.

(c) "Authenticate" means to use reasonable means to determine that a request to exercise any of the rights under section 325O.05, subdivision 1, paragraphs (b) to (h), is being made by or rightfully on behalf of the consumer who is entitled to exercise the rights with respect to the personal data at issue.

(d) "Biometric data" means data generated by automatic measurements of an individual's biological characteristics, including a fingerprint, a voiceprint, eye retinas, irises, or other unique biological patterns or characteristics that are used to identify a specific individual. Biometric data does not include:

(1) a digital or physical photograph;

(2) an audio or video recording; or

(3) any data generated from a digital or physical photograph, or an audio or video recording, unless the data is generated to identify a specific individual.

(e) "Child" has the meaning given in United States Code, title 15, section 6501.

(f) "Consent" means any freely given, specific, informed, and unambiguous indication of the consumer's wishes by which the consumer signifies agreement to the processing of personal data relating to the consumer. Acceptance of a general or broad terms of use or similar document that contains descriptions of personal data processing along with other, unrelated information does not constitute consent. Hovering over, muting, pausing, or closing a given piece of content does not constitute consent. A consent is not valid when the consumer's indication has been obtained by a dark pattern. A consumer may revoke consent previously given, consistent with this chapter.

(g) "Consumer" means a natural person who is a Minnesota resident acting only in an individual or household context. Consumer does not include a natural person acting in a commercial or employment context.

(h) "Controller" means the natural or legal person who, alone or jointly with others, determines the purposes and means of the processing of personal data.

(i) "Decisions that produce legal or similarly significant effects concerning the consumer" means decisions made by the controller that result in the provision or denial by the controller of financial or lending services, housing, insurance, education enrollment or opportunity, criminal justice, employment opportunities, health care services, or access to essential goods or services.

(j) "Dark pattern" means a user interface designed or manipulated with the substantial effect of subverting or impairing user autonomy, decision making, or choice.

(k) "Deidentified data" means data that cannot reasonably be used to infer information about or otherwise be linked to an identified or identifiable natural person or a device linked to an identified or identifiable natural person, provided that the controller that possesses the data:

(1) takes reasonable measures to ensure that the data cannot be associated with a natural person;

(2) publicly commits to process the data only in a deidentified fashion and not attempt to reidentify the data; and

(3) contractually obligates any recipients of the information to comply with all provisions of this paragraph.

(l) "Delete" means to remove or destroy information so that it is not maintained in human- or machine-readable form and cannot be retrieved or utilized in the ordinary course of business.

(m) "Genetic information" has the meaning given in section 13.386, subdivision 1.

(n) "Identified or identifiable natural person" means a person who can be readily identified, directly or indirectly.

(o) "Known child" means a person under circumstances where a controller has actual knowledge of, or willfully disregards, that the person is under 13 years of age.

(p) "Personal data" means any information that is linked or reasonably linkable to an identified or identifiable natural person. Personal data does not include deidentified data or publicly available information. For purposes of this paragraph, "publicly available information" means information that (1) is lawfully made available from federal, state, or local government records or widely distributed media, or (2) a controller has a reasonable basis to believe has lawfully been made available to the general public.

(q) "Process" or "processing" means any operation or set of operations that are performed on personal data or on sets of personal data, whether or not by automated means, including but not limited to the collection, use, storage, disclosure, analysis, deletion, or modification of personal data.

(r) "Processor" means a natural or legal person who processes personal data on behalf of a controller.

(s) "Profiling" means any form of automated processing of personal data to evaluate, analyze, or predict personal aspects related to an identified or identifiable natural person's economic situation, health, personal preferences, interests, reliability, behavior, location, or movements.

(t) "Pseudonymous data" means personal data that cannot be attributed to a specific natural person without the use of additional information, provided that the additional information is kept separately and is subject to appropriate technical and organizational measures to ensure that the personal data are not attributed to an identified or identifiable natural person.

(u) "Sale," "sell," or "sold" means the exchange of personal data for monetary or other valuable consideration by the controller to a third party. Sale does not include the following:

(1) the disclosure of personal data to a processor who processes the personal data on behalf of the controller;

(2) the disclosure of personal data to a third party for purposes of providing a product or service requested by the consumer;

(3) the disclosure or transfer of personal data to an affiliate of the controller;

(4) the disclosure of information that the consumer intentionally made available to the general public via a channel of mass media and did not restrict to a specific audience;

(5) the disclosure or transfer of personal data to a third party as an asset that is part of a completed or proposed merger, acquisition, bankruptcy, or other transaction in which the third party assumes control of all or part of the controller's assets; or

(6) the exchange of personal data between the producer of a good or service and authorized agents of the producer who sell and service the goods and services, to enable the cooperative provisioning of goods and services by both the producer and the producer's agents.

(v) Sensitive data is a form of personal data. "Sensitive data" means:

(1) personal data revealing racial or ethnic origin, religious beliefs, mental or physical health condition or diagnosis, sexual orientation, or citizenship or immigration status;

(2) the processing of biometric data or genetic information for the purpose of uniquely identifying an individual;

(3) the personal data of a known child; or

(4) specific geolocation data.

(w) "Specific geolocation data" means information derived from technology, including but not limited to global positioning system level latitude and longitude coordinates or other mechanisms, that directly identifies the geographic coordinates of a consumer or a device linked to a consumer with an accuracy of more than three decimal degrees of latitude and longitude or the equivalent in an alternative geographic coordinate system, or a street address derived from the coordinates. Specific geolocation data does not include the content of communications, the contents of databases containing street address information which are accessible to the public as authorized by law, or any data generated by or connected to advanced utility metering infrastructure systems or other equipment for use by a public utility.

