

THIRTY-SEVENTH DAY

St. Paul, Minnesota, Thursday, March 16, 2023

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Hoffman imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Oby Ballinger.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators were present:

Abeler	Dziedzic	Johnson	Maye Quade	Rarick
Anderson	Eichorn	Klein	McEwen	Rasmusson
Bahr	Farnsworth	Koran	Miller	Rest
Boldon	Fateh	Kreun	Mitchell	Seeberger
Carlson	Frentz	Kunesh	Mohamed	Utke
Champion	Green	Kupec	Morrison	Weber
Coleman	Gruenhagen	Lang	Murphy	Wesenberg
Cwodzinski	Gustafson	Latz	Nelson	Westlin
Dahms	Hauschild	Lieske	Oumou Verbeten	Wiklund
Dibble	Hawj	Limmer	Pappas	Xiong
Dornink	Hoffman	Lucero	Pha	
Draheim	Housley	Mann	Port	
Drazkowski	Howe	Marty	Pratt	
Duckworth	Jasinski	Mathews	Putnam	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

REPORTS OF COMMITTEES

Senator Frentz moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 2264 and 2648.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 48 and nays 17, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Klein	McEwen	Port
Boldon	Dziedzic	Kreun	Miller	Pratt
Carlson	Fateh	Kunesh	Mitchell	Putnam
Champion	Frentz	Kupec	Mohamed	Seeberger
Coleman	Gustafson	Lang	Morrison	Weber
Cwodzinski	Hauschild	Latz	Murphy	Westlin
Dahms	Hawj	Limmer	Nelson	Wiklund
Dibble	Hoffman	Mann	Oumou Verbeten	Xiong
Dornink	Housley	Marty	Pappas	
Draheim	Johnson	Maye Quade	Pha	

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic and Maye Quade.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Lang.

Those who voted in the negative were:

Anderson	Farnsworth	Jasinski	Mathews	Wesenberg
Bahr	Green	Koran	Rarick	
Drazkowski	Gruenhagen	Lieske	Rasmusson	
Eichorn	Howe	Lucero	Utke	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Howe.

The motion prevailed.

Senator Carlson from the Committee on Elections, to which was referred

S.F. No. 1394: A bill for an act relating to public safety; establishing a cause of action for nonconsensual dissemination of deep fake sexual images; establishing the crime of using deep fake technology to influence an election; establishing a crime for nonconsensual dissemination of deep fake sexual images; proposing coding for new law in Minnesota Statutes, chapters 604; 609; 617.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, before "or" insert "partially or fully exposed nipple," and delete everything after "individual" and insert a period

Page 1, delete line 23

Page 3, line 25, delete ", or should have known,"

Page 3, line 26, before the semicolon, insert "in a commercial setting"

Page 3, line 27, delete "and" and insert a semicolon

Page 3, line 28, before the semicolon, insert "; the person disseminating the deep fake as a matter of public interest clearly identifies that the video recording, motion-picture film, sound recording,

electronic image, photograph, or other item is a deep fake; and the person acts in good faith to prevent further dissemination of the deep fake"

Page 3, line 29, before the semicolon, insert "the deep fake is clearly identified as such, and the person acts in good faith to minimize the risk that the deep fake will be further disseminated"

Page 5, line 11, delete "60" and insert "90"

Page 5, after line 23, insert:

"Subd. 4. **Injunctive relief.** A cause of action for injunctive relief may be maintained against any person who is reasonably believed to be about to violate or who is in the course of violating this section by:

(1) the attorney general;

(2) a county attorney or city attorney;

(3) the depicted individual; or

(4) a candidate for nomination or election to a public office who is injured or likely to be injured by dissemination."

Page 7, line 5, delete "person depicted in the deep fake" and insert "depicted individual"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary and Public Safety. Amendments adopted. Report adopted.

Senator Port from the Committee on Housing and Homelessness Prevention, to which was referred

S.F. No. 2007: A bill for an act relating to housing; appropriating money for a manufactured home park revolving loan fund; requiring a report.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [290.0693] CREDIT FOR SALES OF MANUFACTURED HOME PARKS TO COOPERATIVES.

Subdivision 1. **Definitions. (a) For purposes of this section, the following definitions have the meanings given.**

(b) "Qualified seller" means a taxpayer who sells qualified property to a manufactured home park cooperative, a nonprofit organization organized under chapter 317A, or a representative acting on behalf of residents as defined under section 327C.015, subdivision 13.

(c) "Qualified property" means a manufactured home park classified as 4c(5)(i) or 4c(5)(iii) under section 273.13, subdivision 25, that qualifies as section 1250 property, as calculated under section 1250(a) of the Internal Revenue Code.

(d) "Manufactured home park cooperative" has the meaning given in section 273.124, subdivision 3a.

Subd. 2. **Credit allowed; carryforward.** (a) A qualified seller is allowed a credit against the tax imposed under this chapter. The credit equals five percent of the amount of the sale price of the qualified property.

(b) If the amount of the credit under this section exceeds the taxpayer's liability for tax under this chapter, the excess is a credit carryover to each of the five succeeding taxable years. The entire amount of the excess unused credit for the taxable year must be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried. The amount of the unused credit that may be added under this paragraph may not exceed the taxpayer's liability for tax, less any credit for the current taxable year.

(c) For nonresidents and part-year residents, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

Subd. 3. **Partnerships; multiple owners.** Credits granted to a partnership, a limited liability company taxed as a partnership, an S corporation, or multiple owners of property are passed through to the partners, members, shareholders, or owners, respectively, pro rata to each partner, member, shareholder, or owner based on their share of the entity's assets or as specially allocated in their organizational documents or any other executed document, as of the last day of the taxable year.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022."

Delete the title and insert:

"A bill for an act relating to taxation; income and corporate franchise; providing a credit to certain sellers of manufactured home parks; proposing coding for new law in Minnesota Statutes, chapter 290."

And when so amended the bill do pass and be re-referred to the Committee on Taxes. Amendments adopted. Report adopted.

Senator Wiklund from the Committee on Health and Human Services, to which was re-referred

S.F. No. 1949: A bill for an act relating to gambling; authorizing and providing for sports betting; establishing licenses; prohibiting local restrictions; providing for taxation of sports betting; providing civil and criminal penalties; providing for amateur sports grants; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 245.98, subdivision 2; 260B.007, subdivision 16; 609.75, subdivisions 3, 4, 7, by adding a subdivision; 609.755; 609.76, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 240A; 299L; 609; proposing coding for new law as Minnesota Statutes, chapter 297J.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary and Public Safety. Report adopted.

Senator Wiklund from the Committee on Health and Human Services, to which was referred

S.F. No. 2499: A bill for an act relating to behavioral health; providing and waiving fees for certified birth records, identification cards, and driver's licenses for persons treated for substance use disorder who are eligible for medical assistance; modifying substance use disorder treatment plan review requirements; providing for transition follow-up counseling; modifying substance use disorder treatment rate and staffing requirements; requiring data to be provided to substance use disorder treatment providers; providing temporary rate increases for substance use disorder treatment providers and direct care staff; directing the commissioner of human services to develop recommendations on transition support services; requiring a report; amending Minnesota Statutes 2022, sections 144.226, by adding a subdivision; 171.06, by adding a subdivision; 245G.06, subdivision 3; 245G.07, by adding a subdivision; 254B.05, subdivision 5; 254B.051; 254B.12, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 144.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 1, delete "birth record" and insert "identification card or driver's license"

Page 9, line 19, delete "6" and insert "4"

Page 9, line 22, after the comma, insert "and each February 1 thereafter," and delete "annually"

And when so amended the bill do pass and be re-referred to the Committee on Transportation. Amendments adopted. Report adopted.

Senator Marty from the Committee on Finance, to which was re-referred

S.F. No. 442: A bill for an act relating to environment; appropriating money from environment and natural resources trust fund; modifying reporting requirements; modifying capital construction requirements; modifying prior appropriations; amending Minnesota Statutes 2022, sections 116P.15; 116P.16; Laws 2022, chapter 94, section 2, subdivisions 5, 9; proposing coding for new law in Minnesota Statutes, chapter 116P.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Marty from the Committee on Finance, to which was re-referred

S.F. No. 1622: A bill for an act relating to energy; establishing grant programs to enhance the competitiveness of Minnesota entities in obtaining federal money for energy projects; creating an account; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216C.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 23, after "federal" insert "formula"

Page 2, line 28, after "utilities" insert "that require a match"

Page 3, line 5, after "post" insert ", and report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy finance, the"

Page 3, after line 31, insert:

"(e) The maximum grant award for each entity under subdivision 4 is \$300,000."

Page 4, delete line 7

Page 5, line 17, after "evaluation" insert ", including applicants that were denied federal or state grant awards and the reason for the denial"

Page 5, line 24, delete "and"

Page 5, line 26, delete the period and insert "; and"

Page 5, after line 26, insert:

"(9) federal grant program changes that would affect the federal funds available to the state and eligible applicants, including changes that would affect the required match for receiving federal funds."

Page 6, line 2, delete "\$156,000,000" and insert "\$115,000,000"

Page 6, line 5, delete "\$140,000,000" and insert "\$100,000,000"

Page 6, line 7, delete "\$13,750,000" and insert "\$6,000,000"

Page 6, after line 12, insert:

"(5) \$6,750,000 is for technical assistance to applicants and administration of Minnesota Statutes, section 216C.391, by the Department of Commerce; and"

Page 6, line 13, delete "(5)" and insert "(6)"

Page 6, line 14, delete "; and" and insert a period

Page 6, delete lines 15 and 16

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Frenz from the Committee on Energy, Utilities, Environment, and Climate, to which was referred

S.F. No. 2294: A bill for an act relating to energy; appropriating money for solar on closed landfills; requiring a feasibility analysis.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Capital Investment. Report adopted.

Senator Frenz from the Committee on Energy, Utilities, Environment, and Climate, to which was referred

S.F. No. 2690: A bill for an act relating to energy; appropriating money for the solar for schools program.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Champion from the Committee on Jobs and Economic Development, to which was referred

S.F. No. 1807: A bill for an act relating to health care; appropriating money for the CentraCare Health System University of Minnesota Medical School Campus.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, after "expended" insert "and must be spent on the CentraCare Health System Campus in the greater St. Cloud area"

And when so amended the bill do pass and be re-referred to the Committee on Higher Education. Amendments adopted. Report adopted.

Senator Hawj from the Committee on Environment, Climate, and Legacy, to which was referred

S.F. No. 2404: A bill for an act relating to natural resources; proposing an amendment to the Minnesota Constitution, article XI, section 14; providing for the renewal of the environment and natural resources trust fund; amending Minnesota Statutes 2022, section 349A.08, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 18, delete "CHANGE" and insert "CHANGES"

Page 2, after line 18, insert:

"Section 1. [116P.011] CHAPTER DOES NOT APPLY TO CERTAIN APPROPRIATIONS.

This chapter does not apply to appropriations from the environment and natural resources trust fund under section 116X.03 or to projects funded with those appropriations.

EFFECTIVE DATE. If the constitutional amendment in article 1, section 1, of this act is approved by the voters at the 2024 general election, this section is effective January 1, 2025.

Sec. 2. [116X.01] DEFINITIONS.

Subdivision 1. Applicability. The definitions in this section apply to this chapter.

Subd. 2. Advisory council. "Advisory council" means the council created under section 116X.05.

Subd. 3. Commissioner. "Commissioner" means the commissioner of natural resources.

Subd. 4. **Grant program.** "Grant program" means the program established under section 116X.03.

EFFECTIVE DATE. This section is effective the date following the day on which the constitutional amendment in article 1, section 1, of this act is approved by the voters at the 2024 general election.

Sec. 3. **[116X.03] ENVIRONMENT AND NATURAL RESOURCES TRUST FUND COMMUNITY GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner must establish the environment and natural resources trust fund community grant program for the benefit of current residents and future generations. The commissioner must make awards under the program to partner organizations that will select and fund projects that are eligible to be funded under the terms of the Minnesota Constitution, article XI, section 14, but have not traditionally been funded from that source.

Subd. 2. **Priority.** In awarding grants under this section, the commissioner must give priority to awarding grants to partner organizations that will fund projects that will:

(1) be undertaken in census tracts that are overburdened or underserved, including communities disproportionately affected by agriculture loss, building loss, wildfire risk, low incomes, high energy costs, rates of asthma, rates of diabetes, rates of heart disease, low life expectancy, high housing costs, lack of green space, lack of indoor plumbing, presence of lead paint, proximity to hazardous waste and related facilities, particulate matter exposure, linguistic isolation, or unemployment; and

(2) provide multiple public benefits.

Subd. 3. **Appropriation.** Each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, 1.5 percent of the market value of the environment and natural resources trust fund on June 30 one year before the start of the biennium is appropriated to the commissioner of natural resources to provide grants under the grant program.

Subd. 4. **Administrative expenses.** No more than four percent of a grant made under the grant program may be used by the partner organization for administration and monitoring of the grant.

Subd. 5. **Improper expenditure of funds.** The commissioner may require a recipient of a grant under this section to return all money awarded to the recipient if the recipient does not use the money to complete the project in accordance with the applicable agreement.

EFFECTIVE DATE. If the constitutional amendment in article 1, section 1, of this act is approved by the voters at the 2024 general election, this section is effective January 1, 2025.

Sec. 4. **[116X.05] ENVIRONMENT AND NATURAL RESOURCES TRUST FUND COMMUNITY GRANT ADVISORY COUNCIL; REPORTING.**

Subdivision 1. **Establishment.** The commissioner of natural resources must establish an Environment and Natural Resources Trust Fund Community Grant Advisory Council.

Subd. 2. **Membership; terms.** (a) The commissioner, in consultation with the commissioner of health, must appoint 11 residents of Minnesota to the advisory council as follows:

(1) three members who reside in and represent various genders, ethnicities, ages, and other demographics from rural communities in Minnesota;

(2) three members who reside in and represent various genders, ethnicities, ages, and other demographics from urban or suburban communities in Minnesota;

(3) two members who are members of the Ojibwe Tribe;

(4) two members who are members of the Dakota Tribe; and

(5) one member who identifies as Black or African American, Hispanic or Latino, Asian, or Pacific Islander or as a member of a community of color.

(b) In addition to the members appointed under paragraph (a), the commissioner, in consultation with the commissioner of health, may appoint up to eight additional residents of Minnesota to the advisory council when, in the commissioner's discretion, it is necessary in order to ensure that the advisory council is sufficiently representative of various Minnesota communities.

(c) The membership appointed under paragraphs (a) and (b) must include persons who:

(1) have experience or expertise in the science, policy, or practice of the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources, including expertise in understanding the cultural context in which these activities are undertaken from the perspective of Tribal communities;

(2) have strong knowledge of the state's environment and natural resource issues around the state, including those that are of particular importance to Tribal communities; and

(3) have demonstrated the ability to work in a collaborative environment.

(d) Members shall serve staggered three-year terms, beginning in January of the first year and continuing through the end of December of the final year. Members continue to serve until their replacement is named. Initial appointees may be appointed to terms of less than three years in order to establish a structure of staggered terms.

Subd. 3. **Duties.** (a) The advisory council must:

(1) advise the commissioner on the development of criteria, forms, applications, and reporting for grants awarded under the grant program created in section 116X.03;

(2) review proposed grant program policies and budgets for the coming year;

(3) propose changes to the grant program as needed;

(4) review other relevant information;

(5) make recommendations to the legislature and the commissioner for improvements in the management of the grant program; and

(6) review and advise on partner organization eligibility.

(b) The commissioner must provide the council with the information required to perform its duties under this subdivision.

Subd. 4. **Per diem.** Members of the council are entitled to per diem and reimbursement for expenses incurred in the services of the commission, as provided in section 15.059, subdivision 3.

Subd. 5. **Reporting.** (a) By October 1 each year, a partner organization that receives a grant under this section must report to the commissioner and the advisory council on the use of the grant money during the previous fiscal year. The report must include information about projects funded with the grant, the purpose and amount funded for each project, and the amount of administrative expenses for each project.

(b) By February 1 each year, the commissioner must report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources on the activities of the grant program during the previous fiscal year. The report must summarize the information received under paragraph (a) and must present additional relevant information about the functioning and outcomes of the program.

EFFECTIVE DATE. This section is effective the date following the day on which the constitutional amendment in article 1, section 1, of this act is approved by the voters at the 2024 general election."

Page 2, after line 30, insert:

"Sec. 6. **INITIAL REPORTING DATES.**

Notwithstanding Minnesota Statutes, section 116X.05, subdivision 5, a partner organization is not required to submit a report before October 1, 2026, and the commissioner of natural resources is not required to submit a report before February 1, 2027."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "fund;" insert "establishing the environment and natural resources trust fund community grant program; appropriating money;"

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government and Veterans. Amendments adopted. Report adopted.

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the motion that S.F. No. 2404, be recommended to pass as amended and be re-referred.

There were yeas 7 and nays 2, as follows:

Those who voted in the affirmative were:

Senators Hauschild, Hawj, Hoffman, Kunesh, Lang, McEwen, and Morrison.

Those who voted in the negative were:

Senators Eichorn and Green.

The motion prevailed.

Senator Hawj from the Committee on Environment, Climate, and Legacy, to which was referred

S.F. No. 1982: A bill for an act relating to natural resources; appropriating money to provide state incentives for conservation reserve program.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Latz from the Committee on Judiciary and Public Safety, to which was referred

S.F. No. 2264: A bill for an act relating to data practices; proposing various policy and technical changes to tax-related provisions; providing for certain disclosure of information; amending Minnesota Statutes 2022, sections 13.46, subdivision 2; 270C.13, subdivision 1; 270C.446, subdivision 2; 290A.19; 299C.76, subdivisions 1, 2; Laws 2008, chapter 366, article 17, section 6.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Latz from the Committee on Judiciary and Public Safety, to which was re-referred

S.F. No. 1988: A bill for an act relating to labor; creating new enforcement provisions for construction workers wage protection; amending Minnesota Statutes 2022, section 177.27, subdivisions 1, 4, 8, 9, 10; proposing coding for new law in Minnesota Statutes, chapter 181.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, line 5, delete everything after the period and insert "This section shall not apply to any contractor or subcontractor that is a signatory to a bona fide collective bargaining agreement with a building and construction trade labor organization that: (1) contains a grievance procedure that may be used to recover unpaid wages on behalf of employees covered by the agreement; and (2) provides for collection of unpaid contributions to fringe benefit trust funds established pursuant to United States Code, title 29, section 186, subsection (c), paragraphs (5) and (6), by or on behalf of such trust funds."

Page 6, delete lines 6 to 11

Page 6, after line 13, insert:

"Sec. 7. Minnesota Statutes 2022, section 181.171, subdivision 4, is amended to read:

Subd. 4. **Employer; definition.** "Employer" means any person having one or more employees in Minnesota and includes the state or a contractor that has assumed a subcontractor's liability within the meaning of section 181.165 and any political subdivision of the state. This definition applies to this section and sections 181.02, 181.03, 181.031, 181.032, 181.06, 181.063, 181.10, 181.101, 181.13, 181.14, and 181.16."

Page 6, line 15, delete "6" and insert "7"

Renumber the sections in sequence

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Latz from the Committee on Judiciary and Public Safety, to which was re-referred

S.F. No. 405: A bill for an act relating to employment; providing that covenants not to compete are void and unenforceable; providing for the protection of substantive provisions of Minnesota law to apply to matters arising in Minnesota; proposing coding for new law in Minnesota Statutes, chapter 181.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 16 to 18 and insert:

"A covenant not to compete does not include a nondisclosure agreement, or agreement designed to protect trade secrets or confidential information. A covenant not to compete does not include a nonsolicitation agreement, or agreement restricting the ability to use client or contact lists, or solicit customers of the employer.

(b) "Employer" means any individual, partnership, association, corporation, business, trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee.

(c) "Employee" as used in this section means any individual who performs services for an employer, including independent contractors.

(d) "Independent contractor" means any individual whose employment is governed by a contract and whose compensation is not reported to the Internal Revenue Service on a W-2 form. For purposes of this section, independent contractor also includes any corporation, limited liability corporation, partnership, or other corporate entity when an employer requires an individual to form such an organization for purposes of entering into a contract for services as a condition of receiving compensation under an independent contractor agreement."

Page 1, after line 20, insert:

"(b) Notwithstanding paragraph (a), a covenant not to compete is valid and enforceable if:

(1) the covenant not to compete is agreed upon during the sale of a business. The person selling the business and the partners, members, or shareholders, and the buyer of the business may agree on a temporary and geographically restricted covenant not to compete that will prohibit the seller of the business from carrying on a similar business within a reasonable geographic area and for a reasonable length of time; or

(2) the covenant not to compete is agreed upon in anticipation of the dissolution of a business. The partners, members, or shareholders, upon or in anticipation of a dissolution of a partnership, limited liability company, or corporation may agree that all or any number of the parties will not carry on a similar business within a reasonable geographic area where the business has been transacted."

Page 2, line 1, delete "(b)" and insert "(c)"

Page 2, line 4, delete "(c)" and insert "(d)"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Latz from the Committee on Judiciary and Public Safety, to which was re-referred

S.F. No. 302: A bill for an act relating to health; requiring disclosure of certain payments made to health care providers; changing provisions for all-payer claims data; requiring a report on transparency of health care payments; amending Minnesota Statutes 2022, sections 62U.04, subdivisions 4, 5, 5a, 11, by adding subdivisions; 62U.10, subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 4, after "are" insert "private data on individuals or"

Page 3, line 15, delete "and" and insert a comma and after "prices" insert ", and data on nonclaims-based payments"

Page 3, line 16, delete "and" and insert a comma and after "5" insert ", and 5b,"

Page 3, line 17, after the period, insert "After receiving responses from self-insurers, a third-party administrator must, in a form and manner specified by the commissioner, report to the commissioner:"

Page 3, after line 17, insert:

"(1) the self-insurers that elected to have the third-party administrator submit encounter data and data on contracted prices from the self-insurer's health plan for the upcoming plan year;

(2) the self-insurers that declined to have the third-party administrator submit encounter data and data on contracted prices from the self-insurer's health plan for the upcoming plan year; and

(3) data deemed necessary by the commissioner to identify and track the status of reporting of data from self-insured health plans.

(c) Data collected under this subdivision are private data on individuals or nonpublic data as defined in section 13.02. Notwithstanding the definition of summary data in section 13.02, subdivision 19, summary data prepared under this subdivision may be derived from nonpublic data. The commissioner shall establish procedures and safeguards to protect the integrity and confidentiality of any data maintained by the commissioner."

Page 3, line 30, delete "and" and insert a comma and after "5" insert ", and 5a,"

Page 3, line 32, after "are" insert "private data on individuals or"

Page 5, line 16, delete "shall" and insert "may" and delete "the" and insert "any" and after "data" insert "submitted under this section, including data classified as private or nonpublic,"

Page 6, line 24, delete the new language and insert "5a, and 5b," and after the stricken "and" insert a comma

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Latz from the Committee on Judiciary and Public Safety, to which was re-referred

S.F. No. 1507: A bill for an act relating to elections; prohibiting intimidation of election officials; prohibiting interference with the performance of a duty of election administration by an election official; prohibiting tampering with or unauthorized access to certain types of election systems and equipment; providing penalties; appropriating money; amending Minnesota Statutes 2022, sections 8.31, subdivision 1; 204B.26; 206.845, subdivision 1; 211B.32, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 211B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 8, delete "may show" and insert "must demonstrate"

Page 4, line 31, delete everything after "section"

Page 4, line 32, delete everything before the period

Page 5, line 12, delete "the day following final enactment" and insert "June 15, 2023"

Page 5, line 13, delete "crimes committed" and insert "violations occurring"

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government and Veterans. Amendments adopted. Report adopted.

Senator Dibble from the Committee on Transportation, to which was referred

S.F. No. 1579: A bill for an act relating to motor vehicles; authorizing electronic signature to transfer ownership of vehicle to insurer after payment of damages; amending Minnesota Statutes 2022, section 168A.151, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Dibble from the Committee on Transportation, to which was referred

S.F. No. 2648: A bill for an act relating to state government; appropriating money for public access automated external defibrillators to be placed in state parks, public boat accesses, waysides, and school districts; requiring reports.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 16, delete "October 1, 2024" and insert "February 1, 2024, and February 1, 2026"

Page 2, line 18, after the period, insert "The report must include the total amount expended on purchase and installation of AEDs and the total amount expended on administrative costs for this grant program."

And when so amended the bill do pass and be re-referred to the Committee on Environment, Climate, and Legacy.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Dibble from the Committee on Transportation, to which was referred

S.F. No. 1049: A bill for an act relating to public transit; authorizing Metropolitan Council to issue administrative citations for transit fare evasion; requiring Metropolitan Council to implement transit safety measures; imposing civil penalties; making technical and clarifying changes; requiring a report; amending Minnesota Statutes 2022, sections 473.407, by adding a subdivision; 609.855, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 473.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 151.37, subdivision 12, is amended to read:

Subd. 12. **Administration of opiate antagonists for drug overdose.** (a) A licensed physician, a licensed advanced practice registered nurse authorized to prescribe drugs pursuant to section 148.235, or a licensed physician assistant may authorize the following individuals to administer opiate antagonists, as defined in section 604A.04, subdivision 1:

- (1) an emergency medical responder registered pursuant to section 144E.27;
- (2) a peace officer as defined in section 626.84, subdivision 1, paragraphs (c) and (d);
- (3) correctional employees of a state or local political subdivision;
- (4) staff of community-based health disease prevention or social service programs;
- (5) a volunteer firefighter; ~~and~~
- (6) a licensed school nurse or certified public health nurse employed by, or under contract with, a school board under section 121A.21; and

(7) transit rider investment program personnel authorized under section 473.4075.

(b) For the purposes of this subdivision, opiate antagonists may be administered by one of these individuals only if:

(1) the licensed physician, licensed physician assistant, or licensed advanced practice registered nurse has issued a standing order to, or entered into a protocol with, the individual; and

(2) the individual has training in the recognition of signs of opiate overdose and the use of opiate antagonists as part of the emergency response to opiate overdose.

(c) Nothing in this section prohibits the possession and administration of naloxone pursuant to section 604A.04.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 2. Minnesota Statutes 2022, section 357.021, subdivision 6, is amended to read:

Subd. 6. **Surcharges on criminal and traffic offenders.** (a) Except as provided in this subdivision, the court shall impose and the court administrator shall collect a \$75 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, other than a violation of: (1) a law or ordinance relating to vehicle parking, for which there shall be is a \$12 surcharge; and (2) section 609.855, subdivision 1, 3, or 3a, for which there is a \$25 surcharge. When a defendant is convicted of more than one offense in a case, the surcharge shall be imposed only once in that case. In the Second Judicial District, the court shall impose, and the court administrator shall collect, an additional \$1 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, including a violation of a law or ordinance relating to vehicle parking, if the Ramsey County Board of Commissioners authorizes the \$1 surcharge. The surcharge shall be imposed whether or not the person is sentenced to imprisonment or the sentence is stayed. The surcharge shall not be imposed when a person is convicted of a petty misdemeanor for which no fine is imposed.

(b) The court may reduce the amount or waive payment of the surcharge required under this subdivision on a showing of indigency or undue hardship upon the convicted person or the convicted person's immediate family. Additionally, the court may permit the defendant to perform community work service in lieu of a surcharge.

(c) The court administrator or other entity collecting a surcharge shall forward it to the commissioner of management and budget.

(d) If the convicted person is sentenced to imprisonment and has not paid the surcharge before the term of imprisonment begins, the chief executive officer of the correctional facility in which the convicted person is incarcerated shall collect the surcharge from any earnings the inmate accrues from work performed in the facility or while on conditional release. The chief executive officer shall forward the amount collected to the court administrator or other entity collecting the surcharge imposed by the court.

(e) A person who enters a diversion program, continuance without prosecution, continuance for dismissal, or stay of adjudication for a violation of chapter 169 must pay the surcharge described in this subdivision. A surcharge imposed under this paragraph shall be imposed only once per case.

(f) The surcharge does not apply to administrative citations issued pursuant to section 169.999.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 3. Minnesota Statutes 2022, section 357.021, subdivision 7, is amended to read:

Subd. 7. **Disbursement of surcharges by commissioner of management and budget.** (a) Except as provided in paragraphs (b) to (d), the commissioner of management and budget shall disburse surcharges received under subdivision 6 as follows:

(1) one percent shall be credited to the peace officer training account in the game and fish fund to provide peace officer training for employees of the Department of Natural Resources who are licensed under sections 626.84 to 626.863, and who possess peace officer authority for the purpose of enforcing game and fish laws; and

(2) 99 percent shall be credited to the general fund.

(b) The commissioner of management and budget shall credit \$3 of each surcharge received under subdivision 6 to the general fund.

(c) In addition to any amounts credited under paragraph (a), the commissioner of management and budget shall credit the following to the general fund: \$47 of each surcharge received under subdivision 6 and; the \$12 parking surcharge, to the general fund; and the \$25 surcharge for a violation of section 609.855, subdivision 1, 3, or 3a.

(d) If the Ramsey County Board of Commissioners authorizes imposition of the additional \$1 surcharge provided for in subdivision 6, paragraph (a), the court administrator in the Second Judicial District shall transmit the surcharge to the commissioner of management and budget. The \$1 special surcharge is deposited in a Ramsey County surcharge account in the special revenue fund and amounts in the account are appropriated to the trial courts for the administration of the petty misdemeanor diversion program operated by the Second Judicial District Ramsey County Violations Bureau.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 4. **[473.4065] TRANSIT RIDER ACTIVITY.**

Subdivision 1. Code of conduct; establishment. (a) The council must adopt a rider code of conduct for transit passengers. The council must post a copy of the code of conduct in a prominent location at each light rail transit station and each park-and-ride station.

(b) The code of conduct must not prohibit sleeping in a manner that does not otherwise violate conduct requirements.

Subd. 2. **Code of conduct; violations.** (a) For purposes of this subdivision:

(1) "peace officer" has the meaning given in section 626.84, subdivision 1, paragraph (c); and

(2) "transit official" has the meaning given in section 473.4075, subdivision 1.

(b) A peace officer may order a person to depart a transit vehicle or transit facility for a violation of the rider code of conduct established under subdivision 1 if the person continues to act in violation of the code of conduct after being warned once by a transit official to stop.

Subd. 3. **Paid fare zones.** The council must establish and clearly designate paid fare zones at each light rail transit station where the council utilizes self-service, barrier-free fare collection.

Subd. 4. **Light rail transit facility monitoring.** (a) The council must implement public safety monitoring and response activities at light rail transit facilities that include:

(1) placement of security cameras and sufficient associated lighting that provide live coverage for (i) the entire area of each light rail transit station, and (ii) each light rail transit vehicle;

(2) installation of a public address system at each light rail transit station that is capable of providing information and warnings to passengers; and

(3) real-time active monitoring of passenger activity and potential violations throughout the light rail transit system.

(b) The monitoring activities must include timely maintenance or replacement of malfunctioning cameras or public address systems.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 5. **[473.4075] TRANSIT RIDER INVESTMENT PROGRAM.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms and the terms defined in section 609.855, subdivision 7, have the meanings given.

(b) "Transit official" means an individual who is authorized as TRIP personnel, a community service officer, or a peace officer as defined in section 626.84, subdivision 1, paragraph (c).

(c) "TRIP personnel" means persons specifically authorized by the council for the TRIP program under this section, including but not limited to fare inspection and enforcement, who are not peace officers or community service officers.

(d) "TRIP" or "program" means the transit rider investment program established in this section.

Subd. 2. **Program established.** (a) Subject to available funds, the council must implement a transit rider investment program that provides for TRIP personnel deployment, fare payment inspection, administrative citation issuance, rider education and assistance, and improvements to the transit experience.

(b) As part of program implementation, the council must:

(1) adopt a resolution that establishes the program and establishes fine amounts in accordance with subdivision 8;

(2) establish policies and procedures that govern authorizing and training TRIP personnel, TRIP personnel uniforms, issuing an administrative citation, and contesting an administrative citation;

(3) consult with interested stakeholders on the design of the program;

(4) develop a TRIP personnel recruitment plan that includes informing and supporting potential applicants who are:

(i) representative of transit users; and

(ii) from cultural, ethnic, and racial communities that are historically underrepresented in state or local public service; and

(5) develop a TRIP personnel strategic deployment plan that:

(i) requires teams of at least two individuals; and

(ii) targets deployment to times and locations with identified concentrations of activity that are subject to an administrative citation, other citations, or arrest or that negatively impact the rider experience.

Subd. 3. **TRIP manager.** The council must appoint a TRIP manager to manage the program. The TRIP manager must have managerial experience in social services, transit service, or law enforcement. The TRIP manager is a TRIP personnel staff member.

Subd. 4. **TRIP personnel; duties; requirements.** (a) The duties of the TRIP personnel include:

(1) monitoring and responding to passenger activity including:

(i) educating passengers and specifying expectations related to the council's rider code of conduct; and

(ii) assisting passengers in obtaining social services, such as through information and referrals;

(2) acting as a liaison to social service agencies;

(3) providing information to passengers on using the transit system;

(4) providing direct navigation assistance and accompaniment to passengers who have a disability, are elderly, or request enhanced personal aid;

(5) performing fare payment inspections;

(6) issuing administrative citations as provided in subdivision 6; and

(7) obtaining assistance from peace officers or community service officers as necessary.

(b) An individual who is authorized as TRIP personnel must be an employee of the council and must wear the uniform as established by the council at all times when on duty.

Subd. 5. **TRIP personnel; training.** Training for TRIP personnel must include the following topics:

(1) early warning techniques, crisis intervention, conflict de-escalation, and conflict resolution;

(2) identification of persons likely in need of social services;

(3) locally available social service providers, including services for homelessness, mental health, and addiction;

(4) policies and procedures for administrative citations; and

(5) administration of opiate antagonists in a manner that meets the requirements under section 151.37, subdivision 12.

Subd. 6. **Administrative citations; authority; issuance.** (a) A transit official has the exclusive authority to issue an administrative citation to a person who commits a violation under section 609.855, subdivision 1, 3, or 3a.

(b) An administrative citation must include notification that the person has the right to contest the citation, basic procedures for contesting the citation, and information on the timeline and consequences for failure to contest the citation or pay the fine.

(c) The council must not mandate or suggest a quota for the issuance of administrative citations under this section.

(d) Issuance and resolution of an administrative citation is a bar to prosecution under section 609.855, subdivision 1, 3, or 3a, or for any other violation arising from the same conduct.

Subd. 7. **Administrative citations; disposition.** (a) A person who commits a violation under section 609.855, subdivision 1, 3, or 3a, and is issued an administrative citation under this section must, within 90 days of issuance, pay the fine as specified or contest the citation. A person who fails to either pay the fine or contest the citation within the specified period is considered to have waived the contested citation process and is subject to collections.

(b) The council must provide a civil process for a person to contest the administrative citation before a neutral third party. The council may employ a council employee not associated with its transit operations to hear and rule on challenges to administrative citations or may contract with another unit of government or a private entity to provide the service.

(c) The council may contract with credit bureaus, public and private collection agencies, the Department of Revenue, and other public or private entities providing collection services as necessary for the collection of fine debts under this section. As determined by the council, collection costs are added to the debts referred to a public or private collection entity for collection. Collection costs include the fees of the collection entity and may include, if separately provided, skip tracing fees, credit bureau reporting charges, and fees assessed by any public entity for obtaining information

necessary for debt collection. If the collection entity collects an amount less than the total due, the payment is applied proportionally to collection costs and the underlying debt.

Subd. 8. **Administrative citations; penalties.** (a) The amount of a fine under this section must be set at no less than \$35 and no more than \$100.

(b) Subject to paragraph (a), the council may adopt a graduated structure that increases the fine amount for second and subsequent violations.

(c) The council may adopt an alternative resolution procedure under which a person may resolve an administrative citation in lieu of paying a fine by complying with terms established by the council for community service, prepayment of future transit fares, or both. The alternative resolution procedure must be available only to a person who has committed a violation under section 609.855, subdivision 1, 3, or 3a, for the first time, unless the person demonstrates financial hardship under criteria established by the council.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2023, except that subdivisions 1 and 3 are effective the day following final enactment. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 6. **[473.4077] LEGISLATIVE REPORT; TRANSIT SAFETY AND RIDER EXPERIENCE.**

Subdivision 1. **Definitions.** For purposes of this section, the terms defined in section 473.4075 have the meanings given.

Subd. 2. **Legislative report.** (a) Annually by February 15, the council must submit a report on transit safety and rider experience to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

(b) At a minimum, the report must:

(1) provide an overview of transit safety issues and actions taken by the council to improve safety, including improvements made to equipment and infrastructure;

(2) provide an overview of the rider code of conduct and measures required under section 473.4065;

(3) provide an overview of the transit rider investment program (TRIP) under section 473.4075 and the program's structure and implementation;

(4) provide an overview of the activities of TRIP personnel, including specifically describing the activities of uniformed transit safety officials;

(5) provide a description of all policies adopted pursuant to section 473.4075, the need for each policy, and a copy of each policy;

(6) if the council adopted an alternative resolution procedure pursuant to section 473.4075, subdivision 5, provide:

(i) a description of that procedure;

(ii) the criteria used to determine financial hardship; and

(iii) for each of the previous three calendar years, how frequently the procedure was used, the number of community service hours performed, and the total amount paid as prepayment of transit fares;

(7) for each of the previous three calendar years:

(i) identify the number of fare compliance inspections that were completed including the total number and the number as a percentage of total rides;

(ii) state the number of warnings and citations issued by the Metro Transit Police Department and transit agents, including a breakdown of which type of officer or official issued the citation, the statutory authority for issuing the warning or citation, the reason given for each warning or citation issued, and the total number of times each reason was given;

(iii) state the number of administrative citations that were appealed pursuant to section 473.4075, the number of those citations that were dismissed on appeal, and a breakdown of the reasons for dismissal;

(iv) include data and statistics on crime rates occurring on public transit vehicles and surrounding transit stops and stations;

(v) state the number of peace officers employed by the Metro Transit Police Department;

(vi) state the average number of peace officers employed by the Metro Transit Police Department;
and

(vii) state the number of uniformed transit safety officials and community service officers who served as transit agents;

(8) analyze impacts of the TRIP on fare compliance and customer experience for riders including rates of fare violations; and

(9) make recommendations on the following:

(i) changes to the administrative citation program; and

(ii) methods to improve safety on public transit and at transit stops and stations.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2023, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 7. Minnesota Statutes 2022, section 609.855, subdivision 1, is amended to read:

Subdivision 1. **Unlawfully obtaining services; petty misdemeanor.** (a) A person is guilty of a petty misdemeanor who intentionally obtains or attempts to obtain service for himself, herself, or

another person from a provider of public transit or from a public conveyance by doing any of the following:

(1) occupies or rides in any public transit vehicle without paying the applicable fare or otherwise obtaining the consent of the transit provider including:

(i) the use of a reduced fare when a person is not eligible for the fare; or

(ii) the use of a fare medium issued solely for the use of a particular individual by another individual;

(2) presents a falsified, counterfeit, photocopied, or other deceptively manipulated fare medium as fare payment or proof of fare payment;

(3) sells, provides, copies, reproduces, or creates any version of any fare medium without the consent of the transit provider; or

(4) puts or attempts to put any of the following into any fare box, pass reader, ticket vending machine, or other fare collection equipment of a transit provider:

(i) papers, articles, instruments, or items other than fare media or currency; or

(ii) a fare medium that is not valid for the place or time at, or the manner in, which it is used.

(b) Where self-service barrier-free fare collection is utilized by a public transit provider, it is a violation of this subdivision to intentionally fail to exhibit proof of fare payment upon the request of an authorized transit representative when entering, riding upon, or leaving a transit vehicle or when present in a designated paid fare zone located in a transit facility.

(c) A person who violates this subdivision must pay a fine of no more than \$10.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 8. Minnesota Statutes 2022, section 609.855, subdivision 3, is amended to read:

Subd. 3. **Prohibited activities; petty misdemeanor.** (a) A person is ~~guilty of a misdemeanor who, while riding in a vehicle providing public transit service:~~

~~(1) operates a radio, television, tape player, electronic musical instrument, or other electronic device, other than a watch, which amplifies music, unless the sound emanates only from earphones or headphones and except that vehicle operators may operate electronic equipment for official business;~~

~~(2) smokes or carries lighted smoking paraphernalia;~~

~~(3) consumes food or beverages, except when authorized by the operator or other official of the transit system;~~

~~(4) who throws or deposits litter; or while riding in a vehicle providing public transit service is guilty of a petty misdemeanor.~~

~~(5) carries or is in control of an animal without the operator's consent.~~

(b) A person is guilty of a violation of this subdivision only if the person continues to act in violation of this subdivision after being warned once by an authorized transit representative to stop the conduct.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 9. Minnesota Statutes 2022, section 609.855, is amended by adding a subdivision to read:

Subd. 3a. **Prohibited activities; misdemeanor.** (a) A person who performs any of the following while in a transit vehicle or at a transit facility is guilty of a misdemeanor:

(1) smokes, as defined in section 144.413, subdivision 4;

(2) urinates or defecates;

(3) consumes an alcoholic beverage, as defined in section 340A.101, subdivision 2;

(4) damages a transit vehicle or transit facility in a manner that meets the requirements for criminal damage to property in the fourth degree under section 609.595, subdivision 3, which includes but is not limited to vandalism, defacement, and placement of graffiti as defined in section 617.90, subdivision 1; or

(5) engages in disorderly conduct as specified in section 609.72, subdivision 1, clause (3).

(b) A peace officer, as defined in section 626.84, subdivision 1, paragraph (c), may order a person to depart a transit vehicle or transit facility for a violation under paragraph (a).

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 10. Minnesota Statutes 2022, section 609.855, subdivision 7, is amended to read:

Subd. 7. **Definitions.** (a) The definitions in this subdivision apply in this section.

(b) "Public transit" or "transit" has the meaning given in section 174.22, subdivision 7.

(c) "Public transit vehicle" or "transit vehicle" means any vehicle used for the purpose of providing public transit, whether or not the vehicle is owned or operated by a public entity.

(d) "Public transit facilities" or "transit facilities" means any vehicles, equipment, property, structures, stations, improvements, plants, parking or other facilities, or rights that are owned, leased, held, or used for the purpose of providing public transit, whether or not the facility is owned or operated by a public entity.

(e) "Fare medium" means a ticket, smart card, pass, coupon, token, transfer, or other medium sold or distributed by a public transit provider, or its authorized agents, for use in gaining entry to or use of the public transit facilities or vehicles of the provider.

(f) "Proof of fare payment" means a fare medium valid for the place or time at, or the manner in, which it is used. If using a reduced-fare medium, proof of fare payment also includes proper identification demonstrating a person's eligibility for the reduced fare. If using a fare medium issued solely for the use of a particular individual, proof of fare payment also includes an identification document bearing a photographic likeness of the individual and demonstrating that the individual is the person to whom the fare medium is issued.

(g) "Authorized transit representative" means the person authorized by the transit provider to operate the transit vehicle, a peace officer, a transit official under section 473.4075, subdivision 1, or any other person designated by the transit provider as an authorized transit ~~provider~~ representative under this section.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 11. **MASS TRANSIT REPORTS; RIDERSHIP; CRIME.**

(a) The Metropolitan Council must post on the council's website a monthly report including ridership statistics for each guideway and busway in revenue operation. In each report, the council must also include the ridership projections made at the time of the full funding grant agreement for each guideway and busway. The council must post each monthly report within 60 days after the end of that month. The council must ensure that a report is available on the council's website for a minimum of five years after the report is posted.

(b) The council must post on the council's website a quarterly report including crime statistics for crimes occurring on a light rail transit vehicle, bus, commuter rail car, or at any transit platform, stop, or facility. The report must break down the data by mode of transit and type of crime. The council must ensure that a report is available on the council's website for a minimum of five years after the report is posted.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 12. **TRANSIT SERVICE INTERVENTION PROJECT.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Council" means the Metropolitan Council established under Minnesota Statutes, chapter 473.

(c) "Intervention project" means the transit service intervention project established in this section.

Subd. 2. **Establishment.** A transit service intervention project is established to provide coordinated, high-visibility interventions on light rail transit lines that provide for enhanced social services outreach and engagement, code of conduct regulation, and law enforcement.

Subd. 3. **Project management.** The transit rider investment program (TRIP) manager under Minnesota Statutes, section 473.4075, subdivision 3, must implement the intervention project.

Subd. 4. **Participating organizations.** The TRIP manager must seek the participation of the following entities to provide for coordination on the intervention project:

- (1) the Department of Human Services;
- (2) the Department of Public Safety;
- (3) the Minnesota State Patrol;
- (4) the Metropolitan Council;
- (5) the Metro Transit police;
- (6) each county within which a light rail transit line operates;
- (7) each city within which a light rail transit line operates;
- (8) the National Alliance on Mental Illness Minnesota;
- (9) the exclusive representative of transit vehicle operators; and
- (10) other interested community-based social service organizations.

Subd. 5. **Duties.** (a) In collaboration with the participating organizations under subdivision 4, the TRIP manager must:

(1) establish social services intervention teams that consist of social services personnel and personnel from nonprofit organizations having mental health services or support capacity to perform on-site social services engagement with:

- (i) transit riders experiencing homelessness;
- (ii) transit riders with substance use disorders or mental or behavioral health disorders; or
- (iii) a combination of items (i) and (ii);

(2) establish coordinated intervention teams that consist of personnel under clause (1), community service officers, and peace officers;

(3) implement interventions in two phases as follows:

(i) by June 1, 2023, and for a period of three weeks, deploy the social services intervention teams on a mobile basis on light rail transit lines and facilities; and

(ii) beginning at the conclusion of the period under item (i), and for a period of at least nine weeks, deploy the coordinated intervention teams on a mobile basis on light rail transit lines and facilities, utilizing both social services and law enforcement partners; and

(4) evaluate impacts of the intervention teams related to social services outreach, code of conduct violations, and rider experience.

(b) Social services engagement under paragraph (a) includes but is not limited to providing outreach, preliminary assessment and screening, information and resource sharing, referral or connections to service providers, assistance in arranging for services, and precrisis response.

Subd. 6. **Administration.** Using existing resources, the council must provide staff assistance and administrative support for the project.

Subd. 7. **Reports.** By the 15th of each month, the TRIP manager must submit a status report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, each report must include:

(1) a summary of activities under the intervention project;

(2) a fiscal review of expenditures; and

(3) analysis of impacts and outcomes related to social services outreach, violations under Minnesota Statutes, sections 473.4065 and 609.855, and rider experience.

Subd. 8. **Expiration.** This section expires June 30, 2024.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 13. **APPROPRIATION; TRANSIT RIDER INVESTMENT PROGRAM.**

(a) \$..... in fiscal year 2023, \$..... in fiscal year 2024, and \$..... in fiscal year 2025 are appropriated from the general fund to the Metropolitan Council for the transit rider investment program under Minnesota Statutes, section 473.4075, and for the legislative report under Minnesota Statutes, section 473.4077. \$..... is added to the base for this activity.

(b) From the appropriation in paragraph (a), the Metropolitan Council must: (1) first implement the transit rider investment program (TRIP) within six months of the date of enactment of this section; and (2) deploy TRIP personnel to the light rail transit system, including stations and trains.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 14. **APPROPRIATION; TRANSIT SERVICE INTERVENTION PROJECT.**

\$2,000,000 in fiscal year 2023 is appropriated from the general fund to the Metropolitan Council for grants to participating organizations in the transit service intervention project under section 11, subdivision 4. The council must allocate the grants to provide reimbursements for project implementation including but not limited to intervention teams, labor, and other expenses. This is a onetime appropriation and is available until June 30, 2024.

EFFECTIVE DATE. This section is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public transit; creating a transit rider investment program; amending requirements governing transit rider behavior; authorizing Metropolitan Council to issue administrative citations for transit fare evasion; requiring Metropolitan Council to implement transit safety measures; requiring the Metropolitan Council to publish monthly ridership numbers and quarterly crime statistics; establishing a transit service intervention project; imposing civil penalties; making technical and clarifying changes; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 151.37, subdivision 12; 357.021, subdivisions 6, 7; 609.855, subdivisions 1, 3, 7, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 473."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary and Public Safety. Amendments adopted. Report adopted.

Senator Murphy from the Committee on State and Local Government and Veterans, to which was re-referred

S.F. No. 73: A bill for an act relating to cannabis; establishing the Office of Cannabis Management; establishing advisory councils; requiring reports relating to cannabis use and sales; legalizing and limiting the possession and use of cannabis by adults; providing for the licensing, inspection, and regulation of cannabis businesses; requiring testing of cannabis flower and cannabinoid products; requiring labeling of cannabis flower and cannabinoid products; limiting the advertisement of cannabis flower, cannabinoid products, and cannabis businesses; providing for the cultivation of cannabis in private residences; transferring regulatory authority for the medical cannabis program; allowing Tribal medical cannabis program manufacturers to distribute medical cannabis to Tribal medical cannabis program patients; providing for transportation of medical cannabis by Tribal medical cannabis manufacturers; taxing the sale of adult-use cannabis; establishing grant and loan programs; amending criminal penalties; prohibiting the use or possession of cannabis flower and cannabinoid products on a street or highway; establishing expungement procedures for certain individuals; establishing labor standards for the use of cannabis by employees and testing of employees; providing for the temporary regulation of certain edible cannabinoid products; providing for professional licensing protections; amending the scheduling of marijuana and tetrahydrocannabinols; classifying data; making miscellaneous cannabis-related changes and additions; making clarifying and technical changes; appropriating money; amending Minnesota Statutes 2022, sections 13.411, by adding a subdivision; 13.871, by adding a subdivision; 16B.2975, subdivision 8; 34A.01, subdivision 4; 144.99, subdivision 1; 151.72; 152.01, by adding subdivisions; 152.02, subdivisions 2, 4; 152.021, subdivision 2; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 152.22, by adding subdivisions; 152.29, subdivision 4, by adding a subdivision; 152.30; 152.32; 152.33, subdivision 1; 175.45, subdivision 1; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, subdivision 4, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 244.05, subdivision 2; 245C.08, subdivision 1; 256.01, subdivision 18c; 256B.0625, subdivision 13d; 256D.024, subdivisions 1, 3; 256J.26, subdivisions 1, 3; 273.13, subdivision 24; 275.025, subdivision 2; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.61, subdivision 3; 297A.67, subdivisions 2, 7; 297A.70, subdivisions 2, 18; 297A.99, by adding a subdivision; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 340A.412, subdivision 14; 609.135, subdivision 1; 609.5311, subdivision 1;

609.5314, subdivision 1; 609.5316, subdivision 2; 609A.01; 609A.03, subdivisions 5, 9; 609B.425, subdivision 2; 609B.435, subdivision 2; 624.712, by adding subdivisions; 624.713, subdivision 1; 624.714, subdivision 6; 624.7142, subdivision 1; 624.7151; proposing coding for new law in Minnesota Statutes, chapters 3; 116J; 116L; 120B; 144; 152; 169A; 289A; 295; 340A; 609A; 624; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 151.72; 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37; Minnesota Rules, parts 4770.0100; 4770.0200; 4770.0300; 4770.0400; 4770.0500; 4770.0600; 4770.0800; 4770.0900; 4770.1000; 4770.1100; 4770.1200; 4770.1300; 4770.1400; 4770.1460; 4770.1500; 4770.1600; 4770.1700; 4770.1800; 4770.1900; 4770.2000; 4770.2100; 4770.2200; 4770.2300; 4770.2400; 4770.2700; 4770.2800; 4770.4000; 4770.4002; 4770.4003; 4770.4004; 4770.4005; 4770.4007; 4770.4008; 4770.4009; 4770.4010; 4770.4012; 4770.4013; 4770.4014; 4770.4015; 4770.4016; 4770.4017; 4770.4018; 4770.4030.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete article 1 and insert:

"ARTICLE 1

REGULATION OF ADULT-USE CANNABIS

Section 1. [342.01] DEFINITIONS.

Subdivision 1. **Terms.** For the purposes of this chapter, the following terms have the meanings given them.

Subd. 2. **Adult-use cannabis concentrate.** "Adult-use cannabis concentrate" means cannabis concentrate that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabis concentrate does not include synthetically derived cannabinoids.

Subd. 3. **Adult-use cannabis flower.** "Adult-use cannabis flower" means cannabis flower that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabis flower does not include medical cannabis flower, hemp plant parts, or hemp-derived consumer products.

Subd. 4. **Adult-use cannabis product.** "Adult-use cannabis product" means a cannabinoid product that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabinoid product includes edible cannabinoid products but does not include medical cannabinoid products.

Subd. 5. **Advertisement.** "Advertisement" means any written or oral statement, illustration, or depiction that is intended to promote sales of cannabis flower, cannabinoid products, lower-potency edible products, hemp-derived consumer products, or sales at a specific cannabis business and includes any newspaper, radio, internet and electronic media, or television promotion; the distribution of fliers and circulars; and the display of window and interior signs in a cannabis business.

Advertisement does not include a fixed outdoor sign that meets the requirements in section 342.63, subdivision 2, paragraph (b).

Subd. 6. **Artificial cannabinoid.** "Artificial cannabinoid" means a substance with a similar chemical structure and pharmacological activity to a cannabinoid but that is not extracted or derived from cannabis plants, cannabis flower, hemp plants, or hemp plant parts and is instead created or produced by chemical or biochemical synthesis.

Subd. 7. **Batch.** "Batch" means:

(1) a specific quantity of cannabis plants that are cultivated from the same seed or plant stock, are cultivated together, are intended to be harvested together, and receive an identical propagation and cultivation treatment;

(2) a specific quantity of cannabis flower that is harvested together; is uniform and intended to meet specifications for identity, strength, purity, and composition; and receives identical sorting, drying, curing, and storage treatment; or

(3) a specific quantity of a specific cannabis product, lower-potency hemp edible, synthetically derived cannabinoid, hemp-derived consumer product, or hemp-derived topical product that is manufactured at the same time and using the same methods, equipment, and ingredients that are uniform and intended to meet specifications for identity, strength, purity, and composition and that is manufactured, packaged, and labeled according to a single batch production record executed and documented during the same cycle of manufacture and produced by a continuous process.

Subd. 8. **Batch number.** "Batch number" means a unique numeric or alphanumeric identifier assigned to a batch of cannabis flower or a batch of cannabis plants, cannabis products, lower-potency hemp edibles, synthetically derived cannabinoid, hemp-derived consumer products, or hemp-derived topical products.

Subd. 9. **Bona fide labor organization.** "Bona fide labor organization" means a labor union that represents or is actively seeking to represent cannabis workers.

Subd. 10. **Cannabinoid.** "Cannabinoid" means any of the chemical constituents of hemp plants or cannabis plants that are naturally occurring, biologically active, and act on the cannabinoid receptors of the brain. Cannabinoid includes but is not limited to tetrahydrocannabinol and cannabidiol.

Subd. 11. **Cannabinoid extraction.** "Cannabinoid extraction" means the process of extracting cannabis concentrate from cannabis plants or cannabis flower using water, lipids, gases, solvents, or other chemicals or chemical processes, but does not include the process of extracting concentrate from hemp plants or hemp plant parts or the process of creating synthetically derived cannabinoids.

Subd. 12. **Cannabinoid profile.** "Cannabinoid profile" means the amounts of each cannabinoid that the office requires to be identified in testing and labeling, including but not limited to delta-9 tetrahydrocannabinol, tetrahydrocannabinolic acid, cannabidiol, cannabidiolic acid in cannabis flower, a cannabinoid product, a batch of synthetically derived cannabinoid, or a hemp-derived consumer product, expressed as percentages measured by weight and, in the case of cannabinoid products and hemp-derived consumer products, expressed as milligrams in each serving and package.

Subd. 13. **Cannabis business.** "Cannabis business" means any of the following licensed under this chapter:

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis testing facility;
- (8) cannabis event organizer;
- (9) cannabis delivery service;
- (10) medical cannabis cultivator;
- (11) medical cannabis processor; and
- (12) medical cannabis retailer.

Subd. 14. **Cannabis concentrate.** (a) "Cannabis concentrate" means:

- (1) the extracts and resins of a cannabis plant or cannabis flower;
- (2) the extracts or resins of a cannabis plant or cannabis flower that are refined to increase the presence of targeted cannabinoids; or
- (3) a product that is produced by refining extracts or resins of a cannabis plant or cannabis flower and is intended to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product.

(b) Cannabis concentrate does not include industrial hemp, synthetically derived cannabinoids, or hemp-derived consumer products.

Subd. 15. **Cannabis flower.** "Cannabis flower" means the harvested flower, bud, leaves, and stems of a cannabis plant. Cannabis flower includes adult-use cannabis flower and medical cannabis flower. Cannabis flower does not include cannabis seed, hemp plant parts, or hemp-derived consumer products.

Subd. 16. **Cannabis industry.** "Cannabis industry" means every item, product, person, process, action, business, or other thing related to cannabis flower and cannabis products and subject to regulation under this chapter.

Subd. 17. **Cannabis paraphernalia.** "Cannabis paraphernalia" means all equipment, products, and materials of any kind that are knowingly or intentionally used primarily in:

(1) manufacturing cannabinoid products;

(2) ingesting, inhaling, or otherwise introducing cannabis flower or cannabis products into the human body; and

(3) testing the strength, effectiveness, or purity of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 18. **Cannabis plant.** "Cannabis plant" means all parts of the plant of the genus Cannabis that is growing or has not been harvested and has a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent on a dry weight basis.

Subd. 19. **Cannabis product.** (a) "Cannabis product" means any of the following:

(1) cannabis concentrate;

(2) a product infused with cannabinoids, including but not limited to tetrahydrocannabinol, extracted or derived from cannabis plants or cannabis flower; or

(3) any other product that contains cannabis concentrate.

(b) Cannabis product includes adult-use cannabis products, including but not limited to edible cannabis products, and medical cannabinoid products. Cannabis product does not include cannabis flower, synthetically derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products.

Subd. 20. **Cannabis prohibition.** "Cannabis prohibition" means the system of state and federal laws that prevented establishment of a legal market and instead established petty offenses and criminal offenses punishable by fines, imprisonment, or both for the cultivation, possession, and sale of all parts of the plant of any species of the genus Cannabis, including all agronomical varieties, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin.

Subd. 21. **Cannabis seed.** "Cannabis seed" means the viable seed of the plant of the genus Cannabis that is reasonably expected to grow into a cannabis plant. Cannabis seed does not include hemp seed.

Subd. 22. **Cannabis worker.** "Cannabis worker" means any individual employed by a cannabis business and any individual who is a contractor of a cannabis business whose scope of work involves the handling of cannabis plants, cannabis flower, synthetically derived cannabinoids, or cannabinoid products.

Subd. 23. **Child-resistant.** "Child-resistant" means packaging that meets the poison prevention packaging standards in Code of Federal Regulations, title 16, section 1700.15.

Subd. 24. **Cooperative.** "Cooperative" means an association conducting business on a cooperative plan that is organized or is subject to chapter 308A or 308B.

Subd. 25. **Council.** "Council" means the Cannabis Advisory Council.

Subd. 26. **Cultivation.** "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis plants, cannabis flower, hemp plants, or hemp plant parts.

Subd. 27. **Division of Medical Cannabis.** "Division of Medical Cannabis" means a division housed in the Office of Cannabis Management that operates the medical cannabis program.

Subd. 28. **Division of Social Equity** "Division of Social Equity" means a division housed in the Office of Cannabis Management that promotes development, stability, and safety in communities that have experienced a disproportionate, negative impact from cannabis prohibition and usage.

Subd. 29. **Edible cannabis product.** "Edible cannabis product" means any product that is intended to be eaten or consumed as a beverage by humans; contains a cannabinoid, including a synthetically derived cannabinoid, in combination with food ingredients; is not a drug; and is a type of product approved for sale by the office, or is substantially similar to a product approved by the office including but not limited to products that resemble nonalcoholic beverages, candy, and baked goods. Edible cannabis product does not include lower-potency hemp edibles.

Subd. 30. **Health care practitioner.** "Health care practitioner" means a Minnesota-licensed doctor of medicine, a Minnesota-licensed physician assistant acting within the scope of authorized practice, or a Minnesota-licensed advanced practice registered nurse who has the primary responsibility for the care and treatment of the qualifying medical condition of an individual diagnosed with a qualifying medical condition.

Subd. 31. **Health record.** "Health record" has the meaning given in section 144.291, subdivision 2.

Subd. 32. **Hemp business.** (a) "Hemp business" means either of the following licensed under this chapter:

- (1) lower-potency hemp edible manufacturer; or
- (2) lower-potency hemp edible retailer.

(b) Hemp business does not include a person or entity licensed under chapter 18K to grow industrial hemp for commercial or research purposes or to process industrial hemp for commercial purposes.

Subd. 33. **Hemp concentrate.** (a) "Hemp concentrate" means:

- (1) the extracts and resins of a hemp plant or hemp plant parts;
- (2) the extracts or resins of a hemp plant or hemp plant parts that are refined to increase the presence of targeted cannabinoids; or
- (3) a product that is produced by refining extracts or resins of a hemp plant or hemp plant parts and is intended to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product.

(b) Hemp concentrate does not include synthetically derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products.

Subd. 34. **Hemp consumer industry.** "Hemp consumer industry" means every item, product, person, process, action, business, or other thing related to synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products subject to regulation under this chapter.

Subd. 35. **Hemp-derived consumer product.** (a) "Hemp-derived consumer product" means a product intended for human or animal consumption that does not contain cannabis flower or cannabis concentrate, and:

(1) contains or consists of hemp plant parts; or

(2) contains hemp concentrate or synthetically derived cannabinoids in combination with other ingredients.

(b) Hemp-derived consumer product does not include synthetically derived cannabinoids, lower-potency hemp edibles, hemp-derived topical products, hemp fiber products, or hemp grain.

Subd. 36. **Hemp-derived topical product.** "Hemp-derived topical product" means a product intended for human or animal consumption that contains hemp concentrate, is intended for application externally to a part of the body of a human or animal, and does not contain cannabis flower or cannabis concentrate.

Subd. 37. **Hemp fiber product.** "Hemp fiber product" means an intermediate or finished product made from the fiber of hemp plant parts that is not intended for human or animal consumption. Hemp fiber product includes but is not limited to cordage, paper, fuel, textiles, bedding, insulation, construction materials, compost materials, and industrial materials.

Subd. 38. **Hemp grain.** "Hemp grain" means the harvested seeds of the hemp plant intended for consumption as a food or part of a food product. Hemp grain includes oils pressed or extracted from harvested hemp seeds.

Subd. 39. **Hemp plant.** "Hemp plant" means all parts of the plant of the genus Cannabis that is growing or has not been harvested and has a delta-9 tetrahydrocannabinol concentration of no more than 0.3 percent on a dry weight basis.

Subd. 40. **Hemp plant parts.** "Hemp plant parts" means any part of the harvested hemp plant, including the flower, bud, leaves, stems, and stalk, but does not include derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers that are separated from the plant. Hemp plant parts does not include hemp fiber products, hemp grain, or hemp seed.

Subd. 41. **Hemp seed.** "Hemp seed" means the viable seed of the plant of the genus Cannabis that is intended to be planted and is reasonably expected to grow into a hemp plant. Hemp seed does not include cannabis seed or hemp grain.

Subd. 42. **Hemp worker.** "Hemp worker" means any individual employed by a hemp business and any individual who is a contractor of a hemp business whose scope of work involves the handling of artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 43. **Indian lands.** "Indian lands" means all lands within the limits of any Indian reservation within the boundaries of Minnesota and any lands within the boundaries of Minnesota title to which are either held in trust by the United States or over which an Indian Tribe exercises governmental power.

Subd. 44. **Industrial hemp.** "Industrial hemp" has the meaning given in section 18K.02, subdivision 3.

Subd. 45. **Intoxicating cannabinoid.** "Intoxicating cannabinoid" means a cannabinoid, including a synthetically derived cannabinoid, that when introduced into the human body impairs the central nervous system or impairs the human audio, visual, or mental processes. Intoxicating cannabinoid includes but is not limited to any tetrahydrocannabinol.

Subd. 46. **Labor peace agreement.** "Labor peace agreement" means an agreement between a cannabis business and a bona fide labor organization that protects the state's interests by, at minimum, prohibiting the labor organization from engaging in picketing, work stoppages, or boycotts against the cannabis business. This type of agreement shall not mandate a particular method of election or certification of the bona fide labor organization.

Subd. 47. **License holder.** "License holder" means a person, cooperative, or business that holds any of the following licenses:

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service;
- (11) lower-potency hemp edible manufacturer;
- (12) lower-potency hemp edible retailer;
- (13) medical cannabis cultivator;

(14) medical cannabis processor; or

(15) medical cannabis retailer.

Subd. 48. **Local unit of government.** "Local unit of government" means a home rule charter or statutory city, county, town, or other political subdivision.

Subd. 49. **Lower-potency hemp edible.** "Lower-potency hemp edible" means any product that:

(1) is intended to be eaten or consumed as a beverage by humans;

(2) contains hemp concentrate or a synthetically derived cannabinoid, in combination with food ingredients;

(3) is not a drug;

(4) consists of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol, 25 milligrams of cannabidiol, 25 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts;

(5) does not contain more than a combined total of 0.5 milligrams of all other cannabinoids per serving;

(6) does not contain a cannabinoid derived from cannabis plants or cannabis flower; and

(7) is a type of product approved for sale by the office or is substantially similar to a product approved by the office, including but not limited to products that resemble nonalcoholic beverages, candy, and baked goods.

Subd. 50. **Matrix barcode.** "Matrix barcode" means a code that stores data in a two-dimensional array of geometrically shaped dark and light cells capable of being read by the camera on a smartphone or other mobile device.

Subd. 51. **Medical cannabinoid product.** (a) "Medical cannabinoid product" means a product that:

(1) consists of or contains cannabis concentrate or hemp concentrate or is infused with cannabinoids, including but not limited to synthetically derived cannabinoids; and

(2) is provided to a patient enrolled in the registry program; a registered designated caregiver; or a parent, legal guardian, or spouse of an enrolled patient, by a cannabis retailer or medical cannabis retailer to treat or alleviate the symptoms of a qualifying medical condition.

(b) A medical cannabinoid product must be in the form of:

(1) liquid, including but not limited to oil;

(2) pill;

(3) liquid or oil for use with a vaporized delivery method;

(4) water-soluble cannabinoid multiparticulate, including granules, powder, and sprinkles;

(5) orally dissolvable product, including lozenges, gum, mints, buccal tablets, and sublingual tablets;

(6) edible products in the form of gummies and chews;

(7) topical formulation; or

(8) any allowable form or delivery method approved by the office.

(c) Medical cannabinoid product does not include adult-use cannabis products.

Subd. 52. **Medical cannabis business.** "Medical cannabis business" means an entity licensed under this chapter to engage in one or more of the following:

(1) the cultivation of cannabis plants for medical cannabis flower;

(2) the manufacture of medical cannabinoid products; and

(3) the retail sale of medical cannabis flower and medical cannabinoid products.

Subd. 53. **Medical cannabis flower.** "Medical cannabis flower" means cannabis flower provided to a patient enrolled in the registry program; a registered designated caregiver; or a parent, legal guardian, or spouse of an enrolled patient by a cannabis retailer or medical cannabis business to treat or alleviate the symptoms of a qualifying medical condition. Medical cannabis flower does not include adult-use cannabis flower or hemp-derived consumer products.

Subd. 54. **Medical cannabis paraphernalia.** "Medical cannabis paraphernalia" means a delivery device, related supply, or educational material used by a patient enrolled in the registry program to administer medical cannabis and medical cannabinoid products.

Subd. 55. **Nonintoxicating cannabinoid.** "Nonintoxicating cannabinoid" means a cannabinoid that when introduced into the human body does not impair the central nervous system and does not impair the human audio, visual, or mental processes. Nonintoxicating cannabinoid includes but is not limited to cannabidiol and cannabigerol but does not include any synthetically derived cannabinoid.

Subd. 56. **Office.** "Office" means the Office of Cannabis Management.

Subd. 57. **Outdoor advertisement.** "Outdoor advertisement" means an advertisement that is located outdoors or can be seen or heard by an individual who is outdoors and includes billboards; advertisements on benches; advertisements at transit stations or transit shelters; advertisements on the exterior or interior of buses, taxis, light rail transit, or business vehicles; and print signs that do not meet the requirements in section 342.63, subdivision 2, paragraph (b), but that are placed or located on the exterior property of a cannabis business.

Subd. 58. **Patient.** "Patient" means a Minnesota resident who has been diagnosed with a qualifying medical condition by a health care practitioner and who has met all other requirements for patients under this chapter to participate in the registry program.

Subd. 59. **Patient registry number.** "Patient registry number" means a unique identification number assigned by the Division of Medical Cannabis to a patient enrolled in the registry program.

Subd. 60. **Plant canopy.** "Plant canopy" means the total surface area within a licensed cultivation facility that is used at any time to cultivate mature, flowering cannabis plants. Calculation of the area of the plant canopy does not include the surface area within the licensed cultivation facility that is used to cultivate immature cannabis plants and seedlings.

Subd. 61. **Qualifying medical condition.** "Qualifying medical condition" means a diagnosis of any of the following conditions:

(1) Alzheimer's disease;

(2) autism spectrum disorder that meets the requirements of the fifth edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association;

(3) cancer;

(4) chronic motor or vocal tic disorder;

(5) chronic pain;

(6) glaucoma;

(7) human immunodeficiency virus or acquired immune deficiency syndrome;

(8) intractable pain as defined in section 152.125, subdivision 1, paragraph (c);

(9) obstructive sleep apnea;

(10) post-traumatic stress disorder;

(11) Tourette's syndrome;

(12) amyotrophic lateral sclerosis;

(13) seizures, including those characteristic of epilepsy;

(14) severe and persistent muscle spasms, including those characteristic of multiple sclerosis;

(15) inflammatory bowel disease, including Crohn's disease;

(16) irritable bowel syndrome;

(17) obsessive-compulsive disorder;

(18) sickle cell disease;

(19) terminal illness; or

(20) any other medical condition or its treatment approved by the office.

Subd. 62. **Registered designated caregiver.** "Registered designated caregiver" means an individual who:

(1) is at least 18 years old;

(2) is not disqualified for a criminal offense according to section 342.19, subdivision 2;

(3) has been approved by the Division of Medical Cannabis to assist a patient with obtaining medical cannabis flower and medical cannabinoid products from a cannabis retailer or medical cannabis retailer and with administering medical cannabis flower and medical cannabinoid products; and

(4) is authorized by the Division of Medical Cannabis to assist a patient with the use of medical cannabis flower and medical cannabinoid products.

Subd. 63. **Registry or registry program.** "Registry" or "registry program" means the patient registry established under this chapter listing patients authorized to obtain medical cannabis flower, medical cannabinoid products, and medical cannabis paraphernalia from cannabis retailers and medical cannabis retailers and administer medical cannabis flower and medical cannabinoid products.

Subd. 64. **Registry verification.** "Registry verification" means the verification provided by the Division of Medical Cannabis that a patient is enrolled in the registry program and that includes the patient's name, patient registry number, and, if applicable, the name of the patient's registered designated caregiver or parent, legal guardian, or spouse.

Subd. 65. **Restricted area.** "Restricted area" means an area where cannabis flower or cannabis products are cultivated, manufactured, or stored by a cannabis business.

Subd. 66. **Statewide monitoring system.** "Statewide monitoring system" means the system for integrated cannabis tracking, inventory, and verification established or adopted by the office.

Subd. 67. **Synthetically derived cannabinoid.** "Synthetically derived cannabinoid" means a cannabinoid extracted from a cannabis plant, cannabis flower, hemp plant, or hemp plant parts with a chemical makeup that is changed after extraction to create a different cannabinoid or other chemical compound by applying a catalyst other than heat or light. Synthetically derived cannabinoid includes but is not limited to any tetrahydrocannabinol created from cannabidiol but does not include cannabis concentrate, cannabinoid products, or hemp-derived consumer products.

Subd. 68. **Tribal medical cannabis board.** "Tribal medical cannabis board" means an agency established by each federally recognized Tribal government and duly authorized by that Tribe's governing body to perform regulatory oversight and monitor compliance with a Tribal medical cannabis program and applicable regulations.

Subd. 69. **Tribal medical cannabis program.** "Tribal medical cannabis program" means a program established by a federally recognized Tribal government within the boundaries of Minnesota regarding the commercial production, processing, sale or distribution, and possession of medical cannabis and medical cannabis products.

Subd. 70. **Tribal medical cannabis program manufacturer.** "Tribal medical cannabis program manufacturer" means an entity designated by a Tribal medical cannabis board within the boundaries of Minnesota or a federally recognized Tribal government within the boundaries of Minnesota to engage in production, processing, and sale or distribution of medical cannabis and medical cannabis products under that Tribe's Tribal medical cannabis program.

Subd. 71. **Tribal medical cannabis program patient.** "Tribal medical cannabis program patient" means a person who possesses a valid registration verification card or equivalent document that is issued under the laws or regulations of a Tribal nation within the boundaries of Minnesota and that verifies that the person is enrolled in or authorized to participate in that Tribal nation's Tribal medical cannabis program.

Subd. 72. **Veteran.** "Veteran" means an individual who satisfies the requirements in section 197.447.

Subd. 73. **Visiting designated caregiver.** "Visiting designated caregiver" means an individual who is authorized under a visiting patient's jurisdiction of residence to assist the visiting patient with the use of medical cannabis flower and medical cannabinoid products. To be considered a visiting designated caregiver, the individual must possess a valid verification card or its equivalent that is issued by the visiting patient's jurisdiction of residence and that verifies that the individual is authorized to assist the visiting patient with the administration of medical cannabis flower and medical cannabinoid products under the laws or regulations of the visiting patient's jurisdiction of residence.

Subd. 74. **Visiting patient.** "Visiting patient" means an individual who is not a Minnesota resident and who possesses a valid registration verification card or its equivalent that is issued under the laws or regulations of another state, district, commonwealth, or territory of the United States verifying that the individual is enrolled in or authorized to participate in that jurisdiction's medical cannabis or medical marijuana program.

Subd. 75. **Volatile solvent.** "Volatile solvent" means any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures. Volatile solvent includes but is not limited to butane, hexane, and propane.

Sec. 2. **[342.02] OFFICE OF CANNABIS MANAGEMENT.**

Subdivision 1. **Establishment.** The Office of Cannabis Management is created with the powers and duties established by law. In making rules, establishing policy, and exercising its regulatory authority over the cannabis and hemp consumer industry, the office must:

- (1) promote the public health and welfare;
- (2) protect public safety;
- (3) eliminate the illicit market for cannabis flower and cannabis products;
- (4) meet the market demand for cannabis flower and cannabis products;
- (5) promote a craft industry for cannabis flower and cannabis products; and

(6) prioritize growth and recovery in communities that have experienced a disproportionate, negative impact from cannabis prohibition.

Subd. 2. Powers and duties. The office has the following powers and duties:

(1) to develop, maintain, and enforce an organized system of regulation for the cannabis industry and hemp consumer industry;

(2) to establish programming, services, and notification to protect, maintain, and improve the health of citizens;

(3) to prevent unauthorized access to cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products by individuals under 21 years of age;

(4) to establish and regularly update standards for product testing, packaging, and labeling, including requirements for an expiration, sell-by, or best-used-by date;

(5) to promote economic growth with an emphasis on growth in areas that experienced a disproportionate, negative impact from cannabis prohibition;

(6) to issue and renew licenses;

(7) to require fingerprints from individuals determined to be subject to fingerprinting, including the submission of fingerprints to the Federal Bureau of Investigation where required by law and to obtain criminal conviction data for individuals seeking a license from the office on the individual's behalf or as a cooperative member or director, manager, or general partner of a business entity;

(8) to receive reports required by this chapter and inspect the premises, records, books, and other documents of license holders to ensure compliance with all applicable laws and rules;

(9) to authorize the use of unmarked motor vehicles to conduct seizures or investigations pursuant to the office's authority;

(10) to impose and collect civil and administrative penalties as provided in this chapter;

(11) to publish such information as may be deemed necessary for the welfare of cannabis businesses, cannabis workers, hemp businesses, and hemp workers and the health and safety of citizens;

(12) to make loans and grants in aid to the extent that appropriations are made available for that purpose;

(13) to authorize research and studies on cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, the cannabis industry, and the hemp consumer industry;

(14) to provide reports as required by law;

(15) to develop a warning label regarding the effects of the use of cannabis flower and cannabinoid products by persons 25 years of age or younger;

(16) to establish limits on the potency of cannabis flower and cannabinoid products that can be sold to customers by licensed cannabis retailers and licensed cannabis microbusinesses with an endorsement to sell cannabis flower and cannabinoid products to customers;

(17) to permit, upon application to the office in the form prescribed by the director of the office, a licensee under this chapter to perform any activity if such permission is substantially necessary for the licensee to perform any other activity permitted by the applicant's license and is not otherwise prohibited by law;

(18) to remove, upon application to the office in the form prescribed by the director of the office, any obligation of a licensee under this chapter if such removal is substantially necessary for the licensee to perform any activity permitted by the applicant's license and is not otherwise prohibited by law; and

(19) to exercise other powers and authority and perform other duties required by law.

Subd. 3. **Medical cannabis program.** (a) The powers and duties of the Department of Health with respect to the medical cannabis program under Minnesota Statutes 2022, sections 152.22 to 152.37, are transferred to the Office of Cannabis Management under section 15.039.

(b) State employees shall not be displaced by the transfer of duties from the Department of Health medical cannabis program to the Office of Cannabis Management under this subdivision. Any employees transferred under this section to the Office of Cannabis Management shall retain their current seniority and benefit accrual rates.

Subd. 4. **Interagency agreements.** (a) The office and the commissioner of agriculture shall enter into interagency agreements to ensure that edible cannabis products and lower-potency hemp edibles are handled, manufactured, and inspected in a manner that is consistent with the relevant food safety requirements in chapters 28A, 31, and 34A and associated rules.

(b) The office may cooperate and enter into other agreements with the commissioner of agriculture and may cooperate and enter into agreements with the commissioners and directors of other state agencies and departments to promote the beneficial interests of the state.

Subd. 5. **Rulemaking.** The office may adopt rules to implement any provisions in this chapter. Rules for which notice is published in the State Register before July 1, 2025, may be adopted using the expedited rulemaking process in section 14.389.

Subd. 6. **Director.** (a) The governor shall appoint a director of the office with the advice and consent of the senate. The director must be in the unclassified service and must serve at the pleasure of the governor.

(b) The salary of the director must not exceed the salary limit established under section 15A.0815, subdivision 3.

(c) While serving as the director and within two years after terminating service, the director is prohibited from having a direct or an indirect financial interest in a cannabis business or hemp business licensed under this chapter.

(d) A person who has served in the legislature or in statewide office is not eligible to be appointed to the position of director until five years after the end of the person's term in the legislature or statewide office.

Subd. 7. **Employees.** (a) The office may employ other personnel in the classified service necessary to carry out the duties in this chapter.

(b) A prospective employee of the office must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees to the office. Upon receipt of this information, the office must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension. After receiving this information, the bureau must conduct a Minnesota criminal history records check of the license applicant. The bureau may exchange a license applicant's fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history record information. The bureau must return the results of the Minnesota and federal criminal history records checks to the director to determine if the applicant is disqualified under section 342.19.

(c) While employed by the office and within two years after terminating employment, an employee may not have a direct or an indirect financial interest in a cannabis business licensed under this chapter or in a recipient of a grant under this chapter.

Subd. 8. **Division of Social Equity.** The office must establish a Division of Social Equity. At a minimum, the division must:

(1) administer grants to communities that experienced a disproportionate, negative impact from cannabis prohibition and usage in order to promote economic development, provide services to prevent violence, support early intervention programs for youth and families, and promote community stability and safety;

(2) act as an ombudsperson for the office to provide information, investigate complaints under this chapter, and provide or facilitate dispute resolutions; and

(3) report to the office on the status of complaints and social equity in the cannabis industry.

Subd. 9. **Compliance with federal law.** Nothing in this chapter shall be construed to allow cannabis to be transported outside of the state unless explicitly authorized by federal law.

EFFECTIVE DATE. This section is effective July 1, 2023, except for subdivision 3, which is effective January 1, 2024.

Sec. 3. **[342.03] CANNABIS ADVISORY COUNCIL.**

Subdivision 1. **Membership.** (a) The Cannabis Advisory Council is created consisting of the following members:

(1) the director of the Office of Cannabis Management or a designee;

(2) the commissioner of employment and economic development or a designee;

- (3) the commissioner of revenue or a designee;
- (4) the commissioner of health or a designee;
- (5) the commissioner of human services or a designee;
- (6) the commissioner of public safety or a designee;
- (7) the commissioner of human rights or a designee;
- (8) the commissioner of labor or a designee;
- (9) the commissioner of agriculture or a designee;
- (10) the commissioner of the Pollution Control Agency or a designee;
- (11) the superintendent of the Bureau of Criminal Apprehension or a designee;
- (12) the colonel of the State Patrol or a designee;
- (13) the director of the Office of Traffic Safety in the Department of Public Safety or a designee;
- (14) a representative from the League of Minnesota Cities appointed by the league;
- (15) a representative from the Association of Minnesota Counties appointed by the association;
- (16) an expert in minority business development appointed by the governor;
- (17) an expert in economic development strategies for under-resourced communities appointed by the governor;
- (18) an expert in farming or representing the interests of farmers appointed by the governor;
- (19) an expert representing the interests of cannabis workers appointed by the governor;
- (20) an expert representing the interests of employers appointed by the governor;
- (21) an expert in municipal law enforcement with advanced training in impairment detection and evaluation appointed by the governor;
- (22) an expert in social welfare or social justice appointed by the governor;
- (23) an expert in criminal justice reform to mitigate the disproportionate impact of drug prosecutions on communities of color appointed by the governor;
- (24) an expert in prevention, treatment, and recovery related to substance use disorders appointed by the governor;
- (25) an expert in minority business ownership appointed by the governor;
- (26) an expert in women-owned businesses appointed by the governor;

- (27) an expert in cannabis retailing appointed by the governor;
- (28) an expert in cannabis product manufacturing appointed by the governor;
- (29) an expert in laboratory sciences and toxicology appointed by the governor;
- (30) an expert in providing legal services to cannabis businesses appointed by the governor;
- (31) an expert in cannabis cultivation appointed by the governor;
- (32) an expert in toxicology appointed by the governor;
- (33) an expert in pediatric medicine appointed by the governor;
- (34) an expert in adult medicine appointed by the governor;
- (35) two patient advocates, one who is a patient enrolled in the medical cannabis program and one who is a parent or caregiver of a patient in the medical cannabis program;
- (36) two licensed mental health professionals appointed by the governor;
- (37) a veteran appointed by the governor;
- (38) one member of each of the following federally recognized Tribes, designated by the elected Tribal president or chairperson of the governing bodies of:
 - (i) the Fond du Lac Band;
 - (ii) the Grand Portage Band;
 - (iii) the Mille Lacs Band;
 - (iv) the White Earth Band;
 - (v) the Bois Forte Band;
 - (vi) the Leech Lake Band;
 - (vii) the Red Lake Nation;
 - (viii) the Upper Sioux Community;
 - (ix) the Lower Sioux Indian Community;
 - (x) the Shakopee Mdewakanton Sioux Community; and
 - (xi) the Prairie Island Indian Community; and
- (39) a representative from the Local Public Health Association of Minnesota appointed by the association.

(b) While serving on the Cannabis Advisory Council and within two years after terminating service, a council member shall not serve as a lobbyist, as defined under section 10A.01, subdivision 21.

Subd. 2. **Terms; compensation; removal; vacancy; expiration.** The membership terms, compensation, removal of members appointed by the governor, and filling of vacancies of members are provided in section 15.059.

Subd. 3. **Officers; meetings.** (a) The director of the Office of Cannabis Management or the director's designee must chair the Cannabis Advisory Council. The advisory council must elect a vice-chair and may elect other officers as necessary.

(b) The advisory council shall meet quarterly or upon the call of the chair.

(c) Meetings of the advisory council are subject to chapter 13D.

Subd. 4. **Duties.** (a) The duties of the advisory council shall include:

(1) reviewing national cannabis policy;

(2) examining the effectiveness of state cannabis policy;

(3) reviewing developments in the cannabis industry and hemp consumer industry;

(4) reviewing developments in the study of cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products;

(5) taking public testimony; and

(6) making recommendations to the Office of Cannabis Management.

(b) At its discretion, the advisory council may examine other related issues consistent with this section.

Sec. 4. **[342.04] STUDIES; REPORTS.**

(a) The office shall conduct a study to determine the expected size and growth of the regulated cannabis 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.

(e) The office shall collect existing data from the Department of Human Services, Department of Health, Minnesota state courts, and hospitals licensed under chapter 144 on the utilization of mental health and substance use disorder services, emergency room visits, and commitments to identify any increase in the services provided or any increase in the number of visits or commitments. The office shall also obtain summary data from existing first episode psychosis programs on the number of persons served by the programs and number of persons on the waiting list. All information collected by the office under this paragraph shall be included in the report required under paragraph (f).

(f) The office shall submit an annual report to the legislature by January 15, 2024, and each January 15 thereafter. The annual report shall include but not be limited to the following:

(1) the status of the regulated cannabis industry;

(2) the status of the illicit cannabis market and hemp consumer industry;

(3) the number of accidents, arrests, and convictions involving 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;

(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;

(8) information on the adverse effects of second-hand smoke from any cannabis flower, cannabis products, and hemp-derived consumer products that are consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product; and

(9) recommendations for levels of funding for:

(i) a coordinated education program to address and raise public awareness about the top three adverse health effects, as determined by the commissioner of health, associated with the use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by individuals under 21 years of age;

(ii) a coordinated education program to educate pregnant individuals, breastfeeding individuals, and individuals who may become pregnant on the adverse health effects of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(iii) training, technical assistance, and educational materials for home visiting programs, Tribal home visiting programs, and child welfare workers regarding safe and unsafe use of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in homes with infants and young children;

(iv) model programs to educate middle school and high school students on the health effects on children and adolescents of the use of cannabis flower, cannabis products, lower-potency hemp edibles and hemp-derived consumer products and other intoxicating or controlled substances;

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

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

(vii) training of peace officers and law enforcement agencies on changes to laws involving cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products and the law's impact on searches and seizures;

(viii) training of peace officers to increase the number of drug recognition experts;

(ix) training of peace officers on the cultural uses of sage and distinguishing use of sage from the use of cannabis flower, including whether the Board of Peace Officer Standards and Training should approve or develop training materials;

(x) the retirement and replacement of drug detection dogs; and

(xi) the Department of Human Services and county social service agencies to address any increase in demand for services.

(g) In developing the recommended funding levels under paragraph (f), clause (9), items (vii) to (xi), the office shall consult with local law enforcement agencies, the Minnesota Chiefs of Police Association, the Minnesota Sheriff's Association, the League of Minnesota Cities, the Association of Minnesota Counties, and county social services agencies.

Sec. 5. [342.05] STATEWIDE MONITORING SYSTEM.

Subdivision 1. **Statewide monitoring.** The office must contract with an outside vendor to establish a statewide monitoring system for integrated cannabis tracking, inventory, and verification to track all cannabis plants, cannabis flower, cannabis products, and synthetically derived cannabinoids from seed, immature plant, or creation until disposal or sale to a patient or customer.

Subd. 2. **Data submission requirements.** The monitoring system must allow cannabis businesses and Tribal medical cannabis program manufacturers to submit monitoring data to the office through the use of monitoring system software commonly used within the cannabis industry and may also permit cannabis businesses and Tribal medical cannabis program manufacturers to submit monitoring data through manual data entry with approval from the office.

Sec. 6. **[342.06] APPROVAL OF CANNABIS FLOWER, PRODUCTS, AND CANNABINOIDS.**

Subdivision 1. **Definitions.** For the purposes of this section, "type" means an individual product in a product line that may be sold in different sizes, distinct packaging, or at various prices but is still created using the same manufacturing or agricultural processes. A new or additional stock keeping unit (SKU) or Universal Product Code (UPC) shall not prevent a product from being considered the same type as another unit. All other terms have the meanings provided in section 342.01.

Subd. 2. **Approval of products.** (a) The office shall approve types of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products other than hemp-derived topical products for retail sale. The office shall not require reapproval of a product type if the manufacturing or agricultural processes and final product unit remain substantially similar to a previously approved type of cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product.

(b) The office shall not approve any cannabis product, lower-potency hemp edible, or hemp-derived consumer product that:

(1) is or appears to be a lollipop or ice cream;

(2) bears the likeness or contains characteristics of a real or fictional person, animal, or fruit;

(3) is modeled after a type or brand of products primarily consumed by or marketed to children;

(4) is substantively similar to a meat food product; poultry food product as defined in section 31A.02, subdivision 10; or a dairy product as defined in section 32D.01, subdivision 7;

(5) contains an artificial cannabinoid;

(6) is made by applying a cannabinoid, including but not limited to a synthetically derived cannabinoid, to a finished food product that does not contain cannabinoids and is sold to consumers, including but not limited to a candy or snack food; or

(7) if the product is an edible cannabis product or lower-potency hemp edible, contains an ingredient, other than a cannabinoid, that is not approved by the United States Food and Drug Administration for use in food.

(c) The office must not approve any cannabis flower, cannabis product, or hemp-derived consumer product that:

(1) is intended to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product; and

(2) imparts a taste or odor, other than the taste or odor of cannabis flower, that is distinguishable by an ordinary person before or during consumption of the product.

(d) The office may adopt rules to limit or prohibit ingredients in or additives to cannabis flower, cannabis products, or hemp-derived consumer products to ensure compliance with the limitations in paragraph (c).

Sec. 7. **[342.07] AGRICULTURAL AND FOOD SAFETY PRACTICES; RULEMAKING.**

Subdivision 1. **Plant propagation standards.** In consultation with the commissioner of agriculture, the office by rule must establish certification, testing, and labeling requirements for the methods used to grow new cannabis plants or hemp plants, including but not limited to growth from seed, clone, cutting, or tissue culture.

Subd. 2. **Agricultural best practices.** In consultation with the commissioner of agriculture and representatives from the University of Minnesota Extension Service, the office shall establish best practices for:

(1) the cultivation and preparation of cannabis plants; and

(2) the use of pesticides, fertilizers, soil amendments, and plant amendments in relation to growing cannabis plants.

Subd. 3. **Edible cannabinoid product handler endorsement.** (a) Any person seeking to manufacture, process, sell, handle, or store an edible cannabis product or lower-potency hemp edible, other than an edible cannabis product or lower-potency hemp edible that has been placed in its final packaging, must first obtain an edible cannabinoid product handler endorsement.

(b) In consultation with the commissioner of agriculture, the office shall establish an edible cannabinoid product handler endorsement.

(c) The office must regulate edible cannabinoid product handlers and assess penalties in the same manner provided for food handlers under chapters 28A, 31, and 34A and associated rules, with the following exceptions:

(1) the office must issue an edible cannabinoid product handler endorsement, rather than a license;

(2) eligibility for an edible cannabinoid product handler endorsement is limited to persons who possess a valid license issued by the office;

(3) the office may not charge a fee for issuing or renewing the endorsement;

(4) the office must align the term and renewal period for edible cannabinoid product handler endorsements with the term and renewal period of the license issued by the office; and

(5) an edible cannabis product or lower-potency hemp edible must not be considered adulterated solely because the product contains tetrahydrocannabinol, cannabis concentrate, hemp concentrate, synthetically derived cannabinoids, or any other material extracted or derived from a cannabis plant, cannabis flower, hemp plant, or hemp plant parts.

(d) The edible cannabis product handler endorsement must prohibit the manufacture of edible cannabis products at the same premises where food is manufactured, except for the limited production of edible products produced solely for product development, sampling, or testing. This limitation does not apply to the manufacture of lower-potency hemp edibles.

Sec. 8. **[342.08] ESTABLISHMENT OF ENVIRONMENTAL STANDARDS.**

Subdivision 1. **Water standards.** In consultation with the commissioner of the Pollution Control Agency, the office by rule must establish appropriate water standards for cannabis businesses.

Subd. 2. **Energy use.** In consultation with the commissioner of commerce, the office by rule must establish appropriate energy standards for cannabis businesses.

Subd. 3. **Solid waste.** In consultation with the commissioner of the Pollution Control Agency, the office by rule must establish appropriate solid waste standards for the disposal of:

(1) cannabis flower and cannabis products;

(2) packaging;

(3) recyclable materials, including minimum requirements for the use of recyclable materials;
and

(4) other solid waste.

Subd. 4. **Odor.** The office by rule must establish appropriate standards and requirements to limit odors produced by cannabis businesses.

Subd. 5. **Applicability; federal, state, and local laws.** A cannabis business must comply with all applicable federal, state, and local laws related to the subjects of subdivisions 1 to 4.

Subd. 6. **Rulemaking.** (a) The office may only adopt a rule under this section if the rule is consistent with and at least as stringent as applicable state and federal laws related to the subjects of subdivisions 1 to 4.

(b) The office must coordinate and consult with a department or agency of the state regarding the development and implementation of a rule under this section if the department or agency has expertise or a regulatory interest in the subject matter of the rule.

Sec. 9. **[342.09] PERSONAL ADULT USE OF CANNABIS.**

Subdivision 1. **Personal adult use, possession, and transportation of cannabis flower and cannabis products.** (a) An individual 21 years of age or older may:

(1) use, possess, or transport cannabis paraphernalia;

(2) possess or transport two ounces or less of adult-use cannabis flower in a public place;

(3) possess five pounds or less of adult-use cannabis flower in the individual's private residence;

(4) possess or transport eight grams or less of adult-use cannabis concentrate;

(5) possess or transport edible cannabis products or lower-potency hemp edibles infused with a combined total of 800 milligrams or less of tetrahydrocannabinol;

(6) give for no remuneration to an individual who is at least 21 years of age:

(i) two ounces or less of adult-use cannabis flower;

(ii) eight grams or less of adult-use cannabis concentrate; or

(iii) an edible cannabis product or lower-potency hemp edible infused with 800 milligrams or less of tetrahydrocannabinol; and

(7) use adult-use cannabis flower and adult-use cannabis products in the following locations:

(i) a private residence, including the individual's curtilage or yard;

(ii) on private property, not generally accessible by the public, unless the individual is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property; or

(iii) on the premises of an establishment or event licensed to permit on-site consumption.

(b) Except as provided in paragraph (c), an individual may not:

(1) use, possess, or transport cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products if the individual is under 21 years of age;

(2) use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a motor vehicle as defined in section 169A.03, subdivision 15;

(3) use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products at any location where smoking is prohibited under section 144.414;

(4) use or possess cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public school, as defined in section 120A.05, subdivisions 9, 11, and 13, or in a charter school governed by chapter 124E, including all facilities, whether owned, rented, or leased, and all vehicles that a school district owns, leases, rents, contracts for, or controls;

(5) use or possess cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a state correctional facility;

(6) operate a motor vehicle while under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(7) give for no remuneration cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age;

(8) give for no remuneration cannabis flower or cannabis products as a sample or promotional gift if the giver is in the business of selling goods or services; or

(9) vaporize or smoke cannabis flower, cannabis products, artificially derived cannabinoids, or hemp-derived consumer products in any location where the smoke, aerosol, or vapor would be inhaled by a minor.

(c) The prohibitions under paragraph (b), clauses (1) to (4), do not apply to use other than by smoking or by a vaporized delivery method, possession, or transportation of medical cannabis flower or medical cannabinoid products by a patient; a registered designated caregiver; or a parent, legal guardian, or spouse of a patient.

(d) A proprietor of a family or group family day care program must disclose to parents or guardians of children cared for on the premises of the family or group family day care program, if the proprietor permits the smoking or use of cannabis flower or cannabis products on the premises outside of its hours of operation. Disclosure must include posting on the premises a conspicuous written notice and orally informing parents or guardians. Cannabis flower or cannabis products must be inaccessible to children and stored away from food products.

Subd. 2. **Home cultivation of cannabis for personal adult use.** Up to eight cannabis plants, with no more than four being mature, flowering plants may be grown at a single residence, including the curtilage or yard, without a license to cultivate cannabis issued under this chapter provided that cultivation takes place at the primary residence of an individual 21 years of age or older and in an enclosed, locked space that is not open to public view.

Subd. 3. **Home extraction of cannabis concentrate by use of volatile solvent prohibited.** No person may use a volatile solvent to separate or extract cannabis concentrate or hemp concentrate without a cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, medical cannabis processor, or lower-potency hemp edible manufacturer license issued under this chapter.

Subd. 4. **Sale of cannabis flower and cannabis products prohibited.** No person may sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products without a license issued under this chapter that authorizes the sale.

Subd. 5. **Importation of hemp-derived products.** No person may import lower-potency hemp edible products or hemp-derived consumer products, other than hemp-derived topical products, that are manufactured outside the boundaries of the state of Minnesota with the intent to sell the products to consumers within the state or to any other person or business that intends to sell the products to consumers within the state without a license issued under this chapter that authorizes the importation of such products. This subdivision does not apply to products lawfully purchased for personal use.

Subd. 6. **Violations; penalties.** (a) In addition to penalties listed in this subdivision, a person who violates the provisions of this chapter is subject to any applicable criminal penalty.

(b) The office may assess the following civil penalties on a person who sells cannabis flower or cannabis products without a license issued under this chapter that authorizes the sale:

(1) if the person sells more than two ounces but not more than eight ounces of cannabis flower, up to \$1,000;

(2) if the person sells more than eight ounces but not more than one pound of cannabis flower, up to \$5,000;

(3) if the person sells more than one pound but not more than five pounds of cannabis flower, up to \$25,000;

(4) if the person sells more than five pounds but not more than 25 pounds of cannabis flower, up to \$100,000;

(5) if the person sells more than 25 pounds but not more than 50 pounds of cannabis flower, up to \$250,000; and

(6) if the person sells more than 50 pounds of cannabis flower, up to \$1,000,000.

(c) The office may assess the following civil penalties on a person who sells cannabis concentrate without a license issued under this chapter that authorizes the sale:

(1) if the person sells more than eight grams but not more than 40 grams of cannabis concentrate, up to \$1,000;

(2) if the person sells more than 40 grams but not more than 80 grams of cannabis concentrate, up to \$5,000;

(3) if the person sells more than 80 grams but not more than 400 grams of cannabis concentrate, up to \$25,000;

(4) if the person sells more than 400 grams but not more than two kilograms of cannabis concentrate, up to \$100,000;

(5) if the person sells more than two kilograms but not more than four kilograms of cannabis concentrate, up to \$250,000; and

(6) if the person sells more than four kilograms of cannabis concentrate, up to \$1,000,000.

(d) The office may assess the following civil penalties on a person who imports or sells products infused with tetrahydrocannabinol without a license issued under this chapter that authorizes the importation or sale:

(1) if the person imports or sells products infused with a total of more than 800 milligrams but not more than four grams of tetrahydrocannabinol, up to \$1,000;

(2) if the person imports or sells products infused with a total of more than four grams but not more than eight grams of tetrahydrocannabinol, up to \$5,000;

(3) if the person imports or sells products infused with a total of more than eight grams but not more than 40 grams of tetrahydrocannabinol, up to \$25,000;

(4) if the person imports or sells products infused with a total of more than 40 grams but not more than 200 grams of tetrahydrocannabinol, up to \$100,000;

(5) if the person imports or sells products infused with a total of more than 200 grams but not more than 400 grams of tetrahydrocannabinol, up to \$250,000; and

(6) if the person imports or sells products infused with a total of more than 400 grams of tetrahydrocannabinol, up to \$1,000,000.

(e) The office may assess a civil penalty of up to \$500 for each plant grown in excess of the limit on a person who grows more than eight cannabis plants or more than four mature, flowering plants, without a license to cultivate cannabis issued under this chapter.

Sec. 10. **[342.10] LICENSES; TYPES.**

The office shall issue the following types of license:

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service;
- (11) lower-potency hemp edible manufacturer;
- (12) lower-potency hemp edible retailer;
- (13) medical cannabis cultivator;
- (14) medical cannabis processor; or
- (15) medical cannabis retailer.

Sec. 11. **[342.11] LICENSES; FEES.**

(a) The office shall require the payment of application fees, initial licensing fees, and renewal licensing fees as provided in this section. The initial license fee shall include the fee for initial issuance of the license and the first annual renewal. The renewal fee shall be charged at the time of the second renewal and each subsequent annual renewal thereafter. Nothing in this section prohibits a local unit of government from charging the retailer registration fee established in section 342.22. Application fees, initial licensing fees, and renewal licensing fees are nonrefundable.

(b) Application and licensing fees shall be as follows:

(1) for a cannabis microbusiness:

(i) an application fee of \$500;

(ii) an initial license fee of \$0; and

(iii) a renewal license fee of \$2,000;

(2) for a cannabis mezzobusiness:

(i) an application fee of \$5,000;

(ii) an initial license fee of \$5,000; and

(iii) a renewal license fee of \$10,000;

(3) for a cannabis cultivator:

(i) an application fee of \$10,000;

(ii) an initial license fee of \$20,000; and

(iii) a renewal license fee of \$30,000;

(4) for a cannabis manufacturer:

(i) an application fee of \$10,000;

(ii) an initial license fee of \$10,000; and

(iii) a renewal license fee of \$20,000;

(5) for a cannabis retailer:

(i) an application fee of \$2,500;

(ii) an initial license fee of \$2,500; and

(iii) a renewal license fee of \$5,000;

(6) for a cannabis wholesaler:

(i) an application fee of \$5,000;

(ii) an initial license fee of \$5,000; and

(iii) a renewal license fee of \$10,000;

(7) for a cannabis transporter:

(i) an application fee of \$250;

- (ii) an initial license fee of \$500; and
- (iii) a renewal license fee of \$1,000;
- (8) for a cannabis testing facility:
 - (i) an application fee of \$10,000;
 - (ii) an initial license fee of \$10,000; and
 - (iii) a renewal license fee of \$20,000;
- (9) for a cannabis delivery service:
 - (i) an application fee of \$250;
 - (ii) an initial license fee of \$500; and
 - (iii) a renewal license fee of \$1,000;
- (10) for a cannabis event organizer:
 - (i) an application fee of \$750; and
 - (ii) an initial license fee of \$750;
- (11) for a lower-potency hemp edible manufacturer:
 - (i) an application fee of \$250;
 - (ii) an initial license fee of \$1,000; and
 - (iii) a renewal license fee of \$1,000;
- (12) for a lower-potency hemp retailer:
 - (i) an application fee of \$250 per retail location;
 - (ii) an initial license fee of \$250 per retail location; and
 - (iii) a renewal license fee of \$250 per retail location;
- (13) for a medical cannabis cultivator:
 - (i) an application fee of \$250;
 - (ii) an initial license fee of \$0; and
 - (iii) a renewal license fee of \$0;
- (14) for a medical cannabis processor:

- (i) an application fee of \$250;
- (ii) an initial license fee of \$0; and
- (iii) a renewal license fee of \$0; and
- (15) for a medical cannabis retailer:
 - (i) an application fee of \$250;
 - (ii) an initial license fee of \$0; and
 - (iii) a renewal license fee of \$0.

Sec. 12. **[342.12] LICENSES; TRANSFERS; ADJUSTMENTS.**

(a) Licenses issued under this chapter may be freely transferred subject to the prior written approval of the office, which approval may be given or withheld in the office's sole discretion, provided that a social equity applicant may only transfer the applicant's license to another social equity applicant. A new license must be obtained when:

(1) the form of the licensee's legal business structure converts or changes to a different type of legal business structure; or

(2) the licensee dissolves; reorganizes; undergoes bankruptcy, insolvency, or receivership proceedings; or assigns all or substantially all of its assets for the benefit of creditors.

(b) Licenses must be renewed annually.

(c) License holders may petition the office to adjust the tier of a license issued within a license category provided that the license holder meets all applicable requirements.

(d) The office by rule may permit relocation of a licensed cannabis business, adopt requirements for the submission of a license relocation application, establish standards for the approval of a relocation application, and charge a fee not to exceed \$250 for reviewing and processing applications. Relocation of a licensed premises pursuant to this paragraph does not extend or otherwise modify the license term of the license subject to relocation.

Sec. 13. **[342.13] LOCAL CONTROL.**

(a) A local unit of government may not prohibit the possession, transportation, or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products or cannabinoid products authorized under this chapter.

(b) A local unit of government may not prohibit the establishment or operation of a cannabis business licensed under this chapter.

(c) A local unit of government may adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment

or operation of cannabis businesses. A local unit of government may prohibit the operation of a cannabis business within 500 feet of a school, day care, or park.

(d) The office shall work with local units of government to develop model ordinances for reasonable restrictions on the time, place, and manner of the operation of a cannabis business.

(e) If a local unit of government is conducting studies or has authorized a study to be conducted or has held or has scheduled a hearing for the purpose of considering adoption or amendment of reasonable restrictions on the time, place, and manner of the operation of a cannabis business, the governing body of the local unit of government may adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning process and the health, safety, and welfare of its citizens. Before adopting the interim ordinance, the governing body must hold a public hearing. The interim ordinance may regulate, restrict, or prohibit the operation of a cannabis business within the jurisdiction or a portion thereof until January 1, 2025.

(f) Within 30 days of receiving a copy of an application for a cannabis business license from the office, a local unit of government shall certify on a form provided by the office whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

(g) Upon receipt of an application for a license issued under this chapter, the office shall contact the local unit of government in which the business would be located and provide the local unit of government with 30 days in which to provide input on the application. The local unit of government may provide the office with any additional information it believes is relevant to the office's decision on whether to issue a license, including but not limited to identifying concerns about the proposed location of a cannabis business or sharing public information about an applicant.

(h) The office by rule shall establish an expedited complaint process to receive, review, and respond to complaints made by a local unit of government about a cannabis business. Complaints may include alleged violations of local ordinances or other alleged violations. At a minimum, the expedited complaint process shall require the office to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Nothing in this paragraphs prohibits a local unit of government from enforcing a local ordinance.

Sec. 14. **[342.135] LOCAL RESTRICTION ON NUMBER OF CANNABIS RETAILERS.**

(a) A local government unit that issues cannabis retailer registration under section 342.22 may, by ordinance, limit the number of licensed cannabis retailers consistent with the following limits:

(1) in cities of the first class and counties, one license for every 10,000 population;

(2) in cities of the second class, at least four licenses plus one for every 5,000 over 45,000 population;

(3) in cities of the third class, at least two licenses;

(4) in cities of 5,000 to 10,000 population, at least one license; and

(5) in cities under 5,000 population, at least one license.

(b) Nothing in this subdivision shall prohibit a local government from allowing licensed cannabis retailers in excess of the minimums set in paragraph (a).

Sec. 15. **[342.14] LICENSE APPLICATION AND RENEWAL; FEES.**

Subdivision 1. **Application; contents.** (a) The office by rule shall establish forms and procedures for the processing of licenses issued under this chapter. At a minimum, any application to obtain or renew a license shall include the following information, if applicable:

- (1) the name, address, and date of birth of the applicant;
 - (2) the disclosure of ownership and control required under paragraph (b);
 - (3) the disclosure of whether the applicant or, if the applicant is a business, any officer, director, manager, and general partner of the business has ever filed for bankruptcy;
 - (4) the address and legal property description of the business;
 - (5) a general description of the location or locations the applicant plans to operate, including the planned square feet of planned space for cultivation, wholesaling, and retailing, as applicable;
 - (6) a diversity plan that establishes a goal of diversity in ownership, management, employment, and contracting;
 - (7) a copy of the security plan;
 - (8) proof of trade name registration;
 - (9) a copy of the applicant's business plan showing the expected size of the business; anticipated growth; the methods of record keeping; the knowledge and experience of the applicant and any officer, director, manager, and general partner of the business; the environmental plan; and other relevant financial and operational components;
 - (10) an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement;
 - (11) certification that the applicant will comply with the requirements of this chapter relating to the ownership and operation of a cannabis business;
 - (12) a land use compatibility statement from the local unit of government;
 - (13) identification of one or more controlling persons or managerial employees as agents who shall be responsible for dealing with the office on all matters; and
 - (14) a statement that the applicant agrees to respond to the office's supplemental requests for information.
- (b) An applicant must file and update as necessary a disclosure of ownership and control. The office by rule shall establish the contents and form of the disclosure. At a minimum, the disclosure shall include the following:

(1) the management structure, ownership, and control of the applicant or license holder, including the name of each cooperative member, officer, director, manager, general partner or business entity; the office or position held by each person; each person's percentage ownership interest, if any; and, if the business has a parent company, the name of each owner, board member, and officer of the parent company and the owner's, board member's, or officer's percentage ownership interest in the parent company and the cannabis business;

(2) a statement from the applicant and, if the applicant is a business, from every officer, director, manager, and general partner of the business, indicating whether that person has previously held, or currently holds, an ownership interest in a cannabis business in Minnesota, any other state or territory of the United States, or any other country;

(3) if the applicant is a corporation, copies of its articles of incorporation and bylaws and any amendments to its articles of incorporation or bylaws;

(4) copies of any partnership agreement, operating agreement, or shareholder agreement;

(5) copies of any promissory notes, security instruments, or other similar agreements;

(6) explanation detailing the funding sources used to finance the business;

(7) a list of operating and investment accounts for the business, including any applicable financial institution and account number; and

(8) a list of each outstanding loan and financial obligation obtained for use in the business, including the loan amount, loan terms, and name and address of the creditor.

(c) An application may include:

(1) proof that the applicant is a social equity applicant;

(2) a description of the training and education that will be provided to any employee; or

(3) a copy of business policies governing operations to ensure compliance with this chapter.

(d) Commitments made by an applicant in its application, including but not limited to the maintenance of a labor peace agreement, shall be an ongoing material condition of maintaining and renewing the license.

(e) An application on behalf of a corporation or association shall be signed by at least two officers or managing agents of that entity.

Subd. 2. **Application; process.** (a) An applicant must submit all required information to the office on the forms and in the manner prescribed by the office.

(b) If the office receives an application that fails to provide the required information, the office shall issue a deficiency notice to the applicant. The applicant shall have ten business days from the date of the deficiency notice to submit the required information.

(c) Failure by an applicant to submit all required information will result in the application being rejected.

(d) Upon receipt of a completed application and fee, or a site permit application, the office shall forward a copy of the application to the local unit of government in which the business operates or intends to operate with a form for certification as to whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

(e) Within 90 days of receiving a completed application, the office shall issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons that the office did not approve the application.

Subd. 3. **Criminal history check.** A license applicant or, in the case of a business entity, every cooperative member or director, manager, and general partner of the business entity, must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees to the office. Upon receipt of this information, the office must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension. After receiving this information, the bureau must conduct a Minnesota criminal history records check of the license applicant. The bureau may exchange a license applicant's fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history record information. The bureau must return the results of the Minnesota and federal criminal history records checks to the director to determine if the applicant is disqualified under section 342.19.

Sec. 16. [342.15] SOCIAL EQUITY APPLICANTS.

An individual qualifies as a social equity applicant if the individual is:

(1) a military veteran who lost honorable status due to a cannabis-related offense;

(2) a resident for the last five years of one or more subareas, such as census tracts or neighborhoods, that experienced a disproportionately large amount of cannabis enforcement as determined by the study conducted by the office pursuant to section 342.04, paragraph (b), and reported in the preliminary report, final report, or both; or

(3) a resident for the last five years of one or more census tracts where, as reported in the most recently completed decennial census published by the United States Bureau of the Census, either:

(i) the poverty rate was 20 percent or more; or

(ii) the median family income did not exceed 80 percent of statewide median family income or, if in a metropolitan area, did not exceed the greater of 80 percent of the statewide median family income or 80 percent of the median family income for that metropolitan area.

Sec. 17. [342.16] LICENSE SELECTION CRITERIA.

Subdivision 1. **Market stability.** The office shall issue the necessary number of licenses in order to ensure the sufficient supply of cannabis flower and cannabis products to meet demand,

provide market stability, ensure a competitive market, and limit the sale of unregulated cannabis flower and cannabis products. The office shall annually complete a market analysis to determine whether it is fulfilling the four requirements listed in this subdivision. The office shall hold public hearings as part of the market analysis to hear from consumers, market stakeholders, and potential new applicants.

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 or mezzobusiness licenses or the issuance of both lower-potency hemp edible manufacturer and lower-potency hemp edible retailer licenses to the same person or entity.

(c) Nothing in this section prohibits or limits the two medical cannabis licensees licensed as of January 1, 2023, from being vertically integrated through its existing cultivation, processing, and dispensaries.

Subd. 3. Application score; license priority. (a) The office shall award points to each completed application for a license to operate a cannabis business in the following categories:

(1) status as a social equity applicant or as an applicant who is substantially similar to a social equity applicant as described in paragraph (c);

(2) status as a veteran applicant;

(3) security and record keeping;

(4) employee training plan;

(5) business plan and financial situation;

(6) diversity plan;

(7) labor and employment practices;

(8) knowledge and experience; and

(9) environmental plan.

(b) The office may award additional points to an application if the license holder would expand service to an underrepresented market including but not limited to participation in the medical cannabis program.

(c) The office shall establish application materials permitting individual applicants to demonstrate the impact that cannabis prohibition has had on that applicant including but not limited to the arrest or imprisonment of the applicant or a member of the applicant's immediate family, and the office may award points to such applicants in the same manner as points are awarded to social equity applicants.

