

1.1 Senator moves to amend S.F. No. 1730 as follows:

1.2 Page 1, after line 6, insert:

1.3 "Section 1. Minnesota Statutes 2024, section 3.9224, subdivision 2, is amended to read:

1.4 Subd. 2. **Acknowledgment and purpose; negotiations authorized.** (a) The state of
1.5 Minnesota acknowledges the sovereign right of Minnesota Tribal governments to regulate
1.6 the medical cannabis industry and address other matters of cannabis regulation related to
1.7 the internal affairs of Minnesota Tribal governments or otherwise within their jurisdiction,
1.8 without regard to whether such Tribal government has entered a compact authorized by this
1.9 section. The purpose of this section is to provide for the negotiation of compacts to
1.10 proactively address jurisdictional issues related to the regulation of the medical cannabis
1.11 industry. The legislature finds that these agreements will facilitate and promote a cooperative
1.12 and mutually beneficial relationship between the state and the Tribes regarding the
1.13 legalization of cannabis. Such cooperative agreements will enhance public health and safety,
1.14 ensure a lawful and well-regulated medical cannabis market, encourage economic
1.15 development, and provide fiscal benefits to both Indian Tribes and the state.

1.16 (b) The governor or the governor's designee and the speaker of the house of
1.17 representatives or the speaker's designee shall negotiate in good faith, and ~~has~~ jointly have
1.18 the authority to execute and bind the state to, a compact with any Minnesota Tribal
1.19 government wishing to enter into such a compact regulating medical cannabis flower and
1.20 medical cannabis products.

1.21 Sec. 2. Minnesota Statutes 2024, section 3.9224, subdivision 3, is amended to read:

1.22 Subd. 3. **Terms of compact; rights of parties.** (a) A compact agreed to under this
1.23 section may address any issues related to the medical cannabis industry, including medical
1.24 cannabis flower, medical cannabis products, extracts, concentrates, and artificially derived
1.25 cannabinoids that affect the interest of both the state and Minnesota Tribal government or
1.26 otherwise have an impact on Tribal-state relations. Indian Tribes are not required to enter
1.27 into compacts pursuant to this section in order to regulate the medical cannabis industry,
1.28 or engage in medical cannabis businesses or activities on Tribally regulated land or participate
1.29 as a licensee in the state's legal medical cannabis market.

1.30 (b) The state shall not, as a condition for entering into a compact under this section:

1.31 (1) require any Minnesota Tribal government to waive any right, privilege, or immunity
1.32 based on their status as independent sovereigns;

(2) require that any revenue generated by a medical cannabis business licensed by a Minnesota Tribal government be subject to any state cannabis gross receipt taxes or state and local sales or use taxes on sales of cannabis;

(3) require any taxes collected by Minnesota Tribal governments to be shared in any manner with the state or any subdivisions thereof;

(4) require a Minnesota Tribal government to consent to state licensing of a medical cannabis business on the Tribally regulated land of the Minnesota Tribal government;

(5) require any Minnesota Tribal government or any medical cannabis business licensed by a Minnesota Tribal government pursuant to a compact agreed to under this section to comply with specific state law or regulations on Tribally regulated land; or

(6) impose, or attempt to impose, and shall not require or attempt to require any Indian Tribe to impose, any taxes, fees, assessments, and other charges related to the production, processing, sale, purchase, distribution, or possession of medical cannabis flower and medical cannabis products on Minnesota Tribal governments, or their members, on a reservation or Tribally regulated land.

(c) Compacts agreed to under this section may allow an exemption from any otherwise applicable tax for: (i) sales to a Minnesota Tribal government, a Tribal medical cannabis business, or Tribal members, of medical cannabis flower and cannabis products grown, produced, or processed as provided for in said compacts; or (ii) for activities of Tribal medical cannabis businesses.

(d) Compacts agreed to under this section sunset after eight years. Negotiations are authorized to begin pursuant to this act two years prior to the sunset of any agreed upon compact.