(x) "Targeted advertising" means displaying advertisements to a consumer where the advertisement is selected based on personal data obtained or inferred from the consumer's activities over time and across nonaffiliated websites or online applications to predict the consumer's preferences or interests. Targeted advertising does not include:

(1) advertising based on activities within a controller's own websites or online applications;

(2) advertising based on the context of a consumer's current search query or visit to a website or online application;

(3) advertising to a consumer in response to the consumer's request for information or feedback; or

(4) processing personal data solely for measuring or reporting advertising performance, reach, or frequency.

(y) "Third party" means a natural or legal person, public authority, agency, or body other than the consumer, controller, processor, or an affiliate of the processor or the controller.

(z) "Trade secret" has the meaning given in section 325C.01, subdivision 5.

Sec. 4. [325O.03] SCOPE; EXCLUSIONS.

Subdivision 1. **Scope.** (a) This chapter applies to legal entities that conduct business in Minnesota or produce products or services that are targeted to residents of Minnesota, and that satisfy one or more of the following thresholds:

(1) during a calendar year, controls or processes personal data of 100,000 consumers or more, excluding personal data controlled or processed solely for the purpose of completing a payment transaction; or

(2) derives over 25 percent of gross revenue from the sale of personal data and processes or controls personal data of 25,000 consumers or more.

(b) A controller or processor acting as a technology provider under section 13.32 shall comply with this chapter and section 13.32, except that when the provisions of section 13.32 conflict with this chapter, section 13.32 prevails.

Subd. 2. **Exclusions.** (a) This chapter does not apply to the following entities, activities, or types of information:

(1) a government entity, as defined by section 13.02, subdivision 7a;

(2) a federally recognized Indian tribe;

(3) information that meets the definition of:

(i) protected health information, as defined by and for purposes of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and related regulations;

(ii) health records, as defined in section 144.291, subdivision 2;

(iii) patient identifying information for purposes of Code of Federal Regulations, title 42, part 2, established pursuant to United States Code, title 42, section 290dd-2;

(iv) identifiable private information for purposes of the federal policy for the protection of human subjects, Code of Federal Regulations, title 45, part 46; identifiable private information that is otherwise information collected as part of human subjects research pursuant to the good clinical practice guidelines issued by the International Council for Harmonisation; the protection of human subjects under Code of Federal Regulations, title 21, parts 50 and 56; or personal data used or shared in research conducted in accordance with one or more of the requirements set forth in this paragraph;

(v) information and documents created for purposes of the federal Health Care Quality Improvement Act of 1986, Public Law 99-660, and related regulations; or

(vi) patient safety work product for purposes of Code of Federal Regulations, title 42, part 3, established pursuant to United States Code, title 42, sections 299b-21 to 299b-26;

(4) information that is derived from any of the health care-related information listed in clause (3), but that has been deidentified in accordance with the requirements for deidentification set forth in Code of Federal Regulations, title 45, part 164;

(5) information originating from, and intermingled to be indistinguishable with, any of the health care-related information listed in clause (3) that is maintained by:

(i) a covered entity or business associate, as defined by the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and related regulations;

(ii) a health care provider, as defined in section 144.291, subdivision 2; or

(iii) a program or a qualified service organization, as defined by Code of Federal Regulations, title 42, part 2, established pursuant to United States Code, title 42, section 290dd-2;

(6) information that is:

(i) maintained by an entity that meets the definition of health care provider under Code of Federal Regulations, title 45, section 160.103, to the extent that the entity maintains the information in the manner required of covered entities with respect to protected health information for purposes of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and related regulations;

(ii) included in a limited data set, as described under Code of Federal Regulations, title 45, part 164.514(e), to the extent that the information is used, disclosed, and maintained in the manner specified by that part;

(iii) maintained by, or maintained to comply with the rules or orders of, a self-regulatory organization as defined by United States Code, title 15, section 78c(a)(26);

(iv) originated from, or intermingled with, information described in clause (9) and that a licensed residential mortgage originator, as defined under section 58.02, subdivision 19, or residential mortgage servicer, as defined under section 58.02, subdivision 20, collects, processes, uses, or maintains in the same manner as required under the laws and regulations specified in clause (9); or

(v) originated from, or intermingled with, information described in clause (9) and that a nonbank financial institution, as defined by section 46A.01, subdivision 12, collects, processes, uses, or maintains in the same manner as required under the laws and regulations specified in clause (9);

(7) information used only for public health activities and purposes, as described under Code of Federal Regulations, title 45, part 164.512;

(8) an activity involving the collection, maintenance, disclosure, sale, communication, or use of any personal data bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living by a consumer reporting agency, as defined in United States Code, title 15, section 1681a(f), by a furnisher of information, as set forth in United States Code, title 15, section 1681s-2, who provides information for use in a consumer report, as defined in United States Code, title 15, section 1681a(d), and by a user of a consumer report, as set forth in United States Code, title 15, section 1681b, except that information is only excluded under this paragraph to the extent that the activity involving the collection, maintenance, disclosure, sale, communication, or use of the information by the agency, furnisher, or user is subject to regulation under the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 to 1681x, and the information is not collected, maintained, used, communicated, disclosed, or sold except as authorized by the Fair Credit Reporting Act;

(9) personal data collected, processed, sold, or disclosed pursuant to the federal Gramm-Leach-Bliley Act, Public Law 106-102, and implementing regulations, if the collection, processing, sale, or disclosure is in compliance with that law;

(10) personal data collected, processed, sold, or disclosed pursuant to the federal Driver's Privacy Protection Act of 1994, United States Code, title 18, sections 2721 to 2725, if the collection, processing, sale, or disclosure is in compliance with that law;

(11) personal data regulated by the federal Family Educational Rights and Privacy Act, United States Code, title 20, section 1232g, and implementing regulations;

(12) personal data collected, processed, sold, or disclosed pursuant to the federal Farm Credit Act of 1971, as amended, United States Code, title 12, sections 2001 to 2279cc, and implementing regulations, Code of Federal Regulations, title 12, part 600, if the collection, processing, sale, or disclosure is in compliance with that law;

(13) data collected or maintained:

(i) in the course of an individual acting as a job applicant to or an employee, owner, director, officer, medical staff member, or contractor of a business if the data is collected and used solely within the context of the role;

(ii) as the emergency contact information of an individual under item (i) if used solely for emergency contact purposes; or

(iii) that is necessary for the business to retain to administer benefits for another individual relating to the individual under item (i) if used solely for the purposes of administering those benefits;

(14) personal data collected, processed, sold, or disclosed pursuant to the Minnesota Insurance Fair Information Reporting Act in sections 72A.49 to 72A.505;

(15) data collected, processed, sold, or disclosed as part of a payment-only credit, check, or cash transaction where no data about consumers, as defined in section 325O.02, are retained;

(16) a state or federally chartered bank or credit union, or an affiliate or subsidiary that is principally engaged in financial activities, as described in United States Code, title 12, section 1843(k);

(17) information that originates from, or is intermingled so as to be indistinguishable from, information described in clause (8) and that a person licensed under chapter 56 collects, processes, uses, or maintains in the same manner as is required under the laws and regulations specified in clause (8);

(18) an insurance company, as defined in section 60A.02, subdivision 4, an insurance producer, as defined in section 60K.31, subdivision 6, a third-party administrator of self-insurance, or an affiliate or subsidiary of any entity identified in this clause that is principally engaged in financial activities, as described in United States Code, title 12, section 1843(k), except that this clause does not apply to a person that, alone or in combination with another person, establishes and maintains a self-insurance program that does not otherwise engage in the business of entering into policies of insurance;

(19) a small business, as defined by the United States Small Business Administration under Code of Federal Regulations, title 13, part 121, except that a small business identified in this clause is subject to section 325O.075;

(20) a nonprofit organization that is established to detect and prevent fraudulent acts in connection with insurance; and

(21) an air carrier subject to the federal Airline Deregulation Act, Public Law 95-504, only to the extent that an air carrier collects personal data related to prices, routes, or services and only to the extent that the provisions of the Airline Deregulation Act preempt the requirements of this chapter.

(b) Controllers that are in compliance with the Children's Online Privacy Protection Act, United States Code, title 15, sections 6501 to 6506, and implementing regulations, shall be deemed compliant with any obligation to obtain parental consent under this chapter.

Sec. 5. [325O.04] RESPONSIBILITY ACCORDING TO ROLE.

(a) Controllers and processors are responsible for meeting the respective obligations established under this chapter.

(b) Processors are responsible under this chapter for adhering to the instructions of the controller and assisting the controller to meet the controller's obligations under this chapter. Assistance under this paragraph shall include the following:

(1) taking into account the nature of the processing, the processor shall assist the controller by appropriate technical and organizational measures, insofar as this is possible, for the fulfillment of the controller's obligation to respond to consumer requests to exercise their rights pursuant to section 325O.05; and

(2) taking into account the nature of processing and the information available to the processor, the processor shall assist the controller in meeting the controller's obligations in relation to the security of

processing the personal data and in relation to the notification of a breach of the security of the system pursuant to section 325E.61, and shall provide information to the controller necessary to enable the controller to conduct and document any data privacy and protection assessments required by section 325O.08.

(c) A contract between a controller and a processor shall govern the processor's data processing procedures with respect to processing performed on behalf of the controller. The contract shall be binding and clearly set forth instructions for processing data, the nature and purpose of processing, the type of data subject to processing, the duration of processing, and the rights and obligations of both parties. The contract shall also require that the processor:

(1) ensure that each person processing the personal data is subject to a duty of confidentiality with respect to the data; and

(2) engage a subcontractor only (i) after providing the controller with an opportunity to object, and (ii) pursuant to a written contract in accordance with paragraph (e) that requires the subcontractor to meet the obligations of the processor with respect to the personal data.

(d) Taking into account the context of processing, the controller and the processor shall implement appropriate technical and organizational measures to ensure a level of security appropriate to the risk and establish a clear allocation of the responsibilities between the controller and the processor to implement the technical and organizational measures.

(e) Processing by a processor shall be governed by a contract between the controller and the processor that is binding on both parties and that sets out the processing instructions to which the processor is bound, including the nature and purpose of the processing, the type of personal data subject to the processing, the duration of the processing, and the obligations and rights of both parties. The contract shall include the requirements imposed by this paragraph, paragraphs (c) and (d), as well as the following requirements:

(1) at the choice of the controller, the processor shall delete or return all personal data to the controller as requested at the end of the provision of services, unless retention of the personal data is required by law;

(2) upon a reasonable request from the controller, the processor shall make available to the controller all information necessary to demonstrate compliance with the obligations in this chapter; and

(3) the processor shall allow for, and contribute to, reasonable assessments and inspections by the controller or the controller's designated assessor. Alternatively, the processor may arrange for a qualified and independent assessor to conduct, at least annually and at the processor's expense, an assessment of the processor's policies and technical and organizational measures in support of the obligations under this chapter. The assessor must use an appropriate and accepted control standard or framework and assessment procedure for assessments as applicable, and shall provide a report of an assessment to the controller upon request.

