

Senator ..... moves to amend the delete-everything amendment (SCH4757A-1) to H.F. No. 4757 as follows:

Page 39, after line 18, insert:

"Sec. 48. Minnesota Statutes 2023 Supplement, section 342.04, is amended to read:

**342.04 STUDIES; REPORTS.**

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

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

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

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

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

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

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

(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 conduct an annual market analysis on the status of the regulated cannabis industry and submit a report of the findings. The office shall submit the report by January 15, 2025, and each January 15 thereafter and the report may be combined with the annual report submitted by the office. The process of completing the market analysis must include holding public meetings to solicit the input of consumers, market stakeholders, and potential new applicants and must include an assessment as to whether the office has issued the necessary number of licenses in order to:

(1) ensure the sufficient supply of cannabis flower and cannabis products to meet demand;

(2) provide market stability;

(3) ensure a competitive market; and

(4) limit the sale of unregulated cannabis flower and cannabis products.

(g) 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, including but not limited to recommendations to streamline licensing systems and related administrative processes;

(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 the combustion or vaporization of the product and the inhalation of smoke, aerosol, or vapor from the product; and

(9) recommendations for the 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, 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;

4.1 (x) the retirement and replacement of drug detection canines; and

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

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

4.8 Page 46, line 14, delete the new language

4.9 Page 46, lines 21 to 25, delete the new language and strike the old language

4.10 Reletter the paragraphs in sequence

4.11 Page 47, line 21, delete everything after "Only"

4.12 Page 47, delete lines 27 to 28

4.13 Page 48, delete subdivision 4 and insert:

4.14 "Subd. 4. **Distribution of temporary licenses.** If the number of applicants exceeds the  
4.15 number of available temporary licenses, the office must distribute temporary licenses to  
4.16 local units of government in a manner that establishes fair geographic representation across  
4.17 the state. "

4.18 Page 49, delete subdivision 5

4.19 Page 51, delete subdivision 10

4.20 Renumber the subdivisions in sequence

4.21 Page 55, strike line 17

4.22 Renumber the clauses in sequence

4.23 Page 58, delete section 61

4.24 Page 59, delete section 62

4.25 Page 61, delete lines 30 to 33

4.26 Page 62, delete lines 1 to 2

4.27 Page 62, line 3, delete "(f)" and insert "(e)"

4.28 Page 103, after line 31, insert:

5.1 "Sec. 114. Minnesota Statutes 2023 Supplement, section 342.73, subdivision 2, is amended  
5.2 to read:

5.3 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the  
5.4 meanings given.

5.5 (b) "Eligible organization" means any organization capable of helping farmers navigate  
5.6 the regulatory structure of the legal cannabis industry, particularly individuals facing barriers  
5.7 to education or employment, and may include educational institutions, nonprofit  
5.8 organizations, private businesses, community groups, units of local government, or  
5.9 partnerships between different types of organizations.

5.10 (c) "Industry" means the legal cannabis industry in the state of Minnesota.

5.11 (d) "Program" means the CanGrow grant program.

5.12 ~~(e) "Social equity applicant" means a person who meets the qualification requirements~~  
5.13 ~~in section 342.17.~~

5.14 Sec. 115. Minnesota Statutes 2023 Supplement, section 342.73, subdivision 3, is amended  
5.15 to read:

5.16 Subd. 3. **Technical assistance grants.** (a) Grant money awarded to eligible organizations  
5.17 may be used for both developing technical assistance resources relevant to the regulatory  
5.18 structure of the legal cannabis industry and for providing such technical assistance or  
5.19 navigation services to farmers.

5.20 (b) The office must award grants to eligible organizations through a competitive grant  
5.21 process.

5.22 (c) To receive grant money, an eligible organization must submit a written application  
5.23 to the office, using a form developed by the office, explaining the organization's ability to  
5.24 assist farmers in navigating the regulatory structure of the legal cannabis industry, particularly  
5.25 farmers facing barriers to education or employment.

5.26 (d) An eligible organization's grant application must also include:

5.27 (1) a description of the proposed technical assistance or navigation services, including  
5.28 the types of farmers targeted for assistance;

5.29 (2) any evidence of the organization's past success in providing technical assistance or  
5.30 navigation services to farmers, ~~particularly farmers who live in areas where long-term~~  
5.31 ~~residents are eligible to be social equity applicants;~~

6.1 (3) an estimate of the cost of providing the technical assistance;

6.2 (4) the sources and amounts of any nonstate funds or in-kind contributions that will  
6.3 supplement grant money, including any amounts that farmers will be charged to receive  
6.4 assistance; and

6.5 (5) any additional information requested by the office.

