

342.29 CANNABIS MEZZOBUSINESS LICENSING AND OPERATIONS.

Subdivision 1. **Authorized actions.** A cannabis mezzobusiness license, consistent with the specific license endorsement or endorsements, entitles the license holder to perform any or all of the following within the limits established by this section:

- (1) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as adult-use cannabis flower or for use in adult-use cannabis products;
- (2) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as medical cannabis flower or for use in medical cannabinoid products;
- (3) make cannabis concentrate;
- (4) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;
- (5) manufacture artificially derived cannabinoids;
- (6) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;
- (7) process medical cannabinoid products;
- (8) purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis cultivator, a cannabis manufacturer, a cannabis wholesaler, a cannabis macrobusiness, a lower-potency hemp edible manufacturer, or a lower-potency hemp edible wholesaler;
- (9) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;
- (10) purchase hemp plant parts and propagules from a licensed hemp grower licensed under chapter 18K;
- (11) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;
- (12) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;
- (13) 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
- (14) perform other actions approved by the office.

Subd. 2. **Size limitations.** (a) A cannabis mezzobusiness that cultivates cannabis at an indoor facility may cultivate up to 15,000 square feet of plant canopy. The office may adjust plant canopy limits upward to meet market demand consistent with the goals identified in section 342.02, subdivision 1.

(b) A cannabis mezzobusiness that cultivates cannabis at an outdoor location may cultivate up to one acre of mature, flowering plants unless the office increases that limit. The office may increase the limit to

no more than three acres if the office determines that expansion is consistent with the goals identified in section 342.02, subdivision 1.

(c) The office shall establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products a cannabis mezzobusiness that manufactures such products may perform. The limit must be equivalent to the amount of cannabis flower that can be harvested from a facility with a plant canopy of 15,000 square feet in a year but may be increased if the office expands the allowable area of cultivation under paragraph (a).

(d) A cannabis mezzobusiness with the appropriate endorsement may operate up to three retail locations.

Subd. 3. Additional information required. In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis mezzobusiness license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for any cultivation or manufacturing activities; plans for providing electricity, water, and other utilities necessary for the normal operation of any cultivation or manufacturing activities; plans for compliance with applicable building code and federal and state environmental and workplace safety requirements and policies; and plans to avoid sales to unlicensed cannabis businesses and individuals under 21 years of age;

(2) if the applicant is seeking an endorsement to cultivate cannabis plants and harvest cannabis flower, a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation, including the total amount of plant canopy;

(3) if the applicant is seeking an endorsement to create cannabis concentrate, hemp concentrate, or artificial cannabinoids, information identifying all methods of extraction, concentration, or conversion that the applicant intends to use and the volatile chemicals and catalysts, if any, that will be involved in extraction, concentration, or creation; and

(4) evidence that the applicant will comply with the applicable operation requirements for the license being sought.

Subd. 4. Multiple licenses; limits. (a) A person, cooperative, or business holding a cannabis mezzobusiness license may also hold a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis mezzobusiness license may own or operate any other cannabis business or hemp business or hold more than one cannabis mezzobusiness license.

(c) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 5. Cannabis cultivation endorsement. A cannabis mezzobusiness seeking to cultivate cannabis plants and harvest cannabis flower must apply for and obtain a cannabis cultivation endorsement and comply with the requirements in section 342.25.

Subd. 6. Cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, and creation of artificially derived cannabinoids endorsement. (a) A cannabis

mezzobusiness seeking to manufacture cannabis concentrate must apply for and obtain a cannabis extraction and concentration endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

(b) A cannabis mezzobusiness seeking to manufacture hemp concentrate must apply for and obtain a hemp extraction and concentration endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

(c) A cannabis mezzobusiness seeking to manufacture artificially derived cannabinoids must apply for and obtain a creation of artificially derived cannabinoids endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

Subd. 7. Production of consumer products endorsement and edible cannabinoid product handler endorsement. (a) A cannabis mezzobusiness seeking to manufacture cannabis products or hemp-derived consumer products must apply for and obtain a production of consumer products endorsement and comply with the requirements in section 342.26, subdivisions 2 and 4.

