342.04 STUDIES; REPORTS.

Subdivision 1. **Studies required.** (a) The office shall conduct a study to determine the expected size and growth of the regulated cannabis industry and hemp consumer industry, including an estimate of the demand for cannabis flower and cannabis products, the number and geographic distribution of cannabis businesses needed to meet that demand, and the anticipated business from residents of other states.

(b) The office shall conduct a study to determine the size of the illicit cannabis market, the sources of illicit cannabis flower and illicit cannabis products in the state, the locations of citations issued and arrests made for cannabis offenses, and the subareas, such as census tracts or neighborhoods, that experience a disproportionately large amount of cannabis enforcement.

(c) The office shall conduct a study on impaired driving to determine:

(1) the number of accidents involving one or more drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, or who tested positive for cannabis or tetrahydrocannabinol;

(2) the number of arrests of individuals for impaired driving in which the individual tested positive for cannabis or tetrahydrocannabinol; and

(3) the number of convictions for driving under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or tetrahydrocannabinol.

(d) The office shall provide preliminary reports on the studies conducted pursuant to paragraphs (a) to (c) to the legislature by January 15, 2024, and shall provide final reports to the legislature by January 15, 2025. The reports may be consolidated into a single report by the office.

Subd. 2. **Annual market analysis.** (a) The office shall conduct an annual market analysis on the status of the regulated cannabis industry. An annual market analysis under this subdivision must include:

(1) the number of licenses issued by the office;

(2) recommendations on the number of licenses that the office should make available;

(3) information about the stability of the regulated market, including an assessment of the available supply and whether the supply is sufficient for consumer demand in the state;

(4) the impact of unregulated sales of cannabis flower and cannabis products on the regulated market; and

(5) the status of the medical cannabis patient registry program.

(b) The office may solicit the input of consumers, market stakeholders, and potential new applicants for the annual market analysis under paragraph (a). The office shall submit the annual market analysis under paragraph (a) as part of the annual report required in subdivision 3.

Subd. 3. **Annual report required.** (a) The office shall submit an annual report to the legislature by January 15 each year. The annual report must include but not be limited to the following:

(1) the status of the regulated cannabis industry;

(2) the status of the illicit cannabis market;

(3) the status of the hemp commercial and consumer industries;

(4) the change in potency, if any, of cannabis flower and cannabis products available through the regulated market;

(5) progress on providing opportunities to individuals and communities that experienced a disproportionate, negative impact from cannabis prohibition, including but not limited to providing relief from criminal convictions and increasing economic opportunities;

(6) the status of racial and geographic diversity in the cannabis industry;

(7) proposed legislative changes, including but not limited to recommendations to streamline licensing systems and related administrative processes; and

(8) recommendations for the levels of funding for:

(i) grants issued through the CanTrain, CanNavigate, CanStartup, and CanGrow programs; and

(ii) grants to organizations for community development in social equity communities through the CanRenew program.

(b) The annual report under this subdivision must include:

(1) an assessment of available data and updated information regarding the impact of cannabis use on impaired driving;

(2) an assessment of available data and updated information regarding the impact of the adverse effects of secondhand smoke from cannabis flower and cannabis products;

(3) updated information from the Department of Human Services, Department of Health, Direct Care and Treatment, Minnesota state courts, and hospitals licensed under chapter 144 regarding the utilization of mental health and substance use disorder services, emergency room visits, and civil commitments; and

(4) updated information about existing summary data on first episode psychosis programs.

Subd. 4. **Collaboration with other agencies and organizations.** The office must collaborate with state agencies and leading organizations with expertise on cannabis-related programs to support education, prevention, public safety initiatives, and industry and market evaluations, including:

(1) the Department of Employment and Economic Development;

(2) the Department of Health;

(3) the Department of Public Safety;

(4) the Department of Education;

(5) the Department of Human Services;

(6) the Department of Children, Youth, and Families;

(7) Direct Care and Treatment;

(8) the Department of Agriculture;

(9) local government organizations;

(10) law enforcement agencies; and

(11) county social service agencies.

History: *2023 c 63 art 1 s 4; 2025 c 38 art 3 s 71; 2026 c 123 s 9*