Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 4401: A bill for an act relating to cannabis; modifying studies and an annual market analysis conducted by the Office of Cannabis Management; requiring reports; amending Minnesota Statutes 2025 Supplement, section 342.04.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

OFFICE OF CANNABIS MANAGEMENT POLICY AND TECHNICAL PROVISIONS

Section 1. Minnesota Statutes 2024, section 342.02, subdivision 2, is amended to read:

Subd. 2. **Powers and duties.** (a) 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 manufacturing, 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, artificially 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 cannabis products by persons 25 years of age or younger;

(16) to determine, based on a review of medical and scientific literature, whether it is appropriate to require additional health and safety warnings containing information that is both supported by credible science and helpful to consumers in considering potential health risks from the use of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, including but not limited to warnings regarding any risks associated with use by pregnant or breastfeeding individuals, or by individuals planning to become pregnant, and the effects that use has on brain development for individuals under the age of 25;

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

(18) to establish rules authorizing an increase in plant canopy limits and outdoor cultivation limits to meet market demand and limiting cannabis manufacturing consistent with the goals identified in subdivision 1;

(19) to order a person or business that cultivates cannabis flower or manufactures or produces cannabis products, medical cannabinoid products, artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products to recall any cannabis flower, product, or ingredient containing cannabinoids that

is used in a product if the office determines that the flower, product, or ingredient represents a risk of causing a serious adverse incident; and

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

(b) In addition to the powers and duties in paragraph (a), the office has the following powers and duties until January 1, 2027:

(1) to establish limits on the potency of adult-use cannabis flower and adult-use cannabis products that can be sold to customers by licensed cannabis retailers, licensed cannabis microbusinesses, and licensed cannabis mezzobusinesses with an endorsement to sell adult-use cannabis flower and adult-use cannabis products to customers; and

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

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

Sec. 2. Minnesota Statutes 2025 Supplement, section 342.04, is amended to read:

342.04 STUDIES; REPORTS.

Subdivision 1. **Studies required.** (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, Direct Care and Treatment, 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).~~

Subd. 2. **Annual market analysis.** ~~(f)~~ (a) The office shall conduct an annual market analysis on the status of the regulated cannabis industry ~~and submit a report of the findings~~. An annual market analysis under this subdivision must include:

(1) the number of licenses issued by the office;

(2) recommendations on the number of licenses that the office should make available;

(3) information about the stability of the regulated market, including an assessment of the available supply and whether the supply is sufficient for consumer demand in the state;

(4) the impact of unregulated sales of cannabis flower and cannabis products on the regulated market; and

(5) the status of the medical cannabis patient registry program.

(b) The office may solicit the input of consumers, market stakeholders, and potential new applicants for the annual market analysis under paragraph (a). 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:~~ annual market analysis under paragraph (a) as part of the annual report required in subdivision 3.

~~(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.~~

Subd. 3. **Annual report required.** ~~(g)~~ (a) The office shall submit an annual report to the legislature by January 15~~, 2024, and~~ each ~~January 15 thereafter~~ year. The annual report ~~shall~~ must 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~~;

(3) the status of the hemp ~~consumer industry~~ commercial and consumer industries;

~~(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; and

(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;~~

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

(b) The annual report under this subdivision must include:

(1) an assessment of available data and updated information regarding the impact of cannabis use on impaired driving;

(2) an assessment of available data and updated information regarding the impact of the adverse effects of secondhand smoke from cannabis flower and cannabis products;

(3) updated information from the Department of Human Services, Department of Health, Direct Care and Treatment, Minnesota state courts, and hospitals licensed under chapter 144 regarding the utilization of mental health and substance use disorder services, emergency room visits, and civil commitments; and

(4) updated information about existing summary data on first episode psychosis programs.

Subd. 4. **Collaboration with other agencies and organizations.** The office must collaborate with state agencies and leading organizations with expertise on cannabis-related programs to support education, prevention, public safety initiatives, and industry and market evaluation, including:

(1) the Department of Employment and Economic Development;

(2) the Department of Health;

(3) the Department of Public Safety;

(4) the Department of Education;

(5) the Department of Human Services;

(6) the Department of Children, Youth, and Families;

(7) Direct Care and Treatment;

(8) the Department of Agriculture;

(9) local government organizations;

(10) law enforcement agencies; and

(11) county social service agencies.

Sec. 3. Minnesota Statutes 2025 Supplement, section 342.13, is amended to read:

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 authorized under this chapter.