(b) A cannabis mezzobusiness seeking to manufacture edible cannabis products or lower-potency hemp edibles must apply for and obtain an edible cannabinoid product handler endorsement and comply with the requirements in section 342.26, subdivisions 2 and 4.

Subd. 8. Retail operations endorsement. (a) A cannabis mezzobusiness seeking to operate a retail location must apply for and obtain a cannabis retail operations endorsement and comply with the requirements in section 342.27.

(b) A cannabis mezzobusiness with a cannabis retail operations endorsement may apply for and obtain a cannabis flower packaging endorsement subject to the requirements in section 342.27, subdivision 2a.

Subd. 8a. Multiple endorsements required. (a) Within 18 months of receiving a cannabis mezzobusiness license, a cannabis mezzobusiness must apply for and obtain at least two of the following endorsements:

- (1) a cannabis cultivation endorsement under section 342.25;
- (2) a cannabis extraction and concentration endorsement under section 342.26;
- (3) a hemp extraction and concentration endorsement under section 342.26;
- (4) a creation of artificially derived cannabinoids endorsement under section 342.26;
- (5) an edible cannabinoid product handler endorsement under section 342.26;
- (6) a production of consumer products endorsement under section 342.26; or
- (7) a cannabis retail operations endorsement under section 342.27.

(b) If a cannabis mezzobusiness fails to obtain multiple endorsements within 18 months, the office may suspend, revoke, or not renew the license as provided in section 342.21.

Subd. 9. MS 2023 Supp [Repealed, 2024 c 121 art 2 s 154]

Subd. 10. Transportation between facilities. A cannabis mezzobusiness seeking to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities operated by the cannabis mezzobusiness must apply for and obtain an internal transporter endorsement. To obtain an internal transporter endorsement, the cannabis mezzobusiness must:

- (1) provide the office with the information described in section 342.35, subdivision 2; and
- (2) comply with the requirements of section 342.36.

Subd. 11. **Medical cannabis cultivation endorsement.** (a) A cannabis mezzobusiness with a cultivation endorsement may apply for and obtain a medical cannabis cultivation endorsement described in section 342.51, subdivision 1b.

(b) A cannabis mezzobusiness with a medical cannabis cultivation endorsement that cultivates cannabis at an indoor facility and meets the requirements of section 342.51, subdivision 1b, may cultivate up to 3,000 square feet of plant canopy in addition to the limits in section 342.29, subdivision 2, paragraph (a).

(c) A cannabis mezzobusiness with a medical cannabis cultivation endorsement that cultivates cannabis at an outdoor location and meets the requirements of section 342.51, subdivision 1b, may cultivate up to one-half acre of mature flowering plants in addition to the limits in section 342.29, subdivision 2, paragraph (b).

Subd. 12. **Medical cannabis manufacturer endorsement.** (a) A cannabis mezzobusiness may apply for and obtain a medical cannabis manufacturer endorsement as described in section 342.51, subdivision 1c.

(b) A cannabis mezzobusiness with a medical cannabis manufacturer endorsement that meets the requirements of section 342.51, subdivision 1c, may manufacture cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or medical cannabinoid products up to 25 percent above the limit established in rule for the manufacturing capacity of a cannabis mezzobusiness.

Subd. 13. **Medical cannabis retail endorsement.** (a) A cannabis mezzobusiness with a retail endorsement may apply for and obtain a medical cannabis retail endorsement described in section 342.51, subdivision 1d.

(b) A cannabis mezzobusiness with a medical cannabis retail endorsement that meets the requirements of section 342.51, subdivision 1d, may operate up to two additional retail locations in excess of the limit in section 342.29, subdivision 2, paragraph (d), if at least two retail locations are located in an area identified by the office as a high medical need area.

History: 2023 c 63 art 1 s 29; 2024 c 121 art 2 s 85-87; 2025 c 31 s 54,55; 2026 c 123 s 65-74