



Senate Commerce and Consumer Protection: OCM Office Overview and Budget Presentation

February 13, 2025

Eric Taubel | Interim Director

Office Introduction

Budget Presentations

Office Overview and Implementation Update

Enforcement Update

Market Launch

Looking Ahead

Budget Presentation

Operating Adjustment to Support Regulatory Duties

- The governor recommends adjusting the office operating budget to support current services.
- For the Office of Cannabis Management, this funding will help cover expected growth in employee compensation and insurance, rents, IT services, and other operating costs.
- FY26 \$278,000 and \$564,000 each year thereafter

Building Continuity for Community Reinvestment Grant

- Proposes extending the availability of the CanRenew community restoration grant program's first year of funds as program is established, accountability metrics are designed and RFP is released and contracts put into place.
- This request is budget neutral.

Testing Facility Licensing Variance

- Proposes changes to the process for issuing a cannabis testing facility license to alleviate the significant barrier to entry for facilities that are otherwise equipped to conduct testing effectively and safely.
- Supports market launch, maintains standards.
- The request has programming costs for the licensing system that the agency will absorb.

Amend Social Equity Criteria

- Proposes changes to definitions for the qualifying criteria for individuals to be verified under social equity status to also include justice impacted individuals who have stays of adjudications or adjudications of delinquency
- Current law includes seven criteria:
 - Has a cannabis sale or possession conviction
 - Had a parent, guardian, child, spouse or dependent who has a cannabis conviction
 - Was a dependent of an individual convicted
 - Military veteran
 - Military veteran or National Guard member who lost honorable status due to possession or sale of cannabis
 - Has been a resident for five years of qualifying areas: enforcement rate, poverty rate, family income, SNAP, SVI
 - Small farmer
- The request has programming costs for the licensing system that the agency will absorb.

Legislative Budget Recommendations

OCM continues to build the foundation for an effective, safe, equitable, and sustained cannabis market and has identified a series of targeted budget proposals to support continuity for implementation and a timely market launch.

Office Overview & Implementation Update

Office Introduction

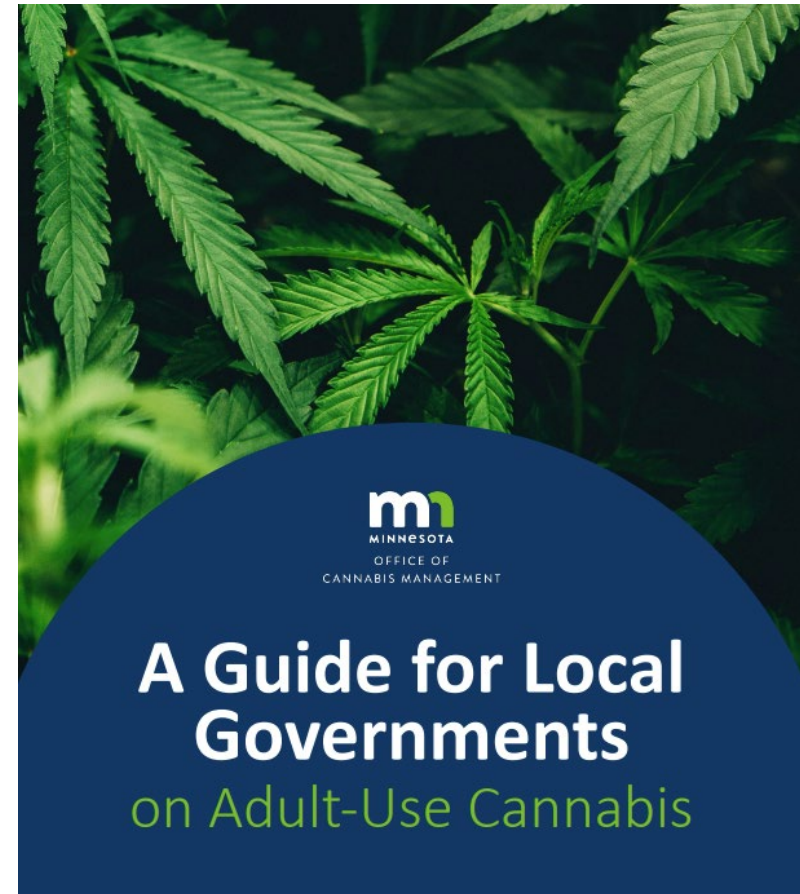
- Established in August 2023, OCM is charged with implementing Chapter 342 to:
 - launch the new adult-use cannabis industry in Minnesota,
 - manage the medical cannabis program,
 - enforce the hemp derived cannabinoid industry, and
 - stand up a new regulatory office.
- Office milestones:
 - Staffing build out – 9 to 90 employees
 - Advancing progress on grant program rollout and rulemaking
 - New permanent office space