(b) Except as provided in section 342.22, a local unit of government may not prohibit the establishment or operation of a cannabis business or hemp business licensed under this chapter.

(c) By ordinance, 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 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field.

(d) The office shall work with local units of government to:

(1) develop model ordinances for reasonable restrictions on the time, place, and manner of the operation of a cannabis business;

(2) develop standardized forms and procedures for the issuance of a retail registration pursuant to section 342.22; and

(3) develop model policies and procedures for the performance of compliance checks required under section 342.22.

~~(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)~~ (e) Within 30 days of receiving a copy of an application 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 the State Building Code. The office ~~may~~ must not issue a license to an applicant if the local unit of government informs the office that the proposed cannabis business does not ~~meet~~ comply with local zoning ~~and~~ ordinances, land use laws, the State Fire Code, or the State Building Code and submits evidence of the proposed cannabis business's lack of compliance. If the local unit of government does not provide the certification under this paragraph to the office within 30 days of receiving a copy of an application from the office, the office may waive the requirement for local government certification and may issue a license to the applicant. Regardless of whether the office has waived local government certification, the proposed cannabis business's location must meet the requirements of this chapter.

~~(g)~~ (f) 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. 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 paragraph prohibits a local unit of government from enforcing a local ordinance. If a local unit of government notifies the office that a cannabis business other than a cannabis retailer, cannabis microbusiness, cannabis mezzobusiness or lower-potency hemp edible retailer with a retail operations endorsement, or medical cannabis combination business operating a retail location poses an immediate threat to the health or safety of the public, the office must respond within one business day and may take any action described in section 342.19 or 342.21.

~~(h)~~ (g) A local government unit that issues a cannabis retailer registration under section 342.22 may, by ordinance, limit the number of licensed cannabis retailers, cannabis mezzobusinesses with a retail operations endorsement, and cannabis microbusinesses with a retail operations endorsement to no fewer than one registration for every 12,500 residents. After each increment of 12,500 residents, the number of required registrations must be rounded up to the next whole number of registrations.

~~(i) If a county has one active registration for every 12,500 residents, a city or town within the county is not obligated to register a cannabis business.~~

(h) A county that has consent from a city or town to issue retail registrations for the jurisdiction according to section 342.22, subdivision 1, may develop a process, in consultation with the consenting city or town, for issuing retail registrations throughout the county that meets the required minimum in paragraph (g) and limits the number of registrations allowed in each city or town that has delegated authority to the county.

~~(j)~~ (i) Nothing in this section shall prohibit a local government unit from allowing licensed cannabis retailers in excess of the minimums set in paragraph ~~(h)~~ (g).

~~(k)~~ (j) Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

Sec. 4. Minnesota Statutes 2025 Supplement, section 342.14, subdivision 3, is amended to read:

Subd. 3. **Review.** (a) After an applicant submits an application that contains all required information and pays the applicable application fee, the office must review the application.

(b) The office may deny an application if:

(1) the application is incomplete;

(2) the application contains a materially false statement about the applicant or omits information required under subdivision 1;

(3) the applicant does not meet the qualifications under section 342.16;

(4) the applicant is prohibited from holding the license under section 342.18, subdivision 2;

(5) the application does not meet the minimum requirements under section 342.18, subdivision 3;

(6) the applicant fails to pay the applicable application fee;

(7) the application was not submitted by the application deadline;

(8) the applicant submitted more than one application for a license type; or

(9) the office determines that the applicant would be prohibited from holding a license for any other reason.

(c) If the office denies an application, the office must notify the applicant of the denial and the basis for the denial.

(d) The office may request additional information from any applicant if the office determines that the information is necessary to review or process the application. If the applicant does not provide the additional requested information within 14 calendar days of the office's request for information, the office may deny the application.

(e) An applicant whose application is not denied under this subdivision is a qualified applicant.

(f) An applicant's status as a qualified applicant under this section expires after six months. For an applicant who achieved qualified applicant status before June 1, 2026, qualified applicant status expires on January 1, 2027. The office must deny an application submitted by an applicant whose qualified applicant status has expired. An applicant whose qualified applicant status expired may apply anew according to this section.

(g) If the office determines that an applicant is not eligible for a license under this section, the office may revoke the applicant's qualified applicant status.

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

Sec. 5. Minnesota Statutes 2025 Supplement, section 342.14, subdivision 6, is amended to read:

Subd. 6. **Completed application; final authorization; issuance of license.** (a) Within 18 months of receiving notice of preliminary license approval, an applicant must provide:

(1) the address and legal property description of the location where the business will operate;

(2) the name of the local unit of government where the business will be located; and

(3) if applicable, an updated description of the location where the business will operate, an updated security plan, and any other additional information required by the office.

(b) Upon receipt of the information required under paragraph (a) from an applicant that has received preliminary license approval, the office must:

(1) 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;

(2) schedule a site inspection; and

(3) require the applicant to pay the applicable license fee.

(c) The office may deny final authorization if:

(1) an applicant fails to submit any required information;

(2) the applicant submits a materially false statement about the applicant or fails to provide any required information;

(3) the office confirms that the cannabis business for which the office granted a preliminary license approval does not meet local zoning and land use laws;

(4) the applicant fails to pay the applicable license fee; ~~or~~

(5) the office determines that the applicant is disqualified from holding the license or would operate in violation of the provisions of this chapter~~.~~; or

(6) the applicant fails to demonstrate that the proposed cannabis business's location complies with local zoning ordinances, the State Fire Code, or the State Building Code.

(d) Within 90 days of receiving the information required under paragraph (a) and the results of any required background check, the office shall grant final authorization and issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons that the office did not approve the application.

Sec. 6. Minnesota Statutes 2025 Supplement, section 342.16, is amended to read:

342.16 CANNABIS BUSINESSES; GENERAL OWNERSHIP DISQUALIFICATIONS AND REQUIREMENTS.

(a) A license holder or an applicant must meet each of the following requirements, if applicable, to hold or receive a cannabis 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 and license fee;

(4) 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;

(5) not be employed by the office or any state agency with regulatory authority under this chapter or the rules adopted pursuant to this chapter;

(6) not be a licensed peace officer, as defined in section 626.84, subdivision 1, paragraph (c);

(7) never have had a license previously issued under this chapter revoked, and never have had a cannabis license, a registration, an agreement, or another authorization to operate a cannabis business issued under the laws of another state revoked;

(8) have filed any previously required tax returns for a cannabis business;

(9) have paid and remitted any business taxes, gross receipts taxes, interest, or penalties due relating to the operation of a cannabis business;

(10) have fully and truthfully complied with all information requests of the office relating to license application and renewal;

(11) not be disqualified under section 342.15;

(12) not employ an individual who is disqualified from working for a cannabis business under this chapter;

(13) meet the ownership and operational requirements for the type of license and, if applicable, endorsement sought or held; and

(14) not have had any confirmed willful labor violation with the Minnesota Department of Labor~~, National Labor Relations Board,~~ and Industry or the Occupational Safety and Health Administration within the last five years, as determined by the office.

(b) 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 business;

(2) serving as a cooperative member, director, manager, general partner, or employee of a cannabis business; or

(3) advertising with a cannabis business in any way.

(c) 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.

(d) The ownership disqualifications and requirements under this section do not apply to a hemp business license holder or applicant.

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

Sec. 7. Minnesota Statutes 2024, section 342.20, subdivision 1, is amended to read:

Subdivision 1. **Not public data.** The following data collected, created, or maintained by the office are classified as nonpublic data, as defined by section 13.02, subdivision 9, or as private data on individuals, as defined by section 13.02, subdivision 12:

(1) application data submitted by an applicant for a cannabis business license or hemp business license, other than the data listed in subdivision 2;

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

(3) data identifying retail or wholesale customers of a cannabis business or hemp business; ~~and~~

(4) data identifying cannabis workers or hemp workers~~.~~; and

(5) data reported to the office using the statewide monitoring system established under section 342.05.

Sec. 8. Minnesota Statutes 2024, section 342.20, subdivision 2, is amended to read:

Subd. 2. **Public data on license applicants.** ~~(a)~~ The following application data submitted by an applicant for a cannabis business license or hemp business license are public data:

(1) the applicant's name and designated address;

(2) data disclosing the ownership and control of the applicant;

(3) proof of trade name registration;

(4) data showing the legal possession of the premises where the business will operate;

(5) data describing ~~whether~~ the volatile chemicals that will be used in any methods of extraction or concentration, if applicable;

(6) environmental plans;

(7) the type and number of other cannabis business licenses or hemp business licenses held by the applicant; ~~and~~

(8) the name, address, location, dates, and hours of where any proposed cannabis event will take place~~.~~; and

(9) the status of the applicant's application, except for an applicant's status as a social equity applicant.

