

**342.18 LICENSE SELECTION CRITERIA.**

Subdivision 1. MS 2023 Supp [Repealed, 2024 c 121 art 2 s 154]

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

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

- (1) security and record keeping;
- (2) employee training plan;
- (3) business plan and financial situation;
- (4) labor and employment practices;
- (5) knowledge and experience; and
- (6) environmental plan.

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

Subd. 4. **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.

**History:** *2023 c 63 art 1 s 18; 2024 c 121 art 2 s 73-75; 2025 c 31 s 49*