

April 15, 2024

Senator Matt Klein Chair, Commerce and Consumer Protection Committee 2105 Minnesota Senate Building St. Paul, MN 55155

## Dear Chair Klein:

I am writing in support of the proposed provisions in the Commerce omnibus bill related to the Office of Cannabis Management (OCM), including funding to support a state reference laboratory, establish testing capacity, and maintain seamless enforcement of hemp-derived cannabis products.

The Office of Cannabis Management is tasked not only with standing up a new state agency, but also with developing the operational and regulatory framework to oversee a safe, accessible, and legal cannabis industry in Minnesota. We are focused on the successful launch of a safe, effective, and sustainable adult-use market while maintaining safe, reliable access to products for registered medical cannabis patients. The proposals included in the Commerce omnibus package include the Governor's budget recommendations to support this mission.

The Office of Cannabis Management is requesting funding to support the Office's need to establish a reference laboratory in the interest of public health and safety. As evidenced in other states, setting high product standards and policies that licensed commercial cannabis testing laboratories in Minnesota must follow is critical to protecting the health and safety of Minnesotans who choose to consume cannabis products. Additionally, the state needs a way to scrutinize results from other commercial labs, probe the potential entry of illegal cannabis into the legal market, and determine the need for product recalls. A reference laboratory will allow us to meet those goals.

As we've developed this proposal, OCM considered ways to maximize the current state infrastructure and target the specific testing needs of our agency. This funding will help establish this laboratory function in three ways:

- 1) equipment and people,
- 2) testing capacity, and
- 3) partnership with the Minnesota Department of Agriculture, which already has a high-quality lab in place from which to leverage existing infrastructure.

Additionally, the OCM is also planning for the transfer of the Office of Medical Cannabis, including both the current hemp-derived enforcement operations and the medical program, from the Department of Health to the Office of Cannabis Management. The proposed omnibus bill transfers the one-time appropriation that supports the hemp-derived program at the Department of Health. This allows earlier integration of staff, helps OCM expand its foundational capacity and supports a consistent enforcement approach for all cannabis regulation under one umbrella.

Together, these provisions strengthen the Office of Cannabis Management's ability to implement Chapter 342 well and develop and manage the regulatory framework for a safe and effective cannabis industry in Minnesota. Thank you for your continued support for these budget proposals. We look forward to working together with you to meet our shared goals for a well-regulated cannabis industry throughout Minnesota.

Sincerely,

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