(d) The office shall establish policies and guidelines, which shall be made available to the public, regarding the number of points available in each category and the basis for awarding those points. Status as a social equity applicant must account for at least 20 percent of the total available points. In determining the number of points to award to a cooperative or business applying as a social equity applicant, the office shall consider the number or ownership percentage of cooperative members, officers, directors, managers, and general partners who qualify as social equity applicants.

(e) Consistent with the goals identified in subdivision 1, the office shall issue licenses in each license category, giving priority to applicants who receive the highest score under paragraphs (a) and (b). If there are insufficient licenses available for entities that receive identical scores, the office shall utilize a lottery to randomly select license recipients from among those entities.

Subd. 4. **Local land use compatibility statement.** (a) Prior to the issuance of a license, the office shall request a land use compatibility statement from the city, town, or county that authorizes the land use. The land use compatibility statement must demonstrate that the requested license is for a land use that is allowable within the given zoning designation where the land is located. The office may not issue a license if the land use compatibility statement shows that the proposed land use is prohibited in the applicable zone or if the applicant has failed to meet the land use requirements of the jurisdiction.

(b) A city, town, or county that receives a request from the office for a land use compatibility statement under this section must act on that request within 21 days of receipt of the request if the land use is allowable and the applicant has applied for and received all necessary land use approvals.

(c) The office shall not issue a license to an applicant who has failed to receive a local land use compatibility statement approval from a local unit of government or to an applicant whose local approvals have been suspended or revoked.

Sec. 18. [342.17] INSPECTION; LICENSE VIOLATIONS; PENALTIES.

Subdivision 1. **Authority to inspect.** (a) In order to carry out the purposes of this chapter, the office, upon presenting appropriate credentials to the owner, operator, or agent in charge, is authorized to:

(1) enter any cannabis business or hemp business without delay and at reasonable times;

(2) inspect and investigate during regular working hours and at other reasonable times, within reasonable limits and in a reasonable manner, any cannabis business or hemp business and all relevant conditions, equipment, records, and materials therein; and

(3) question privately any employer, owner, operator, agent, or employee of a cannabis business or hemp business.

(b) An employer, owner, operator, agent, or employee must not refuse the office entry or otherwise deter or prohibit the office from taking action under paragraph (a).

Subd. 2. **Powers of office.** (a) In making inspections and investigations under this chapter, the office shall have the power to administer oaths, certify as to official acts, take and cause to be taken depositions of witnesses, issue subpoenas, and compel the attendance of witnesses and production

of papers, books, documents, records, and testimony. In case of failure of any person to comply with any subpoena lawfully issued, or on the refusal of any witness to produce evidence or to testify to any matter regarding which the person may be lawfully interrogated, the district court shall, upon application of the office, compel obedience proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued by the court or a refusal to testify therein.

(b) If the office finds probable cause to believe that any cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is being distributed in violation of this chapter or rules adopted under this chapter, the office shall affix to the item a tag, withdrawal from distribution order, or other appropriate marking providing notice that the cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, hemp-derived consumer product, or cannabinoid product is, or is suspected of being, distributed in violation of this chapter and has been detained or embargoed, and warning all persons not to remove or dispose of the item by sale or otherwise until permission for removal or disposal is given by the office or the court. It is unlawful for a person to remove or dispose of detained or embargoed cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product by sale or otherwise without the office's or a court's permission and each transaction is a separate violation of this section.

(c) Notwithstanding subdivision 5, if any cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product has been found by the office to be in violation of this chapter, the office shall petition the district court in the county in which the item is detained or embargoed for an order and decree for the condemnation of the item. The office shall release the cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product when this chapter and rules adopted under this chapter have been complied with or the item is found not to be in violation of this chapter or rules adopted under this chapter.

(d) If the court finds that detained or embargoed cannabis plant, cannabis flower, synthetically derived cannabinoid, or cannabinoid product is in violation of this chapter or rules adopted under this chapter, the following remedies are available:

(1) after entering a decree, the cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product may be destroyed at the expense of the claimant under the supervision of the office, and all court costs, fees, storage, and other proper expenses must be assessed against the claimant of the cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product or the claimant's agent; and

(2) if the violation can be corrected by proper labeling or processing of the cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product, the court, after entry of the decree and after costs, fees, and expenses have been paid, and a good and sufficient bond conditioned that the cannabis plant, cannabis flower, synthetically derived cannabinoid, or cannabinoid product must be properly labeled or processed has been executed, may by order direct that the cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product be delivered to the claimant for proper labeling or processing under the supervision of the

office. The office's supervision expenses must be paid by the claimant. The cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product must be returned to the claimant and the bond must be discharged on representation to the court by the office that the cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is no longer in violation and that the office's supervision expenses have been paid.

(e) If the office finds in any room, building, piece of equipment, vehicle of transportation, or other structure any cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product that is unsound or contains any filthy, decomposed, or putrid substance, or that may be poisonous or deleterious to health or otherwise unsafe, the office shall condemn or destroy the item or in any other manner render the item as unsalable, and no one has any cause of action against the office on account of the office's action.

(f) The office may enter into an agreement with the commissioner of agriculture to analyze and examine samples or other articles furnished by the office for the purpose of determining whether the sample or article violates this chapter or rules adopted under this chapter. A copy of the examination or analysis report for any such article, duly authenticated under oath by the laboratory analyst making the determination or examination, shall be prima facie evidence in all courts of the matters and facts contained in the report.

Subd. 3. **Aiding of inspection.** Subject to rules issued by the office, a representative of a cannabis business or hemp business shall be given an opportunity to accompany the office during the physical inspection of any cannabis business for the purpose of aiding such inspection.

Subd. 4. **Complaints and reports; priority of inspection.** (a) The office may conduct inspections of any licensed cannabis business or hemp business at any time to ensure compliance with the ownership and operation requirements of this chapter.

(b) Any person may report a suspected violation of a safety or health standard. If upon receipt of such notification the office determines that there are reasonable grounds to believe that such violation or danger exists, the office shall make a special inspection as soon as practicable to determine if such danger or violation exists.

(c) The office shall prioritize inspections of cannabis businesses or hemp businesses where there are reasonable grounds to believe that a violation poses imminent danger to the public or customers.

(d) The office shall promptly inspect cannabis businesses or hemp businesses that are the subject of complaint by a local unit of government.

Subd. 5. **Violations; administrative orders and penalties.** (a) The office may issue an administrative order to any licensed cannabis business or hemp business that the office determines has committed a violation of this chapter or rules adopted pursuant to this chapter. The administrative order may require the business to correct the violation or to cease and desist from committing the violation. The order must state the deficiencies that constitute the violation and the time by which the violation must be corrected. If the business believes that the information in the administrative order is in error, the business may ask the office to consider the parts of the order that are alleged to be in error. The request must be in writing, delivered to the office by certified mail within seven

days after receipt of the order, and provide documentation to support the allegation of error. The office must respond to a request for reconsideration within 15 days after receiving the request. A request for reconsideration does not stay the correction order unless the office issues a supplemental order granting additional time. The office's disposition of a request for reconsideration is final.

(b) For each violation of this chapter or rules adopted pursuant to this chapter, the office may issue to each business a monetary penalty of up to \$10,000, an amount that deprives the business of any economic advantage gained by the violation, or both.

(c) An administrative penalty may be recovered in a civil action in the name of the state brought in the district court of the county where the violation is alleged to have occurred or the district court where the office is housed.

(d) In addition to penalties listed in this subdivision, a person or business who violates the provisions of this chapter is subject to any applicable criminal penalty.

Subd. 6. **Nonpublic data.** (a) The following data collected, created, or maintained by the office is classified as nonpublic data, as defined in section 13.02, subdivision 9, or as private data on individuals, as defined in section 13.02, subdivision 12:

(1) data submitted by an applicant for a cannabis business license, other than the applicant's name and designated address;

(2) the identity of a complainant who has made a report concerning a license holder or applicant that appears in inactive complaint data unless the complainant consents to the disclosure;

(3) the nature or content of unsubstantiated complaints when the information is not maintained in anticipation of legal action;

(4) the record of any disciplinary proceeding except as limited by paragraph (b);

(5) data identifying retail or wholesale customers of a cannabis business; and

(6) data identifying cannabis workers.

(b) Minutes, application data on license holders except nondesignated addresses, orders for hearing, findings of fact, conclusions of law, and specification of the final disciplinary action contained in the record of the disciplinary action are classified as public, pursuant to section 13.02, subdivision 15. If there is a public hearing concerning the disciplinary action, the entire record concerning the disciplinary proceeding is public data pursuant to section 13.02, subdivision 15. If the license holder and the office agree to resolve a complaint without a hearing, the agreement and the specific reasons for the agreement are public data.

(c) The office must establish written procedures to ensure that only individuals authorized by law may enter, update, or access the data classified as nonpublic or private data on individuals in this subdivision. An authorized individual's ability to enter, update, or access data in the system must correspond to the official duties or training level of the individual and to the statutory authorization granting access for that purpose. All queries and responses, and all actions in which not public data are entered, updated, accessed, shared, or disseminated, must be recorded in a data

audit trail. Data contained in the audit trail have the same classification as the underlying data tracked by the audit trail.

(d) The office must not share data classified as private under this subdivision or other data identifying an individual applicant or license holder with any federal agency, federal department, or federal entity unless specifically ordered to do so by a state or federal court.

Sec. 19. **[342.18] LICENSE SUSPENSION OR REVOCATION; HEARING.**

Subdivision 1. **License revocation and nonrenewal.** The office may revoke or not renew a license when the office has cause to believe that a cannabis business has violated an ownership or operational requirement in this chapter or rules adopted pursuant to this chapter. The office must notify the license holder in writing, specifying the grounds for revocation or nonrenewal and fixing a time of at least 20 days thereafter for a hearing on the matter.

Subd. 2. **Hearing; written findings.** (a) Before the office revokes or does not renew a license, the office must provide the license holder with a statement of the complaints made against the license holder, and the office must hold a hearing to determine whether the office should revoke the license or deny renewal of the license. The license holder shall receive notice at least 20 days before the date of the hearing and notice may be served either by certified mail addressed to the address of the license holder as shown in the license application or in the manner provided by law for the service of a summons. At the time and place fixed for the hearing, the office, or any office employee or agent authorized by the office to conduct the hearing, shall receive evidence, administer oaths, and examine witnesses.

(b) After the hearing held pursuant to paragraph (a), or upon the failure of the license holder to appear at the hearing, the office must take action as is deemed advisable and issue written findings that the office must mail to the license holder. An action of the office under this paragraph is subject to judicial review pursuant to chapter 14.

Subd. 3. **Temporary suspension.** The office may temporarily, without hearing, suspend the license and operating privilege of any business licensed under this chapter for up to 90 days if continuing the operation of the business would threaten the health or safety of any person. The office may extend the period for an additional 90 days if the office notified the business that the office intends to revoke or not renew a license and the hearing required under subdivision 2 has not taken place.

Sec. 20. **[342.19] ADULT-USE CANNABIS BUSINESS; GENERAL OWNERSHIP DISQUALIFICATIONS AND REQUIREMENTS.**

Subdivision 1. **Criminal history check.** Every license applicant and prospective cannabis worker must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees to the office. Upon receipt of this information, the office must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension. After receiving this information, the bureau must conduct a Minnesota criminal history records check of the license applicant. The bureau may exchange a license applicant's fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history record information. The bureau must return the results of

the Minnesota and federal criminal history records checks to the director to determine if the applicant is disqualified under this section.

Subd. 2. **Criminal offenses; disqualifications.** (a) No person may hold or receive a license issued under this chapter or work for a cannabis business if the person has been convicted of, or received a stay of adjudication for, a violation of a state or federal controlled substance law that is a felony under Minnesota law or would be a felony if committed in Minnesota, regardless of the sentence imposed, unless the office determines that the person's conviction was for the possession or sale of cannabis.

(b) A person who has been convicted of, or received a stay of adjudication for, a violation of Minnesota Statutes 2022, section 152.023, subdivision 1, clause (3), or a state or federal law in conformity with that provision, for the sale of cannabis to a person under the age of 18 may hold or receive a license issued under this chapter, or work for a cannabis business, if 20 years have passed since the date the person was convicted or adjudication was stayed.

(c) Except as provided in paragraph (a), (b), or (d), a person who has been convicted of, or received a stay of adjudication for, a violation of a state or federal law that is a felony under Minnesota law or would be a felony if committed in Minnesota, regardless of the sentence imposed, may hold or receive a license issued under this chapter, or work for a cannabis business, if five years have passed since the discharge of the sentence.

(d) No license holder or applicant may hold or receive a license issued under this chapter, or work for a cannabis business, if the person has been convicted of a sale of cannabis in the first degree under section 152.0264, subdivision 2.

(e) A person who has been convicted of sale of cannabis in the second degree under section 152.0264, subdivision 3, may hold or receive a license issued under this chapter or work for a cannabis business if ten years have passed since the discharge of the sentence.

(f) A person who has been convicted of sale of cannabis in the third degree under section 152.0264, subdivision 4, may hold or receive a license issued under this chapter or work for a cannabis business if five years have passed since the discharge of the sentence.

(g) A person who has been convicted of sale of cannabis in the fourth degree under section 152.0264, subdivision 5, may hold or receive a license issued under this chapter or work for a cannabis business if one year has passed since the discharge of the sentence.

(h) If the license holder or applicant is a business entity, the disqualifications under this subdivision apply to every cooperative member or every director, manager, and general partner of the business entity.

Subd. 3. **Risk of harm; set aside.** The office may set aside a disqualification under subdivision 2 if the office finds that the person has submitted sufficient information to demonstrate that the person does not pose a risk of harm to any person served by the applicant, license holder, or other entities as provided in this chapter.

Subd. 4. **General requirements.** (a) A license holder or applicant must meet each of the following requirements, if applicable, to hold or receive a license issued under this chapter:

- (1) be at least 21 years of age;
 - (2) have completed an application for licensure or application for renewal;
 - (3) have paid the applicable application fee;
 - (4) reside in the state;
 - (5) if the applicant or license holder is a business entity, be incorporated in the state or otherwise formed or organized under the laws of the state;
 - (6) if the applicant or license holder is a business entity, at least 75 percent of the business must be owned by Minnesota residents;
 - (7) not be employed by the office or any state agency with regulatory authority under this chapter or the rules adopted pursuant to this chapter;
 - (8) not be a licensed peace officer, as defined in section 626.84, subdivision 1, paragraph (c);
 - (9) never have had a license previously issued under this chapter revoked;
 - (10) have filed any previously required tax returns for a cannabis business;
 - (11) have paid and remitted any business taxes, gross receipts taxes, interest, or penalties due relating to the operation of a cannabis business;
 - (12) have fully and truthfully complied with all information requests of the office relating to license application and renewal;
 - (13) not be disqualified under subdivision 2;
 - (14) not employ an individual who is disqualified from working for a cannabis business under this chapter; and
 - (15) meet the ownership and operational requirements for the type of license and, if applicable, endorsement sought or held.
- (b) If the license holder or applicant is a business entity, every officer, director, manager, and general partner of the business entity must meet each of the requirements of this section.

Sec. 21. [342.20] CANNABIS BUSINESSES; GENERAL OPERATIONAL REQUIREMENTS AND PROHIBITIONS.

Subdivision 1. **Individuals under 21 years of age.** (a) A cannabis business may not employ an individual under 21 years of age and may not contract with an individual under 21 years of age if the individual's scope of work involves the handling of cannabis plants, cannabis flower, synthetically derived cannabinoids, or cannabinoid products.

(b) A cannabis business may not permit an individual under 21 years of age to enter the business premises other than entry by a patient enrolled in the registry program.

(c) A cannabis business may not sell or give cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age unless the individual is a patient; registered designated caregiver; or parent, legal guardian, or spouse of a patient who is authorized to use, possess, or transport medical cannabis flower or medical cannabinoid products.

Subd. 2. Use of cannabis flower and cannabis products within a licensed cannabis business.

(a) A cannabis business may not permit an individual who is not an employee to consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within its licensed premises unless the business is licensed to permit on-site consumption or the business has an on-site endorsement to a license authorizing the sale of lower-potency edible products.

(b) Except as otherwise provided in this subdivision, a cannabis business may not permit an employee to consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within its licensed premises or while the employee is otherwise engaged in activities within the course and scope of employment.

(c) A cannabis business may permit an employee to use medical cannabis flower and medical cannabinoid products if that individual is a patient.

(d) For quality control, employees of a licensed cannabis business may sample cannabis flower or cannabinoid products. Employees may not interact directly with customers for at least three hours after sampling a product. Employees may not consume more than three samples in a single 24-hour period. All samples must be recorded in the statewide monitoring system.

Subd. 3. Restricted access. (a) Except as otherwise provided in this subdivision, a cannabis business may not permit any individual to enter a restricted area unless the cannabis business records the individual's name, time of entry, time of exit, and authorization to enter the restricted area through use of an electronic or manual entry log and the individual:

(1) is a cannabis worker employed by or contracted with the cannabis business;

(2) is an employee of the office or another enforcement agency;

(3) is a contractor of the cannabis business, including but not limited to an electrician, a plumber, an engineer, or an alarm technician, whose scope of work will not involve the handling of cannabis flower, cannabis products, or hemp-derived consumer products and, if the individual is working in an area with immediate access to cannabis flower, cannabis products, or hemp-derived consumer products, the individual is supervised at all times by a cannabis worker employed by or contracted with the cannabis business; or

(4) has explicit authorization from the office to enter a restricted area and, if the individual is in an area with immediate access to cannabis flower or cannabinoid products, the individual is supervised at all times by a cannabis worker employed by or contracted with the cannabis business.

(b) A cannabis business shall ensure that all areas of entry to restricted areas within its licensed premises are conspicuously marked and cannot be entered without recording the individual's name, time of entry, time of exit, and authorization to enter the restricted area.

Subd. 4. **Ventilation and filtration.** A cannabis business must maintain a ventilation and filtration system sufficient to meet the requirements for odor control established by the office.

Subd. 5. **Records.** (a) A cannabis business must retain financial records for the current and previous tax year at the primary business location and must make those records available for inspection by the office at any time during regular business hours.

(b) When applicable, a cannabis business must maintain financial records for the previous ten tax years and must make those records available for inspection within one business day of receiving a request for inspection by the office.

(c) The office may require a cannabis business to submit to an audit of its business records. The office may select or approve the auditor and the cannabis business must provide the auditor with access to all business records. The cost of the audit must be paid by the cannabis business.

Subd. 6. **Diversity report.** A cannabis business shall provide an annual report on the status of diversity in the business ownership, management, and employment and in services for which the business contracts.

Subd. 7. **Use of statewide monitoring system.** (a) A cannabis business must use the statewide monitoring system for integrated cannabis tracking, inventory, and verification to track all cannabis plants, cannabis flower, cannabis products, and hemp-derived consumer products the cannabis business has in its possession to the point of disposal, transfer, or sale.

(b) For the purposes of this subdivision, a cannabis business possesses the cannabis plants and cannabis flower that the business cultivates from seed or immature plant, if applicable, or receives from another cannabis business and possesses the cannabis products and hemp-derived consumer products that the business manufacturers or receives from another cannabis business.

(c) Sale and transfer of cannabis plants, cannabis flower, cannabis products, and hemp-derived consumer products must be recorded in the statewide monitoring system within the time established by rule.

Subd. 8. **Disposal; loss documentation.** (a) A cannabis business must dispose of cannabis plants, cannabis flower, cannabinoid products, and synthetically derived cannabinoids that are damaged, have a broken seal, have been contaminated, or have not been sold by the expiration date on the label.

(b) Disposal must be conducted in a manner approved by the office.

(c) Disposed products must be documented in the statewide monitoring system.

(d) Any lost or stolen products must be reported to local law enforcement and a cannabis business must log any lost or stolen products in the statewide monitoring system as soon as the loss is discovered.

Subd. 9. **Sale of approved products.** A cannabis business may only sell cannabis plants, cannabis flower, cannabinoid products, and synthetically derived cannabinoids that are approved by the office and that comply with this chapter and rules adopted pursuant to this chapter regarding the testing,

packaging, and labeling of cannabis plants, cannabis flower, cannabinoid products, and synthetically derived cannabinoids.

Subd. 10. **Security.** A cannabis business must maintain and follow a security plan to deter and prevent the theft or diversion of cannabis plants, cannabis flower, cannabis products, or hemp-derived consumer products; unauthorized entry into the cannabis business; and the theft of currency.

Subd. 11. **Financial relationship.** (a) Except for the lawful sale of cannabis plants, cannabis flower, cannabinoid products, and synthetically derived cannabinoids in the ordinary course of business and as otherwise provided in this subdivision, no cannabis business may offer, give, accept, receive, or borrow money or anything else of value or accept or receive credit from any other cannabis business. This prohibition applies to offering or receiving a benefit in exchange for preferential placement by a cannabis retailer, including preferential placement on the cannabis retailer's shelves, display cases, or website. This prohibition applies to every cooperative member or every director, manager, and general partner of a cannabis business.

(b) This prohibition does not apply to merchandising credit in the ordinary course of business for a period not to exceed 30 days or for marketing or consumer education materials made available in a retail location.

(c) This prohibition does not apply to free samples of useable cannabis flower or cannabinoid products packaged in a sample jar protected by a plastic or metal mesh screen to allow customers to smell the cannabis flower or cannabinoid product before purchase. A sample jar may not contain more than eight grams of useable cannabis flower, eight grams of a cannabis concentrate, or an edible cannabinoid product infused with 100 milligrams of tetrahydrocannabinol.

(d) This prohibition does not apply to free samples of cannabis flower or cannabinoid products provided to a cannabis retailer or cannabis wholesaler for the purposes of quality control and to allow cannabis retailers to determine whether to offer a product for sale. A sample provided for these purposes may not contain more than eight grams of useable cannabis flower, eight grams of a cannabis concentrate, or an edible cannabinoid product infused with 100 milligrams of tetrahydrocannabinol.

(e) This prohibition does not apply to any fee charged by a licensed cannabis event organizer to a cannabis business for participation in a cannabis event.

Subd. 12. **Exclusive contracts.** A cannabis business may not directly or indirectly make an agreement with a cannabis retailer that binds the cannabis retailer to purchase the products of one cannabis cultivator or cannabis manufacturer to the exclusion of the products of other cannabis cultivators or cannabis manufacturers. A cannabis retailer who is a party to a violation of this section or who receives the benefits of a violation is equally guilty of a violation.

Subd. 13. **Customer privacy.** A cannabis business must not share data on retail or wholesale customers with any federal agency, federal department, or federal entity unless specifically ordered by a state or federal court.

Sec. 22. [342.21] CANNABIS CULTIVATOR LICENSING AND OPERATIONS.

Subdivision 1. **Authorized actions.** A cannabis cultivator license entitles the license holder to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant, harvest cannabis flower from a mature plant, package and label cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the office.

Subd. 2. **Size limitations.** A cannabis cultivator may cultivate up to 15,000 square feet of plant canopy unless the office, by rule, increases that limit. The office may, by rule, increase the limit on plant canopy to no more than 30,000 cubic feet if the office determines that expansion is consistent with the goals identified in section 342.02, subdivision 1. A cannabis cultivator may not operate multiple tiers of cultivation unless authorized by the office.

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 cultivator license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed size and layout of the cultivation facility; plans for wastewater and waste disposal for the cultivation facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the cultivation facility; and plans for compliance with the applicable building code and federal and state environmental and workplace safety requirements;

(2) 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; and

(3) evidence that the business 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 cultivator license may also hold a cannabis manufacturing license, medical cannabis cultivator license, medical cannabis producer license, license to grow industrial hemp, and cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis cultivator license may own or operate any other cannabis business or hemp business. This prohibition does not prevent the transportation of cannabis flower from a cannabis cultivator to a cannabis manufacturer licensed to the same person, cooperative, or business and located on the same premises.

(c) The office by rule may limit the number of cannabis cultivator licenses a person, cooperative, or business may hold.

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

Subd. 5. **Cultivation operations.** A cannabis cultivator must comply with the requirements in section 342.25.

Subd. 6. **Limitations on health care practitioners.** A health care practitioner who certifies qualifying medical conditions for patients is prohibited from:

(1) holding a direct or indirect economic interest in a cannabis cultivator;

(2) serving as a cooperative member, director, manager, general partner, or employee of a cannabis cultivator; or

(3) advertising with a cannabis cultivator in any way.

Subd. 7. **Remuneration.** A cannabis cultivator is prohibited from:

(1) accepting or soliciting any form of remuneration from a health care practitioner who certifies qualifying medical conditions for patients; or

(2) offering any form of remuneration to a health care practitioner who certifies qualifying medical conditions for patients.

Sec. 23. [342.22] RETAILERS; LOCAL REGISTRATION AND ENFORCEMENT.

Subdivision 1. **Registration required.** Before making retail sales to customers or patients, a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis retailer, or lower-potency hemp edible retailer must register with the city, town, or county in which the retail establishment is located. A county may issue a registration in cases where a city or town has provided consent for the county to issue the registration for the jurisdiction.

Subd. 2. **Registration fee.** (a) A local unit of government may impose an initial retail registration fee of up to half the amount of the applicable initial license fee under section 342.11. The local unit of government may also impose a renewal retail registration fee of up to half the amount of the applicable renewal license fee under section 342.11. The initial license fee shall include the fee for initial registration and the first annual renewal. Any renewal fee imposed by the local unit of government shall be charged at the time of the second renewal and each subsequent annual renewal thereafter.

(b) The local unit of government may not charge an application fee.

(c) A cannabis business with a cannabis retailer license and a medical cannabis retailer license for the same location may only be charged a single registration fee.

(d) Registration fees are nonrefundable.

Subd. 3. **Issuance of registration.** (a) A local unit of government shall issue a retail registration to a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis retailer, or lower-potency hemp edible retailer that:

(1) has a valid license issued by the office;

(2) has paid the registration fee or renewal fee pursuant to subdivision 2;

(3) is found to be in compliance with the requirements of this chapter at any preliminary compliance check that the local unit of government performs; and

(4) if applicable, is current on all property taxes and assessments at the location where the retail establishment is located.

(b) Before issuing a retail registration, the local unit of government may conduct a preliminary compliance check to ensure that the cannabis business or hemp business is in compliance with the applicable operation requirements and the limits on the types of cannabis flower, cannabinoid products, and hemp-derived consumer products that may be sold.

(c) A local unit of government shall renew the retail registration of a cannabis business or hemp business when the office renews the license of the cannabis business or hemp business.

(d) A retail registration issued under this section may not be transferred.

Subd. 4. **Compliance checks.** (a) A local unit of government shall conduct compliance checks of every cannabis business and hemp business with a retail registration issued by the local unit of government. The checks shall assess compliance with age verification requirements, the applicable operation requirements, and the applicable limits on the types of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products being sold.

(b) The local unit of government must conduct unannounced age verification compliance checks at least once each calendar year. Age verification compliance checks must involve persons at least 17 years of age, but under the age of 21, who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

(c) Checks to ensure compliance with the applicable operation requirements and the limits on the types of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that may be sold must be performed at least once each calendar year and may be performed by a law enforcement officer or an employee of the local unit of government.

Subd. 5. **Registration suspension and cancellation; notice to office; penalties.** (a) If a local unit of government determines that a cannabis business or hemp business with a retail registration issued by the local unit of government is not operating in compliance with the requirements of this chapter or that the operation of the business poses an immediate threat to the health or safety of the public, the local unit of government may suspend the retail registration of the cannabis business or hemp business. The local unit of government must immediately notify the office of the suspension and shall include a description of the grounds for the suspension.

(b) The office shall review the retail registration suspension and may order reinstatement of the retail registration or take any action described in section 342.17 or 342.18.

(c) The retail registration suspension must be for up to 30 days unless the office suspends the license and operating privilege of the cannabis business or hemp business for a longer period or revokes the license.

(d) The local unit of government may reinstate the retail registration if the local unit of government determines that any violation has been cured. The local unit of government must reinstate the retail registration if the office orders reinstatement.

(e) No cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis retailer, or lower-potency hemp edible retailer may make any sale to a customer or patient without a valid retail registration. A local unit of government may impose a civil penalty of up to \$2,000 for each violation of this paragraph.

Sec. 24. [342.23] CANNABIS BUSINESSES AND HEMP BUSINESSES; GENERAL OPERATIONAL REQUIREMENTS.

Subdivision 1. **Records.** (a) Cannabis businesses and hemp businesses must retain financial records for the current and previous tax year at the primary business location and must make those records available for inspection by the office at any time during regular business hours.

(b) When applicable, a cannabis business or hemp business must maintain financial records for the previous ten tax years and must make those records available for inspection within one business day of receiving a request for inspection by the office.

(c) The office may require a cannabis business or hemp business to submit to an audit of its business records. The office may select or approve the auditor and the cannabis business or hemp business must provide the auditor with access to all business records. The cost of the audit must be paid by the cannabis business or hemp business.

Subd. 2. **Diversity report.** Cannabis businesses and hemp businesses shall provide an annual report on the status of diversity in the business ownership, management, and employment and in services for which the business contracts.

Subd. 3. **Disposal; loss documentation.** (a) Cannabis businesses and hemp businesses must dispose of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products that are damaged, have a broken seal, have been contaminated, or have not been sold by the expiration date on the label.

(b) Disposal must be conducted in a manner approved by the office.

(c) Disposal of any cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, and hemp-derived consumer products that are required to be entered into the statewide monitoring system must be documented in the statewide monitoring system.

(d) Loss or theft of any cannabis plants, cannabis flower, cannabis products, synthetically derived cannabinoids, or hemp-derived consumer products that are required to be entered into the statewide monitoring system must be reported to local law enforcement and a business must log any such loss or theft in the statewide monitoring system as soon as the loss or theft is discovered.

Subd. 4. **Sale of approved products.** Cannabis businesses and hemp businesses may only sell cannabis plants, cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products that are a type approved by the

office and that comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of cannabis plants, cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 5. **Financial relationship.** (a) Except for the lawful sale of cannabis plants, cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products in the ordinary course of business and as otherwise provided in this subdivision, no cannabis business or hemp business may offer, give, accept, receive, or borrow money or anything else of value or accept or receive credit from any other cannabis business. This prohibition applies to offering or receiving a benefit in exchange for preferential placement by a retailer, including preferential placement on the retailer's shelves, display cases, or website. This prohibition applies to every cooperative member or every director, manager, and general partner of a cannabis business or hemp business.

(b) This prohibition does not apply to merchandising credit in the ordinary course of business for a period not to exceed 30 days.

(c) This prohibition does not apply to free samples of useable cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products packaged in a sample jar protected by a plastic or metal mesh screen to allow customers to smell the cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product before purchase. A sample jar may not contain more than eight grams of useable cannabis flower, eight grams of a cannabis concentrate, an edible cannabis product infused with 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

(d) This prohibition does not apply to free samples of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products provided to a retailer or cannabis wholesaler for the purposes of quality control and to allow retailers to determine whether to offer a product for sale. A sample provided for these purposes may not contain more than eight grams of useable cannabis flower, eight grams of a cannabis concentrate, an edible cannabis product infused with 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

(e) This prohibition does not apply to any fee charged by a licensed cannabis event organizer to a cannabis business or hemp business for participation in a cannabis event.

Subd. 6. **Customer privacy.** Cannabis businesses and hemp businesses must not share data on retail or wholesale customers with any federal agency, federal department, or federal entity unless specifically ordered by a state or federal court.

Sec. 25. [342.24] CANNABIS MANUFACTURER LICENSING AND OPERATIONS.

Subdivision 1. **Authorized actions.** A cannabis manufacturer license, consistent with the specific license endorsement or endorsements, entitles the license holder to:

(1) purchase cannabis flower, cannabis products, hemp plant parts, hemp concentrate, and synthetically derived cannabinoids from a cannabis microbusiness, a cannabis mezzobusiness, a

cannabis cultivator, another cannabis manufacturer, a cannabis wholesaler, or an industrial hemp grower;

(2) accept cannabis flower from unlicensed persons who are at least 21 years of age provided that the cannabis manufacturer does not accept more than two ounces from an individual on a single occasion;

(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 synthetically derived cannabinoids;

(6) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(7) package and label adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for customers;

(8) sell cannabis concentrate, hemp concentrate, synthetically derived cannabinoids, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to other cannabis businesses; and

(9) perform other actions approved by the office.

Subd. 2. **Size limitations.** The office shall, by rule, establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products a cannabis manufacturer 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 to the amount that can be harvested from a facility with up to 30,000 cubic feet of plant canopy if the office expands the allowable area of cultivation under section 342.21, subdivision 2.

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 manufacturer 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 the manufacturing facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the manufacturing facility; and plans for compliance with applicable building code and federal and state environmental and workplace safety requirements; and

(2) evidence that the business will comply with the applicable operation requirements for the endorsement being sought.

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis manufacturer license may also hold a cannabis cultivator license, a medical cannabis cultivator license, a medical cannabis processor license, and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis manufacturer license may own or operate any other cannabis business or hemp business. This prohibition does not prevent transportation of cannabis flower from a cannabis cultivator to a cannabis manufacturer licensed to the same person, cooperative, or business and located on the same premises.

(c) The office by rule may limit the number of cannabis manufacturer licenses that a person or business may hold.

(d) 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. **Limitations on health care practitioners.** A health care practitioner who certifies qualifying medical conditions for patients is prohibited from:

(1) holding a direct or indirect economic interest in a cannabis manufacturer;

(2) serving as a cooperative member, director, manager, general partner, or employee of a cannabis manufacturer; or

(3) advertising with a cannabis manufacturer in any way.

Subd. 6. **Remuneration.** A cannabis manufacturer is prohibited from:

(1) accepting or soliciting any form of remuneration from a health care practitioner who certifies qualifying medical conditions for patients; or

(2) offering any form of remuneration to a health care practitioner who certifies qualifying medical conditions for patients.

Subd. 7. **Cultivation operations.** A cannabis manufacturer must comply with the requirements in section 342.25.

Sec. 26. **[342.25] CULTIVATION OF CANNABIS; GENERAL REQUIREMENTS.**

Subdivision 1. **Applicability.** Every cannabis business with a license or endorsement authorizing the cultivation of cannabis must comply with the requirements of this section.

Subd. 2. **Cultivation records.** A business licensed or authorized to cultivate cannabis must prepare a cultivation record for each batch of cannabis plants and cannabis flower in the form required by the office and must maintain each record for at least five years. The cultivation record must include the quantity and timing, where applicable, of each pesticide, fertilizer, soil amendment, or plant amendment used to cultivate the batch, as well as any other information required by the office in rule. The cannabis business must present cultivation records to the office, the commissioner of agriculture, or the commissioner of health upon request.

Subd. 3. **Agricultural chemicals and other inputs.** A business licensed or authorized to cultivate cannabis is subject to rules promulgated by the office in consultation with the commissioner of agriculture, subject to subdivision 5, governing the use of pesticides, fertilizers, soil amendments, plant amendments, and other inputs to cultivate cannabis.

Subd. 4. **Cultivation plan.** A business licensed or authorized to cultivate cannabis must prepare, maintain, and execute an operating plan and a cultivation plan as directed by the office in rule, which must include but is not limited to:

(1) water usage;

(2) recycling;

(3) solid waste disposal; and

(4) a pest management protocol that incorporates integrated pest management principles to control or prevent the introduction of pests to the cultivation site.

Subd. 5. **Agricultural chemicals and other inputs; pollinator protection.** (a) A business licensed or authorized to cultivate cannabis must comply with chapters 18B, 18C, 18D, and any other pesticide, fertilizer, soil amendment, and plant amendment laws and rules enforced by the commissioner of agriculture.

(b) A business licensed or authorized to cultivate cannabis must not apply pesticides when pollinators are present or allow pesticides to drift to flowering plants that are attractive to pollinators.

Subd. 6. **Adulteration prohibited.** A business licensed or authorized to cultivate cannabis must not treat or otherwise adulterate cannabis plants or cannabis flower with any substance or compound that has the effect or intent of altering the color, appearance, weight, potency, or odor of the cannabis.

Subd. 7. **Indoor or outdoor cultivation authorized; security.** A business licensed or authorized to cultivate cannabis may cultivate cannabis plants indoors or outdoors, subject to the security, fencing, lighting, and any other requirements imposed by the office in rule.

Subd. 8. **Seed permit.** The commissioner of agriculture may issue a genetically engineered agriculturally related organism permit under chapter 18F for cannabis seed or cannabis plants.

Subd. 9. **Exception.** Nothing in this section applies to the cultivation of hemp plants.

Sec. 27. **[342.26] MANUFACTURE OF CANNABIS PRODUCTS; GENERAL REQUIREMENTS.**

Subdivision 1. **Applicability.** Every cannabis business with a license or endorsement authorizing the creation of cannabis concentrate and manufacture of cannabis products and hemp-derived consumer products for public consumption must comply with the requirements of this section.

Subd. 2. **All manufacturer operations.** (a) Cannabis manufacturing must take place in an enclosed, locked facility that is used exclusively for the manufacture of cannabis products, creation of hemp concentrate, creation of synthetically derived cannabinoids, creation of lower-potency hemp edibles, or creation of hemp-derived consumer products except that a business that also holds a cannabis cultivator license may operate in a facility that shares general office space, bathrooms, entryways, and walkways.

(b) Cannabis manufacturing must take place on equipment that is used exclusively for the manufacture of cannabis products, creation of hemp concentrate, creation of synthetically derived

cannabinoids, creation of lower-potency hemp edibles, or creation of hemp-derived consumer products.

(c) A business licensed or authorized to manufacture cannabis products must comply with all applicable packaging, labeling, and health and safety requirements.

Subd. 3. **Extraction and concentration.** (a) A business licensed or authorized to manufacture cannabis products that creates cannabis concentrate, hemp concentrate, or synthetically derived cannabinoids must obtain an endorsement from the office.

(b) A business licensed or authorized to manufacture cannabis products must inform the office of all methods of extraction and concentration that the manufacturer intends to use and identify the volatile chemicals, if any, that will be involved in the creation of cannabis concentrate or hemp concentrate. A cannabis manufacturer may not use a method of extraction and concentration or a volatile chemical without approval by the office.

(c) A business licensed or authorized to manufacture cannabis products must inform the office of all methods of conversion that the manufacturer will use, including any specific catalysts that the manufacturer will employ, to create artificially derived cannabinoids and the molecular nomenclature of all cannabinoids or other chemical compounds that the manufacturer will create. A business licensed or authorized to manufacture cannabis products may not use a method of conversion or a catalyst without approval by the office.

(d) A business licensed or authorized to manufacture cannabis products must obtain a certification from an independent third-party industrial hygienist or professional engineer approving:

(1) all electrical, gas, fire suppression, and exhaust systems; and

(2) the plan for safe storage and disposal of hazardous substances, including but not limited to any volatile chemicals.

(e) A business licensed or authorized to manufacture cannabis products that manufactures cannabis concentrate from cannabis flower received from an unlicensed person who is at least 21 years of age must comply with all health and safety requirements established by the office. At a minimum, the office shall require the manufacturer to:

(1) store the cannabis flower in an area that is segregated from cannabis flower and hemp plant parts received from a licensed cannabis business;

(2) perform the extraction and concentration on equipment that is used exclusively for extraction or concentration of cannabis flower received from unlicensed individuals;

(3) store any cannabis concentrate in an area that is segregated from cannabis concentrate, hemp concentrate, or artificially derived cannabinoids derived or manufactured from cannabis flower or hemp plant parts received from a licensed cannabis business; and

(4) provide any cannabis concentrate only to the person who provided the cannabis flower.

(f) Upon the sale of cannabis concentrate, hemp concentrate, or synthetically derived cannabinoids to any person, cooperative, or business, a business licensed or authorized to manufacture cannabis

products must provide a statement to the buyer that discloses the method of extraction and concentration or conversion used and any solvents, gases, or catalysts, including but not limited to any volatile chemicals, involved in that method.

Subd. 4. **Production of consumer products.** (a) A business licensed or authorized to manufacture cannabis products that produces edible cannabis products or lower-potency hemp edibles must obtain an edible cannabinoid product handler endorsement from the office.

(b) A business licensed or authorized to manufacture cannabis products must obtain an endorsement from the office to produce:

(1) cannabis products other than edible cannabis products; or

(2) hemp-derived consumer products other than lower-potency hemp edibles.

(c) All areas within the licensed premises of a business licensed or authorized to manufacture cannabis products producing cannabis products, lower-potency hemp edibles, or hemp-derived consumer products must meet the sanitary standards specified in rules adopted by the office.

(d) A business licensed or authorized to manufacture cannabis products may only add chemicals or compounds approved by the office to cannabis concentrate, hemp concentrate, or synthetically derived cannabinoids.

(e) Upon the sale of any cannabis product, lower-potency hemp edible, or hemp-derived consumer product to a cannabis business or hemp business, a business licensed or authorized to manufacture cannabis products must provide a statement to the buyer that discloses the product's ingredients, including but not limited to any chemicals or compounds and any major food allergens declared by name.

(f) A business licensed or authorized to manufacture cannabis products shall not add any cannabis flower, cannabis concentrate, synthetically derived cannabinoid, hemp plant part, or hemp concentrate to a product where the manufacturer of the product holds a trademark to the product's name, except that a business licensed or authorized to manufacture cannabis products may use a trademarked food product if the manufacturer uses the product as a component or as part of a recipe and where the business licensed or authorized to manufacture cannabis products does not state or advertise to the customer that the final retail cannabis product, lower-potency hemp edible, or hemp-derived consumer product contains a trademarked food product.

Subd. 5. **Exception.** Nothing in this section applies to the operations of a lower-potency hemp edible manufacturer.

Sec. 28. [342.27] CANNABIS RETAILER LICENSING AND OPERATIONS.

Subdivision 1. **Authorized actions.** A cannabis retailer license entitles the license holder to:

(1) purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, and industrial hemp growers;

(2) 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 customers; and

(3) perform other actions approved by the office.

Subd. 2. **Size limitations.** A cannabis retailer may operate up to five 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 retail license must submit the following information in a form approved by the office:

(1) a list of every retail license held by the applicant and, if the applicant is a business, every retail license held, either as an individual or as part of another business, by each officer, director, manager, and general partner of the cannabis business;

(2) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; policies to avoid sales to individuals who are under 21 years of age; identification of a restricted area for storage; and plans to prevent the visibility of cannabis flower, cannabinoid products, and hemp-derived consumer products to individuals outside the retail location; and

(3) evidence that the business 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 retailer license may also hold a cannabis delivery service license, a medical cannabis retailer license, and a cannabis event organizer license.

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

(c) No person, cooperative, or business may hold a license to own or operate more than one cannabis retail business in one city and three retail businesses in one county.

(d) The office by rule may limit the number of cannabis retailer licenses a person, cooperative, or business may hold.

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

Subd. 5. **Municipal or county cannabis store.** A city or county may establish, own, and operate a municipal cannabis store subject to the restrictions in this chapter.

Subd. 6. **Limitations on health care practitioners.** A health care practitioner who certifies qualifying medical conditions for patients is prohibited from:

(1) holding a direct or indirect economic interest in a cannabis retailer;

(2) serving as a cooperative member, director, manager, general partner, or employee of a cannabis retailer; or

(3) advertising with a cannabis retailer in any way.

Subd. 7. **Remuneration.** A cannabis retailer is prohibited from:

(1) accepting or soliciting any form of remuneration from a health care practitioner who certifies qualifying medical conditions for patients; or

(2) offering any form of remuneration to a health care practitioner who certifies qualifying medical conditions for patients.

Sec. 29. [342.28] RETAIL SALE OF CANNABIS FLOWER AND PRODUCTS; GENERAL REQUIREMENTS.

Subdivision 1. **Applicability.** Every cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must comply with the requirements of this section.

Subd. 2. **Sale of cannabis and cannabis products.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may only sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals who are at least 21 years of age.

(b) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that:

(1) are obtained from a business licensed under this chapter; and

(2) meet all applicable packaging and labeling requirements.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell up to two ounces of adult-use cannabis flower or hemp-derived consumer products consisting primarily of hemp plant parts, eight grams of adult-use cannabis concentrate or hemp-derived consumer products consisting primarily of hemp concentrate or artificially derived cannabinoids, and edible cannabis products and lower-potency hemp edibles infused with 800 milligrams of tetrahydrocannabinol during a single transaction to a customer.

(d) Edible cannabis products and hemp-derived consumer products intended to be eaten or consumed as a beverage may not include more than ten milligrams of tetrahydrocannabinol per serving and a single package may not include more than a total of 100 milligrams of tetrahydrocannabinol. A package may contain multiple servings of ten milligrams of tetrahydrocannabinol provided that each serving is indicated by scoring, wrapping, or other indicators designating the individual serving size.

Subd. 3. **Sale of other products.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell cannabis paraphernalia, including but not limited to childproof packaging containers and other devices designed to ensure the safe storage and monitoring of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in the home to prevent access by individuals under 21 years of age.

(b) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell hemp-derived topical products.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell the following products that do not contain cannabis flower, cannabis concentrate, hemp concentrate, artificially derived cannabinoids, or tetrahydrocannabinol:

(1) drinks that do not contain alcohol and are packaged in sealed containers labeled for retail sale;

(2) books and videos on the cultivation and use of cannabis flower and products that contain cannabinoids;

(3) magazines and other publications published primarily for information and education on cannabis plants, cannabis flower, and products that contain cannabinoids;

(4) multiple-use bags designed to carry purchased items;

(5) clothing marked with the specific name, brand, or identifying logo of the retailer; and

(6) hemp fiber products and products that contain hemp grain.

Subd. 4. **Age verification.** (a) Prior to initiating a sale, an employee of a cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must verify that the customer is at least 21 years of age.

(b) Proof of age may be established only by one of the following:

(1) a valid driver's license or identification card issued by Minnesota, another state, or a province of Canada and including the photograph and date of birth of the licensed person;

(2) a valid Tribal identification card as defined in section 171.072, paragraph (b);

(3) a valid passport issued by the United States;

(4) a valid instructional permit issued under section 171.05 to a person of legal age to purchase adult-use cannabis or adult-use cannabinoid products, which includes a photograph and the date of birth of the person issued the permit; or

(5) in the case of a foreign national, a valid passport.

(c) A retailer may seize a form of identification listed under paragraph (b) if the cannabis retailer has reasonable grounds to believe that the form of identification has been altered or falsified or is

being used to violate any law. A retailer that seizes a form of identification as authorized under this paragraph must deliver it to a law enforcement agency within 24 hours of seizing it.

Subd. 5. **Display of cannabis flower and products.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must designate a retail area where customers are permitted. The retail area shall include the portion of the premises where samples of cannabis flower and cannabis products available for sale are displayed. All other cannabis flower and cannabis products must be stored in the secure storage area.

(b) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may display one sample of each type of cannabis flower or cannabis product available for sale. Samples of cannabis flower and cannabis products must be stored in a sample jar or display case and be accompanied by a label or notice containing the information required to be affixed to the packaging or container containing cannabis flower and cannabis products sold to customers. A sample may not consist of more than eight grams of adult-use cannabis flower or adult-use cannabis concentrate or an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol. A cannabis retailer may allow customers to smell the cannabis flower or cannabis product before purchase.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may not sell cannabis flower or cannabis products used as a sample for display. If the retailer uses display samples of lower-potency hemp edibles or hemp-derived consumer products, the retailer may not sell the product used as a sample for display.

Subd. 6. **Posting of notices.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must post all notices as required by the office, including but not limited to:

(1) information about any product recall;

(2) a statement that operating a motor vehicle under the influence of intoxicating cannabinoids is illegal; and

(3) a statement that cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products are only intended for consumption by individuals who are at least 21 years of age.

Subd. 7. **Hours of operation.** (a) Except as provided by paragraph (b), a cannabis retailer may not sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products:

(1) on Sundays, except between the hours of 11:00 a.m. and 6:00 p.m.;

(2) before 8:00 a.m. or after 10:00 p.m. on Monday through Saturday;

(3) on Thanksgiving Day;

(4) on Christmas Day, December 25; or

(5) after 8:00 p.m. on Christmas Eve, December 24.

(b) A city or county may adopt an ordinance to permit sales between 10:00 p.m. and 8:00 a.m. on the days of Monday through Saturday or between 6:00 p.m. and 11:00 a.m. on Sunday.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may not be open to the public or sell any other products at times when it is prohibited from selling cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 8. **Building conditions.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall maintain compliance with state and local building, fire, and zoning requirements or regulations.

(b) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall ensure that the licensed premises is maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Subd. 9. **Security.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall maintain compliance with security requirements established by the office, including but not limited to requirements for maintaining video surveillance records, use of specific locking mechanisms, establishment of secure entries, and the number of employees working at all times.

Subd. 10. **Lighting.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must keep all lighting outside and inside the dispensary in good working order and wattage sufficient for security cameras.

Subd. 11. **Deliveries.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may only accept deliveries of cannabis flower, cannabis products, and hemp-derived consumer products into a limited access area. Deliveries may not be accepted through the public access areas unless otherwise approved by the office.

Subd. 12. **Prohibitions.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall not:

(1) sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;

(2) knowingly sell more cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;

(3) give away immature cannabis plants or seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(4) operate a drive-through window;

(5) allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines; or

(6) sell cannabis plants, cannabis flower, or cannabis products if the cannabis retailer knows that any required security or statewide monitoring systems are not operational.

Subd. 13. **Adult-use and medical cannabis; co-location.** (a) A cannabis business with a license or endorsement authorizing the retail sale of adult-use cannabis flower or adult-use cannabis products that is also a licensed medical cannabis retailer may sell medical cannabis flower and medical cannabinoid products on a portion of its premises.

(b) The portion of the premises in which medical cannabis flower and medical cannabinoid products are sold must be definite and distinct from all other areas of the cannabis retailer and must provide an appropriate space for a pharmacist employee of the medical cannabis retailer to consult with a patient to determine the proper type of medical cannabis flower and medical cannabinoid products and proper dosage for the patient.

Subd. 14. **Exception.** Nothing in this section applies to the operations of a lower-potency hemp edible retailer.

Sec. 30. **[342.29] CANNABIS MICROBUSINESS LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis microbusiness 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 mature plants;

(2) make cannabis concentrate;

(3) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(4) manufacture synthetically derived cannabinoids;

(5) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(6) purchase immature cannabis plants and seedlings, cannabis flower, and hemp plant parts from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, or an industrial hemp grower;

(7) purchase cannabis concentrate, hemp concentrate, and synthetically derived cannabinoids from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, or a licensed hemp grower for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(8) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(9) 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;

(10) operate an establishment that permits on-site consumption of edible cannabis products and lower-potency hemp edibles; and

(11) perform other actions approved by the office.

Subd. 2. **Size limitations.** (a) A cannabis microbusiness that cultivates cannabis may cultivate up to 2,000 square feet of plant canopy unless the office, by rule, increases that limit. The office may, by rule, increase the limit on plant canopy to no more than 5,000 square feet if the office determines that expansion is consistent with the goals identified in section 342.02, subdivision 1. A cannabis microbusiness may not operate multiple tiers of cultivation.

(b) The office shall, by rule, establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products that a cannabis microbusiness manufacturing 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 2,000 square feet in a year, but may be increased to the amount that can be harvested from a facility with up to 5,000 square feet of plant canopy if the office expands the allowable area of cultivation under paragraph (a).

(c) A cannabis microbusiness with the appropriate endorsement may operate one retail location.

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 microbusiness 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 codes 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 synthetic 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 microbusiness license may also hold a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis microbusiness license may own or operate any other cannabis business or hemp business or hold more than one cannabis microbusiness 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. **Cultivation endorsement.** A cannabis microbusiness that cultivates cannabis plants and harvests cannabis flower must comply with the requirements in section 342.25.

Subd. 6. **Extraction and concentration endorsement.** A cannabis microbusiness that creates cannabis concentrate must comply with the requirements in section 342.26, subdivisions 2 and 3.

Subd. 7. **Production of customer products endorsement.** A cannabis microbusiness that manufactures edible cannabis products, lower-potency hemp products, or hemp-derived consumer products must comply with the requirements in section 342.26, subdivisions 2 and 4.

Subd. 8. **Retail operations endorsement.** A cannabis microbusiness that operates a retail location must comply with the requirements in section 342.27.

Subd. 9. **On-site consumption endorsement.** (a) A cannabis microbusiness may permit on-site consumption of edible cannabis products and lower-potency hemp edibles on a portion of its premises.

(b) The portion of the premises in which on-site consumption is permitted must be definite and distinct from all other areas of the microbusiness and must be accessed through a distinct entrance.

(c) Edible cannabis products and lower-potency hemp edibles sold for on-site consumption must comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of cannabinoid products.

(d) Edible cannabinoid products and lower-potency hemp edibles sold for on-site consumption must be served in the required packaging, but may be removed from the products' packaging by customers and consumed on site.

(e) Food and beverages not otherwise prohibited by this subdivision may be prepared and sold on site provided that the cannabis microbusiness complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(f) A cannabis microbusiness shall ensure that the display and consumption of any edible cannabis product or lower-potency hemp edible is not visible from outside of the licensed premises of the business.

(g) A cannabis microbusiness may offer recorded or live entertainment provided that the cannabis microbusiness complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(h) A cannabis microbusiness may not:

(1) sell an edible cannabis product or a lower-potency hemp edible to an individual who is under 21 years of age;

(2) permit an individual who is under 21 years of age to enter the premises;

(3) sell more than one single serving of an edible cannabis product or a lower-potency hemp edible to a customer;

(4) sell an edible cannabis product or a lower-potency hemp edible to a person who is visibly intoxicated;

(5) sell or allow the sale or consumption of alcohol or tobacco on the premises;

(6) sell products that are intended to be eaten or consumed as a drink, other than packaged and labeled edible cannabis products and lower-potency hemp edibles, and that contain cannabis flower or hemp plant parts or are infused with cannabis concentrate, hemp concentrate, or artificially derived cannabinoids;

(7) permit edible cannabis products or lower-potency hemp edibles sold in the portion of the area designated for on-site consumption to be removed from that area;

(8) permit adult-use cannabis flower, adult-use cannabis products, hemp-derived consumer products, or tobacco to be consumed through smoking or a vaporized delivery method on the premises; or

(9) distribute or allow free samples of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Sec. 31. **[342.30] CANNABIS WHOLESALER LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis wholesaler license entitles the license holder to:

(1) purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis microbusinesses, and industrial hemp growers;

(2) sell immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, and cannabis retailers;

(3) sell lower-potency hemp edibles to lower-potency hemp edible retailers;

(4) import hemp-derived consumer products and lower-potency edible products that contain hemp concentrate or synthetically derived cannabinoids that are derived from hemp plants or hemp plant parts; and

(5) perform other actions approved by the office.

Subd. 2. **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 wholesaler 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 and policies to avoid sales to unlicensed cannabis businesses; and

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

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis wholesaler license may also hold a cannabis transporter license, a cannabis delivery service license, and a cannabis event organizer license.

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

(c) The office by rule may limit the number of cannabis wholesaler licenses a person or business may hold.

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

Sec. 32. **[342.31] 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 mature plants;

(2) make cannabis concentrate;

(3) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(4) manufacture synthetically derived cannabinoids;

(5) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(6) purchase immature cannabis plants and seedlings, cannabis flower, and hemp plant parts from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, or an industrial hemp grower;

(7) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, a cannabis

wholesaler, or a licensed hemp grower for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(8) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(9) 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

(10) perform other actions approved by the office.

Subd. 2. **Size limitations.** (a) A cannabis mezzobusiness that cultivates cannabis may cultivate up to 5,000 square feet of plant canopy unless the office, by rule, increases that limit. The office may, by rule, increase the limit on plant canopy to no more than 15,000 cubic feet if the office determines that expansion is consistent with the goals identified in section 342.02, subdivision 1. A cannabis mezzobusiness may not operate multiple tiers of cultivation unless authorized by the office.

(b) The office shall, by rule, 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 5,000 square feet in a year, but may be increased to the amount that can be harvested from a facility with up to 15,000 cubic feet of plant canopy if the office expands the allowable area of cultivation under paragraph (a).

(c) 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 codes 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 synthetic 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. **Cultivation endorsement.** A cannabis mezzobusiness that cultivates cannabis plants and harvests cannabis flower must comply with the requirements in section 342.25.

Subd. 6. **Extraction and concentration endorsement.** A cannabis mezzobusiness that creates cannabis concentrate must comply with the requirements in section 342.26, subdivisions 2 and 3.

Subd. 7. **Production of customer products endorsement.** A cannabis mezzobusiness that manufactures edible cannabis products, lower-potency hemp products, or hemp-derived consumer products must comply with the requirements in section 342.26, subdivisions 2 and 4.

Subd. 8. **Retail operations endorsement.** A cannabis mezzobusiness that operates a retail location must comply with the requirements in section 342.27.

Subd. 9. **Co-location.** (a) A cannabis mezzobusiness that is also a licensed medical cannabis retailer may sell medical cannabis flower and medical cannabinoid products on a portion of its premises.

(b) The portion of the premises in which medical cannabis flower and medical cannabinoid products are sold must be definite and distinct from all other areas of the cannabis mezzobusiness and must provide an appropriate space for a pharmacist employee of a medical cannabis retailer to consult with the patient to determine the proper type of medical cannabis flower and medical cannabinoid products and proper dosage for the patient.

Sec. 33. **[342.32] CANNABIS WHOLESALER OPERATIONS.**

Subdivision 1. **Separation of products.** A cannabis wholesaler must ensure that cannabis plants, cannabis flower, and cannabis products are physically separated from all other products, including but not limited to lower-potency hemp edibles and hemp-derived consumer products, in a manner that prevents any cross-contamination.

Subd. 2. **Records and labels.** A cannabis wholesaler must maintain accurate records and ensure that appropriate labels remain affixed to cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 3. **Building conditions.** (a) A cannabis wholesaler shall maintain compliance with state and local building, fire, and zoning requirements or regulations.

(b) A cannabis wholesaler shall ensure that the licensed premises is maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Subd. 4. **Sale of other products.** A cannabis wholesaler may purchase and sell other products or items for which the cannabis wholesaler has a license or authorization or that do not require a license or authorization. Products for which no license or authorization is required include but are not limited to industrial hemp products, products that contain hemp grain, hemp-derived topical products, and cannabis paraphernalia, including but not limited to childproof packaging containers and other devices designed to ensure the safe storage and monitoring of cannabis flower and cannabis products in the home to prevent access by individuals under 21 years of age.

Subd. 5. **Importation of hemp-derived products.** (a) A cannabis wholesaler that imports lower-potency hemp edible products or hemp-derived consumer products, other than hemp-derived topical products, that are manufactured outside the boundaries of the state of Minnesota with the intent to sell the products to a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or lower-potency hemp edible retailer must obtain a hemp-derived product importer endorsement from the office.

(b) A cannabis wholesaler with a hemp-derived product importer endorsement may sell products manufactured outside the boundaries of the state of Minnesota if:

(1) the manufacturer is licensed in another jurisdiction and subject to regulations designed to protect the health and safety of consumers that the office determines are substantially similar to the regulations in this state; or

(2) the cannabis wholesaler establishes, to the satisfaction of the office, that the manufacturer engages in practices that are substantially similar to the practices required for licensure of manufacturers in this state.

(c) The cannabis wholesaler must enter all relevant information regarding an imported hemp-derived consumer product into the statewide monitoring system before the product may be distributed. Relevant information includes information regarding the cultivation, processing, and testing of the industrial hemp used in the manufacture of the product and information regarding the testing of the hemp-derived consumer product. If information regarding the industrial hemp or hemp-derived consumer product was submitted to a statewide monitoring system used in another state, the office may require submission of any information provided to that statewide monitoring system and shall assist in the transfer of data from another state as needed and in compliance with any data classification established by either state.

(d) The office may suspend, revoke, or cancel the endorsement of a distributor who is prohibited from distributing products containing cannabinoids in any other jurisdiction, convicted of an offense involving the distribution of products containing cannabinoids in any other jurisdiction, or found liable for distributing any product that injured customers in any other jurisdiction. A cannabis wholesaler shall disclose all relevant information related to actions in another jurisdiction. Failure to disclose relevant information may result in disciplinary action by the office, including the suspension, revocation, or cancellation of an endorsement or license.

(e) Notwithstanding any law to the contrary, it shall not be a defense in any civil or criminal action that a licensed wholesaler relied on information on a product label or otherwise provided by a manufacturer who is not licensed in this state.

Sec. 34. **[342.33] CANNABIS TRANSPORTER LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis transporter license entitles the license holder to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, medical cannabis retailers, medical cannabis processors, and industrial hemp growers to cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, cannabis testing facilities, cannabis wholesalers, cannabis retailers, lower-potency hemp edible product retailers, medical cannabis processors, and medical cannabis retailers and perform other actions approved by the office.

Subd. 2. **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 transporter license must submit the following information in a form approved by the office:

(1) an appropriate surety bond, certificate of insurance, qualifications as a self-insurer, or other securities or agreements, in the amount of not less than \$300,000, for loss of or damage to cargo;

(2) an appropriate surety bond, certificate of insurance, qualifications as a self-insurer, or other securities or agreements, in the amount of not less than \$1,000,000, for injury to one or more persons in any one accident and, if an accident has resulted in injury to or destruction of property, of not less than \$100,000 because of such injury to or destruction of property of others in any one accident;

(3) the number and type of equipment the business will use to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products;

(4) a loading, transporting, and unloading plan;

(5) a description of the applicant's experience in the distribution or security business; and

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

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis transporter license may also hold a cannabis wholesaler license, a cannabis delivery service license, and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis transporter license may own or operate any other cannabis business.

(c) The office by rule may limit the number of cannabis transporter licenses a person or business may hold.

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

Sec. 35. **[342.34] CANNABIS TRANSPORTER OPERATIONS.**

Subdivision 1. **Manifest required.** Before transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products, a cannabis transporter shall obtain a shipping manifest on a form established by the office. The manifest must be kept with the products at all times and the cannabis transporter must maintain a copy of the manifest in its records.

Subd. 2. **Records of transportation.** Records of transportation must be kept for a minimum of three years at the cannabis transporter's place of business and are subject to inspection upon request by the office or law enforcement agency. Records of transportation include the following:

- (1) copies of transportation manifests for all deliveries;
- (2) a transportation log documenting the chain of custody for each delivery, including every employee and vehicle used during transportation; and
- (3) financial records showing payment for transportation services.

Subd. 3. **Storage compartment.** Immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products must be transported in a locked, safe, and secure storage compartment that is part of the motor vehicle or in a locked storage container that has a separate key or combination pad. Items being transported may not be visible from outside the motor vehicle.

Subd. 4. **Identifying logos or business names prohibited.** No vehicle or trailer may contain an image depicting the types of items being transported, including but not limited to an image depicting a cannabis or hemp leaf, or a name suggesting that the vehicle is used in transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 5. **Randomized deliveries.** A cannabis transporter shall ensure that all delivery times and routes are randomized.

Subd. 6. **Multiple employees.** All cannabis transporter vehicles transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products must be staffed with a minimum of two employees. At least one delivery team member shall remain with the motor vehicle at all times that the motor vehicle contains cannabis plants and seedlings,

cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 7. **Nonemployee passengers prohibited.** Only a cannabis worker employed by or contracted with the cannabis transporter and who is at least 21 years of age may transport immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products. All passengers in a vehicle must be cannabis workers employed by or contracted with the cannabis transporter.

Subd. 8. **Drivers license required.** All drivers must carry a valid driver's license with the proper endorsements when operating a vehicle transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 9. **Vehicles subject to inspection.** Any vehicle assigned for the purposes of transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products is subject to inspection and may be stopped or inspected at any licensed cannabis business or while en route during transportation.

Sec. 36. [342.35] CANNABIS TESTING FACILITY LICENSING.

Subdivision 1. **Authorized actions.** A cannabis testing facility license entitles the license holder to obtain and test immature cannabis plants and seedlings, cannabis flower, cannabis products, hemp plant parts, hemp concentrate, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, medical cannabis cultivators, medical cannabis processors, and industrial hemp growers.

Subd. 2. **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 testing facility 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 and policies to avoid sales to unlicensed businesses;

(2) proof of accreditation by a laboratory accrediting organization approved by the office that, at a minimum, requires a laboratory to operate formal management systems under the International Organization for Standardization; and

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

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis testing facility license may not own or operate, or be employed by, any other cannabis business or hemp business.

(b) The office by rule may limit the number of cannabis testing facility licenses a person or business may hold.

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

Sec. 37. **[342.36] CANNABIS TESTING FACILITY OPERATIONS.**

Subdivision 1. **Testing services.** A cannabis testing facility shall provide some or all testing services required under section 342.60 and rules adopted pursuant to that section.

Subd. 2. **Testing protocols.** A cannabis testing facility shall follow all testing protocols, standards, and criteria adopted by rule by the office for the testing of different forms of cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, hemp plant parts, hemp concentrate, and synthetically derived cannabinoids; determining batch size; sampling; testing validity; and the approval and disapproval of tested items.

Subd. 3. **Records.** Records of all business transactions and testing results; records required to be maintained pursuant to any applicable standards for accreditation; and records relevant to testing protocols, standards, and criteria adopted by the office must be kept for a minimum of three years at the cannabis testing facility's place of business and are subject to inspection upon request by the office or law enforcement agency.

Subd. 4. **Disposal of cannabis flower and cannabinoid products.** A testing facility shall dispose of or destroy used, unused, and waste cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, hemp plant parts, hemp concentrate, and synthetically derived cannabinoids, pursuant to rules adopted by the office.

Sec. 38. **[342.37] CANNABIS EVENT ORGANIZER LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis event organizer license entitles the license holder to organize a temporary cannabis event lasting no more than four days.

Subd. 2. **Additional information required.** (a) 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 event organizer license must submit the following information in a form approved by the office:

- (1) the type and number of any other cannabis business license held by the applicant;
- (2) the address and location where the temporary cannabis event will take place;
- (3) the name of the temporary cannabis event;

(4) a diagram of the physical layout of the temporary cannabis event showing where the event will take place on the grounds; all entrances and exits that will be used by participants during the event; all cannabis consumption areas; all cannabis retail areas where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be sold; the

location where cannabis waste will be stored; and any location where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be stored;

(5) a list of the name, number, and type of cannabis businesses and hemp businesses that will sell cannabis plants, adult-use cannabis flower, adult-use cannabinoid products, and hemp-derived consumer products at the event, which may be supplemented or amended within 72 hours of the time at which the cannabis event begins;

(6) the dates and hours during which the cannabis event will take place;

(7) proof of local approval for the cannabis event; and

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

(b) A person, cooperative, or business seeking a cannabis event organizer license may also disclose whether the person or any officer, director, manager, and general partner of a cannabis business is serving or has previously served in the military.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis event organizer license may not hold a cannabis testing facility license, a lower-potency hemp edible manufacturer license, or a lower-potency hemp edible retailer license.

(b) The office by rule may limit the number of cannabis event licenses that a person or business may hold.

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

Sec. 39. [342.38] CANNABIS EVENT ORGANIZER OPERATIONS.

Subdivision 1. **Local approval.** A cannabis event organizer must receive local approval, including obtaining any necessary permits or licenses issued by a local unit of government, before holding a cannabis event.

Subd. 2. **Charging fees.** (a) A cannabis event organizer may charge an entrance fee to a cannabis event.

(b) A cannabis event organizer may charge a fee to a cannabis business or hemp business in exchange for space to display and sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products. Any fee paid for participation in a cannabis event shall not be based on or tied to the sale of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 3. **Security.** A cannabis event organizer must hire or contract for licensed security personnel to provide security services at the cannabis event. All security personnel hired or contracted for shall be at least 21 years of age and present on the licensed event premises at all times that cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles,

or hemp-derived consumer products are available for sale or consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed. The security personnel shall not consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products for at least 24 hours before the event or during the event.

Subd. 4. **Limited access to event.** A cannabis event organizer shall ensure that access to an event is limited to individuals who are at least 21 years of age. At or near each public entrance to any area where the sale or consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed, a cannabis event organizer shall maintain a clearly visible and legible sign consisting of the following statement: "No persons under 21 allowed." The lettering of the sign shall be not less than one inch in height.

Subd. 5. **Cannabis waste.** A cannabis event organizer shall ensure that all used, unused, and waste cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that are not removed by a customer, cannabis business, or hemp business are disposed of in a manner approved by the office.

Subd. 6. **Transportation of cannabis plants, flower, and products.** All transportation of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products intended for display or sale and all such items used for display or not sold during the cannabis event must be transported to and from the cannabis event by a licensed cannabis transporter.

Subd. 7. **Cannabis event sales.** (a) Cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, and lower-potency hemp edible retailers, including the cannabis event organizer, may be authorized to sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to customers at a cannabis event.

(b) All sales of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products at a cannabis event must take place in a retail area as designated in the premises diagram.

(c) Authorized retailers may only conduct sales within their specifically assigned area.

(d) Authorized retailers must verify the age of all customers pursuant to section 342.28, subdivision 4, before completing a sale and may not sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age.

(e) Authorized retailers may display one sample of each type of cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product available for sale. Samples of adult-use cannabis flower and adult-use cannabis products must be stored in a sample jar or display case and be accompanied by a label or notice containing the information required to be affixed to the packaging or container containing adult-use cannabis flower and adult-use cannabis products sold to customers. A sample may not consist of more than eight grams of adult-use cannabis flower or adult-use cannabis concentrate, or an edible cannabis product

infused with more than 100 milligrams of tetrahydrocannabinol. A cannabis retailer may allow customers to smell the adult-use cannabis flower or adult-use cannabis product before purchase.

(f) The notice requirements under section 342.28, subdivision 6, apply to authorized cannabis retailers and licensed cannabis microbusinesses offering cannabis plants, adult-use cannabis flower, adult-use cannabinoid products, and hemp-derived consumer products for sale at a cannabis event.

(g) Authorized retailers may not:

(1) sell adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;

(2) knowingly sell more cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;

(3) sell medical cannabis flower or medical cannabinoid products;

(4) give away cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products; or

(5) allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines.

(h) Except for samples of a cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product, all cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must be stored in a secure, locked container that is not accessible to the public. Such items being stored at a cannabis event shall not be left unattended.

(i) All cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products for sale at a cannabis event must comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of those items.

(j) All cannabis plants, adult-use cannabis flower, and adult-use cannabinoid products sold, damaged, or destroyed at a cannabis event must be recorded in the statewide monitoring system.

Subd. 8. Cannabis event on-site consumption. (a) If approved by the local unit of government, a cannabis event may designate an area for consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those items.

(b) Access to areas where consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed shall be restricted to individuals who are at least 21 years of age.

(c) The cannabis event organizer shall ensure that consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within a designated consumption area is not visible from any public place.

(d) The cannabis event organizer shall not permit consumption of alcohol or tobacco.

(e) The cannabis event organizer shall not permit smoking, according to section 144.413, of adult-use cannabis flower or cannabinoid products at any location where smoking is not permitted under sections 144.413 to 144.417. Nothing in this section prohibits a statutory or home rule charter city or county from enacting and enforcing more stringent measures to protect individuals from secondhand smoke or involuntary exposure to aerosol or vapor form electronic delivery devices.

Sec. 40. **[342.39] CANNABIS DELIVERY SERVICE LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis delivery service license entitles the license holder to purchase cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from licensed cannabis retailers, licensed cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, and medical cannabis retailers; transport and deliver cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumable products to customers; and perform other actions approved by the office.

Subd. 2. **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 delivery service license must submit the following information in a form approved by the office:

(1) a list of all vehicles to be used in the delivery of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products including:

(i) the vehicle make, model, and color;

(ii) the vehicle identification number; and

(iii) the license plate number;

(2) proof of insurance for each vehicle;

(3) a business plan demonstrating policies to avoid sales of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals who are under 21 years of age and plans to prevent the visibility of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals outside the delivery vehicle; and

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

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis delivery service license may also hold a cannabis retailer license, a cannabis wholesaler license, a cannabis transporter license, a cannabis event organizer license, and a medical cannabis retailer license subject to the ownership limitations that apply to those licenses.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis delivery service license may own or operate any other cannabis business or hemp business.

(c) The office by rule may limit the number of cannabis delivery service licenses that a person or business may hold.

(d) 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.

Sec. 41. **[342.40] CANNABIS DELIVERY SERVICE OPERATIONS.**

Subdivision 1. **Age or registry verification.** Prior to completing a delivery, a cannabis delivery service shall verify that the customer is at least 21 years of age or is enrolled in the registry program. Section 342.28, subdivision 4, applies to the verification of a customer's age. Registry verification issued by the Division of Medical Cannabis may be considered evidence that the person is enrolled in the registry program.

Subd. 2. **Records.** The office by rule shall establish record-keeping requirements for a cannabis delivery service, including but not limited to proof of delivery to individuals who are at least 21 years of age or enrolled in the registry program.

Subd. 3. **Amount to be transported.** The office by rule shall establish limits on the amount of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that a cannabis delivery service may transport.

Subd. 4. **Statewide monitoring system.** Receipt of cannabis flower and cannabinoid products by the cannabis delivery service and a delivery to a customer must be recorded in the statewide monitoring system within the time established by rule.

Subd. 5. **Storage compartment.** Cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products must be transported in a locked, safe, and secure storage compartment that is part of the cannabis delivery service vehicle or in a locked storage container that has a separate key or combination pad. Cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products may not be visible from outside the cannabis delivery service vehicle.

Subd. 6. **Identifying logos or business names prohibited.** No cannabis delivery service vehicle or trailer may contain an image depicting the types of items being transported, including but not limited to an image depicting a cannabis or hemp leaf, or a name suggesting that the cannabis delivery service vehicle is used for transporting cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 7. **Nonemployee passengers prohibited.** Only a cannabis worker employed by or contracted with the cannabis delivery service and who is at least 21 years of age may transport cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products. All passengers in a cannabis delivery service vehicle must be cannabis workers employed by or contracted with the cannabis delivery service.

Subd. 8. **Vehicles subject to inspection.** Any cannabis delivery service vehicle is subject to inspection and may be stopped or inspected at any licensed cannabis business or while en route during transportation.

Sec. 42. **[342.41] LOWER-POTENCY HEMP EDIBLE RETAILER.**

Subdivision 1. **Sale of lower-potency hemp edibles.** (a) A lower-potency hemp edible retailer may only sell lower-potency hemp edibles to individuals who are at least 21 years of age.

(b) A lower-potency hemp edible retailer may sell lower-potency edible products that:

(1) are obtained from a licensed Minnesota cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, cannabis wholesaler, or lower-potency hemp edible manufacturer; and

(2) meet all applicable packaging and labeling requirements.

Subd. 2. **Sale of other products.** A lower-potency hemp edible retailer may sell other products or items for which the lower-potency hemp edible retailer has a license or authorization or that do not require a license or authorization.

Subd. 3. **Age verification.** Prior to initiating a sale, an employee of the lower-potency edible product retailer must verify that the customer is at least 21 years of age. Section 342.28, subdivision 4, applies to the verification of a customer's age.

Subd. 4. **Compliant products.** (a) A lower-potency hemp edible retailer shall ensure that all lower-potency hemp edibles offered for sale comply with the limits on the amounts and types of cannabinoids that a lower-potency hemp edible can contain, including but not limited to the requirement that lower-potency hemp edibles:

(1) consist of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol, 25 milligrams of cannabidiol, 25 milligrams of cannabigerol per serving, or any combination of those cannabinoids that does not exceed the identified amounts;

(2) do not contain more than a combined total of 0.5 milligrams of all other cannabinoids; and

(3) do not contain a synthetically derived cannabinoid other than delta-9 tetrahydrocannabinol.

(b) If a lower-potency hemp edible is packaged in a manner that includes more than a single serving, the lower-potency edible product must indicate each serving by scoring, wrapping, or other indicators that appear on the lower-potency hemp edible designating the individual serving size. If the lower-potency hemp edible is meant to be consumed as a beverage or it is not possible to indicate a single serving by scoring or use of another indicator that appears on the product, the lower-potency hemp edible may not be packaged in a manner that includes more than a single serving in each container.

(c) A single package containing multiple servings of a lower-potency edible product must contain no more than 50 milligrams of delta-9 tetrahydrocannabinol, 250 milligrams of cannabidiol, 250 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts.

Subd. 5. **Prohibitions.** A lower-potency edible product retailer may not:

(1) sell lower-potency hemp edibles to an individual who is under 21 years of age;

(2) sell a lower-potency hemp edible to a person who is visibly intoxicated;

(3) sell cannabis flower, cannabis products, or hemp-derived consumer products;

(4) allow for the dispensing of lower-potency hemp edibles in vending machines; or

(5) distribute or allow free samples of lower-potency hemp edibles except when the business is licensed to permit on-site consumption and samples are consumed within its licensed premises.

Subd. 6. **On-site consumption.** (a) A lower-potency hemp edible retailer may permit on-site consumption of lower-potency hemp edibles on a portion of its premises if it has an on-site consumption endorsement.

(b) The office shall issue an on-site consumption endorsement to any lower-potency hemp edible retailer that also holds an on-sale license issued under chapter 340A.

(c) Lower-potency hemp edibles sold for on-site consumption must comply with this chapter and rules adopted pursuant to this chapter regarding testing.

(d) Lower-potency hemp edibles sold for on-site consumption, other than lower-potency hemp edibles that are intended to be consumed as a beverage, must be served in the required packaging, but may be removed from the product's packaging by customers and consumed on site.

(e) Lower-potency hemp edibles that are intended to be consumed as a beverage may be served outside of their packaging provided the information that is required to be contained on the label of a lower-potency hemp edible is posted or otherwise displayed by the lower-potency hemp edible retailer. Hemp workers who serve beverages under this paragraph are not required to obtain an edible cannabinoid product handler endorsement under section 342.07, subdivision 3.

(f) Food and beverages not otherwise prohibited by this subdivision may be prepared and sold on site provided that the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(g) A lower-potency hemp edible retailer may offer recorded or live entertainment provided that the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(h) In addition to the prohibitions under this section, a lower-potency hemp edible retailer with an on-site consumption endorsement may not:

(1) sell lower-potency hemp edibles to a customer who the lower-potency hemp edible retailer knows or reasonably should know is intoxicated;

(2) sell lower-potency hemp edibles that are designed or reasonably expected to be mixed with an alcoholic beverage; or

(3) permit lower-potency hemp edibles that have been removed from the product's packaging to be removed from the premises of the lower-potency hemp edible retailer.

Subd. 7. **Posting of notices.** A lower-potency hemp edible retailer must post all notices as provided in section 342.28, subdivision 6.

Subd. 8. **Building conditions.** (a) A lower-potency hemp edible retailer shall maintain compliance with state and local building, fire, and zoning requirements or regulations.

(b) A lower-potency hemp edible retailer shall ensure that the licensed premises is maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Subd. 9. **Enforcement.** The office shall inspect lower-potency hemp edible retailers and take enforcement action as provided in sections 342.17 and 342.18.

Sec. 43. **[342.42] MEDICAL CANNABIS BUSINESS LICENSES.**

Subdivision 1. **License types.** (a) The office shall issue the following types of medical cannabis business licenses:

- (1) medical cannabis cultivator;
- (2) medical cannabis processor; and
- (3) medical cannabis retailer.

(b) The Division of Medical Cannabis may oversee the licensing and regulation of medical cannabis businesses.

Subd. 2. **Multiple licenses; limits.** (a) A person, cooperative, or business holding:

(1) a medical cannabis cultivator license may also hold a medical cannabis processor license, a cannabis cultivator license, a cannabis manufacturer license, and a cannabis event organizer license subject to the ownership limitations that apply to those licenses;

(2) a medical cannabis processor license may also hold a medical cannabis cultivator license, a cannabis cultivator license, a cannabis manufacturer license, and a cannabis event organizer license subject to the ownership limitations that apply to those licenses; or

(3) a medical cannabis retailer license may also hold a cannabis retailer license, a cannabis delivery service license, and a cannabis event organizer license subject to the ownership limitations that apply to those licenses.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a medical cannabis license may own or operate any other cannabis business.

(c) The office by rule may limit the number of medical cannabis business licenses that a person or business may hold.

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

Subd. 3. **Registered medical cannabis manufacturers.** As used in this subdivision, "medical cannabis manufacturer" means either of the two in-state manufacturers of medical cannabis registered with the commissioner of health pursuant to section 152.25 as of July 1, 2023.

Subd. 4. **Limitations on health care practitioners.** A health care practitioner who certifies qualifying medical conditions for patients is prohibited from:

- (1) holding a direct or indirect economic interest in a medical cannabis business;
- (2) serving on a board of directors or as an employee of a medical cannabis business; or
- (3) advertising with a medical cannabis business in any way.

Subd. 5. **Remuneration.** A medical cannabis business is prohibited from:

(1) accepting or soliciting any form of remuneration from a health care practitioner who certifies qualifying medical conditions for patients; or

(2) offering any form of remuneration to a health care practitioner who certifies qualifying medical conditions for patients.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 44. **[342.43] HEMP BUSINESS LICENSE TYPES; MULTIPLE LICENSES.**

Subdivision 1. **License types.** The office shall issue the following types of hemp business licenses:

- (1) lower-potency hemp edible manufacturer; and
- (2) lower-potency hemp edible retailer.

Subd. 2. **Multiple licenses; limits.** (a) A person, cooperative, or business may hold both a lower-potency hemp edible manufacturer and lower-potency hemp edible retailer license.

(b) Nothing in this section prohibits a person, cooperative, or business from holding a lower-potency hemp edible manufacturer license or a lower-potency hemp edible retailer license, or both, and also holding a license to cultivate industrial hemp issued pursuant to chapter 18K.

(c) Nothing in this section prohibits a person, cooperative, or business from holding a lower-potency hemp edible manufacturer license or a lower-potency hemp edible retailer license, or both, and also holding any other license, including but not limited to a license to prepare or sell food; sell tobacco, tobacco-related devices, and electronic delivery devices as defined in section 609.685, subdivision 1; nicotine and lobelia delivery products as described in section 609.6855; or manufacture or sell alcoholic beverages as defined in section 340A.101, subdivision 2.

(d) A person, cooperative, or business holding a lower-potency hemp edible manufacturer license or a lower-potency hemp edible retailer license, or both, may not hold a cannabis business license.

Sec. 45. **[342.44] MEDICAL CANNABIS BUSINESS APPLICATIONS.**

Subdivision 1. **Information required.** In addition to 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 medical cannabis business license must submit the following information in a form approved by the office:

(1) for medical cannabis cultivator license applicants:

(i) an operating plan demonstrating the proposed size and layout of the cultivation facility; plans for wastewater and waste disposal for the cultivation facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the cultivation facility; and plans for compliance with applicable building code and federal and state environmental and workplace safety requirements;

(ii) a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation for medical cannabis, including the total amount of plant canopy; and

(iii) evidence that the business will comply with the applicable operation requirements for the license being sought;

(2) for medical cannabis processor license applicants:

(i) 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 the manufacturing facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the manufacturing facility; and plans for compliance with applicable building code and federal and state environmental and workplace safety requirements;

(ii) all methods of extraction and concentration that the applicant intends to use and the volatile chemicals, if any, that are involved in extraction or concentration;

(iii) if the applicant is seeking an endorsement to manufacture products infused with cannabinoids for consumption by patients enrolled in the registry program, proof of an edible cannabinoid product handler endorsement from the office; and

(iv) evidence that the applicant will comply with the applicable operation requirements for the license being sought; or

(3) for medical cannabis retailer license applicants:

(i) a list of every retail license held by the applicant and, if the applicant is a business, every retail license held, either as an individual or as part of another business, by each officer, director, manager, and general partner of the cannabis business;

(ii) an operating plan demonstrating the proposed layout of the facility including a diagram of ventilation and filtration systems, policies to avoid sales to individuals who are not authorized to receive the distribution of medical cannabis flower or medical cannabinoid products, identification of a restricted area for storage, and plans to prevent the visibility of cannabis flower and cannabinoid products;

(iii) if the applicant holds or is applying for a cannabis retailer license, a diagram showing the portion of the premises in which medical cannabis flower and medical cannabinoid products will be sold and distributed and identifying an area that is definite and distinct from all other areas of the cannabis retailer, accessed through a distinct entrance, and contains an appropriate space for a pharmacist employee of the medical cannabis retailer to consult with the patient to determine the proper type of medical cannabis flower and medical cannabinoid products and proper dosage for the patient; and

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

Subd. 2. **Segregation of medical cannabis.** A person, cooperative, or business seeking a medical cannabis cultivator license or a medical cannabis processor license and any other type of cannabis business license, other than a cannabis event organizer license, must identify the methods that will be used to segregate medical cannabis flower and medical cannabinoid products from other cannabis flower and cannabinoid products to avoid cross-contamination.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 46. **[342.45] HEMP BUSINESS LICENSES; APPLICATIONS AND ISSUANCE.**

Subdivision 1. **Application; contents.** (a) Except as otherwise provided in this subdivision, the provisions of this chapter relating to license applications, license selection criteria, general ownership disqualifications and requirements, and general operational requirements do not apply to hemp businesses.

(b) The office by rule shall establish forms and procedures for the processing of hemp licenses issued under this chapter. At a minimum, any application to obtain or renew a hemp license shall include the following information, if applicable:

(1) the name, address, and date of birth of the applicant;

(2) the address and legal property description of the business;

(3) proof of trade name registration;

(4) certification that the applicant will comply with the requirements of this chapter relating to the ownership and operation of a hemp business;

(5) identification of one or more controlling persons or managerial employees as agents who shall be responsible for dealing with the office on all matters; and

(6) a statement that the applicant agrees to respond to the office's supplemental requests for information.

(c) An application on behalf of a corporation or association shall be signed by at least two officers or managing agents of that entity.

Subd. 2. **Issuance; eligibility; prohibition on transfer.** (a) The office may issue a hemp license to an applicant who:

(1) is at least 21 years of age;

(2) has completed an application for licensure or application for renewal and has fully and truthfully complied with all information requests relating to license application and renewal;

(3) has paid the applicable application and license fees pursuant to section 342.11;

(4) is not employed by the office or any state agency with regulatory authority over this chapter;
and

(5) does not hold any cannabis business license.

(b) Licenses must be renewed annually.

(c) Licenses may not be transferred.

Sec. 47. **[342.46] LOWER-POTENCY HEMP EDIBLE MANUFACTURER.**

Subdivision 1. **Authorized actions.** A lower-potency hemp edible manufacturer license entitles the license holder to:

(1) purchase hemp plant parts, hemp concentrate, and synthetically derived cannabinoids from cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, and industrial hemp growers;

(2) make hemp concentrate;

(3) manufacture synthetically derived cannabinoids;

(4) manufacture lower-potency hemp edibles for public consumption;

(5) package and label lower-potency hemp edibles for sale to customers;

(6) sell hemp concentrate, synthetically derived cannabinoids, and lower-potency hemp edibles to other cannabis businesses and hemp businesses; and

(7) perform other actions approved by the office.

Subd. 2. **All manufacturer operations.** (a) All hemp manufacturing must take place in a facility and on equipment that meets the applicable health and safety requirements established by the office, including requirements for cleaning and testing machinery between production of different products.

(b) A lower-potency hemp edible manufacturer must comply with all applicable packaging, labeling, and testing requirements.

Subd. 3. **Extraction and concentration.** (a) A lower-potency hemp edible manufacturer that creates hemp concentrate or synthetically derived cannabinoids must obtain an endorsement from the office.

(b) A lower-potency hemp edible manufacturer seeking an endorsement to create hemp concentrate must inform the office of all methods of extraction and concentration that the

manufacturer intends to use and identify the volatile chemicals, if any, that will be involved in the creation of hemp concentrate. A lower-potency hemp edible manufacturer may not use a method of extraction and concentration of a volatile chemical without approval by the office.

(c) A lower-potency hemp edible manufacturer seeking an endorsement to create synthetically derived cannabinoids must inform the office of all methods of conversion that the manufacturer will use, including any specific catalysts that the manufacturer will employ, to create synthetically derived cannabinoids and the molecular nomenclature of all cannabinoids or other chemical compound that the manufacturer will create. A business licensed or authorized to manufacture lower-potency hemp edibles may not use a method of conversion or a catalyst without approval by the office.

(d) A lower-potency hemp edible manufacturer must obtain a certification from an independent third-party industrial hygienist or professional engineer approving:

(1) all electrical, gas, fire suppression, and exhaust systems; and

(2) the plan for safe storage and disposal of hazardous substances, including but not limited to any volatile chemicals.

(e) Upon the sale of hemp concentrate or synthetically derived cannabinoids to any person, cooperative, or business, a lower-potency hemp edible manufacturer must provide a statement to the buyer that discloses the method of extraction and concentration or conversion used and any solvents, gases, or catalysts, including but not limited to any volatile chemicals, involved in that method.

Subd. 4. Production of consumer products. (a) A lower-potency hemp edible manufacturer that produces lower-potency hemp edibles must obtain an edible cannabinoid product handler endorsement from the office.

(b) All areas within the premises of a lower-potency hemp edible manufacturer used for producing lower-potency hemp edibles must meet the sanitary standards specified in rules adopted by the office.

(c) A lower-potency hemp edible manufacturer may only add chemicals or compounds approved by the office to hemp concentrate or synthetically derived cannabinoids.

(d) Upon the sale of any lower-potency hemp edible to a cannabis business or hemp business, a lower-potency hemp edible manufacturer must provide a statement to the buyer that discloses the product's ingredients, including but not limited to any chemicals or compounds and any major food allergens declared by name.

(e) A lower-potency hemp edible manufacturer shall not add any synthetically derived cannabinoid, hemp plant part, or hemp concentrate to a product where the manufacturer of the product holds a trademark to the product's name, except that a lower-potency hemp edible manufacturer may use a trademarked food product if the manufacturer uses the product as a component or as part of a recipe and where the lower-potency hemp edible manufacturer does not state or advertise to the customer that the final retail lower-potency hemp edible contains a trademarked food product.

(f) A lower-potency hemp edible manufacturer shall not add any cannabis flower, cannabis concentrate, or any cannabinoid derived from cannabis flower or cannabis concentrate to a product.

Sec. 48. **[342.47] MEDICAL CANNABIS CULTIVATORS.**

(a) A medical cannabis cultivator license entitles the license holder to grow cannabis plants within the approved amount of space up to 60,000 square feet of plant canopy from seed or immature plant to mature plant, harvest cannabis flower from a mature plant, package and label cannabis flower as medical cannabis flower, sell medical cannabis flower to medical cannabis processors and medical cannabis retailers, transport medical cannabis flower to a medical cannabis processor located on the same premises, and perform other actions approved by the office.

(b) A medical cannabis cultivator license holder must comply with all requirements of section 342.25.

(c) A medical cannabis cultivator license holder must verify that every batch of medical cannabis flower has passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for the testing of medical cannabis flower before the medical cannabis cultivator may package, label, or sell the medical cannabis flower to any other entity.

(d) A medical cannabis cultivator may exceed the limit of 60,000 square feet of plant canopy if it was legally cultivating medical cannabis with a greater plant canopy as of April 1, 2023.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 49. **[342.48] MEDICAL CANNABIS PROCESSORS.**

(a) A medical cannabis processor license, consistent with the specific license endorsement or endorsements, entitles the license holder to:

(1) purchase medical cannabis flower, medical cannabinoid products, hemp plant parts, and hemp concentrate from medical cannabis cultivators, other medical cannabis processors, and industrial hemp growers;

(2) make cannabis concentrate from medical cannabis flower;

(3) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(4) manufacture medical cannabinoid products;

(5) package and label medical cannabinoid products for sale to other medical cannabis processors and to medical cannabis retailers; and

(6) perform other actions approved by the office.

(b) A medical cannabis processor license holder must comply with all requirements of section 342.26, including requirements to obtain specific license endorsements.

(c) A medical cannabis processor license holder must verify that every batch of medical cannabinoid product has passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for the testing of medical cannabinoid products before the medical cannabis processor may package, label, or sell the medical cannabinoid product to any other entity.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 50. **[342.49] MEDICAL CANNABIS RETAILERS.**

Subdivision 1. **Authorized actions.** (a) A medical cannabis retailer license entitles the license holder to purchase medical cannabis flower and medical cannabinoid products from medical cannabis cultivators and medical cannabis processors and sell or distribute medical cannabis flower and medical cannabinoid products to any person authorized to receive medical cannabis flower or medical cannabinoid products.

(b) A medical cannabis retailer license holder must verify that all medical cannabis flower and medical cannabinoid products have passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for the testing of medical cannabis flower and medical cannabinoid products before the medical cannabis retailer may distribute the medical cannabis flower or medical cannabinoid product to any person authorized to receive medical cannabis flower or medical cannabinoid products.

Subd. 2. **Distribution requirements.** (a) Prior to distribution of medical cannabis flower or medical cannabinoid products, a medical cannabis retailer licensee must:

(1) review and confirm the patient's registry verification;

(2) verify that the person requesting the distribution of medical cannabis flower or medical cannabinoid products is the patient, the patient's registered designated caregiver, or the patient's parent, legal guardian, or spouse using the procedures specified in section 152.11, subdivision 2d;

(3) ensure that a pharmacist employee of the medical cannabis retailer has consulted with the patient if required according to subdivision 3; and

(4) apply a patient-specific label on the medical cannabis flower or medical cannabinoid product that includes recommended dosage requirements and other information as required by rules adopted by the office.

(b) A medical cannabis retailer may not deliver medical cannabis flower or medical cannabinoid products unless the medical cannabis retailer also holds a cannabis delivery service license. Delivery of medical cannabis flower and medical cannabinoid products are subject to the provisions of section 342.40.

Subd. 3. **Final approval for distribution of medical cannabis flower and medical cannabinoid products.** (a) A cannabis worker who is employed by a medical cannabis retailer and who is licensed as a pharmacist pursuant to chapter 151 shall be the only person who may give final approval for the distribution of medical cannabis flower and medical cannabinoid products. Prior to the distribution of medical cannabis flower or medical cannabinoid products, a pharmacist employed by the medical cannabis retailer must consult with the patient to determine the proper type of medical cannabis

flower, medical cannabinoid product, or medical cannabis paraphernalia and proper dosage for the patient after reviewing the range of chemical compositions of medical cannabis flower or medical cannabinoid product. For purposes of this subdivision, a consultation may be conducted remotely by secure videoconference, telephone, or other remote means, as long as:

(1) the pharmacist engaging in the consultation is able to confirm the identity of the patient; and

(2) the consultation adheres to patient privacy requirements that apply to health care services delivered through telemedicine.

(b) Notwithstanding paragraph (a), a pharmacist consultation is not required prior to the distribution of medical cannabis flower or medical cannabinoid products when a medical cannabis retailer is distributing medical cannabis flower or medical cannabinoid products to a patient according to a patient-specific dosage plan established with that medical cannabis retailer and is not modifying the dosage or product being distributed under that plan. Medical cannabis flower or medical cannabinoid products distributed under this paragraph must be distributed by a pharmacy technician employed by the medical cannabis retailer.

Subd. 4. **90-day supply.** A medical cannabis retailer shall not distribute more than a 90-day supply of medical cannabis flower or medical cannabinoid products to a patient, registered designated caregiver, or parent, legal guardian, or spouse of a patient according to the dosages established for the individual patient.

Subd. 5. **Distribution to recipient in a motor vehicle.** A medical cannabis retailer may distribute medical cannabis flower and medical cannabinoid products to a patient, registered designated caregiver, or parent, legal guardian, or spouse of a patient who is at a dispensary location but remains in a motor vehicle, provided that:

(1) staff receive payment and distribute medical cannabis flower and medical cannabinoid products in a designated zone that is as close as feasible to the front door of the facility;

(2) the medical cannabis retailer ensures that the receipt of payment and distribution of medical cannabis flower and medical cannabinoid products are visually recorded by a closed-circuit television surveillance camera and provides any other necessary security safeguards;

(3) the medical cannabis retailer does not store medical cannabis flower or medical cannabinoid products outside a restricted access area and staff transport medical cannabis flower and medical cannabinoid products from a restricted access area to the designated zone for distribution only after confirming that the patient, designated caregiver, or parent, guardian, or spouse has arrived in the designated zone;

(4) the payment and distribution of medical cannabis flower and medical cannabinoid products take place only after a pharmacist consultation takes place, if required under subdivision 3;

(5) immediately following distribution of medical cannabis flower or medical cannabinoid products, staff enter the transaction in the statewide monitoring system; and

(6) immediately following distribution of medical cannabis flower and medical cannabinoid products, staff take the payment received into the facility.

Subd. 6. **Physical separation required.** A medical cannabis retailer that is also a cannabis retailer must distribute medical cannabis flower and medical cannabinoid products provided that the portion of the premises in which medical cannabis flower and medical cannabinoid products are sold is definite and distinct from all other areas of the cannabis retailer, is accessed through a distinct entrance, and provides an appropriate space for a pharmacist employee of the medical cannabis retailer to consult with the patient to determine the proper type of medical cannabis flower and medical cannabinoid products and proper dosage for the patient.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 51. **[342.50] TRIBAL MEDICAL CANNABIS PROGRAM.**

Subdivision 1. **Tribal medical cannabis program manufacturer transportation.** (a) A Tribal medical cannabis program manufacturer may transport medical cannabis to testing laboratories in the state and to other Indian lands.

(b) A Tribal medical cannabis program manufacturer must staff a motor vehicle used to transport medical cannabis with at least two employees of the manufacturer. Each employee in the transport vehicle must carry identification specifying that the employee is an employee of the manufacturer, and one employee in the transport vehicle must carry a detailed transportation manifest that includes the place and time of departure, the address of the destination, and a description and count of the medical cannabis being transported.

Subd. 2. **Distribution to Tribal medical cannabis program patient.** (a) A Tribal medical cannabis manufacturer may distribute medical cannabis in accordance with section 342.49 to a Tribal medical cannabis program patient.

(b) Prior to distribution, the Tribal medical cannabis program patient must provide to the Tribal medical cannabis manufacturer:

(1) a valid medical cannabis registration verification card or equivalent document issued by a Tribal medical cannabis program that indicates that the Tribal medical cannabis program patient is authorized to use medical cannabis on Indian lands over which the Tribe has jurisdiction; and

(2) a valid photographic identification card issued by the Tribal medical cannabis program, a valid driver's license, or a valid state identification card.

(c) A manufacturer shall distribute medical cannabis to a Tribal medical cannabis program patient only in a form allowed under section 342.51, subdivision 8.

Subd. 3. **Use of statewide monitoring system.** A Tribal medical cannabis manufacturer must use the statewide monitoring system for the tracking of the sale or distribution of medical cannabis to Tribal medical cannabis program patients. Sale or distribution of medical cannabis by a Tribal medical cannabis manufacturer must be recorded in the statewide monitoring system within the time established by rule.

Subd. 4. **Limitations.** All the limitations under section 342.55 apply to Tribal medical cannabis program patients.

Subd. 5. **Protections for Tribal medical cannabis program participants.** All the protections under section 342.56 apply to Tribal medical cannabis program patients.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 52. **[342.51] PATIENT REGISTRY PROGRAM.**

Subdivision 1. **Administration.** The Division of Medical Cannabis must administer the medical cannabis registry program.

Subd. 2. **Application procedure for patients.** (a) A patient seeking to enroll in the registry program must submit to the Division of Medical Cannabis an application established by the Division of Medical Cannabis and a copy of the certification specified in paragraph (b) or, if the patient is a veteran who receives care from the United States Department of Veterans Affairs, the information required pursuant to subdivision 3. The patient must provide at least the following information in the application:

(1) the patient's name, mailing address, and date of birth;

(2) the name, mailing address, and telephone number of the patient's health care practitioner;

(3) the name, mailing address, and date of birth of the patient's registered designated caregiver, if any, or the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will be acting as the patient's caregiver;

(4) a disclosure signed by the patient that includes:

(i) a statement that, notwithstanding any law to the contrary, the Office of Cannabis Management, the Division of Medical Cannabis, or an employee of the Office of Cannabis Management or Division of Medical Cannabis may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by an act or omission while acting within the employee's scope of office or employment under this section; and

(ii) the patient's acknowledgment that enrollment in the registry program is conditional on the patient's agreement to meet all other requirements of this section; and

(5) all other information required by the Division of Medical Cannabis.

(b) As part of the application under this subdivision, a patient must submit a copy of a certification from the patient's health care practitioner that is dated within 90 days prior to the submission of the application and that certifies that the patient has been diagnosed with a qualifying medical condition.

(c) A patient's health care practitioner may submit a statement to the Division of Medical Cannabis declaring that the patient is no longer diagnosed with a qualifying medical condition. Within 30 days after receipt of a statement from a patient's health care practitioner, the Division of Medical Cannabis must provide written notice to a patient stating that the patient's enrollment in the registry program will be revoked in 30 days unless the patient submits a certification from a health care practitioner that the patient is currently diagnosed with a qualifying medical condition or, if the patient is a veteran, the patient submits confirmation that the patient is currently diagnosed with a qualifying medical condition in a form and manner consistent with the information required

for an application made pursuant to subdivision 3. If the Division of Medical Cannabis revokes a patient's enrollment in the registry program pursuant to this paragraph, the division must provide notice to the patient and to the patient's health care practitioner.

Subd. 3. **Application procedure for veterans.** (a) The Division of Medical Cannabis shall establish an alternative certification procedure for veterans who receive care from the United States Department of Veterans Affairs to confirm that the veteran has been diagnosed with a qualifying medical condition.

(b) A patient who is also a veteran and is seeking to enroll in the registry program must submit to the Division of Medical Cannabis an application established by the Division of Medical Cannabis that includes the information identified in subdivision 2, paragraph (a), and the additional information required by the Division of Medical Cannabis to certify that the patient has been diagnosed with a qualifying medical condition.

Subd. 4. **Enrollment; denial of enrollment; revocation.** (a) Within 30 days after the receipt of an application and certification or other documentation of a diagnosis with a qualifying medical condition, the Division of Medical Cannabis must approve or deny a patient's enrollment in the registry program. If the Division of Medical Cannabis approves a patient's enrollment in the registry program, the office must provide notice to the patient and to the patient's health care practitioner.

(b) A patient's enrollment in the registry program must only be denied if the patient:

(1) does not submit a certification from a health care practitioner or, if the patient is a veteran, the documentation required under subdivision 3 that the patient has been diagnosed with a qualifying medical condition;

(2) has not signed the disclosure required in subdivision 2;

(3) does not provide the information required by the Division of Medical Cannabis;

(4) provided false information on the application; or

(5) at the time of application, is also enrolled in a federally approved clinical trial for the treatment of a qualifying medical condition with medical cannabis.

(c) If the Division of Medical Cannabis denies a patient's enrollment in the registry program, the Division of Medical Cannabis must provide written notice to a patient of all reasons for denying enrollment. Denial of enrollment in the registry program is considered a final decision of the office and is subject to judicial review under chapter 14.

(d) A patient's enrollment in the registry program may be revoked only:

(1) pursuant to subdivision 2, paragraph (c);

(2) upon the death of the patient;

(3) if the patient's certifying health care practitioner has filed a declaration under subdivision 2, paragraph (c), that the patient's qualifying diagnosis no longer exists and the patient does not submit another certification within 30 days;

(4) if the patient does not comply with subdivision 6; or

(5) if the patient intentionally sells or diverts medical cannabis flower or medical cannabinoid products in violation of this chapter.

If a patient's enrollment in the registry program has been revoked due to a violation of subdivision 6, the patient may apply for enrollment 12 months after the date on which the patient's enrollment was revoked. The office must process such an application in accordance with this subdivision.

Subd. 5. **Registry verification.** When a patient is enrolled in the registry program, the Division of Medical Cannabis must assign the patient a patient registry number and must issue the patient and the patient's registered designated caregiver, parent, legal guardian, or spouse, if applicable, a registry verification. The Division of Medical Cannabis must also make the registry verification available to medical cannabis retailers. The registry verification must include:

(1) the patient's name and date of birth;

(2) the patient registry number assigned to the patient; and

(3) the name and date of birth of the patient's registered designated caregiver, if any, or the name of the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will act as a caregiver.

Subd. 6. **Conditions of continued enrollment.** As conditions of continued enrollment, a patient must:

(1) continue to receive regularly scheduled treatment for the patient's qualifying medical condition from the patient's health care practitioner; and

(2) report changes in the patient's qualifying medical condition to the patient's health care practitioner.

Subd. 7. **Enrollment period.** Enrollment in the registry program is permanent.

Subd. 8. **Medical cannabis flower and medical cannabinoid products; allowable delivery methods.** Medical cannabis flower and medical cannabinoid products may be delivered in the form of:

(1) a liquid, including but not limited to oil;

(2) a pill;

(3) a vaporized delivery method with the use of liquid or oil;

(4) a water-soluble cannabinoid multiparticulate, including granules, powder, and sprinkles;

(5) an orally dissolvable product, including lozenges, gum, mints, buccal tablets, and sublingual tablets;

(6) edible products in the form of gummies and chews;

(7) a topical formulation;

(8) combustion with the use of dried raw cannabis; or

(9) any other method approved by the office.

Subd. 9. **Registered designated caregiver.** (a) The Division of Medical Cannabis must register a designated caregiver for a patient if the patient requires assistance in administering medical cannabis flower or medical cannabinoid products or in obtaining medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia from a medical cannabis retailer.

(b) In order to serve as a designated caregiver, a person must:

(1) be at least 18 years of age;

(2) agree to only possess the patient's medical cannabis flower and medical cannabinoid products for purposes of assisting the patient; and

(3) agree that if the application is approved, the person will not serve as a registered designated caregiver for more than six registered patients at one time. Patients who reside in the same residence count as one patient.

(c) The office shall conduct a criminal background check on the designated caregiver prior to registration to ensure that the person does not have a conviction for a disqualifying felony offense. Any cost of the background check shall be paid by the person seeking registration as a designated caregiver. A designated caregiver must have the criminal background check renewed every two years.

(d) Nothing in this section shall be construed to prevent a registered designated caregiver from being enrolled in the registry program as a patient and possessing and administering medical cannabis as a patient.

Subd. 10. **Parents, legal guardians, spouses.** A parent, legal guardian, or spouse of a patient may act as the caregiver for a patient. The parent, legal guardian, or spouse who is acting as a caregiver must follow all requirements for parents, legal guardians, and spouses under this chapter. Nothing in this section limits any legal authority that a parent, legal guardian, or spouse may have for the patient under any other law.

Subd. 11. **Enrollment fee.** (a) The Division of Cannabis Management must collect an enrollment fee of \$40 from a patient enrolled under this section.

(b) Revenue collected under this subdivision shall deposit to a dedicated account in the special revenue fund. The balance of the account shall be appropriated annually to the administrator of the office for program operations.

Subd. 12. **Notice of change of name or address.** Patients and registered designated caregivers must notify the Division of Medical Cannabis of any address or name change within 30 days of the change having occurred. A patient or registered designated caregiver is subject to a \$100 fine for failure to notify the office of the change.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 53. **[342.52] DUTIES OF OFFICE OF CANNABIS MANAGEMENT; REGISTRY PROGRAM.**

The office may add an allowable form of medical cannabinoid product, and may add or modify a qualifying medical condition upon its own initiative, upon a petition from a member of the public or from the Cannabis Advisory Council or as directed by law. The office must evaluate all petitions and must make the addition or modification if the office determines that the addition or modification is warranted by the best available evidence and research. If the office wishes to add an allowable form or add or modify a qualifying medical condition, the office must notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health finance and policy by January 15 of the year in which the change becomes effective. In this notification, the office must specify the proposed addition or modification, the reasons for the addition or modification, any written comments received by the office from the public about the addition or modification, and any guidance received from the Cannabis Advisory Council. An addition or modification by the office under this subdivision becomes effective on August 1 of that year unless the legislature by law provides otherwise.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 54. **[342.53] DUTIES OF DIVISION OF MEDICAL CANNABIS; REGISTRY PROGRAM.**

Subdivision 1. **Duties related to health care practitioners.** The Division of Medical Cannabis must:

- (1) provide notice of the registry program to health care practitioners in the state;
- (2) allow health care practitioners to participate in the registry program if they request to participate and meet the program's requirements;
- (3) provide explanatory information and assistance to health care practitioners to understand the nature of the therapeutic use of medical cannabis within program requirements;
- (4) make available to participating health care practitioners a certification form in which a health care practitioner certifies that a patient has a qualifying medical condition; and
- (5) supervise the participation of health care practitioners in the registry reporting system in which health care practitioners report patient treatment and health records information to the office in a manner that ensures stringent security and record keeping requirements and that prevents the unauthorized release of private data on individuals as defined in section 13.02.

Subd. 2. **Duties related to the registry program.** The Division of Medical Cannabis must:

- (1) administer the registry program according to section 342.51;
- (2) provide information to patients enrolled in the registry program on the existence of federally approved clinical trials for the treatment of the patient's qualifying medical condition with medical

cannabis flower or medical cannabinoid products as an alternative to enrollment in the registry program;

(3) maintain safety criteria with which patients must comply as a condition of participation in the registry program to prevent patients from undertaking any task under the influence of medical cannabis flower or medical cannabinoid products that would constitute negligence or professional malpractice;

(4) review and publicly report on existing medical and scientific literature regarding the range of recommended dosages for each qualifying medical condition, the range of chemical compositions of medical cannabis flower and medical cannabinoid products that will likely be medically beneficial for each qualifying medical condition, and any risks of noncannabis drug interactions. This information must be updated by December 1 of each year. The office may consult with an independent laboratory under contract with the office or other experts in reporting and updating this information; and

(5) annually consult with cannabis businesses about medical cannabis that the businesses cultivate, manufacture, and offer for sale and post on the Division of Medical Cannabis website a list of the medical cannabis flower and medical cannabinoid products offered for sale by each medical cannabis retailer.

Subd. 3. **Research.** (a) The Division of Medical Cannabis must conduct or contract with a third party to conduct research and studies using data from health records submitted to the registry program under section 342.54, subdivision 2, and data submitted to the registry program under section 342.51, subdivisions 2 and 3. If the division contracts with a third party for research and studies, the third party must provide the division with access to all research and study results. The division must submit reports on intermediate or final research results to the legislature and major scientific journals. All data used by the division or a third party under this subdivision must be used or reported in an aggregated nonidentifiable form as part of a scientific peer-reviewed publication of research or in the creation of summary data, as defined in section 13.02, subdivision 19.

(b) The Division of Medical Cannabis may submit medical research based on the data collected under sections 342.54, subdivision 2, and data collected through the statewide monitoring system to any federal agency with regulatory or enforcement authority over medical cannabis to demonstrate the effectiveness of medical cannabis flower or medical cannabinoid products for treating or alleviating the symptoms of a qualifying medical condition.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 55. **[342.54] DUTIES OF HEALTH CARE PRACTITIONERS; REGISTRY PROGRAM.**

Subdivision 1. **Health care practitioner duties before patient enrollment.** Before a patient's enrollment in the registry program, a health care practitioner must:

(1) determine, in the health care practitioner's medical judgment, whether a patient has a qualifying medical condition and, if so determined, provide the patient with a certification of that diagnosis;

(2) advise patients, registered designated caregivers, and parents, legal guardians, and spouses acting as caregivers of any nonprofit patient support groups or organizations;

(3) provide to patients explanatory information from the Division of Medical Cannabis, including information about the experimental nature of the therapeutic use of medical cannabis flower and medical cannabinoid products; the possible risks, benefits, and side effects of the proposed treatment; and the application and other materials from the office;

(4) provide to patients a Tennessee warning as required under section 13.04, subdivision 2; and

(5) agree to continue treatment of the patient's qualifying medical condition and to report findings to the Division of Medical Cannabis.

Subd. 2. **Duties upon patient's enrollment in registry program.** Upon receiving notification from the Division of Medical Cannabis of the patient's enrollment in the registry program, a health care practitioner must:

(1) participate in the patient registry reporting system under the guidance and supervision of the Division of Medical Cannabis;

(2) report to the Division of Medical Cannabis patient health records throughout the patient's ongoing treatment in a manner determined by the office and in accordance with subdivision 4;

(3) determine on a yearly basis if the patient continues to have a qualifying medical condition and, if so, issue the patient a new certification of that diagnosis. The patient assessment conducted under this clause may be conducted via telehealth, as defined in section 62A.673, subdivision 2; and

(4) otherwise comply with requirements established by the Office of Cannabis Management and the Division of Medical Cannabis.

Subd. 3. **Participation not required.** Nothing in this section requires a health care practitioner to participate in the registry program.

Subd. 4. **Data.** Data on patients collected by a health care practitioner and reported to the registry program, including data on patients who are veterans who receive care from the United States Department of Veterans Affairs, are health records under section 144.291 and are private data on individuals under section 13.02 but may be used or reported in an aggregated nonidentifiable form as part of a scientific peer-reviewed publication of research conducted under section 342.53 or in the creation of summary data, as defined in section 13.02, subdivision 19.

