

**9810.4200 MEDICAL CANNABIS COMBINATION BUSINESS.**

Subpart 1. **Integrated facilities.** A medical cannabis combination business may perform any cannabis activities for sale in the adult-use or medical cannabis market in the same facility if the activity performed is designated for only one market. A medical combination business must not comingle adult-use cannabis flower or cannabis products and medical cannabis flower and medical cannabinoid products. A medical combination business seeking to cultivate medical and adult-use cannabis in the same facility must comply with part 9810.2000, subpart 14.

**Subp. 2. Annual verification and authorization procedure.**

A. No later than 45 days after the office has approved a medical cannabis combination business's license renewal application, the office must:

(1) issue a letter verifying the business's medical cultivation canopy and sales in the medical cannabis market in the previous year; and

(2) notify the business of the amount of canopy that the business may cultivate for sale in the adult-use cannabis market.

B. In order to verify the amount of canopy that a medical cannabis combination business used to sell products in the medical cannabis market, the office must verify:

(1) the business's most recent cultivation plan submitted pursuant to part 9810.2000, subpart 3, identifying the amount of the business dedicated to plant canopy;

(2) the business's sales of medical cannabis flower and medical cannabinoid products to other cannabis businesses;

(3) the business's sales of medical cannabis flower and medical cannabinoid products to medical registry participants;

(4) if the medical cannabis combination business has previously cultivated adult-use cannabis under Minnesota Statutes, section 342.515, the business's sales of cannabis flower and cannabis products to other cannabis businesses; and

(5) if the business has previously cultivated adult-use cannabis under Minnesota Statutes, section 342.515, the business's sales of cannabis flower and cannabis products to adult-use consumers.

C. The office must annually determine the amount of canopy that a medical cannabis combination business has used to sell in the medical cannabis market during the preceding year.

(1) To determine the amount of canopy that a medical cannabis combination business used during the first year that the business was licensed, the office must:

(a) conduct four inspections of the business's cultivation facility to determine the total amount of canopy space identified for cultivation in the cultivation plan that contains mature, flowering plants. The total amount of used canopy is the average of the measured square footage of each of the four inspections;

(b) determine using the statewide monitoring system the total amount of medical cannabis flower and medical cannabinoid products that the business sold during the first year; and

(c) calculate the medical canopy ratio by dividing the amount of medical product sales by the observed canopy.

(2) To determine the amount of canopy that a medical cannabis combination business used during the years after the business's first year, the office must:

(a) determine using the statewide monitoring system the total amount of medical cannabis flower and medical cannabinoid products that the business sold during the previous year; and

(b) calculate the total medical canopy that the business used by multiplying the medical canopy ratio by the previous year's medical sales.

D. Based on the determination in item C, the office must calculate one-half of the medical canopy for use as the adult-use canopy and issue an authorization to a medical cannabis combination business stating the total canopy that the business may use to cultivate adult-use cannabis products.

E. If a medical cannabis combination business believes that the office has miscalculated the medical canopy ratio, the business may, within 30 days of receiving the letter described in this subpart, request the office's review of the medical ratio. If a medical cannabis combination business believes that the medical canopy ratio is inaccurate based on changed circumstances, the business may request, no more than once every five years, that the office reestablish the ratio through the process described in item C, subitem (1), except that during an inspection, the office must only measure cultivation areas that contain medical cannabis.

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

**History:** *49 SR 1143*

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