(f) In no event shall any contract relieve a controller or a processor from the liabilities imposed on a controller or processor by virtue of the controller's or processor's roles in the processing relationship under this chapter.

(g) Determining whether a person is acting as a controller or processor with respect to a specific processing of data is a fact-based determination that depends upon the context in which personal data are to be processed. A person that is not limited in the person's processing of personal data pursuant to a controller's instructions, or that fails to adhere to a controller's instructions, is a controller and not a processor with respect to a specific processing of data. A processor that continues to adhere to a controller's instructions with respect to a specific processing of personal data remains a processor. If a processor begins, alone or jointly with others, determining

the purposes and means of the processing of personal data, the processor is a controller with respect to the processing.

Sec. 6. [3250.05] CONSUMER PERSONAL DATA RIGHTS.

Subdivision 1. **Consumer rights provided.** (a) Except as provided in this chapter, a controller must comply with a request to exercise the consumer rights provided in this subdivision.

(b) A consumer has the right to confirm whether or not a controller is processing personal data concerning the consumer and access the categories of personal data the controller is processing.

(c) A consumer has the right to correct inaccurate personal data concerning the consumer, taking into account the nature of the personal data and the purposes of the processing of the personal data.

(d) A consumer has the right to delete personal data concerning the consumer.

(e) A consumer has the right to obtain personal data concerning the consumer, which the consumer previously provided to the controller, in a portable and, to the extent technically feasible, readily usable format that allows the consumer to transmit the data to another controller without hindrance, where the processing is carried out by automated means.

(f) A consumer has the right to opt out of the processing of personal data concerning the consumer for purposes of targeted advertising, the sale of personal data, or profiling in furtherance of automated decisions that produce legal effects concerning a consumer or similarly significant effects concerning a consumer.

(g) If a consumer's personal data is profiled in furtherance of decisions that produce legal effects concerning a consumer or similarly significant effects concerning a consumer, the consumer has the right to question the result of the profiling, to be informed of the reason that the profiling resulted in the decision, and, if feasible, to be informed of what actions the consumer might have taken to secure a different decision and the actions that the consumer might take to secure a different decision in the future. The consumer has the right to review the consumer's personal data used in the profiling. If the decision is determined to have been based upon inaccurate personal data, taking into account the nature of the personal data and the purposes of the processing of the personal data, the consumer has the right to have the data corrected and the profiling decision reevaluated based upon the corrected data.

(h) A consumer has a right to obtain a list of the specific third parties to which the controller has disclosed the consumer's personal data. If the controller does not maintain the information in a format specific to the consumer, a list of specific third parties to whom the controller has disclosed any consumers' personal data may be provided instead.

Subd. 2. **Exercising consumer rights.** (a) A consumer may exercise the rights set forth in this section by submitting a request, at any time, to a controller specifying which rights the consumer wishes to exercise.

(b) In the case of processing personal data concerning a known child, the parent or legal guardian of the known child may exercise the rights of this chapter on the child's behalf.

(c) In the case of processing personal data concerning a consumer legally subject to guardianship or conservatorship under sections 524.5-101 to 524.5-502, the guardian or the conservator of the consumer may exercise the rights of this chapter on the consumer's behalf.

(d) A consumer may designate another person as the consumer's authorized agent to exercise the consumer's right to opt out of the processing of the consumer's personal data for purposes of targeted

advertising and sale under subdivision 1, paragraph (f), on the consumer's behalf. A consumer may designate an authorized agent by way of, among other things, a technology, including but not limited to an Internet link or a browser setting, browser extension, or global device setting, indicating the consumer's intent to opt out of the processing. A controller shall comply with an opt-out request received from an authorized agent if the controller is able to verify, with commercially reasonable effort, the identity of the consumer and the authorized agent's authority to act on the consumer's behalf.

Subd. 3. **Universal opt-out mechanisms.** (a) A controller must allow a consumer to opt out of any processing of the consumer's personal data for the purposes of targeted advertising, or any sale of the consumer's personal data through an opt-out preference signal sent, with the consumer's consent, by a platform, technology, or mechanism to the controller indicating the consumer's intent to opt out of the processing or sale. The platform, technology, or mechanism must:

(1) not unfairly disadvantage another controller;

(2) not make use of a default setting, but require the consumer to make an affirmative, freely given, and unambiguous choice to opt out of the processing of the consumer's personal data;

(3) be consumer-friendly and easy to use by the average consumer;

(4) be as consistent as possible with any other similar platform, technology, or mechanism required by any federal or state law or regulation; and

(5) enable the controller to accurately determine whether the consumer is a Minnesota resident and whether the consumer has made a legitimate request to opt out of any sale of the consumer's personal data or targeted advertising. For purposes of this paragraph, the use of an Internet protocol address to estimate the consumer's location is sufficient to determine the consumer's residence.

(b) If a consumer's opt-out request is exercised through the platform, technology, or mechanism required under paragraph (a), and the request conflicts with the consumer's existing controller-specific privacy setting or voluntary participation in a controller's bona fide loyalty, rewards, premium features, discounts, or club card program, the controller must comply with the consumer's opt-out preference signal but may also notify the consumer of the conflict and provide the consumer a choice to confirm the controller-specific privacy setting or participation in the controller's program.

(c) The platform, technology, or mechanism required under paragraph (a) is subject to the requirements of subdivision 4.

(d) A controller that recognizes opt-out preference signals that have been approved by other state laws or regulations is in compliance with this subdivision.