Mission, Vision, Values

- **Mission:** To foster an equitable cannabis industry that prioritizes public health and safety, consumer confidence, and market integrity.
- **Vision:** Minnesota is the standard of excellence in cannabis legalization.
- **Values:** Collaboration, Integrity, Responsiveness, Community, Learning, Empowerment

Resources, Guidance, Community Outreach

- OCM Website (mn.gov/ocm)
- Webinars, Information Sessions, Office Hours
- Speaker Bureau/Event Requests
- **Newsletters**
 - Cannabis Insider
 - Compliance Connector
- Customer Service Desk
(cannabis.info@state.mn.us)
- Public Comment Forums/Surveys
- Guidance Documents, FAQ Pages



Version 2.1 | Updated January 6, 2025

Division of Medical Cannabis

- Oversee the management of the medical cannabis program
- Two medical cannabis manufacturers, 16 medical cannabis retail locations
- Surpassed 51,000 patients on the Minnesota medical cannabis registry
- Released new report on chronic pain patients in the program detailing positive results



Chronic Pain Patients in the Minnesota Medical Cannabis Program

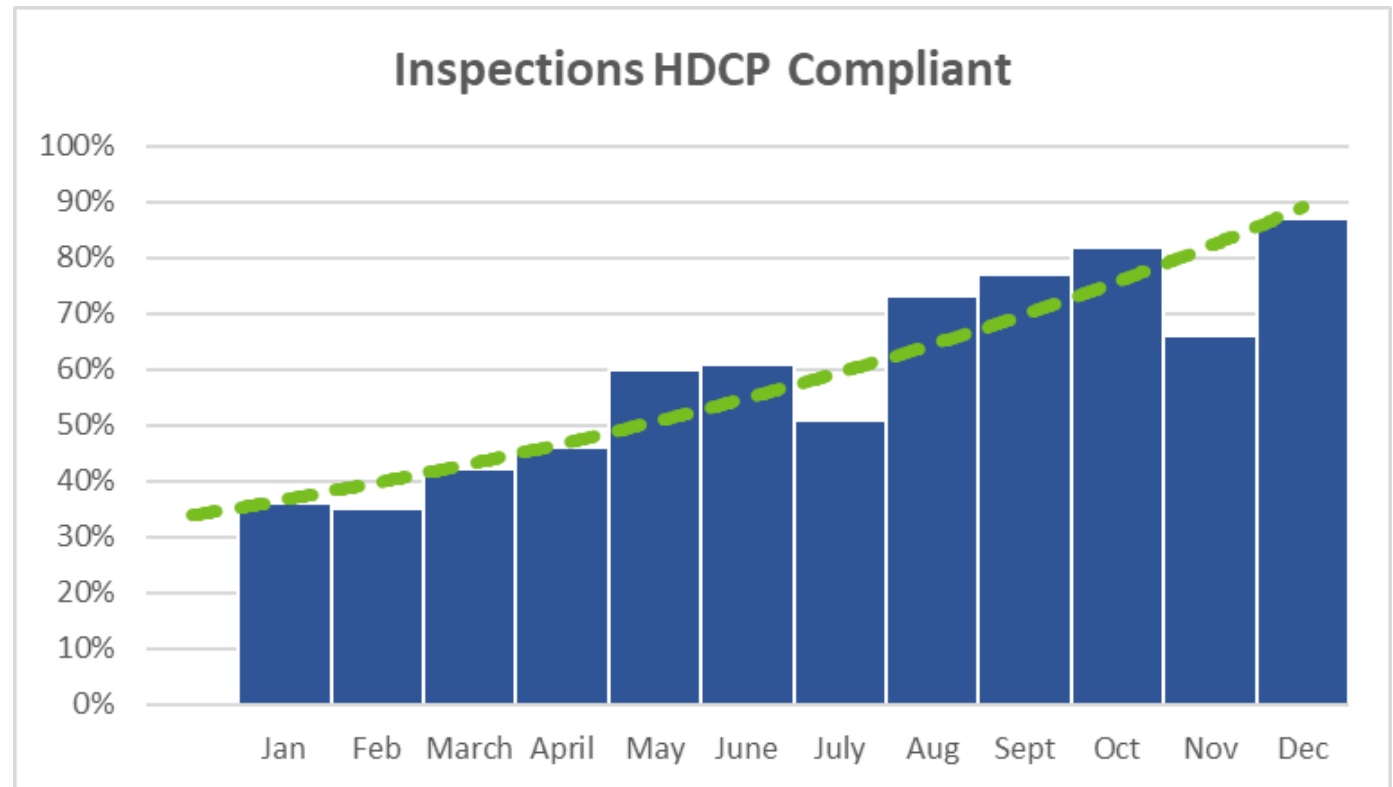
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Cannabis Advisory Council

Angela Dawson – Sandstone, Minn. Expert in farming or representing the interests of farmers	Kate Makinen – Grand Rapids, Minn. Licensed mental health professional	Maren Schroeder – Stewartville, Minn. Patient advocate who is a patient enrolled in the Medical Cannabis Program	Nico Bauer Department of Human Rights	Austin Needham Red Lake Nation
Jeremy Drucker – St. Paul, Minn. Patient advocate with experience in the mental health system or substance use disorder treatment system	Kyle Marinkovich – Burnsville, Minn. Expert in cannabis product manufacturing	Michael Sly – Minneapolis, Minn. Expert in providing legal services to cannabis businesses	Lisa Brunner White Earth Band	Laurel Podulke-Smith Association of Minnesota Counties
Donna Ennis – Superior, Minn. Licensed mental health professional	Rachel Moran – Minneapolis, Minn. Expert in criminal justice reform to mitigate the disproportionate impact of drug prosecutions on communities of colorLocal P	Diana Tastad-Damer – South St. Paul, Minn. Expert representing the interests of cannabis workers	Martha Burton Department of Revenue	Nathan Ratner Department of Employment and Economic Development
Dr. Denise Johnson – Apple Valley, Minn. Expert in social welfare or social justice	Carol Moss – Edina, Minn. Expert in women-owned businesses	Dana Thompson – Minneapolis, Minn. Expert in minority business ownership	Damon Chaplin Public Health Association of MN	Tyler Prescott Lower Sioux Community
Dr. Melanie Johnson – Zumbro Falls, Minn. Expert in pediatric medicine	Dr. Ann Philbrick – St. Paul, Minn. Expert in clinical pharmacy	Josh Wilken-Simon – Eden Prairie, Minn. Expert in cannabis retailing	Miss Selena Childs Prairie Island Indian Community	Jen Sather Department of Human Services
Bryant Jones – Apple Valley, Minn. Expert in cannabis cultivation	Dr. Sara Polley – Minneapolis, Minn. Expert in prevention, treatment, and recovery related to substance use disorders	Jaren Zech – Edina, Minn. Expert in municipal law enforcement with advanced training in impairment detection and evaluation	Gabe Cornish Minnesota State Patrol	Roger Smith Fond du Lac Band
Eric King – Minneapolis, Minn. Expert in economic development strategies for under-resourced communities	Pia Prenevost – Coon Rapids, Minn. Patient advocate who is a parent or caregiver of a patient in the Medical Cannabis Program	Dr. Dylan Zylla – Minneapolis, Minn. Expert in adult medicine	Kari Gloppen Department of Health	Dan Solomon Department of Labor and Industry
Jamal Knight – Minneapolis, Minn. Expert in minority business development	Nic Puechner – Minneapolis, Minn. Expert representing the interests of employers	Nicole Archbold Department of Public Safety	Michael Hanson Office of Traffic Safety	Sophie Watso Shakopee Mdewakanton Sioux Community
Samantha Lee – Minneapolis, Minn. Expert in laboratory sciences and toxicology			Anna Hotz Minnesota Pollution Control Agency	Virgil Wind Mille Lacs Band of Ojibwe
			Peder Kjeseth Department of Agriculture	Jill Wolf League of Minnesota Cities
			Catherine Knutson Bureau of Criminal Apprehension	

Enforcement Update

- Enforcement Division continues to increase capacity to build a statewide presence
- Complaint process established
- 2,388 inspections of businesses selling hemp-derived cannabinoid cannabis products (HDCPs)
- Preparing for adult-use licensing, site inspections