6.6 (e) In awarding grants under this subdivision, the office shall give weight to applications  
6.7 from organizations that demonstrate a history of successful technical assistance or navigation  
6.8 services, particularly for farmers facing barriers to education or employment. ~~The office~~  
6.9 ~~shall also give weight to applications where the proposed technical assistance will serve~~  
6.10 ~~areas where long-term residents are eligible to be social equity applicants.~~ The office shall  
6.11 fund technical assistance to farmers throughout the state.

6.12 Sec. 116. Minnesota Statutes 2023 Supplement, section 342.73, subdivision 4, is amended  
6.13 to read:

6.14 Subd. 4. **Loan financing grants.** (a) The CanGrow revolving loan account is established  
6.15 in the special revenue fund. Money in the account, including interest, is appropriated to the  
6.16 commissioner to make loan financing grants under the CanGrow program.

6.17 (b) The office must award grants to nonprofit corporations through a competitive grant  
6.18 process.

6.19 (c) To receive grant money, a nonprofit corporation must submit a written application  
6.20 to the office using a form developed by the office.

6.21 (d) In awarding grants under this subdivision, the office shall give weight to whether  
6.22 the nonprofit corporation:

6.23 (1) has a board of directors that includes individuals experienced in agricultural business  
6.24 development;

6.25 (2) has the technical skills to analyze projects;

6.26 (3) is familiar with other available public and private funding sources and economic  
6.27 development programs;

6.28 (4) can initiate and implement economic development projects; and

6.29 (5) can establish and administer a revolving loan account; and.

6.30 ~~(6) has established relationships with communities where long-term residents are eligible~~  
6.31 ~~to be social equity applicants.~~

7.1 The office shall make grants that will help farmers enter the legal cannabis industry  
7.2 throughout the state.

7.3 (e) A nonprofit corporation that receives grants under the program must:

7.4 (1) establish an office-certified revolving loan account for the purpose of making eligible  
7.5 loans; and

7.6 (2) enter into an agreement with the office that the office shall fund loans that the  
7.7 nonprofit corporation makes to farmers entering the legal cannabis industry. The office shall  
7.8 review existing agreements with nonprofit corporations every five years and may renew or  
7.9 terminate an agreement based on that review. In making this review, the office shall consider,  
7.10 among other criteria, the criteria in paragraph (d).

7.11 Sec. 117. Minnesota Statutes 2023 Supplement, section 342.73, subdivision 5, is amended  
7.12 to read:

7.13 Subd. 5. **Loans to farmers.** (a) The criteria in this subdivision apply to loans made by  
7.14 nonprofit corporations under the program.

7.15 (b) A loan must be used to support a farmer in entering the legal cannabis industry.  
7.16 ~~Priority must be given to loans to businesses owned by farmers who are eligible to be social~~  
7.17 ~~equity applicants and businesses located in communities where long-term residents are~~  
7.18 ~~eligible to be social equity applicants.~~

7.19 (c) Loans must be made to businesses that are not likely to undertake the project for  
7.20 which loans are sought without assistance from the program.

7.21 (d) The minimum state contribution to a loan is \$2,500 and the maximum is either:

7.22 (1) \$50,000; or

7.23 (2) \$150,000, if state contributions are matched by an equal or greater amount of new  
7.24 private investment.

7.25 (e) Loan applications given preliminary approval by the nonprofit corporation must be  
7.26 forwarded to the office for approval. The office must give final approval for each loan made  
7.27 by the nonprofit corporation under the program.

7.28 (f) If the borrower has met lender criteria, including being current with all payments for  
7.29 a minimum of three years, the office may approve either full or partial forgiveness of interest  
7.30 or principal amounts.

8.1 Sec. 118. Minnesota Statutes 2023 Supplement, section 342.73, subdivision 7, is amended  
8.2 to read:

8.3 Subd. 7. **Program outreach.** The office shall make extensive efforts to publicize these  
8.4 grants, including through partnerships with community organizations, ~~particularly those~~  
8.5 ~~located in areas where long-term residents are eligible to be social equity applicants.~~"

8.6 Page 108, line 7, after "28," insert "29,"

8.7 Page 108, line 8, after "55;" insert "342.02, subdivision 8; 342.17;" and delete "and"  
8.8 and after "subdivision 9" insert "; and 342.70"

8.9 Renumber the sections in sequence and correct the internal references