Subd. 4. **Controller response to consumer requests.** (a) Except as provided in this chapter, a controller must comply with a request to exercise the rights pursuant to subdivision 1.

(b) A controller must provide one or more secure and reliable means for consumers to submit a request to exercise the consumer's rights under this section. The means made available must take into account the ways in which consumers interact with the controller and the need for secure and reliable communication of the requests.

(c) A controller may not require a consumer to create a new account in order to exercise a right, but a controller may require a consumer to use an existing account to exercise the consumer's rights under this section.

(d) A controller must comply with a request to exercise the right in subdivision 1, paragraph (f), as soon as feasibly possible, but no later than 45 days of receipt of the request.

(e) A controller must inform a consumer of any action taken on a request under subdivision 1 without undue delay and in any event within 45 days of receipt of the request. That period may be extended once by 45 additional days where reasonably necessary, taking into account the complexity and number of the requests. The controller must inform the consumer of any extension within 45 days of receipt of the request, together with the reasons for the delay.

(f) If a controller does not take action on a consumer's request, the controller must inform the consumer without undue delay and at the latest within 45 days of receipt of the request of the reasons for not taking action and instructions for how to appeal the decision with the controller as described in subdivision 5.

(g) Information provided under this section must be provided by the controller free of charge up to twice annually to the consumer. Where requests from a consumer are manifestly unfounded or excessive, in particular because of the repetitive character of the requests, the controller may either charge a reasonable fee to cover the administrative costs of complying with the request, or refuse to act on the request. The controller bears the burden of demonstrating the manifestly unfounded or excessive character of the request.

(h) A controller is not required to comply with a request to exercise any of the rights under subdivision 1, paragraphs (b) to (e) and (h), if the controller is unable to authenticate the request using commercially reasonable efforts. In such cases, the controller may request the provision of additional information reasonably necessary to authenticate the request. A controller is not required to authenticate an opt-out request, but a controller may deny an opt-out request if the controller has a good faith, reasonable, and documented belief that the request is fraudulent. If a controller denies an opt-out request because the controller believes a request is fraudulent, the controller must notify the person who made the request that the request was denied due to the controller's belief that the request was fraudulent and state the controller's basis for that belief.

(i) In response to a consumer request under subdivision 1, a controller must not disclose the following information about a consumer, but must instead inform the consumer with sufficient particularity that the controller has collected that type of information:

(1) Social Security number;

(2) driver's license number or other government-issued identification number;

(3) financial account number;

(4) health insurance account number or medical identification number;

(5) account password, security questions, or answers; or

(6) biometric data.

(j) In response to a consumer request under subdivision 1, a controller is not required to reveal any trade secret.

(k) A controller that has obtained personal data about a consumer from a source other than the consumer may comply with a consumer's request to delete the consumer's personal data pursuant to subdivision 1, paragraph (d), by either:

(1) retaining a record of the deletion request, retaining the minimum data necessary for the purpose of ensuring the consumer's personal data remains deleted from the business's records, and not using the retained data for any other purpose pursuant to the provisions of this chapter; or

(2) opting the consumer out of the processing of personal data for any purpose except for the purposes exempted pursuant to the provisions of this chapter.

Subd. 5. **Appeal process required.** (a) A controller must establish an internal process whereby a consumer may appeal a refusal to take action on a request to exercise any of the rights under subdivision 1 within a reasonable period of time after the consumer's receipt of the notice sent by the controller under subdivision 4, paragraph (f).

(b) The appeal process must be conspicuously available. The process must include the ease of use provisions in subdivision 3 applicable to submitting requests.

(c) Within 45 days of receipt of an appeal, a controller must inform the consumer of any action taken or not taken in response to the appeal, along with a written explanation of the reasons in support thereof. That period may be extended by 60 additional days where reasonably necessary, taking into account the complexity and number of the requests serving as the basis for the appeal. The controller must inform the consumer of any extension within 45 days of receipt of the appeal, together with the reasons for the delay.

(d) When informing a consumer of any action taken or not taken in response to an appeal pursuant to paragraph (c), the controller must provide a written explanation of the reasons for the controller's decision and clearly and prominently provide the consumer with information about how to file a complaint with the Office of the Attorney General. The controller must maintain records of all appeals and the controller's responses for at least 24 months and shall, upon written request by the attorney general as part of an investigation, compile and provide a copy of the records to the attorney general.

Sec. 7. [325O.06] PROCESSING DEIDENTIFIED DATA OR PSEUDONYMOUS DATA.

(a) This chapter does not require a controller or processor to do any of the following solely for purposes of complying with this chapter:

(1) reidentify deidentified data;

(2) maintain data in identifiable form, or collect, obtain, retain, or access any data or technology, in order to be capable of associating an authenticated consumer request with personal data; or

(3) comply with an authenticated consumer request to access, correct, delete, or port personal data pursuant to section 325O.05, subdivision 1, if all of the following are true:

(i) the controller is not reasonably capable of associating the request with the personal data, or it would be unreasonably burdensome for the controller to associate the request with the personal data;

(ii) the controller does not use the personal data to recognize or respond to the specific consumer who is the subject of the personal data, or associate the personal data with other personal data about the same specific consumer; and

(iii) the controller does not sell the personal data to any third party or otherwise voluntarily disclose the personal data to any third party other than a processor, except as otherwise permitted in this section.

(b) The rights contained in section 325O.05, subdivision 1, paragraphs (b) to (e) and (h), do not apply to pseudonymous data in cases where the controller is able to demonstrate any information necessary to

identify the consumer is kept separately and is subject to effective technical and organizational controls that prevent the controller from accessing the information.