- Rulemaking
- Licensing
- Compacting

Market Launch – Rulemaking Timeline

- Public Engagement and Drafting of Rules - Fall 2023 through Summer 2024
- Publish First Draft of Rules and Sent to Revisor - July 2024
- Received Draft From Revisor – November 2024
- Notice of Intent to Adopt and Proposed Rules Publication - January 13, 2025
- Public Comment Period: Ended February 12, 2025
- Assess comments and may make changes, prepare to submit to Administrative Law Judge (ALJ)
- Approval by ALJ: Within 14 days after submission by OCM, possibly with required changes

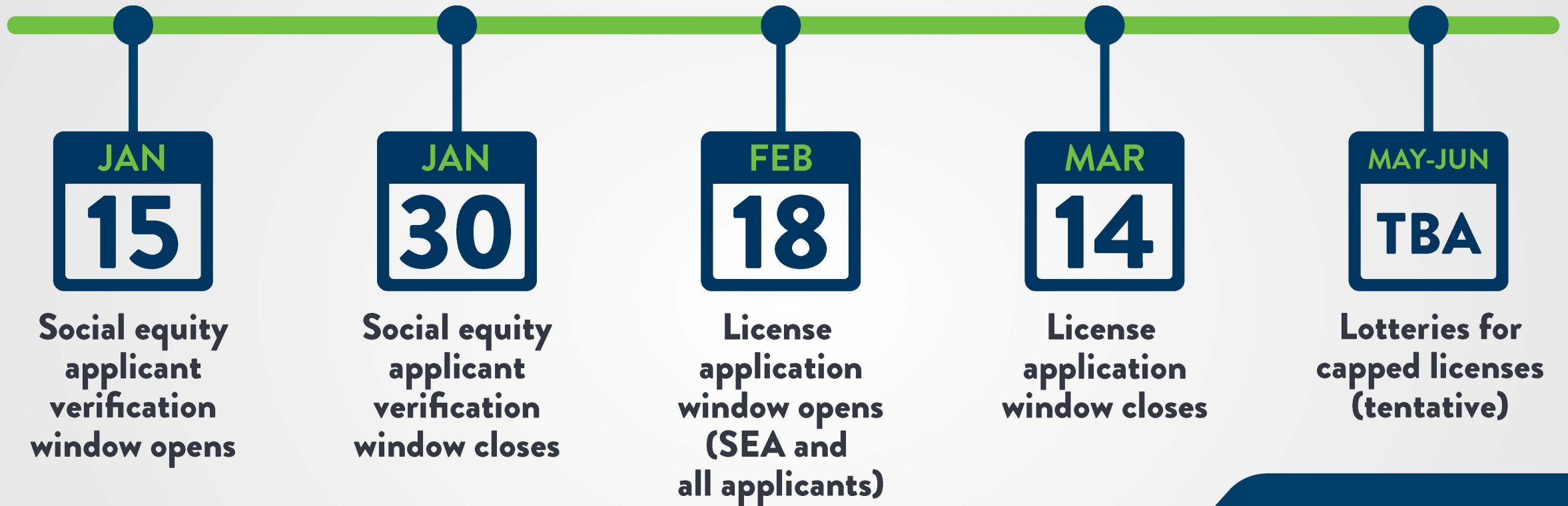
Market Launch – Licensing

- Update on License Preapproval
- Licensing Rollout:
 - **Cannabis business application window opens February 18, 2025 and closes March 14, 2025**
- Licenses available this launch cycle:
 - 4 Capped Types (lottery)
 - 6 Uncapped Types (no lottery)

License type	License availability (social equity)	License availability (all applicants)
Microbusiness	No limit	No limit
Mezzobusiness	50	50
Cultivator	25	25
Manufacturer	12	12
Retailer	75	75
Wholesaler	No limit	No limit
Transporter	No limit	No limit
Testing facility	No limit	No limit
Delivery service	No limit	No limit
Medical cannabis combination business	No limit	No limit
Event organizer	Licenses available summer 2025	Licenses available summer 2025
Lower-potency hemp edible manufacturer	Licenses available fall 2025	Licenses available fall 2025
Lower-potency hemp edible retailer	Licenses available fall 2025	Licenses available fall 2025

2025

Upcoming Licensing Cycle



- Grant program launch
- Adoption of rules
- Issuance of first cannabis licenses
- Application windows for lower-potency hemp edible licenses
- Sign first cannabis compacts
- Future legislative and rulemaking sessions to continue refining regulations and requirements

Thank You!