Subd. 5. **Exception.** The requirements of this section do not apply to a patient who is a veteran who receives care from the United States Department of Veterans Affairs or a health care practitioner employed by the United States Department of Veterans Affairs. Such a patient must meet the certification requirements developed pursuant to section 342.51, subdivision 3, before the patient's enrollment in the registry program. The Division of Medical Cannabis may establish policies and procedures to obtain medical records and other relevant data from a health care practitioner employed by the United States Department of Veterans Affairs, provided that those policies and procedures are consistent with this section.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 56. **[342.55] LIMITATIONS.**

Subdivision 1. **Limitations on consumption; locations of consumption.** Nothing in sections 342.47 to 342.59 permits any person to engage in, and does not prevent the imposition of any civil, criminal, or other penalties for:

(1) undertaking a task under the influence of medical cannabis that would constitute negligence or professional malpractice;

(2) possessing or consuming medical cannabis:

(i) on a school bus or van; or

(ii) in a correctional facility;

(3) vaporizing or smoking medical cannabis:

(i) on any form of public transportation;

(ii) where the vapor would be inhaled by a nonpatient minor or where the smoke would be inhaled by a minor; or

(iii) in any public place, including any indoor or outdoor area used by or open to the general public or a place of employment, as defined in section 144.413, subdivision 1b; and

(4) operating, navigating, or being in actual physical control of a motor vehicle, aircraft, train, or motorboat or working on transportation property, equipment, or facilities while under the influence of medical cannabis or a medical cannabis product.

Subd. 2. **Health care facilities.** (a) Health care facilities licensed under chapter 144A; hospice providers licensed under chapter 144A; boarding care homes or supervised living facilities licensed under section 144.50; assisted living facilities under chapter 144G; facilities owned, controlled, managed, or under common control with hospitals licensed under chapter 144; and other health care facilities licensed by the commissioner of health or the commissioner of human services may adopt reasonable restrictions on the use of medical cannabis flower or medical cannabinoid products by a patient enrolled in the registry program who resides at or is actively receiving treatment or care at the facility. The restrictions may include a provision that the facility must not store or maintain a patient's supply of medical cannabis flower or medical cannabinoid products on behalf of the patient; that a patient store the patient's supply of medical cannabis flower or medicinal cannabinoid products in a locked container accessible only to the patient, the patient's designated caregiver, or the patient's parent, legal guardian, or spouse; that the facility is not responsible for providing medical cannabis for patients; and that medical cannabis flower or medical cannabinoid products are used only in a location specified by the facility or provider. Nothing in this subdivision requires facilities and providers listed in this subdivision to adopt such restrictions.

(b) No facility or provider listed in this subdivision may unreasonably limit a patient's access to or use of medical cannabis flower or medical cannabinoid products to the extent that such use is authorized under sections 342.47 to 342.59. No facility or provider listed in this subdivision may

prohibit a patient access to or use of medical cannabis flower or medical cannabinoid products due solely to the fact that cannabis is a Schedule I drug pursuant to the federal Uniform Controlled Substances Act. If a federal regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services takes one of the following actions, a facility or provider may suspend compliance with this paragraph until the regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services notifies the facility or provider that it may resume permitting the use of medical cannabis flower or medical cannabinoid products within the facility or in the provider's service setting:

(1) a federal regulatory agency or the United States Department of Justice initiates enforcement action against a facility or provider related to the facility's compliance with the medical cannabis program; or

(2) a federal regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services issues a rule or otherwise provides notification to the facility or provider that expressly prohibits the use of medical cannabis in health care facilities or otherwise prohibits compliance with the medical cannabis program.

(c) An employee or agent of a facility or provider listed in this subdivision or a person licensed under chapter 144E is not violating this chapter or chapter 152 for the possession of medical cannabis flower or medical cannabinoid products while carrying out employment duties, including providing or supervising care to a patient enrolled in the registry program, or distribution of medical cannabis flower or medical cannabinoid products to a patient enrolled in the registry program who resides at or is actively receiving treatment or care at the facility or from the provider with which the employee or agent is affiliated.

Subd. 3. **Child care facilities.** A proprietor of a family or group family day care program must disclose to parents or guardians of children cared for on the premises of the family or group family day care program, if the proprietor permits the smoking or use of medical cannabis on the premises, outside of its hours of operation. Disclosure must include posting on the premises a conspicuous written notice and orally informing parents or guardians.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 57. **[342.56] PROTECTIONS FOR REGISTRY PROGRAM PARTICIPANTS.**

Subdivision 1. **Presumption.** There is a presumption that a patient enrolled in the registry program is engaged in the authorized use of medical cannabis flower and medical cannabinoid products. This presumption may be rebutted by evidence that the patient's use of medical cannabis flower or medical cannabinoid products was not for the purpose of treating or alleviating the patient's qualifying medical condition or symptoms associated with the patient's qualifying medical condition.

Subd. 2. **Criminal and civil protections.** (a) Subject to section 342.55, the following are not violations of this chapter or chapter 152:

(1) use or possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by a patient enrolled in the registry program or by a visiting patient to whom medical cannabis is distributed under section 342.49, subdivision 5;

(2) possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by a registered designated caregiver or a parent, legal guardian, or spouse of a patient enrolled in the registry program; or

(3) possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by any person while carrying out duties required under sections 342.47 to 342.59.

(b) The Office of Cannabis Management, members of the Cannabis Advisory Council, Office of Cannabis Management employees, agents or contractors of the Office of Cannabis Management, and health care practitioners participating in the registry program are not subject to any civil penalties or disciplinary action by the Board of Medical Practice, the Board of Nursing, or any business, occupational, or professional licensing board or entity solely for participating in the registry program either in a professional capacity or as a patient. A pharmacist licensed under chapter 151 is not subject to any civil penalties or disciplinary action by the Board of Pharmacy when acting in accordance with sections 342.47 to 342.59 either in a professional capacity or as a patient. Nothing in this section prohibits a professional licensing board from taking action in response to a violation of law.

(c) Notwithstanding any law to the contrary, a Cannabis Advisory Council member, the governor, or an employee of a state agency must not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections 342.47 to 342.59.

(d) Federal, state, and local law enforcement authorities are prohibited from accessing the registry except when acting pursuant to a valid search warrant. Notwithstanding section 13.09, a violation of this paragraph is a gross misdemeanor.

(e) Notwithstanding any law to the contrary, the office and employees of the office must not release data or information about an individual contained in any report or document or in the registry and must not release data or information obtained about a patient enrolled in the registry program, except as provided in sections 342.47 to 342.59. Notwithstanding section 13.09, a violation of this paragraph is a gross misdemeanor.

(f) No information contained in a report or document, contained in the registry, or obtained from a patient under sections 342.47 to 342.59 may be admitted as evidence in a criminal proceeding, unless:

(1) the information is independently obtained; or

(2) admission of the information is sought in a criminal proceeding involving a criminal violation of sections 342.47 to 342.59.

(g) Possession of a registry verification or an application for enrollment in the registry program:

(1) does not constitute probable cause or reasonable suspicion;

(2) must not be used to support a search of the person or property of the person with a registry verification or application to enroll in the registry program; and

(3) must not subject the person or the property of the person to inspection by any government agency.

Subd. 3. **School enrollment; rental property.** (a) No school may refuse to enroll a patient as a pupil or otherwise penalize a patient solely because the patient is enrolled in the registry program, unless failing to do so would violate federal law or regulations or cause the school to lose a monetary or licensing-related benefit under federal law or regulations.

(b) No landlord may refuse to lease to a patient or otherwise penalize a patient solely because the patient is enrolled in the registry program, unless failing to do so would violate federal law or regulations or cause the landlord to lose a monetary or licensing-related benefit under federal law or regulations.

Subd. 4. **Medical care.** For purposes of medical care, including organ transplants, a patient's use of medical cannabis according to sections 342.47 to 342.59 is considered the equivalent of the authorized use of a medication used at the discretion of a health care practitioner and does not disqualify a patient from needed medical care.

Subd. 5. **Employment.** (a) Unless a failure to do so would violate federal or state law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based on:

(1) the person's status as a patient enrolled in the registry program; or

(2) a patient's positive drug test for cannabis components or metabolites, unless the patient used, possessed, sold, transported, or was impaired by medical cannabis flower or a medical cannabinoid product on work premises, during working hours, or while operating an employer's machinery, vehicle, or equipment.

(b) An employee who is a patient and whose employer requires the employee to undergo drug testing according to section 181.953 may present the employee's registry verification as part of the employee's explanation under section 181.953, subdivision 6.

Subd. 6. **Custody; visitation; parenting time.** A person must not be denied custody of a minor child or visitation rights or parenting time with a minor child based solely on the person's status as a patient enrolled in the registry program. There must be no presumption of neglect or child endangerment for conduct allowed under sections 342.47 to 342.59, unless the person's behavior creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

Subd. 7. **Action for damages.** In addition to any other remedy provided by law, a patient may bring an action for damages against any person who violates subdivision 3, 4, or 5. A person who violates subdivision 3, 4, or 5 is liable to a patient injured by the violation for the greater of the person's actual damages or a civil penalty of \$100 and reasonable attorney fees.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 58. **[342.57] VIOLATION BY HEALTH CARE PRACTITIONER; CRIMINAL PENALTY.**

A health care practitioner who knowingly refers patients to a medical cannabis business or to a designated caregiver, who advertises as a retailer or producer of medical cannabis flower or medical cannabinoid products, or who issues certifications while holding a financial interest in a cannabis retailer or medical cannabis business is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days or to payment of not more than \$1,000, or both.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 59. **[342.58] DATA PRACTICES.**

Subdivision 1. **Data classification.** Patient health records maintained by the Office of Cannabis Management or the Division of Medical Cannabis and government data in patient health records maintained by a health care practitioner are classified as private data on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in section 13.02, subdivision 9.

Subd. 2. **Allowable use; prohibited use.** Data specified in subdivision 1 may be used to comply with chapter 13, to comply with a request from the legislative auditor or the state auditor in the performance of official duties, and for purposes specified in sections 342.47 to 342.59. Data specified in subdivision 1 and maintained by the Office of Cannabis Management or Division of Medical Cannabis must not be used for any purpose not specified in sections 342.47 to 342.59 and must not be combined or linked in any manner with any other list, dataset, or database. Data specified in subdivision 1 must not be shared with any federal agency, federal department, or federal entity unless specifically ordered to do so by a state or federal court.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 60. **[342.59] CLINICAL TRIALS.**

The Division of Medical Cannabis may conduct, or award grants to health care providers or research organizations to conduct, clinical trials on the safety and efficacy of using medical cannabis flower or medical cannabinoid products to treat a specific health condition. A health care provider or research organization receiving a grant under this section must provide the office with access to all data collected in a clinical trial funded under this section. The office may use data from clinical trials conducted or funded under this section as evidence to approve additional qualifying medical conditions or additional allowable forms of medical cannabis.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 61. **[342.60] TESTING.**

Subdivision 1. **Testing required.** Cannabis businesses and hemp businesses shall not sell or offer for sale cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products to another cannabis business, hemp business, or to a customer or patient or otherwise transfer cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products to another cannabis business, unless:

(1) a representative sample of the batch of cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product has been tested according to this section and rules adopted under this chapter;

(2) the testing was completed by a cannabis testing facility licensed under this chapter; and

(3) the tested sample of cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product was found to meet testing standards established by the office.

Subd. 2. Procedures and standards established by office. (a) The office shall by rule establish procedures governing:

(1) the sampling, handling, testing, storage, and transportation of cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products tested under this section;

(2) the contaminants for which cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products must be tested;

(3) standards for potency and homogeneity testing; and

(4) procedures applicable to cannabis businesses, hemp businesses, and cannabis testing facilities regarding cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products that fail to meet the standards for allowable levels of contaminants established by the office, that fail to meet the potency limits in this chapter or that do not conform with the content of the cannabinoid profile listed on the label.

(b) All testing required under this section must be performed in a manner that is consistent with general requirements for testing and calibration activities.

Subd. 3. Standards established by Office of Cannabis Management. The office shall by rule establish standards for allowable levels of contaminants in cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, and growing media. Contaminants for which the office must establish allowable levels must include but are not limited to residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, and mycotoxins.

Subd. 4. Testing of samples; disclosures. (a) On a schedule determined by the office, every cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, or medical cannabis processor shall make each batch of cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by the cannabis business or hemp business available to a cannabis testing facility.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, or medical cannabis processor must disclose all

known information regarding pesticides, fertilizers, solvents, or other foreign materials, including but not limited to catalysts used in creating synthetically derived cannabinoids, applied or added to the batch of cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edible, or hemp-derived consumer products subject to testing. Disclosure must be made to the cannabis testing facility and must include information about all applications by any person, whether intentional or accidental.

(c) The cannabis testing facility shall select one or more representative samples from each batch, test the samples for the presence of contaminants, and test the samples for potency and homogeneity and to allow the cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product to be accurately labeled with its cannabinoid profile. Testing for contaminants must include testing for residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, mycotoxins, and any items identified pursuant to paragraph (b), and may include testing for other contaminants. A cannabis testing facility must destroy or return to the cannabis business or hemp business any part of the sample that remains after testing.

Subd. 5. **Test results.** (a) If a sample meets the applicable testing standards, a cannabis testing facility shall issue a certification to a cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, or medical cannabis processor, and the cannabis business or hemp business may then sell or transfer the batch of cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products from which the sample was taken to another cannabis business or hemp business, or offer the cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products for sale to customers or patients. If a sample does not meet the applicable testing standards or if the testing facility is unable to test for a substance identified pursuant to subdivision 4, paragraph (b), the batch from which the sample was taken shall be subject to procedures established by the office for such batches, including destruction, remediation, or retesting. A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, or medical cannabis processor must maintain the test results for cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by that cannabis business or hemp business for at least five years after the date of testing.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, or medical cannabis processor shall make test results maintained by that cannabis business or hemp business available for review by any member of the public, upon request. Test results made available to the public must be in plain language.

Sec. 62. **[342.61] PACKAGING.**

Subdivision 1. **General.** All cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be packaged as required by this section and rules adopted under this chapter.

Subd. 2. **Packaging requirements.** (a) Except as provided in paragraph (b), all cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be:

(1) prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque;
or

(2) placed in packaging or a container that is plain, child-resistant, tamper-evident, and opaque at the final point of sale to a customer.

(b) The requirement that packaging be child-resistant does not apply to:

(1) a hemp-derived topical product; or

(2) a lower-potency hemp edible product that:

(i) contains nonintoxicating cannabinoids;

(ii) does not contain more than a combined total of 0.25 milligrams of intoxicating cannabinoids;
and

(iii) does not contain a synthetically derived cannabinoid.

(c) If a cannabis product, lower-potency hemp edible, or a hemp-derived consumer product is packaged in a manner that includes more than a single serving, each serving must be indicated by scoring, wrapping, or other indicators designating the individual serving size. If the item is a lower-potency hemp edible product, any indicator other than individual wrapping that designates the individual serving size must appear on the lower-potency hemp edible product.

(d) An edible cannabinoid product or lower-potency hemp edible product containing more than a single serving must be prepackaged or placed at the final point of sale in packaging or a container that is resealable.

Subd. 3. **Packaging prohibitions.** (a) Cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products sold to customers or patients must not be packaged in a manner that:

(1) bears a reasonable resemblance to any commercially available product that does not contain cannabinoids, whether the manufacturer of the product holds a registered trademark or has registered the trade dress; or

(2) is designed to appeal to persons under 21 years of age.

(b) Packaging for cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products must not contain or be coated with any perfluoroalkyl substance.

(c) Edible cannabis products and lower-potency hemp edibles must not be packaged in a material that is not approved by the United States Food and Drug Administration for use in packaging food.

Sec. 63. [342.62] LABELING.

Subdivision 1. **General.** All cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be labeled as required by this section and rules adopted under this chapter.

Subd. 2. **Content of label; cannabis.** All cannabis flower and hemp-derived consumer products that consist of hemp plant parts sold to customers or patients must have affixed on the packaging or container of the cannabis flower or hemp-derived consumer product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, medical cannabis cultivator, or industrial hemp grower where the cannabis flower or hemp plant part was cultivated;

(2) the net weight or volume of cannabis flower or hemp plant parts in the package or container;

(3) the batch number;

(4) the cannabinoid profile;

(5) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(6) verification that the cannabis flower or hemp plant part was tested according to section 342.60 and that the cannabis flower or hemp plant part complies with the applicable standards;

(7) the maximum dose, quantity, or consumption that may be considered medically safe within a 24-hour period;

(8) the following statement: "Keep this product out of reach of children."; and

(9) any other statements or information required by the office.

Subd. 3. **Content of label; cannabis products.** (a) All cannabis products, lower-potency hemp edibles, hemp-derived consumer products other than products subject to the requirements under subdivision 2, medical cannabinoid products, and hemp-derived topical products sold to customers or patients must have affixed to the packaging or container of the cannabis product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, medical cannabis cultivator, or industrial hemp grower that cultivated the cannabis flower or hemp plant parts used in the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product;

(2) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, medical cannabis processor, or industrial hemp grower that manufactured the cannabis concentrate or synthetically derived cannabinoid and if different, the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, or medical cannabis processor that manufactured the cannabinoid product;

(3) the net weight or volume of the cannabis product, lower-potency hemp edible, or hemp-derived consumer product in the package or container;

(4) the type of cannabis product, lower-potency hemp edible, or hemp-derived consumer product;

(5) the batch number;

(6) the serving size;

(7) the cannabinoid profile per serving and in total;

(8) a list of ingredients;

(9) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(10) a warning symbol developed by the office in consultation with the commissioner of health and the Minnesota Poison Control System that:

(i) is at least three-quarters of an inch tall and six-tenths of an inch wide;

(ii) is in a highly visible color;

(iii) includes a visual element that is commonly understood to mean a person should stop;

(iv) indicates that the product is not for children; and

(v) includes the phone number of the Minnesota Poison Control System;

(11) verification that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product was tested according to section 342.60 and that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product complies with the applicable standards;

(12) the maximum dose, quantity, or consumption that may be considered medically safe within a 24-hour period;

(13) the following statement: "Keep this product out of reach of children."; and

(14) any other statements or information required by the office.

(b) The office may by rule establish alternative labeling requirements for lower-potency edible products that are imported into the state provided that those requirements provide consumers with information that is substantially similar to the information described in paragraph (a).

Subd. 4. Additional content of label; medical cannabis flower and medical cannabinoid products. In addition to the applicable requirements for labeling under subdivision 2 or 3, all medical cannabis flower and medical cannabinoid products must include at least the following information on the label affixed to the packaging or container of the medical cannabis flower or medical cannabinoid product:

(1) the patient's name and date of birth;

(2) the name and date of birth of the patient's registered designated caregiver or, if listed on the registry verification, the name of the patient's parent, legal guardian, or spouse, if applicable; and

(3) the patient's registry identification number.

Subd. 5. **Content of label; hemp-derived topical products.** (a) All hemp-derived topical products sold to customers must have affixed to the packaging or container of the product a label that contains at least the following information:

(1) the manufacturer name, location, phone number, and website;

(2) the name and address of the independent, accredited laboratory used by the manufacturer to test the product;

(3) the net weight or volume of the product in the package or container;

(4) the type of topical product;

(5) the amount or percentage of cannabidiol, cannabigerol, or any other cannabinoid, derivative, or extract of hemp, per serving and in total;

(6) a list of ingredients;

(7) a statement that the product does not claim to diagnose, treat, cure, or prevent any disease and that the product has not been evaluated or approved by the United States Food and Drug Administration, unless the product has been so approved; and

(8) any other statements or information required by the office.

(b) The information required in paragraph (a), clauses (1), (2), and (5), may be provided through the use of a scannable barcode or matrix barcode that links to a page on a website maintained by the manufacturer or distributor if that page contains all of the information required by this subdivision.

Subd. 6. **Additional information.** A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or medical cannabis retailer must provide customers and patients with the following information by including the information on the label affixed to the packaging or container of cannabis flower, a cannabis product, or a hemp-derived consumer product; by posting the information in the premises of the cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or medical cannabis retailer; by providing the information on a separate document or pamphlet provided to customers or patients when the customer purchases cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product:

(1) factual information about impairment effects and the expected timing of impairment effects, side effects, adverse effects, and health risks of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(2) a statement that customers and patients must not operate a motor vehicle or heavy machinery while under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(3) resources customers and patients may consult to answer questions about cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, and any side effects and adverse effects;

(4) contact information for the poison control center and a safety hotline or website for customers to report and obtain advice about side effects and adverse effects of cannabis flower and cannabis products;

(5) substance abuse disorder treatment options; and

(6) any other information specified by the office.

All labels affixed to the packaging of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must include the following warning: "Cannabis can harm your health, and your baby's health if you are pregnant."

Sec. 64. **[342.63] ADVERTISEMENT.**

Subdivision 1. **Limitations applicable to all advertisements.** No cannabis business, hemp business, or other person shall publish or cause to be published an advertisement for cannabis flower, a cannabis business, a hemp business, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product in a manner that:

(1) contains false or misleading statements;

(2) contains unverified claims about the health or therapeutic benefits or effects of consuming cannabis or a cannabis product;

(3) promotes the overconsumption of cannabis flower, cannabinoid products, or hemp-derived consumer products;

(4) depicts a person under 21 years of age consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(5) includes an image designed or likely to appeal to individuals under 21 years of age, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases that is designed to be appealing to individuals under 21 years of age or encourage consumption by individuals under 21 years of age; or

(6) does not contain a warning as specified by the office regarding impairment and health risks, including driving while impaired, side effects, adverse reactions, and pregnancy complications.

Subd. 2. **Outdoor advertisements; cannabis business signs.** (a) A cannabis business or hemp business may erect or utilize an outdoor advertisement of a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product.

(b) A cannabis business may erect up to two fixed outdoor signs on the exterior of the building or property of the cannabis business or hemp business. A fixed outdoor sign:

(1) may contain the name of the cannabis business or hemp business and the address and nature of the cannabis business or hemp business; and

(2) shall not include a logo or an image of any kind.

(c) All outdoor advertisements on land adjacent to an interstate or trunk highway must comply with the requirements of chapter 173.

Subd. 3. **Audience under 21 years of age.** Except as provided in subdivision 2, a cannabis business, hemp business, or other person shall not publish or cause to be published an advertisement for a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product in any print publication or on radio, television, or any other medium if 30 percent or more of the audience of that medium is reasonably expected to be individuals who are under 21 years of age, as determined by reliable, current audience composition data.

Subd. 4. **Certain unsolicited advertising.** A cannabis business, hemp business, or another person shall not utilize unsolicited pop-up advertisements on the internet to advertise a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product.

Subd. 5. **Advertising using direct, individualized communication or dialogue.** Before a cannabis business, hemp business, or another person may advertise a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product through direct, individualized communication or dialogue controlled by the cannabis business, hemp business, or other person, the cannabis business, hemp business, or other person must use a method of age affirmation to verify that the recipient of the direct, individualized communication or dialogue is 21 years of age or older. For purposes of this subdivision, the method of age affirmation may include user confirmation, birth date disclosure, or another similar registration method.

Subd. 6. **Advertising using location-based devices.** A cannabis business, hemp business, or another person shall not advertise a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product with advertising directed toward location-based devices, including but not limited to cellular telephones, unless the owner of the device is 21 years of age or older.

Subd. 7. **Advertising restrictions for health care practitioners under the medical cannabis program.** (a) A health care practitioner shall not publish or cause to be published an advertisement that:

(1) contains false or misleading statements about the registry program;

(2) uses colloquial terms to refer to medical cannabis flower or medical cannabinoid products, such as pot, weed, or grass;

(3) states or implies that the health care practitioner is endorsed by the office, the Division of Medical Cannabis, or the registry program;

(4) includes images of cannabis flower, hemp plant parts, or images of paraphernalia commonly used to smoke cannabis flower;

(5) contains medical symbols that could reasonably be confused with symbols of established medical associations or groups; or

(6) does not contain a warning as specified by the office regarding impairment and health risks, including driving while impaired, side effects, adverse reactions, and pregnancy complications.

(b) A health care practitioner found by the office to have violated this subdivision is prohibited from certifying that patients have a qualifying medical condition for purposes of patient participation in the registry program. A decision by the office that a health care practitioner has violated this subdivision is a final decision and is not subject to the contested case procedures in chapter 14.

Sec. 65. **[342.64] INDUSTRIAL HEMP.**

Nothing in this chapter shall limit the ability of a person licensed under chapter 18K to grow industrial hemp for commercial or research purposes, process industrial hemp for commercial purposes, sell hemp fiber products and hemp grain, manufacture hemp-derived topical products, or perform any other actions authorized by the commissioner of agriculture. For purposes of this section, "processing" has the meaning given in section 18K.02, subdivision 5, and does not include the process of creating synthetically derived cannabinoids.

Sec. 66. **[342.65] LEGAL ASSISTANCE TO CANNABIS BUSINESSES.**

An attorney must not be subject to disciplinary action by the Minnesota Supreme Court or professional responsibility board for providing legal assistance to prospective or licensed cannabis businesses, hemp businesses, or others for activities that do not violate this chapter or chapter 152.

Sec. 67. **[342.66] HEMP-DERIVED TOPICAL PRODUCTS.**

Subdivision 1. **Scope.** This section applies to the manufacture, marketing, distribution, and sale of hemp-derived topical products.

Subd. 2. **Approved cannabinoids.** (a) Products manufactured, marketed, distributed, and sold under this section may contain cannabidiol or cannabigerol. Except as provided in paragraph (c), products may not contain any other cannabinoid unless approved by the office.

(b) The office may approve any cannabinoid, other than any tetrahydrocannabinol, and authorize its use in manufacturing, marketing, distribution, and sales under this section if the office determines that the cannabinoid is a nonintoxicating cannabinoid.

(c) A product manufactured, marketed, distributed, and sold under this section may contain cannabinoids other than cannabidiol, cannabigerol, or any other cannabinoid approved by the office provided that the cannabinoids are naturally occurring in hemp plants or hemp plant parts and the total of all other cannabinoids present in a product does not exceed one milligram per package.

Subd. 3. **Approved products.** Products sold to consumers under this section may only be manufactured, marketed, distributed, intended, or generally expected to be used by applying the product externally to a part of the body of a human or animal.

Subd. 4. **Labeling.** Hemp-derived topical products must meet the labeling requirements in section 342.61, subdivision 5.

Subd. 5. **Prohibitions.** (a) A product sold to consumers under this section must not be manufactured, marketed, distributed, or intended:

(1) for external or internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals;

(2) to affect the structure or any function of the bodies of humans or other animals;

(3) to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product;

(4) to be consumed through chewing; or

(5) to be consumed through injection or application to a mucous membrane or nonintact skin.

(b) A product manufactured, marketed, distributed, or sold to consumers under this section must not:

(1) consist, in whole or in part, of any filthy, putrid, or decomposed substance;

(2) have been produced, prepared, packed, or held under unsanitary conditions where the product may have been rendered injurious to health, or where the product may have been contaminated with filth;

(3) be packaged in a container that is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health;

(4) contain any additives or excipients that have been found by the United States Food and Drug Administration to be unsafe for human or animal consumption;

(5) contain a cannabinoid or an amount or percentage of cannabinoids that is different than the information stated on the label;

(6) contain a cannabinoid, other than cannabidiol, cannabigerol, or a cannabinoid approved by the office, in an amount that exceeds the standard established in subdivision 2, paragraph (c); or

(7) contain any contaminants for which testing is required by the office in amounts that exceed the acceptable minimum standards established by the office.

(c) No product containing any cannabinoid may be sold to any individual who is under 21 years of age.

Subd. 6. **Enforcement.** The office may enforce this section under the relevant provisions of section 342.17.

Sec. 68. **[342.67] CANNABIS INDUSTRY COMMUNITY RENEWAL GRANTS.**

Subdivision 1. **Establishment.** The Office of Cannabis Management shall establish CanRenew, a program to award grants to eligible organizations for investments in communities where long-term residents are eligible to be social equity applicants.

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Community investment" means a project or program designed to improve community-wide outcomes or experiences and may include efforts targeting economic development, violence prevention, youth development, or civil legal aid, among others.

(c) "Eligible community" means a community where long-term residents are eligible to be social equity applicants.

(d) "Eligible organization" means any organization able to make an investment in a community where long-term residents are eligible to be social equity applicants and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

(e) "Program" means the CanRenew grant program.

(f) "Social equity applicant" means a person who meets the qualification requirements in section 342.15.

Subd. 3. **Grants to organizations.** (a) The office must award grants to eligible organizations through a competitive grant process.

(b) To receive grant money, an eligible organization must submit a written application to the office, using a form developed by the office, explaining the community investment the organization wants to make in an eligible community.

(c) An eligible organization's grant application must also include:

(1) an analysis of the community's need for the proposed investment;

(2) a description of the positive impact that the proposed investment is expected to generate for that community;

(3) any evidence of the organization's ability to successfully achieve that positive impact;

(4) any evidence of the organization's past success in making similar community investments;

(5) an estimate of the cost of the proposed investment;

(6) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money; and

(7) any additional information requested by the office.

(d) In awarding grants under this subdivision, the office shall give weight to applications from organizations that demonstrate a history of successful community investments, particularly in geographic areas that are now eligible communities. The office shall also give weight to applications where there is demonstrated community support for the proposed investment. The office shall fund investments in eligible communities throughout the state.

Subd. 4. **Program outreach.** The office shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those located in eligible communities.

Subd. 5. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter, the office must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over community development that details awards given through the CanRenew program and the use of grant money, including any measures of successful community impact from the grants.

Sec. 69. **[342.68] SUBSTANCE USE TREATMENT, RECOVERY, AND PREVENTION GRANTS.**

Subdivision 1. **Account established; appropriation.** A substance use treatment, recovery, and prevention grant account is created in the special revenue fund. Money in the account, including interest earned, is appropriated to the office for the purposes specified in this section.

Subd. 2. **Acceptance of gifts and grants.** Notwithstanding sections 16A.013 to 16A.016, the office may accept money contributed by individuals and may apply for grants from charitable foundations to be used for the purposes identified in this section. The money accepted under this section must be deposited in the substance use treatment, recovery, and prevention grant account created under subdivision 1.

Subd. 3. **Disposition of money; grants.** (a) Money in the substance use treatment, recovery, and prevention grant account must be distributed as follows:

(1) 75 percent of the money is for grants for recovery programs and substance use disorder treatment, as defined in section 245G.01, subdivision 24, and may be used for substance use disorder treatment providers to adopt evidence-based, culturally informed, and responsive treatment and services. Funds may be used to support the expansion of peer and recovery specialists, cover housing costs in sober homes for persons with low incomes, expand co-occurring programming for persons with mental illnesses and substance use disorders, support first episode psychosis programs, provide harm reduction services, and provide start-up funding for culturally specific providers of substance use disorder services. The office shall consult with the commissioner of human services to determine appropriate provider rate increases or modifications to existing payment methodologies;

(2) 20 percent of the money is for grants for substance use disorder prevention; and

(3) five percent of the money is for grants to educate pregnant individuals, breastfeeding individuals, and individuals who may become pregnant on the adverse health effects of substance use.

(b) The office shall consult with the commissioner of human services and the commissioner of health to develop an appropriate application process, establish grant requirements, determine what organizations are eligible to receive grants, and establish reporting requirements for grant recipients.

Subd. 4. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter, the office must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over health and human services policy and finance that details grants awarded from the substance use treatment, recovery, and prevention grant account, including the total amount awarded, total number of recipients, and geographic distribution of those recipients.

Sec. 70. [342.69] CANNABIS GROWER GRANTS.

Subdivision 1. **Establishment.** The office, in consultation with the commissioner of agriculture, shall establish CanGrow, a program to award grants to (1) eligible organizations to help farmers navigate the regulatory structure of the legal cannabis industry, and (2) nonprofit corporations to fund loans to farmers for expansion into the legal cannabis industry.

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Eligible organization" means any organization capable of helping farmers navigate the regulatory structure of the legal cannabis industry, particularly individuals facing barriers to education or employment, and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

(c) "Industry" means the legal cannabis industry in the state of Minnesota.

(d) "Program" means the CanGrow grant program.

(e) "Social equity applicant" means a person who meets the qualification requirements in section 342.15.

Subd. 3. **Technical assistance grants.** (a) Grant money awarded to eligible organizations may be used for both developing technical assistance resources relevant to the regulatory structure of the legal cannabis industry and for providing such technical assistance or navigation services to farmers.

(b) The office must award grants to eligible organizations through a competitive grant process.

(c) To receive grant money, an eligible organization must submit a written application to the office, using a form developed by the office, explaining the organization's ability to assist farmers in navigating the regulatory structure of the legal cannabis industry, particularly farmers facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed technical assistance or navigation services, including the types of farmers targeted for assistance;

(2) any evidence of the organization's past success in providing technical assistance or navigation services to farmers, particularly farmers who live in areas where long-term residents are eligible to be social equity applicants;

(3) an estimate of the cost of providing the technical assistance;

(4) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money, including any amounts that farmers will be charged to receive assistance; and

(5) any additional information requested by the office.

(e) In awarding grants under this subdivision, the office shall give weight to applications from organizations that demonstrate a history of successful technical assistance or navigation services, particularly for farmers facing barriers to education or employment. The office shall also give weight to applications where the proposed technical assistance will serve areas where long-term residents are eligible to be social equity applicants. The office shall fund technical assistance to farmers throughout the state.

Subd. 4. **Loan financing grants.** (a) The office shall establish a revolving loan account to make loan financing grants under the CanGrow program.

(b) The office must award grants to nonprofit corporations through a competitive grant process.

(c) To receive grant money, a nonprofit corporation must submit a written application to the office using a form developed by the office.

(d) In awarding grants under this subdivision, the office shall give weight to whether the nonprofit corporation:

(1) has a board of directors that includes individuals experienced in agricultural business development;

(2) has the technical skills to analyze projects;

(3) is familiar with other available public and private funding sources and economic development programs;

(4) can initiate and implement economic development projects;

(5) can establish and administer a revolving loan account; and

(6) has established relationships with communities where long-term residents are eligible to be social equity applicants.

The office shall make grants that will help farmers enter the legal cannabis industry throughout the state.

(e) A nonprofit corporation that receives grants under the program must:

(1) establish an office-certified revolving loan account for the purpose of making eligible loans;
and

(2) enter into an agreement with the office that the office shall fund loans that the nonprofit corporation makes to farmers entering the legal cannabis industry. The office shall review existing agreements with nonprofit corporations every five years and may renew or terminate an agreement based on that review. In making this review, the office shall consider, among other criteria, the criteria in paragraph (d).

Subd. 5. **Loans to farmers.** (a) The criteria in this subdivision apply to loans made by nonprofit corporations under the program.

(b) A loan must be used to support a farmer in entering the legal cannabis industry. Priority must be given to loans to businesses owned by farmers who are eligible to be social equity applicants and businesses located in communities where long-term residents are eligible to be social equity applicants.

(c) Loans must be made to businesses that are not likely to undertake the project for which loans are sought without assistance from the program.

(d) The minimum state contribution to a loan is \$2,500 and the maximum is either:

(1) \$50,000; or

(2) \$150,000, if state contributions are matched by an equal or greater amount of new private investment.

(e) Loan applications given preliminary approval by the nonprofit corporation must be forwarded to the office for approval. The office must give final approval for each loan made by the nonprofit corporation under the program.

(f) If the borrower has met lender criteria, including being current with all payments for a minimum of three years, the office may approve either full or partial forgiveness of interest or principal amounts.

Subd. 6. **Revolving loan account administration.** (a) The office shall establish a minimum interest rate for loans or guarantees to ensure that necessary loan administration costs are covered. The interest rate charged by a nonprofit corporation for a loan under this section must not exceed the Wall Street Journal prime rate. For a loan under this section, the nonprofit corporation may charge a loan origination fee equal to or less than one percent of the loan value. The nonprofit corporation may retain the amount of the origination fee.

(b) Loan repayment of principal must be paid to the office for deposit in the revolving loan account. Loan interest payments must be deposited in a revolving loan account created by the

nonprofit corporation originating the loan being repaid for further distribution or use, consistent with the criteria of this section.

(c) Administrative expenses of the nonprofit corporations with whom the office enters into agreements, including expenses incurred by a nonprofit corporation in providing financial, technical, managerial, and marketing assistance to a business receiving a loan under this section, are eligible program expenses that the office may agree to pay under the grant agreement.

Subd. 7. **Program outreach.** The office shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those located in areas where long-term residents are eligible to be social equity applicants.

Subd. 8. **Reporting requirements.** (a) A nonprofit corporation that receives a grant under subdivision 4 shall:

(1) submit an annual report to the office by January 15 of each year that the nonprofit corporation participates in the program that includes a description of agricultural businesses supported by the grant program, an account of loans made during the calendar year, the program's impact on farmers' ability to expand into the legal cannabis industry, the source and amount of money collected and distributed by the program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the office.

(b) By February 15, 2024, and each February 15 thereafter, the office must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over agriculture that details awards given through the CanGrow program and the use of grant money, including any measures of success toward helping farmers enter the legal cannabis industry. The report must include geographic information regarding the issuance of grants and loans under this section, the repayment rate of loans issued under subdivision 5, and a summary of the amount of loans forgiven.

Sec. 71. **[342.70] LAWFUL ACTIVITIES.**

(a) Notwithstanding any law to the contrary, the cultivation, manufacturing, possessing, and selling of cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products by a licensed cannabis business in conformity with the rights granted by a cannabis business license is lawful and may not be the grounds for the seizure or forfeiture of property, arrest or prosecution, or search or inspections except as provided by this chapter.

(b) A person acting as an agent of a licensed cannabis retailer or licensed cannabis microbusiness who sells or otherwise transfers cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person under 21 years of age is not subject to arrest, prosecution, or forfeiture of property if the person complied with section 342.28, subdivision 4, and any rules promulgated pursuant to this chapter.

Sec. 72. **[342.71] CIVIL ACTIONS.**

Subdivision 1. **Right of action.** A spouse, child, parent, guardian, employer, or other person injured in person, property, or means of support or who incurs other pecuniary loss by an intoxicated person or by the intoxication of another person, has a right of action in the person's own name for all damages sustained against a person who caused the intoxication of that person by illegally selling cannabis flower or cannabis products. All damages recovered by a minor under this section must be paid either to the minor or to the minor's parent, guardian, or next friend as the court directs.

Subd. 2. **Actions.** All suits for damages under this section must be by civil action in a court of this state having jurisdiction.

Subd. 3. **Comparative negligence.** Actions under this section are governed by section 604.01.

Subd. 4. **Defense.** It is a defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age in selling, bartering, furnishing, or giving the cannabis or cannabis product.

Subd. 5. **Common law claims.** Nothing in this chapter precludes common law tort claims against any person 21 years old or older who knowingly provides or furnishes cannabis flower or cannabinoid products to a person under the age of 21 years.

Sec. 73. **REPORT; TRAFFIC AND TRANSPORTATION ISSUES.**

By January 31, 2024, the Office of Cannabis Management must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must include:

(1) a description of all rules adopted that relate to traffic and transportation laws and cannabis transporter licensing and operations;

(2) recommendations on changes to statutes that would codify the rules; and

(3) recommendations on how to improve any aspects of this act. The recommendations must be developed in consultation with the commissioner of transportation, the commissioner of public safety, the colonel of the State Patrol, and the director of the Office of Traffic Safety in the Department of Public Safety.

Sec. 74. **TRANSPORTER LICENSE ESTABLISHMENT.**

When establishing the process for issuing transporter licenses and the requirements for obtaining a transporter license, the Office of Cannabis Management must consult with the Commissioner of Transportation about best practices for issuing licenses.

Sec. 75. **INITIAL APPOINTMENTS; FIRST TERMS; FIRST MEETING FOR THE CANNABIS ADVISORY COUNCIL.**

Subdivision 1. **Appointments; first terms.** Appointing authorities must make the first appointments to the Cannabis Advisory Council under Minnesota Statutes, section 342.03, by August 1, 2023. The members appointed under Minnesota Statutes, section 342.03, subdivision 1, paragraph

(a), clauses (14) to (26) and (38), items (i) to (vi), shall serve terms coterminous with the governor. The members appointed under Minnesota Statutes, section 342.03, subdivision 1, paragraph (a), clauses (27) to (37) and (38), items (vii) to (xi), shall serve terms that conclude the year after the end of a governor's term.

Subd. 2. **First meeting.** The director of the Office of Cannabis Management shall convene the first meeting of the Cannabis Advisory Council by September 15, 2023.

Sec. 76. **EFFECTIVE DATE.**

Except as otherwise provided, each section of this article is effective July 1, 2023."

Page 126, line 10, delete "45" and insert "49"

Page 127, line 11, delete "48" and insert "52"

Page 127, line 12, delete "342.42 to 342.56" and insert "342.47 to 347.59"

Page 128, line 13, delete "342.34" and insert "342.29"

Page 130, line 20, delete "207A" and insert "297A"

Page 136, line 7, delete "45" and insert "49"

Page 136, line 8, delete "49" and insert "53"

Page 136, line 9, delete "47" and insert "51"

Page 139, line 20, delete "45" and insert "49"

Page 140, line 27, delete "45" and insert "49"

Page 142, line 6, delete "45" and insert "49"

Page 142, line 28, delete "12" and insert "2"

Page 142, line 31, delete "6" and insert "67"

Page 146, line 11, delete "342.16" and insert "342.15"

Page 149, line 26, delete "342.16" and insert "342.15"

Page 151, line 18, delete "342.16" and insert "342.15"

Page 153, line 29, delete "12" and insert "2"

Page 154, line 4, delete "15" and insert "3"

Page 154, line 20, delete "6" and insert "67"

Page 164, line 19, delete "6" and insert "67"

Page 164, line 20, delete "12" and insert "2"

Page 166, line 19, delete "58" and insert "63"

Page 168, line 3, delete "58" and insert "63"

Page 169, line 15, delete "12" and insert "2"

Page 181, line 19, delete "47" and insert "51"

Page 181, line 20, delete "49" and insert "53"

Page 185, line 22, delete "342.18" and insert "342.17"

Page 185, delete section 5 and insert:

"Sec. 5. Minnesota Statutes 2022, section 16B.2975, subdivision 8, is amended to read:

Subd. 8. **Canine management.** (a) The commissioner may give and convey to a canine's handler the state's entirety of the right, title, interest, and estate in and to a canine who is retired from service, with whom the handler trained and worked while the canine was in service to the state. The handler is solely responsible for all future expenses related to the retired canine. The commissioner must allow the handler an opportunity to accept the canine before any other placement options are considered.

(b) If the canine's handler does not accept the canine, the agency with ownership of the canine must determine a home where the canine will be safe and well cared for and inform the commissioner. The commissioner may give and convey the state's entirety of the right, title, interest, and estate in and to a canine who is retired from service to the new owner. The new owner is solely responsible for all future expenses related to the retired canine."

Page 196, line 23, delete "12" and insert "2"

Page 197, line 9, delete "12" and insert "2"

Page 197, line 23, delete "12" and insert "2"

Page 209, line 21, delete "49" and insert "53"

Page 209, line 22, delete "47" and insert "51"

Page 213, line 8, delete "342.40" and insert "342.41"

Page 214, line 3, delete "45" and insert "49"

Page 215, line 18, delete "49" and insert "53"

Page 215, line 22, delete "47" and insert "51"

Page 215, line 25, delete "54" and insert "58"

Page 216, line 4, delete "56" and insert "61"

Page 216, line 8, delete "58" and insert "63"

Page 258, line 7, delete "342.16" and insert "342.15"

Page 259, line 29, delete "342.72" and insert "342.68"

Amend the title as follows:

Page 1, line 3, delete "advisory councils" and insert "the Cannabis Advisory Council"

Page 1, line 5, after "businesses" insert "and hemp businesses"

Page 1, line 6, delete "and cannabinoid" and insert ", cannabis products, and hemp"

Page 1, line 7, delete "and cannabinoid" and insert ", cannabis products, and hemp"

Page 1, line 8, delete "cannabinoid" and insert "cannabis products, hemp products, hemp businesses"

Page 1, line 15, delete "cannabinoid" and insert "cannabis"

Page 1, line 17, after "cannabis" insert "and hemp products"

Page 1, line 20, after "cannabis-related" insert "and hemp-related"

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Judiciary and Public Safety. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 442, 1622, 302, and 1579 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Nelson, Frentz, Boldon, and Miller introduced--

S.F. No. 2946: A bill for an act relating to capital investment; appropriating money for an interchange at marked U.S. Highway 14 and County State-Aid Highway 44 in Olmsted County; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Nelson, Boldon, Mitchell, and Mann introduced--

S.F. No. 2947: A bill for an act relating to transportation; creating special veterans' license plates for each branch of the armed forces; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

Senators Hoffman, Abeler, Kupec, and Hauschild introduced--

S.F. No. 2948: A bill for an act relating to energy; modifying Public Utility Commission authority to modify or delay implementation of standard obligations; amending Minnesota Statutes 2022, section 216B.1691, subdivision 2b, as amended.

Referred to the Committee on Energy, Utilities, Environment, and Climate.

Senator Rest introduced--

S.F. No. 2949: A bill for an act relating to taxation; sales and use; authorizing an exemption for sales to and purchases by certain nonprofit blood centers; amending Minnesota Statutes 2022, section 297A.70, subdivision 7.

Referred to the Committee on Taxes.

Senator Westrom introduced--

S.F. No. 2950: A bill for an act relating to capital investment; appropriating money for a new fire hall in the city of Carlos.

Referred to the Committee on Capital Investment.

Senator Westrom introduced--

S.F. No. 2951: A bill for an act relating to civil actions; immunities; modifying liability of certain entities for death or injury due to livestock activities; amending Minnesota Statutes 2022, section 604A.12, subdivision 2.

Referred to the Committee on Judiciary and Public Safety.

Senator Weber introduced--

S.F. No. 2952: A bill for an act relating to capital investment; appropriating money for reconstruction of 34th Street in the city of Slayton; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Nelson introduced--

S.F. No. 2953: A bill for an act relating to health care; modifying certification and practice requirements for community emergency medical technicians; modifying medical assistance coverage of community emergency medical technician services; amending Minnesota Statutes 2022, sections 144E.275, subdivision 7; 256B.0625, subdivision 60a.

Referred to the Committee on Health and Human Services.

Senators Weber and Dahms introduced--

S.F. No. 2954: A bill for an act relating to capital investment; appropriating money for construction of an assisted living and memory care facility in the city of Slayton.

Referred to the Committee on Capital Investment.

Senator Draheim introduced--

S.F. No. 2955: A bill for an act relating to natural resources; allowing 15-year-olds with instruction permits to operate certain all-terrain vehicles; authorizing all-terrain safety certificate endorsements on instruction permits; amending Minnesota Statutes 2022, sections 84.925, subdivision 5; 84.9256, subdivisions 1, 2a, 4; 84.928, subdivisions 1a, 6; 171.07, subdivision 18.

Referred to the Committee on Environment, Climate, and Legacy.

Senator Draheim introduced--

S.F. No. 2956: A bill for an act relating to education; providing for nonpublic student participation in public school extracurricular activities; amending Minnesota Statutes 2022, section 123B.49, subdivision 4.

Referred to the Committee on Education Policy.

Senator Draheim introduced--

S.F. No. 2957: A bill for an act relating to capital investment; requiring a closeout evaluation of a capital project grant at the termination of the grant agreement; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Capital Investment.

Senator Weber introduced--

S.F. No. 2958: A bill for an act relating to energy; modifying the property assessed clean energy program; adding definitions; amending Minnesota Statutes 2022, sections 216C.435, subdivision 8; 216C.436, subdivision 2, by adding a subdivision.

Referred to the Committee on Energy, Utilities, Environment, and Climate.

Senators Mohamed and Oumou Verbeten introduced--

S.F. No. 2959: A bill for an act relating to education finance; authorizing a grant to improve students' writing skills; requiring a report; appropriating money.

Referred to the Committee on Education Finance.

Senators Hoffman, Draheim, Pappas, Xiong, and Abeler introduced--

S.F. No. 2960: A bill for an act relating to human services; appropriating money to Ramsey County for a youth mental health urgency room.

Referred to the Committee on Health and Human Services.

Senator Hoffman introduced--

S.F. No. 2961: A bill for an act relating to legacy; appropriating money for Minnesota Historical Society.

Referred to the Committee on Environment, Climate, and Legacy.

Senator Putnam introduced--

S.F. No. 2962: A bill for an act relating to taxation; property; modifying provisions for the supplemental information required in the truth in taxation notice; amending Minnesota Statutes 2022, section 275.065, subdivisions 3, 3b, 4.

Referred to the Committee on Taxes.

Senators Dahms and Weber introduced--

S.F. No. 2963: A bill for an act relating to capital investment; appropriating money for the Redwood Falls public library; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Jasinski introduced--

S.F. No. 2964: A bill for an act relating to higher education; providing funding to Riverland Community College; appropriating money.

Referred to the Committee on Higher Education.

Senator Farnsworth introduced--

S.F. No. 2965: A bill for an act relating to capital investment; appropriating money for the Canisteo flood hazard mitigation project to mitigate threats to public safety, property, and regional water quality; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Wiklund introduced--

S.F. No. 2966: A bill for an act relating to state government; modifying provisions governing child care, child safety and permanency, child support, economic assistance, deep poverty, housing and homelessness, behavioral health, the medical education and research cost account, MinnesotaCare, the Tribal Elder Office, background studies, and licensing; making forecast adjustments; requiring reports; transferring money; making technical and conforming changes; allocating funds for a specific purpose; establishing certain grants; appropriating money; amending Minnesota Statutes 2022, sections 62A.045; 62A.673, subdivision 2; 62J.692, subdivisions 1, 3, 4, 5, 8; 119B.011, subdivisions 2, 5, 13, 19a; 119B.025, subdivision 4; 119B.03, subdivision 4a; 119B.125, subdivisions 1, 1a, 1b, 2, 3, 4, 6, 7; 119B.13, subdivisions 1, 6; 119B.16, subdivisions 1c, 3; 119B.161, subdivisions 2, 3; 119B.19, subdivision 7; 145.4716, subdivision 3; 245.095; 245.4889, subdivision 1; 245A.02, subdivision 2c; 245A.04, subdivisions 1, 7, 7a; 245A.05; 245A.055, subdivision 2; 245A.06, subdivisions 1, 2, 4; 245A.07, subdivision 3, by adding subdivisions; 245A.10, subdivision 6, by adding a subdivision; 245A.16, by adding a subdivision; 245A.50, subdivisions 3, 4, 5, 6, 9; 245C.04, subdivision 1; 245C.05, subdivision 4; 245C.10, subdivisions 1d, 2, 3, 4, 5, 6, 8, 9, 9a, 10, 11, 12, 13, 14, 16, 17, 20, 21, by adding a subdivision; 245C.17, subdivision 6; 245C.23, subdivision 2; 245C.32, subdivision 2; 245H.01, subdivision 3, by adding a subdivision; 245H.03, subdivisions 2, 3, 4; 245H.06, subdivisions 1, 2; 245H.07, subdivisions 1, 2; 245I.20, subdivisions 10, 13, 14, 16; 254B.02, subdivision 5; 254B.05, subdivision 1; 256.046, subdivision 3; 256.0471, subdivision 1; 256.969, subdivisions 2b, 9, 25; 256.983, subdivision 5; 256B.055, subdivision 17; 256B.056, subdivision 7; 256B.0625, subdivisions 5m, 9, 13c, 13e, 28b, 30, by adding a subdivision; 256B.0631, subdivision 1; 256B.0638, subdivisions 1, 2, 4, 5, by adding a subdivision; 256B.064, subdivision 1a; 256B.0924, subdivision 5; 256B.0941, by adding a subdivision; 256B.196, subdivision 2; 256B.69, subdivision 5a; 256B.75; 256B.76, subdivisions 1, 2, 4; 256D.01, subdivision 1a; 256D.024, subdivision 1; 256D.03, by adding a subdivision; 256D.06, subdivision 5; 256D.63, subdivision 2; 256E.34, subdivision 4; 256E.35, subdivisions 1, 2, 3, 4a, 6, 7; 256I.03, subdivisions 7, 13; 256I.04, subdivision 1; 256I.06, subdivisions 6, 8, by adding a subdivision; 256J.08, subdivisions 71, 79; 256J.21, subdivisions 3, 4; 256J.26, subdivision 1; 256J.33, subdivisions 1, 2; 256J.37, subdivisions 3, 3a; 256J.95, subdivision 19; 256K.45, subdivisions 3, 7; 256L.04, subdivisions 1c, 7a, 10, by adding a subdivision; 256L.07, subdivision 1; 256L.15, subdivision 2; 256P.01, by adding subdivisions; 256P.02, subdivision 2, by adding a subdivision; 256P.04, subdivisions 4, 8; 256P.06, subdivision 3, by adding a subdivision; 256P.07, subdivisions 1, 2, 3, 4, 6, 7, by adding subdivisions; 260.761, subdivision 2; 260C.007, subdivision 14; 260C.451, by adding subdivisions; 260C.452, by adding a subdivision; 260C.605, subdivision 1, by adding a subdivision; 260C.704; 260E.01; 260E.02, subdivision 1; 260E.03, subdivision 22, by adding subdivisions; 260E.09; 260E.14, subdivisions 2, 5; 260E.17, subdivision 1; 260E.18; 260E.20, subdivision 2; 260E.24, subdivisions 2, 7; 260E.33, subdivision 1; 260E.35, subdivision 6; 270B.14, subdivision 1; 297F.10, subdivision 1; 518A.31; 518A.32, subdivisions 3, 4; 518A.34; 518A.41; 518A.42, subdivisions 1, 3; 518A.65; 518A.77; 609B.425, subdivision 2; 609B.435, subdivision 2; Laws 2020, First Special Session chapter 7, section 1, subdivision 1, as amended; Laws 2021, First Special Session chapter 7, article 1, section 36; article 6, section 26; article 16, section 2, subdivision 32, as amended; article 17, section 5, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 119B; 245; 256; 256D; 256E; 256K; 256P; 260; proposing coding for new law as Minnesota Statutes, chapter 245J; repealing Minnesota Statutes 2022, sections 62J.692, subdivisions 4a, 7, 7a; 119B.03,

subdivision 4; 137.38, subdivision 1; 245.735, subdivision 3; 245C.02, subdivision 14b; 245C.032; 245C.11, subdivision 3; 245C.30, subdivision 1a; 256.8799; 256.9864; 256B.69, subdivision 5c; 256J.08, subdivisions 10, 53, 61, 62, 81, 83; 256J.30, subdivisions 5, 7, 8; 256J.33, subdivisions 3, 4, 5; 256J.34, subdivisions 1, 2, 3, 4; 256J.37, subdivision 10.

Referred to the Committee on Health and Human Services.

Senators Kupec, Fateh, Putnam, and Frentz introduced--

S.F. No. 2967: A bill for an act relating to higher education; providing funding to the Board of Trustees of the Minnesota State Colleges and Universities; appropriating money.

Referred to the Committee on Higher Education.

Senators Hoffman and Abeler introduced--

S.F. No. 2968: A bill for an act relating to human services; modifying reimbursement rates for transitional supports under the home and community-based services waivers; amending Minnesota Statutes 2022, section 256B.49, subdivision 16.

Referred to the Committee on Human Services.

Senators Hoffman and Abeler introduced--

S.F. No. 2969: A bill for an act relating to capital investment; appropriating money for a new fire station in the city of Coon Rapids; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Champion introduced--

S.F. No. 2970: A bill for an act relating to economic development; providing an appropriation for grants to provide a community-based approach to reduce violence through employment, empowerment, and social equity building.

Referred to the Committee on Jobs and Economic Development.

Senator McEwen introduced--

S.F. No. 2971: A bill for an act relating to state government; modifying combative sports regulations; amending Minnesota Statutes 2022, sections 341.21, subdivisions 2a, 2b, 2c, 4f, 7, by adding a subdivision; 341.221; 341.25; 341.27; 341.28, subdivisions 2, 3, by adding subdivisions; 341.30, subdivision 4; 341.32, subdivision 2; 341.321; 341.33; 341.355; proposing coding for new law in Minnesota Statutes, chapter 341.

Referred to the Committee on State and Local Government and Veterans.

MOTIONS AND RESOLUTIONS

Senator Putnam moved that S.F. No. 15 be withdrawn from the Committee on Taxes, given a second reading, and placed on General Orders.

CALL OF THE SENATE

Senator Rest imposed a call of the Senate for the balance of the proceedings on S.F. No. 15. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Putnam motion.

The roll was called, and there were yeas 47 and nays 19, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Housley	Limmer	Rarick
Anderson	Dziedzic	Howe	Lucero	Rasmusson
Bahr	Eichorn	Jasinski	Mann	Seeberger
Champion	Farnsworth	Johnson	Mathews	Utke
Coleman	Frentz	Klein	Miller	Weber
Cwodzinski	Green	Koran	Morrison	Wesenberg
Dahms	Gruenhagen	Kreun	Nelson	Westlin
Dornink	Gustafson	Kupec	Pha	
Draheim	Hauschild	Lang	Pratt	
Drazkowski	Hoffman	Lieske	Putnam	

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senator: Dziedzic.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Howe and Lang.

Those who voted in the negative were:

Boldon	Hawj	Maye Quade	Murphy	Rest
Carlson	Kunesh	McEwen	Oumou Verbeten	Wiklund
Dibble	Latz	Mitchell	Pappas	Xiong
Fateh	Marty	Mohamed	Port	

Pursuant to Rule 40, Senator Murphy cast the negative vote on behalf of the following Senator: Maye Quade.

The motion prevailed.

S.F. No. 15 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Mathews moved that the name of Senator Hoffman be added as a co-author to S.F. No. 381. The motion prevailed.

Senator Kreun moved that the name of Senator Nelson be added as a co-author to S.F. No. 471. The motion prevailed.

Senator Latz moved that the name of Senator Oumou Verbeten be added as a co-author to S.F. No. 586. The motion prevailed.

Senator Boldon moved that the name of Senator Mann be added as a co-author to S.F. No. 992. The motion prevailed.

Senator Westlin moved that the names of Senators Limmer and Oumou Verbeten be added as co-authors to S.F. No. 1474. The motion prevailed.

Senator Port moved that the name of Senator Marty be added as a co-author to S.F. No. 1533. The motion prevailed.

Senator Kupec moved that the name of Senator Nelson be added as a co-author to S.F. No. 1594. The motion prevailed.

Senator Dibble moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Frentz be shown as chief author to S.F. No. 1959. The motion prevailed.

Senator Housley moved that the name of Senator Putnam be added as a co-author to S.F. No. 1969. The motion prevailed.

Senator Hawj moved that the name of Senator Hoffman be added as a co-author to S.F. No. 1982. The motion prevailed.

Senator Champion moved that the name of Senator Hawj be added as a co-author to S.F. No. 2025. The motion prevailed.

Senator Cwodzinski moved that the name of Senator Nelson be added as a co-author to S.F. No. 2097. The motion prevailed.

Senator Wiklund moved that the names of Senators Kupec and Mann be added as co-authors to S.F. No. 2229. The motion prevailed.

Senator Putnam moved that the names of Senators Gustafson, Hauschild, Kupec, and Seeberger be added as co-authors to S.F. No. 2307. The motion prevailed.

Senator Carlson moved that the name of Senator Pappas be added as a co-author to S.F. No. 2651. The motion prevailed.

Senator Hauschild moved that the name of Senator Champion be added as a co-author to S.F. No. 2700. The motion prevailed.

Senator Morrison moved that the name of Senator Boldon be added as a co-author to S.F. No. 2702. The motion prevailed.

Senator Xiong moved that the name of Senator Port be added as a co-author to S.F. No. 2727. The motion prevailed.

Senator Hawj moved that the name of Senator Xiong be added as a co-author to S.F. No. 2777. The motion prevailed.

Senator Dibble moved that the name of Senator Maye Quade be added as a co-author to S.F. No. 2783. The motion prevailed.

Senator Putnam moved that the name of Senator Pappas be added as a co-author to S.F. No. 2807. The motion prevailed.

Senator Wiklund moved that the name of Senator Mann be added as a co-author to S.F. No. 2888. The motion prevailed.

Senator Klein moved that S.F. No. 482, No. 110 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Senator Hoffman moved that S.F. No. 2590 be withdrawn from the Committee on Housing and Homelessness Prevention and re-referred to the Committee on Taxes. The motion prevailed.

Senator Dibble moved that S.F. No. 2815 be withdrawn from the Committee on Taxes and re-referred to the Committee on State and Local Government and Veterans. The motion prevailed.

Senator Hoffman moved that S.F. No. 2862 be withdrawn from the Committee on Energy, Utilities, Environment, and Climate and returned to its author. The motion prevailed.

Senator Hoffman moved that S.F. No. 2887 be withdrawn from the Committee on Environment, Climate, and Legacy and re-referred to the Committee on Energy, Utilities, Environment, and Climate. The motion prevailed.

Senator Latz introduced --

Senate Resolution No. 19: A Senate resolution congratulating Ryan Spangler of Edina, Minnesota, for earning the rank of Eagle Scout.

Referred to the Committee on Rules and Administration.

Senator Latz introduced --

Senate Resolution No. 20: A Senate resolution congratulating Miles Van Norman of Edina, Minnesota, for earning the rank of Eagle Scout.

Referred to the Committee on Rules and Administration.

Senator Latz introduced --

Senate Resolution No. 21: A Senate resolution congratulating Aaron Pence of Edina, Minnesota, for earning the rank of Eagle Scout.

Referred to the Committee on Rules and Administration.

Senator Latz introduced --

Senate Resolution No. 22: A Senate resolution congratulating Rowan Nordin of Edina, Minnesota, for earning the rank of Eagle Scout.

Referred to the Committee on Rules and Administration.

Senator Latz introduced --

Senate Resolution No. 23: A Senate resolution congratulating April Musil of Edina, Minnesota, for earning the rank of Eagle Scout.

Referred to the Committee on Rules and Administration.

Senator Latz introduced --

Senate Resolution No. 24: A Senate resolution congratulating Anders Bergren of Edina, Minnesota, for earning the rank of Eagle Scout.

Referred to the Committee on Rules and Administration.

Senator Latz introduced --

Senate Resolution No. 25: A Senate resolution congratulating Zachary Holmes of Edina, Minnesota, for earning the rank of Eagle Scout.

Referred to the Committee on Rules and Administration.

Senator Mathews introduced --

Senate Resolution No. 26: A Senate resolution congratulating the Big Lake High School girls gymnastics team on winning the 2023 State High School Class A girls gymnastics championship.

Referred to the Committee on Rules and Administration.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Frentz, designee of the Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. No. 669.

SPECIAL ORDER

H.F. No. 669: A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; modifying prior appropriations; authorizing the sale and issuance of state bonds; authorizing the conveyance of state bond-financed property; requiring reports; appropriating money; amending Minnesota Statutes 2022,

sections 16A.966, subdivision 2; 116J.417, subdivision 2; 134.45, subdivision 5; 174.38, subdivisions 1, 3; Laws 2018, chapter 214, article 1, sections 7, subdivisions 7, 9, 11, 18; 16, subdivisions 14, 19, as amended; 17, subdivision 7, as amended; 18, subdivision 5; 21, subdivisions 17, 29, as amended; Laws 2020, Fifth Special Session chapter 3, article 1, sections 7, subdivisions 12, 24; 15, subdivision 6; 16, subdivisions 4, 11, 26; 17, subdivisions 7, 13; 20, subdivision 11; 21, subdivisions 36, 46, 48; 22, subdivision 33, as amended; article 3, section 2, subdivision 2; Laws 2021, First Special Session chapter 14, article 11, section 42; proposing coding for new law in Minnesota Statutes, chapters 116J; 446A.

Senator Pratt moved to amend H.F. No. 669, the first unofficial engrossment, as follows:

Page 1, line 22, delete everything before the first "to" and insert "general fund"

Page 1, line 23, delete everything after the period

Page 1, delete lines 24 and 25

Page 1, line 26, delete everything before "Unless"

Page 43, delete sections 26 and 27

Page 44, delete section 29

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Pursuant to Rule 7.4, Senator Pappas questioned whether the Pratt amendment was in order. The President ruled the amendment was out of order.

Senator Nelson moved to amend H.F. No. 669, the unofficial engrossment, as follows:

Page 48, after line 15, insert:

"Sec. 7. Minnesota Statutes 2022, section 290.0132, subdivision 26, is amended to read:

Subd. 26. Social Security benefits. ~~(a) A portion~~ The amount of taxable Social Security benefits received by a taxpayer in the taxable year is allowed as a subtraction. The subtraction equals the lesser of taxable Social Security benefits or a maximum subtraction subject to the limits under paragraphs (b), (c), and (d).

~~(b) For married taxpayers filing a joint return and surviving spouses, the maximum subtraction equals \$5,150. The maximum subtraction is reduced by 20 percent of provisional income over \$78,180. In no case is the subtraction less than zero.~~

~~(c) For single or head-of-household taxpayers, the maximum subtraction equals \$4,020. The maximum subtraction is reduced by 20 percent of provisional income over \$61,080. In no case is the subtraction less than zero.~~

~~(d) For married taxpayers filing separate returns, the maximum subtraction equals one-half the maximum subtraction for joint returns under paragraph (b). The maximum subtraction is reduced by 20 percent of provisional income over one-half the threshold amount specified in paragraph (b). In no case is the subtraction less than zero.~~

~~(e) For purposes of this subdivision, "provisional income" means modified adjusted gross income as defined in section 86(b)(2) of the Internal Revenue Code, plus one-half of the taxable Social Security benefits received during the taxable year, and "Social Security benefits" has the meaning given in section 86(d)(1) of the Internal Revenue Code.~~

~~(f) The commissioner shall adjust the maximum subtraction and threshold amounts in paragraphs (b) to (d) as provided in section 270C.22. The statutory year is taxable year 2019. The maximum subtraction and threshold amounts as adjusted must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount is rounded up to the nearest \$10 amount.~~

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022.

Sec. 8. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision to read:

Subd. 31. **Public pension income subtraction.** (a) The amount of a taxpayer's public pension exclusion is a subtraction.

(b) The amount of a taxpayer's federal exclusion is determined as follows:

(1) for a taxpayer whose provisional income is less than or equal to the base amount, the federal exclusion equals 100 percent of qualified benefits received during the taxable year;

(2) for a taxpayer whose provisional income exceeds the base amount, but is less than or equal to the adjusted base amount, the federal exclusion equals the greater of:

(i) 50 percent of qualified benefits received during the taxable year; or

(ii) the amount of qualified benefits minus 50 percent of the difference between provisional income and the base amount; and

(3) for a taxpayer whose provisional income exceeds the adjusted base amount, the federal exclusion equals the greater of:

(i) qualified benefits minus:

(A) 85 percent of provisional income in excess of the adjusted base amount; plus

(B) 50 percent of the difference between the base amount and the adjusted base amount; or

(ii) 15 percent of qualified benefits received during the taxable year.

(c) The amount of a taxpayer's state exclusion equals the lesser of:

(1) the amount of qualified benefits in excess of the taxpayer's federal exclusion; or

(2) the maximum exclusion for a taxpayer determined under paragraph (d).

(d) The maximum state exclusion equals \$5,450 for a joint return, half that amount for a married taxpayer filing a separate return, and \$4,260 for all other taxpayers. The maximum subtraction is reduced by 20 percent of provisional income in excess of:

(1) \$82,770 for a joint return;

(2) half the amount in clause (1) for a married taxpayer filing a separate return; and

(3) \$64,670 for all other filers.

(e) For the purposes of this subdivision:

(1) "base amount" has the meaning given in section 86(c)(1) of the Internal Revenue Code and "adjusted base amount" has the meaning given in section 86(c)(2) of the Internal Revenue Code;

(2) "provisional income" has the meaning given in section 290.0132, subdivision 26, paragraph (e);

(3) "public pension exclusion" means the sum of the federal exclusion calculated under paragraph (b) and the state exclusion calculated under paragraphs (c) and (d); and

(4) "qualified benefits" means any amount received:

(i) by a basic member of any pension plan governed by chapter 3A, 352B, 353, 354, or 354A, or the basic member's survivor, provided that the annuity or benefit is based on service for which the member or survivor is not also receiving Social Security benefits;

(ii) from any retirement system administered by the federal government that is based on service for which the recipient or the recipient's survivor is not also receiving Social Security benefits; or

(iii) from a public retirement system of or created by another state or any of its political subdivisions if the income tax laws of the other state permit a similar deduction or exemption or a reciprocal deduction or exemption of a retirement or pension benefit received from a public retirement system of or created by this state or any political subdivision of this state.

(f) The commissioner must adjust the maximum exclusion and phaseout threshold amounts in paragraph (d) as provided in section 270C.22. The statutory year is taxable year 2023. The maximum subtraction and threshold amounts as adjusted must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount is rounded up to the nearest \$10 amount.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022.

Sec. 9. Minnesota Statutes 2022, section 290.091, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of the tax imposed by this section, the following terms have the meanings given.

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding:

(i) the charitable contribution deduction under section 170 of the Internal Revenue Code;

(ii) the medical expense deduction;

(iii) the casualty, theft, and disaster loss deduction; and

(iv) the impairment-related work expenses of a person with a disability;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.0131, subdivision 2;

(6) the amount of addition required by section 290.0131, subdivisions 9, 10, and 16;

(7) the deduction allowed under section 199A of the Internal Revenue Code, to the extent not included in the addition required under clause (6); and

(8) to the extent not included in federal alternative minimum taxable income, the amount of foreign-derived intangible income deducted under section 250 of the Internal Revenue Code;

less the sum of the amounts determined under the following:

(i) interest income as defined in section 290.0132, subdivision 2;

(ii) an overpayment of state income tax as provided by section 290.0132, subdivision 3, to the extent included in federal alternative minimum taxable income;

(iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income;

(iv) amounts subtracted from federal taxable or adjusted gross income as provided by section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, ~~and~~ 26 to 29, and 31;

(v) the amount of the net operating loss allowed under section 290.095, subdivision 11, paragraph (c); and

(vi) the amount allowable as a Minnesota itemized deduction under section 290.0122, subdivision 7.

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code, except alternative minimum taxable income must be increased by the addition in section 290.0131, subdivision 16.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Net minimum tax" means the minimum tax imposed by this section.

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(e) "Tentative minimum tax" equals 6.75 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Klein questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Miller appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic and Maye Quade.

Those who voted in the negative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Howe and Lang.

So the decision of the President was sustained.

H.F. No. 669 was read the third time.

RECONSIDERATION

Senator Pappas moved that the third reading of H.F. No. 669 be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 36 and nays 28, as follows:

Those who voted in the affirmative were:

Abeler	Frentz	Latz	Murphy	Seeberger
Boldon	Gustafson	Mann	Oumou Verbeten	Westlin
Carlson	Hauschild	Marty	Pappas	Wiklund
Champion	Hawj	Maye Quade	Pha	Xiong
Cwodzinski	Hoffman	McEwen	Port	
Dibble	Klein	Mitchell	Pratt	
Dziedzic	Kunesh	Mohamed	Putnam	
Fateh	Kupec	Morrison	Rest	

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic and Maye Quade.

Those who voted in the negative were:

Anderson	Drazkowski	Housley	Lang	Rasmusson
Bahr	Duckworth	Howe	Lieske	Utke
Coleman	Eichorn	Jasinski	Limmer	Weber
Dahms	Farnsworth	Johnson	Mathews	Wesenberg
Dornink	Green	Koran	Nelson	
Draheim	Gruenhagen	Kreun	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Howe and Lang.

The motion prevailed. So the third reading was reconsidered.

Senator Pappas moved to amend H.F. No. 669, the first unofficial engrossment, as follows:

Page 34, line 29, delete "facility" and insert "Kerry Park Recreation Center"

Page 43, line 21, delete "January"

Page 62, delete line 8

Page 62, line 9, delete everything before "Notwithstanding"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 51 and nays 14, as follows:

Those who voted in the affirmative were:

Abeler	Farnsworth	Kreun	Mitchell	Rarick
Boldon	Fateh	Kunesh	Mohamed	Rasmusson
Carlson	Frentz	Kupec	Morrison	Rest
Champion	Gruenhagen	Lang	Murphy	Seeberger
Coleman	Gustafson	Latz	Nelson	Westlin
Cwodzinski	Hauschild	Limmer	Oumou Verbeten	Wiklund
Dibble	Hawj	Mann	Pappas	Xiong
Dornink	Hoffman	Marty	Pha	
Draheim	Housley	Mathews	Port	
Duckworth	Johnson	Maye Quade	Pratt	
Dziedzic	Klein	McEwen	Putnam	

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic and Maye Quade.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Lang.

Those who voted in the negative were:

Anderson	Drazkowski	Howe	Lieske	Weber
Bahr	Eichorn	Jasinski	Lucero	Wesenberg
Dahms	Green	Koran	Utke	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Howe.

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Senator Dibble imposed a call of the Senate for the balance of the proceedings on H.F. No. 669. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 669 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 33 and nays 32, as follows:

Those who voted in the affirmative were:

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Boldon	Frentz	Kupec	Mohamed	Rest
Carlson	Gustafson	Latz	Morrison	Seeberger
Champion	Hauschild	Mann	Murphy	Westlin
Cwodzinski	Hawj	Marty	Oumou Verbeten	Wiklund
Dibble	Hoffman	Maye Quade	Pha	Xiong
Dziedzic	Klein	McEwen	Port	
Fateh	Kunesh	Mitchell	Putnam	

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic and Maye Quade.

Those who voted in the negative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Pappas	
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Howe and Lang.

So, not having received a three-fifths vote, the bill, as amended, failed to pass.

RECONSIDERATION

Having voted on the prevailing side, Senator Pappas moved that the vote whereby H.F. No. 669 failed to pass the Senate on March 16, 2023, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 38 and nays 28, as follows:

Those who voted in the affirmative were:

Abeler	Farnsworth	Kunesh	Mitchell	Putnam
Boldon	Fateh	Kupec	Mohamed	Rest
Carlson	Frentz	Latz	Morrison	Seeberger
Champion	Gustafson	Mann	Murphy	Westlin
Cwodzinski	Hauschild	Marty	Oumou Verbeten	Wiklund
Dibble	Hawj	Maye Quade	Pappas	Xiong
Dornink	Hoffman	McEwen	Pha	
Dziedzic	Klein	Miller	Port	

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic and Maye Quade.

Those who voted in the negative were:

Anderson	Duckworth	Jasinski	Limmer	Rasmusson
Bahr	Eichorn	Johnson	Lucero	Utke
Coleman	Green	Koran	Mathews	Weber
Dahms	Gruenhagen	Kreun	Nelson	Wesenberg
Draheim	Housley	Lang	Pratt	
Drazkowski	Howe	Lieske	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Howe and Lang.

The motion prevailed. So the vote was reconsidered.

Senator Pappas moved that H.F. No. 669 be laid on the table.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 51 and nays 15, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	Klein	Mitchell	Rarick
Boldon	Frentz	Kunesh	Mohamed	Rasmusson
Carlson	Gruenhagen	Kupec	Morrison	Rest
Champion	Gustafson	Lang	Murphy	Seeberger
Coleman	Hauschild	Latz	Nelson	Westlin
Cwodzinski	Hawj	Limmer	Oumou Verbeten	Wiklund
Dibble	Hoffman	Mann	Pappas	Xiong
Dornink	Housley	Marty	Pha	
Drazkowski	Howe	Maye Quade	Port	
Dziedzic	Jasinski	McEwen	Pratt	
Farnsworth	Johnson	Miller	Putnam	

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic and Maye Quade.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Howe and Lang.

Those who voted in the negative were:

Anderson	Draheim	Green	Lieske	Utke
Bahr	Duckworth	Koran	Lucero	Weber
Dahms	Eichorn	Kreun	Mathews	Wesenberg

The motion prevailed.

MEMBERS EXCUSED

Senator Westrom was excused from the Session of today. Senator Miller was excused from the Session of today from 12:10 to 12:20 p.m.

ADJOURNMENT

Senator Frentz moved that the Senate do now adjourn until 11:00 a.m., Monday, March 20, 2023. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