(c) A controller that uses pseudonymous data or deidentified data must exercise reasonable oversight to monitor compliance with any contractual commitments to which the pseudonymous data or deidentified data are subject, and must take appropriate steps to address any breaches of contractual commitments.

(d) A processor or third party must not attempt to identify the subjects of deidentified or pseudonymous data without the express authority of the controller that caused the data to be deidentified or pseudonymized.

(e) A controller, processor, or third party must not attempt to identify the subjects of data that has been collected with only pseudonymous identifiers.

Sec. 8. [3250.07] RESPONSIBILITIES OF CONTROLLERS.

Subdivision 1. **Transparency obligations.** (a) Controllers must provide consumers with a reasonably accessible, clear, and meaningful privacy notice that includes:

(1) the categories of personal data processed by the controller;

(2) the purposes for which the categories of personal data are processed;

(3) an explanation of the rights contained in section 3250.05 and how and where consumers may exercise those rights, including how a consumer may appeal a controller's action with regard to the consumer's request;

(4) the categories of personal data that the controller sells to or shares with third parties, if any;

(5) the categories of third parties, if any, with whom the controller sells or shares personal data;

(6) the controller's contact information, including an active email address or other online mechanism that the consumer may use to contact the controller;

(7) a description of the controller's retention policies for personal data; and

(8) the date the privacy notice was last updated.

(b) If a controller sells personal data to third parties, processes personal data for targeted advertising, or engages in profiling in furtherance of decisions that produce legal effects concerning a consumer or similarly significant effects concerning a consumer, the controller must disclose the processing in the privacy notice and provide access to a clear and conspicuous method outside the privacy notice for a consumer to opt out of the sale, processing, or profiling in furtherance of decisions that produce legal effects concerning a consumer or similarly significant effects concerning a consumer. This method may include but is not limited to an Internet hyperlink clearly labeled "Your Opt-Out Rights" or "Your Privacy Rights" that directly effectuates the opt-out request or takes consumers to a web page where the consumer can make the opt-out request.

(c) The privacy notice must be made available to the public in each language in which the controller provides a product or service that is subject to the privacy notice or carries out activities related to the product or service.

(d) The controller must provide the privacy notice in a manner that is reasonably accessible to and usable by individuals with disabilities.

(e) Whenever a controller makes a material change to the controller's privacy notice or practices, the controller must notify consumers affected by the material change with respect to any prospectively collected personal data and provide a reasonable opportunity for consumers to withdraw consent to any further materially different collection, processing, or transfer of previously collected personal data under the changed policy. The controller shall take all reasonable electronic measures to provide notification regarding material changes to affected consumers, taking into account available technology and the nature of the relationship.

(f) A controller is not required to provide a separate Minnesota-specific privacy notice or section of a privacy notice if the controller's general privacy notice contains all the information required by this section.

(g) The privacy notice must be posted online through a conspicuous hyperlink using the word "privacy" on the controller's website home page or on a mobile application's app store page or download page. A controller that maintains an application on a mobile or other device shall also include a hyperlink to the privacy notice in the application's settings menu or in a similarly conspicuous and accessible location. A controller that does not operate a website shall make the privacy notice conspicuously available to consumers through a medium regularly used by the controller to interact with consumers, including but not limited to mail.

Subd. 2. **Use of data.** (a) A controller must limit the collection of personal data to what is adequate, relevant, and reasonably necessary in relation to the purposes for which the data are processed, which must be disclosed to the consumer.

(b) Except as provided in this chapter, a controller may not process personal data for purposes that are not reasonably necessary to, or compatible with, the purposes for which the personal data are processed, as disclosed to the consumer, unless the controller obtains the consumer's consent.

(c) A controller shall establish, implement, and maintain reasonable administrative, technical, and physical data security practices to protect the confidentiality, integrity, and accessibility of personal data, including the maintenance of an inventory of the data that must be managed to exercise these responsibilities. The data security practices shall be appropriate to the volume and nature of the personal data at issue.

(d) Except as otherwise provided in this act, a controller may not process sensitive data concerning a consumer without obtaining the consumer's consent, or, in the case of the processing of personal data concerning a known child, without obtaining consent from the child's parent or lawful guardian, in accordance with the requirement of the Children's Online Privacy Protection Act, United States Code, title 15, sections 6501 to 6506, and its implementing regulations, rules, and exemptions.

(e) A controller shall provide an effective mechanism for a consumer, or, in the case of the processing of personal data concerning a known child, the child's parent or lawful guardian, to revoke previously given consent under this subdivision. The mechanism provided shall be at least as easy as the mechanism by which the consent was previously given. Upon revocation of consent, a controller shall cease to process the applicable data as soon as practicable, but not later than 15 days after the receipt of the request.

(f) A controller may not process the personal data of a consumer for purposes of targeted advertising, or sell the consumer's personal data, without the consumer's consent, under circumstances where the controller knows that the consumer is between the ages of 13 and 16.

(g) A controller may not retain personal data that is no longer relevant and reasonably necessary in relation to the purposes for which the data were collected and processed, unless retention of the data is otherwise required by law or permitted under section 325O.09.

Subd. 3. Nondiscrimination. (a) A controller shall not process personal data on the basis of a consumer's or a class of consumers' actual or perceived race, color, ethnicity, religion, national origin, sex, gender, gender identity, sexual orientation, familial status, lawful source of income, or disability in a manner that unlawfully discriminates against the consumer or class of consumers with respect to the offering or provision of: housing, employment, credit, or education; or the goods, services, facilities, privileges, advantages, or accommodations of any place of public accommodation.

(b) A controller may not discriminate against a consumer for exercising any of the rights contained in this chapter, including denying goods or services to the consumer, charging different prices or rates for goods or services, and providing a different level of quality of goods and services to the consumer. This subdivision does not: (1) require a controller to provide a good or service that requires the consumer's personal data that the controller does not collect or maintain; or (2) prohibit a controller from offering a different price, rate, level, quality, or selection of goods or services to a consumer, including offering goods or services for no fee, if the offering is in connection with a consumer's voluntary participation in a bona fide loyalty, rewards, premium features, discounts, or club card program.

Subd. 4. Waiver of rights unenforceable. Any provision of a contract or agreement of any kind that purports to waive or limit in any way a consumer's rights under this chapter is contrary to public policy and is void and unenforceable.

Sec. 9. [325O.075] REQUIREMENTS FOR SMALL BUSINESSES.

(a) A small business, as defined by the United States Small Business Administration under Code of Federal Regulations, title 13, part 121, that conducts business in Minnesota or produces products or services that are targeted to residents of Minnesota, must not sell a consumer's sensitive data without the consumer's prior consent.

(b) Penalties and attorney general enforcement procedures under section 325O.10 apply to a small business that violates this section.

Sec. 10. [325O.08] DATA PRIVACY POLICIES; DATA PRIVACY AND PROTECTION ASSESSMENTS.

(a) A controller must document and maintain a description of the policies and procedures the controller has adopted to comply with this chapter. The description must include, where applicable:

(1) the name and contact information for the controller's chief privacy officer or other individual with primary responsibility for directing the policies and procedures implemented to comply with the provisions of this chapter; and

(2) a description of the controller's data privacy policies and procedures which reflect the requirements in section 325O.07, and any policies and procedures designed to:

(i) reflect the requirements of this chapter in the design of the controller's systems;

(ii) identify and provide personal data to a consumer as required by this chapter;

(iii) establish, implement, and maintain reasonable administrative, technical, and physical data security practices to protect the confidentiality, integrity, and accessibility of personal data, including the maintenance of an inventory of the data that must be managed to exercise the responsibilities under this item;

(iv) limit the collection of personal data to what is adequate, relevant, and reasonably necessary in relation to the purposes for which the data are processed;

(v) prevent the retention of personal data that is no longer relevant and reasonably necessary in relation to the purposes for which the data were collected and processed, unless retention of the data is otherwise required by law or permitted under section 325O.09; and

(vi) identify and remediate violations of this chapter.

(b) A controller must conduct and document a data privacy and protection assessment for each of the following processing activities involving personal data:

(1) the processing of personal data for purposes of targeted advertising;

(2) the sale of personal data;

(3) the processing of sensitive data;

(4) any processing activities involving personal data that present a heightened risk of harm to consumers;
and

(5) the processing of personal data for purposes of profiling, where the profiling presents a reasonably foreseeable risk of:

(i) unfair or deceptive treatment of, or disparate impact on, consumers;

(ii) financial, physical, or reputational injury to consumers;

(iii) a physical or other intrusion upon the solitude or seclusion, or the private affairs or concerns, of consumers, where the intrusion would be offensive to a reasonable person; or

(iv) other substantial injury to consumers.

(c) A data privacy and protection assessment must take into account the type of personal data to be processed by the controller, including the extent to which the personal data are sensitive data, and the context in which the personal data are to be processed.

(d) A data privacy and protection assessment must identify and weigh the benefits that may flow directly and indirectly from the processing to the controller, consumer, other stakeholders, and the public against the potential risks to the rights of the consumer associated with the processing, as mitigated by safeguards that can be employed by the controller to reduce the potential risks. The use of deidentified data and the reasonable expectations of consumers, as well as the context of the processing and the relationship between the controller and the consumer whose personal data will be processed, must be factored into this assessment by the controller.

(e) A data privacy and protection assessment must include the description of policies and procedures required by paragraph (a).

(f) As part of a civil investigative demand, the attorney general may request, in writing, that a controller disclose any data privacy and protection assessment that is relevant to an investigation conducted by the attorney general. The controller must make a data privacy and protection assessment available to the attorney general upon a request made under this paragraph. The attorney general may evaluate the data privacy and protection assessments for compliance with this chapter. Data privacy and protection assessments are classified as nonpublic data, as defined by section 13.02, subdivision 9. The disclosure of a data privacy and

protection assessment pursuant to a request from the attorney general under this paragraph does not constitute a waiver of the attorney-client privilege or work product protection with respect to the assessment and any information contained in the assessment.

(g) Data privacy and protection assessments or risk assessments conducted by a controller for the purpose of compliance with other laws or regulations may qualify under this section if the assessments have a similar scope and effect.

(h) A single data protection assessment may address multiple sets of comparable processing operations that include similar activities.