Sec. 3. Minnesota Statutes 2024, section 3.9224, subdivision 5, is amended to read:

Subd. 5. **Publication.** Before the governor and speaker of the house of representatives jointly sign any compacts, the governor shall post any compact entered they plan to enter into under this section on a publicly accessible website for one full calendar month. The governor shall keep any and all signed compacts posted on a publicly accessible website until such time they are no longer in effect.

Sec. 4. Minnesota Statutes 2024, section 3.9228, subdivision 2, is amended to read:

Subd. 2. **Acknowledgment and purpose; negotiations authorized.** (a) The state of Minnesota acknowledges the sovereign right of Minnesota Tribal governments to regulate

the cannabis industry and address other matters of cannabis regulation related to the internal affairs of Minnesota Tribal governments or otherwise within their jurisdiction, without regard to whether such Tribal government has entered a compact authorized by this section.

The purpose of this section is to provide for the negotiation of compacts to proactively address jurisdictional issues related to the regulation of the cannabis industry. The legislature finds that these agreements will facilitate and promote a cooperative and mutually beneficial relationship between the state and the Tribes regarding the legalization of cannabis. Such cooperative agreements will enhance public health and safety, ensure a lawful and well-regulated cannabis market, encourage economic development, and provide fiscal benefits to both Indian Tribes and the state.

(b) The governor or the governor's designee and the speaker of the house of representatives or the speaker's designee shall negotiate in good faith, and ~~has~~ jointly have the authority to execute and bind the state to, a compact with any Minnesota Tribal government wishing to enter into such compact regulating adult-use cannabis flower and adult-use cannabis products.

Sec. 5. Minnesota Statutes 2024, section 3.9228, subdivision 3, is amended to read:

Subd. 3. Terms of compact; rights of parties. (a) A compact agreed to under this section may address any issues related to the cannabis industry including adult-use cannabis flower, adult-use cannabis products, extracts, concentrates, and artificially derived cannabinoids that affect the interest of both the state and Minnesota Tribal government or otherwise have an impact on Tribal-state relations. Indian Tribes are not required to enter into compacts pursuant to this section in order to: regulate the cannabis industry, or engage in cannabis businesses or activities on Tribally regulated lands; or participate as a licensee in the state's legal cannabis market.

(b) The state shall not, as a condition for entering into a compact under this section:

(1) require any Minnesota Tribal government to waive any right, privilege, or immunity based on their status as independent sovereigns;

(2) require that any revenue generated by cannabis businesses licensed by a Minnesota Tribal government be subject to any state cannabis gross receipt taxes imposed under section 295.81 or state and local sales or use taxes on sales of cannabis;

(3) require any taxes collected by Minnesota Tribal governments to be shared in any manner with the state or any subdivisions thereof;

(4) require a Minnesota Tribal government to consent to state licensing of cannabis businesses on the Tribally regulated land of the Minnesota Tribal government;

(5) require any Minnesota Tribal government, or any cannabis business licensed by a Minnesota Tribal government pursuant to a compact agreed to under this section, to comply with specific state law or regulations on Tribally regulated land; or

(6) impose, or attempt to impose, and shall not require or attempt to require any Indian Tribe to impose, any taxes, fees, assessments, and other charges related to the production, processing, sale, purchase, distribution, or possession of adult-use cannabis flower and adult-use cannabis products on Minnesota Tribal governments, or their members, on a reservation or Tribally regulated land.

(c) Compacts agreed to under this section may allow an exemption from any otherwise applicable tax for: (i) sales to a Minnesota Tribal government, a Tribal cannabis business, or Tribal members, of cannabis flower and adult use cannabis products grown, produced, or processed as provided for in said compacts; or (ii) for activities of Tribal cannabis businesses.

(d) Compacts agreed to under this section sunset after eight years. Negotiations are authorized to begin pursuant to this act two years prior to the sunset of any agreed upon compact.

Sec. 6. Minnesota Statutes 2024, section 3.9228, subdivision 5, is amended to read:

Subd. 5. **Publication.** Before the governor and speaker of the house of representatives jointly sign any compacts, the governor shall post any compact entered they plan to enter into under this section on a publicly accessible website for one full calendar month. The governor shall keep any and all signed compacts posted on a publicly accessible website until such time they are no longer in effect."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly