

**9810.1001 DISQUALIFYING OFFENSES.**

Subpart 1. **Disqualifying criminal offenses.** A cannabis license holder, an applicant, or, in the case of a business entity, every individual responsible for conducting the affairs of the entity, including every owner and every cooperative member or director, manager, and general partner of the business entity, who has been convicted of any crime listed in this subpart is disqualified from holding a license under this chapter.

A. The following offenses under Minnesota law are disqualifying offenses:

(1) Noncannabis, controlled substance crimes:

(a) Minnesota Statutes, section 152.021 (controlled substance crime in the first degree);

(b) Minnesota Statutes, section 152.022 (controlled substance crime in the second degree);

(c) Minnesota Statutes, section 152.0262 (possession of substances with intent to manufacture methamphetamine crime);

(d) Minnesota Statutes, section 152.0264, subdivision 1, clause (1) (sale of cannabis to a minor);

(e) Minnesota Statutes, section 152.097 (counterfeit drugs);

(f) Minnesota Statutes, section 609.228 (great bodily harm caused by distribution of drugs); or

(g) Minnesota Statutes, section 609.235 (use of drugs to injure or facilitate crime).

(2) Human trafficking or labor trafficking crimes:

(a) Minnesota Statutes, section 609.282 (labor trafficking);

(b) Minnesota Statutes, section 609.322 (solicitation, inducement, and promotion of prostitution; sex trafficking); or

(c) Minnesota Statutes, section 609.283 (unlawful conduct with respect to documents in furtherance of labor or sex trafficking).

(3) Fraud or financial crimes:

(a) Minnesota Statutes, section 609.41 (false tax statement);

(b) Minnesota Statutes, section 609.42 (bribery);

(c) Minnesota Statutes, section 609.425 (corruptly influencing legislator);

(d) Minnesota Statutes, section 609.445 (failure to pay over state funds);

(e) Minnesota Statutes, section 609.48 (perjury);

- (f) Minnesota Statutes, section 609.496 (concealing criminal proceeds);
  - (g) Minnesota Statutes, section 609.497 (engaging in business of concealing criminal proceeds);
  - (h) a felony violation of Minnesota Statutes, section 609.52, subdivision 2, paragraph (a), clause (3), (4), (15), or (16), if the violation involves an insurance company as defined in Minnesota Statutes, section 60A.02, subdivision 4; a nonprofit health service plan corporation regulated under Minnesota Statutes, chapter 62C; a health maintenance organization regulated under Minnesota Statutes, chapter 62D; or a fraternal benefit society regulated under Minnesota Statutes, chapter 64B (insurance fraud);
  - (i) Minnesota Statutes, section 609.54 (theft of public funds), Minnesota Statutes, section 609.465 (presenting false claims to public officer or body), or Minnesota Statutes, section 609.466 (medical assistance fraud);
  - (j) Minnesota Statutes, section 609.64 (recording, filing of forged instrument);
  - (k) Minnesota Statutes, section 609.65, clause (1) (false certification by notary public);
  - (l) Minnesota Statutes, section 609.651 (state lottery fraud);
  - (m) Minnesota Statutes, section 609.645 (fraudulent statements);
  - (n) Minnesota Statutes, section 609.825 (bribery of participant or official in contest);
  - (o) Minnesota Statutes, section 609.86 (commercial bribery); or
  - (p) any offense involving fraud, deceit, or embezzlement as a necessary element of the offense.
- (4) Cannabis offenses under Minnesota Statutes, section 152.0264 (cannabis sale crimes), of which the license holder or applicant was convicted after August 1, 2023.
- (5) Other crimes:
- (a) Minnesota Statutes, section 609.687 (adulteration); or
  - (b) Minnesota Statutes, section 609.89 (computer or electronic data theft).

B. A license holder or an applicant who has been convicted of an attempted crime under Minnesota Statutes, section 609.17, or conspiring with another to commit a crime under Minnesota Statutes, section 609.175, is disqualified from holding a license under this chapter if the underlying crime is listed in item A.

C. A license holder or an applicant is disqualified from holding a license under this chapter if:

- (1) the license holder or applicant was convicted in another state or federal court of a crime; and

(2) the elements of the crime are the same as the elements of a crime listed in item A.

D. A cannabis license holder or an applicant for a license is not disqualified from holding a license if:

(1) the license holder or applicant was charged with a drug-related crime listed in Minnesota Statutes, section 152.18, subdivision 1, paragraph (a);

(2) the license holder or applicant was found guilty after a trial or pled guilty;

(3) a court stayed adjudication of the crime pursuant to Minnesota Statutes, section 152.18, subdivision 1; and

(4) the court dismissed the proceedings against the license holder or applicant and discharged the license holder or applicant from probation.

E. A cannabis license holder or an applicant for a license is not disqualified from holding a license based on the license holder's or applicant's conviction for violating Minnesota Statutes 1988, section 152.09, if the license holder's or applicant's conviction was expunged according to Minnesota Statutes, section 152.18, subdivision 3.

**Subp. 2. Disqualifying civil offenses.**

A. A cannabis license holder or an applicant must be disqualified from holding or receiving a cannabis business license for any violation of a statute substantiated by another agency, local unit of government, or other jurisdiction whose statutory or regulatory authority is recognized by this chapter if the office determines that the substantiated violation creates a risk to public health or safety.

B. A cannabis license holder or an applicant is disqualified from holding or receiving a cannabis business license in Minnesota if another state's cannabis authority has previously disqualified, revoked, or prohibited the cannabis license holder or applicant from operating in that jurisdiction.

C. A cannabis license holder or an applicant is disqualified from holding or receiving a cannabis business license if the license holder or applicant, without holding a cannabis or hemp license issued by the office, has violated Minnesota Statutes, chapter 342, and was issued an administrative order under Minnesota Statutes, section 342.19, after August 1, 2023.

**Subp. 3. Length of disqualification.**

A. For disqualifications under subpart 1, item A, subitem (4), a license holder's or an applicant's disqualification expires five years from the date of the license holder's or applicant's conviction.

B. For disqualifications under subpart 2, item C, a license holder's or an applicant's disqualification expires five years from the date of the office's administrative order.

C. For disqualifying felony convictions, the length of a license holder's or applicant's disqualification is permanent.

**Subp. 4. Permanent disqualification variance.**

A. A cannabis license holder or an applicant whose disqualification is permanent under subpart 3 may seek to have a nonpermanent disqualification if the license holder or applicant provides evidence to the office demonstrating that a permanent disqualification does not serve the public interest. The office must use the criteria in item B to determine whether a cannabis license holder's or an applicant's permanent disqualification would not be in the public interest.

B. A cannabis license holder or applicant may establish that a permanent disqualification does not serve the public interest by providing the office with:

(1) information regarding the nature and responsibility of the position that the cannabis license holder or applicant with a conviction would hold, has held, or currently holds in the cannabis business;

(2) information regarding the nature and seriousness of the crime or offense;

(3) information regarding the age of the cannabis license holder or applicant when the felony was committed;

(4) information regarding the specific circumstances under which the felony was committed;

(5) information demonstrating that at least five years has elapsed since the cannabis license holder's or applicant's release from incarceration for the related offense or the license holder's or applicant's conviction, whichever is more recent;

(6) information regarding whether the crime or offense was an isolated incident;

(7) any evidence of the license holder's or applicant's rehabilitation, including:

(a) the license holder's or applicant's:

i. good conduct while incarcerated or in the community;

ii. successful participation in counseling or psychiatric treatment;

iii. successful participation in additional academic or vocational education; or

iv. successful participation in a correctional work-release program; or

(b) recommendations of people who have supervised the license holder or applicant while the license holder or applicant was on probation, in a work environment, or participating in a mentorship; and

(8) information regarding any benefit to the community that would result from granting a license to the applicant or renewing the license holder's license.

**Statutory Authority:** *MS s 342.02*

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