Sec. 11. **[3250.09] LIMITATIONS AND APPLICABILITY.**

(a) The obligations imposed on controllers or processors under this chapter do not restrict a controller's or a processor's ability to:

(1) comply with federal, state, or local laws, rules, or regulations, including but not limited to data retention requirements in state or federal law notwithstanding a consumer's request to delete personal data;

(2) comply with a civil, criminal, or regulatory inquiry, investigation, subpoena, or summons by federal, state, local, or other governmental authorities;

(3) cooperate with law enforcement agencies concerning conduct or activity that the controller or processor reasonably and in good faith believes may violate federal, state, or local laws, rules, or regulations;

(4) investigate, establish, exercise, prepare for, or defend legal claims;

(5) provide a product or service specifically requested by a consumer; perform a contract to which the consumer is a party, including fulfilling the terms of a written warranty; or take steps at the request of the consumer prior to entering into a contract;

(6) take immediate steps to protect an interest that is essential for the life or physical safety of the consumer or of another natural person, and where the processing cannot be manifestly based on another legal basis;

(7) prevent, detect, protect against, or respond to security incidents, identity theft, fraud, harassment, malicious or deceptive activities, or any illegal activity; preserve the integrity or security of systems; or investigate, report, or prosecute those responsible for any such action;

(8) assist another controller, processor, or third party with any of the obligations under this paragraph;

(9) engage in public or peer-reviewed scientific, historical, or statistical research in the public interest that adheres to all other applicable ethics and privacy laws and is approved, monitored, and governed by an institutional review board, human subjects research ethics review board, or a similar independent oversight entity that has determined:

(i) the research is likely to provide substantial benefits that do not exclusively accrue to the controller;

(ii) the expected benefits of the research outweigh the privacy risks; and

(iii) the controller has implemented reasonable safeguards to mitigate privacy risks associated with research, including any risks associated with reidentification; or

(10) process personal data for the benefit of the public in the areas of public health, community health, or population health, but only to the extent that the processing is:

(i) subject to suitable and specific measures to safeguard the rights of the consumer whose personal data is being processed; and

(ii) under the responsibility of a professional individual who is subject to confidentiality obligations under federal, state, or local law.

(b) The obligations imposed on controllers or processors under this chapter do not restrict a controller's or processor's ability to collect, use, or retain data to:

(1) effectuate a product recall or identify and repair technical errors that impair existing or intended functionality;

(2) perform internal operations that are reasonably aligned with the expectations of the consumer based on the consumer's existing relationship with the controller, or are otherwise compatible with processing in furtherance of the provision of a product or service specifically requested by a consumer or the performance of a contract to which the consumer is a party; or

(3) conduct internal research to develop, improve, or repair products, services, or technology.

(c) The obligations imposed on controllers or processors under this chapter do not apply where compliance by the controller or processor with this chapter would violate an evidentiary privilege under Minnesota law and do not prevent a controller or processor from providing personal data concerning a consumer to a person covered by an evidentiary privilege under Minnesota law as part of a privileged communication.

(d) A controller or processor that discloses personal data to a third-party controller or processor in compliance with the requirements of this chapter is not in violation of this chapter if the recipient processes the personal data in violation of this chapter, provided that at the time of disclosing the personal data, the disclosing controller or processor did not have actual knowledge that the recipient intended to commit a violation. A third-party controller or processor receiving personal data from a controller or processor in compliance with the requirements of this chapter is not in violation of this chapter for the obligations of the controller or processor from which the third-party controller or processor receives the personal data.

(e) Obligations imposed on controllers and processors under this chapter shall not:

(1) adversely affect the rights or freedoms of any persons, including exercising the right of free speech pursuant to the First Amendment of the United States Constitution; or

(2) apply to the processing of personal data by a natural person in the course of a purely personal or household activity.

(f) Personal data that are processed by a controller pursuant to this section may be processed solely to the extent that the processing is:

(1) necessary, reasonable, and proportionate to the purposes listed in this section;

(2) adequate, relevant, and limited to what is necessary in relation to the specific purpose or purposes listed in this section; and

(3) insofar as possible, taking into account the nature and purpose of processing the personal data, subjected to reasonable administrative, technical, and physical measures to protect the confidentiality,

integrity, and accessibility of the personal data, and to reduce reasonably foreseeable risks of harm to consumers.

(g) If a controller processes personal data pursuant to an exemption in this section, the controller bears the burden of demonstrating that the processing qualifies for the exemption and complies with the requirements in paragraph (f).

(h) Processing personal data solely for the purposes expressly identified in paragraph (a), clauses (1) to (7), does not, by itself, make an entity a controller with respect to the processing.

Sec. 12. [3250.10] ATTORNEY GENERAL ENFORCEMENT.

(a) In the event that a controller or processor violates this chapter, the attorney general, prior to filing an enforcement action under paragraph (b), must provide the controller or processor with a warning letter identifying the specific provisions of this chapter the attorney general alleges have been or are being violated. If, after 30 days of issuance of the warning letter, the attorney general believes the controller or processor has failed to cure any alleged violation, the attorney general may bring an enforcement action under paragraph (b). This paragraph expires January 31, 2026.

(b) The attorney general may bring a civil action against a controller or processor to enforce a provision of this chapter in accordance with section 8.31. If the state prevails in an action to enforce this chapter, the state may, in addition to penalties provided by paragraph (c) or other remedies provided by law, be allowed an amount determined by the court to be the reasonable value of all or part of the state's litigation expenses incurred.

(c) Any controller or processor that violates this chapter is subject to an injunction and liable for a civil penalty of not more than \$7,500 for each violation.

(d) Nothing in this chapter establishes a private right of action, including under section 8.31, subdivision 3a, for a violation of this chapter or any other law.

Sec. 13. [3250.11] PREEMPTION OF LOCAL LAW; SEVERABILITY.

(a) This chapter supersedes and preempts laws, ordinances, regulations, or the equivalent adopted by any local government regarding the processing of personal data by controllers or processors.

(b) If any provision of this chapter or the chapter's application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to other persons or circumstances is not affected.

Sec. 14. EFFECTIVE DATE.

This article is effective July 31, 2025, except that postsecondary institutions regulated by the Office of Higher Education are not required to comply with this article until July 31, 2029.

Presented to the governor May 22, 2024

Signed by the governor May 24, 2024, 9:14 a.m.