

SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION

S.F. No. 4798

(SENATE AUTHORS: HOFFMAN)

DATE	D-PG	OFFICIAL STATUS
03/11/2024	12131	Introduction and first reading Referred to Commerce and Consumer Protection

1.1A bill for an act

1.2relating to cannabis; modifying medical cannabis combination business provisions;

1.3amending Minnesota Statutes 2023 Supplement, section 342.515.

1.4BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5Section 1. Minnesota Statutes 2023 Supplement, section 342.515, is amended to read:

1.6342.515 MEDICAL CANNABIS COMBINATION BUSINESSES.

1.7Subdivision 1. **Authorized actions.** A medical cannabis combination business license

1.8entitles the license holder to perform any or all of the following within the limits established

1.9by this section:

1.10(1) grow cannabis plants from seed or immature plant to mature plant and harvest

1.11adult-use cannabis flower and medical cannabis flower from a mature plant;

1.12(2) make cannabis concentrate;

1.13(3) make hemp concentrate, including hemp concentrate with a delta-9

1.14tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

1.15(4) manufacture artificially derived cannabinoids;

1.16(5) manufacture medical cannabinoid products;

1.17(6) manufacture adult-use cannabis products, lower-potency hemp edibles, and

1.18hemp-derived consumer products for public consumption;

1.19(7) purchase immature cannabis plants and seedlings and cannabis flower from a cannabis

1.20microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler,

1.21a 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) manufacture, package, and label medical cannabis and medical cannabinoid products for sale to medical cannabis processors, medical cannabis retailers, other medical cannabis combination businesses, and patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;

(12) transport and deliver medical cannabis and medical cannabinoid products to medical cannabis processors, medical cannabis retailers, other medical cannabis combination businesses, patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;

~~(12)~~ (13) manufacture, package, and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers and other cannabis businesses;

~~(13)~~ (14) sell medical cannabis flower and medical cannabinoid products to cannabis processors, medical cannabis retailers, other medical cannabis combination businesses, and patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;

~~(14)~~ (15) 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

(16) transport and deliver 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)~~ (17) perform other actions approved by the office.

Subd. 2. **Cultivation; size limitations.** (a) A medical cannabis combination business may cultivate cannabis ~~to be sold as medical cannabis flower or used in medical cannabinoid~~

products in an area of up to ~~60,000~~ 90,000 square feet of plant canopy. A medical cannabis combination business may cultivate cannabis and manufacture cannabis at more than one location, but the aggregate total area of plant canopy in all locations must count toward the business's 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. (b) 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~~ legitimate need for the additional plant canopy to satisfy demand in either the medical cannabis or adult-use cannabis market.

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.** A medical cannabis combination business shall provide a reliable and ongoing supply of medical cannabis to the registry program through cultivation by the manufacturer or the purchase of cannabis flower and medical cannabinoid products. 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.

- 4.1 Subd. 6. **Operations.** A medical cannabis combination business must comply with the
- 4.2 relevant requirements of sections 342.25, 342.26, 342.27, 342.35, 342.41, 342.42, and
- 4.3 342.51, subdivisions 2 to 5.