~~(b) Scoring and other data generated by the office in its review of an applicant for a cannabis business license or hemp business license are public data.~~

Sec. 9. Minnesota Statutes 2024, section 342.20, subdivision 3, is amended to read:

Subd. 3. **Public application data on license holders.** Once an applicant for a cannabis business license or hemp business license becomes a license holder, all of the application

or renewal data that the license holder had previously submitted to the office are public data except that the following data remain classified as nonpublic data or private data on individuals:

(1) data identifying retail or wholesale customers of a cannabis business or hemp business;

(2) data identifying cannabis workers or hemp workers;

(3) tax returns, bank account statements, and other financial account information;

(4) business plans~~; and~~, including descriptions of sites, security, and operations of the license holder;

(5) data regarding the license holder's accounting compliance;

(6) data contained in vehicle disclosure forms and related documentation required in section 342.35, subdivision 2, clauses (1) and (2); and

~~(5)~~ (7) data classified as nonpublic data or private data on individuals by chapter 13 or other applicable law.

Sec. 10. Minnesota Statutes 2024, section 342.22, subdivision 4, is amended to read:

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. During a compliance check, a local unit of government shall assess a business's compliance with age verification requirements and compliance with any applicable local ordinance established pursuant to section 342.13.

(b) A local unit of government must conduct unannounced age verification compliance checks of every cannabis business and hemp business 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 adult-use cannabis flower, adult-use 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) A local government with retail registration authority that performs compliance checks must annually submit data regarding compliance checks to the office. The data must include:

(1) the name of the cannabis business and the business's address, license number, and type of business under chapter 342;

(2) the results of the compliance check, including whether the business was compliant with any applicable local ordinances;

(3) the date and time of the compliance check;

(4) a description of any specific violation of a local ordinance, including any failure to request documentation for age verification, an age verification method that violates this chapter, or any other violation of a local ordinance; and

(5) any warnings, fines, suspensions, or other actions taken by the local government in response to the business's violation of a local ordinance.

(d) A local government may provide the office with data from a compliance check before the annual submission date. A local government may provide the office with data from a compliance check by notifying the office of a suspended retail registration according to subdivision 5, paragraph (a).

Sec. 11. Minnesota Statutes 2024, section 342.23, subdivision 5, is amended to read:

Subd. 5. **Financial relationship.** (a) ~~Except for the lawful sale of cannabis plants, cannabis flower, cannabis products, artificially 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~~ or hemp business, including offering or receiving a benefit in exchange for preferential placement by a retailer~~, including~~ and offering or receiving preferential placement on the retailer's shelves, display cases, or website. ~~This~~ The prohibition in this paragraph applies to every cooperative member or every director, manager, and general partner of a cannabis business or hemp business.

(b) ~~This~~ Paragraph (a) does not apply to the lawful sale of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products in the ordinary course of business and as otherwise provided in this subdivision.

(c) The prohibition in paragraph (a) does not apply to merchandising credit in the ordinary course of business for a period not to exceed 30 days.

~~(c) This~~ (d) The prohibition in paragraph (a) does not apply to free samples of usable 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 usable cannabis flower, more than eight grams of a cannabis concentrate, an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

~~(d) This~~ (e) The prohibition in paragraph (a) 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 usable cannabis flower, more than eight grams of a cannabis concentrate, an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

~~(e) This~~ (f) The prohibition in paragraph (a) 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.

(g) The prohibition in paragraph (a) does not apply to any transaction entered into in good faith by a cannabis business or hemp business for the sale of goods or services at fair market value.

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

Sec. 12. Minnesota Statutes 2024, section 342.27, subdivision 2, is amended to read:

Subd. 2. **Sale of cannabis and cannabinoid 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 adult-use cannabis flower or adult-use 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, up to 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 up to 800 milligrams of tetrahydrocannabinol during a single transaction to a customer.

(d) Edible adult-use cannabis products ~~and hemp-derived consumer products intended to be eaten~~ may not include more than ten milligrams of tetrahydrocannabinol per serving and a single package may not include more than a total of 200 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.

(e) Edible adult-use cannabis products and hemp-derived consumer products intended to be consumed as beverages may not include more than ten milligrams of tetrahydrocannabinol per serving. A single beverage container may not contain more than two servings.

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

Sec. 13. Minnesota Statutes 2024, section 342.37, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis testing facility license entitles the license holder to:

(1) obtain and test immature cannabis plants and seedlings, cannabis flower, cannabis products, hemp plant parts, hemp concentrate, artificially 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 combination businesses, and industrial hemp growers; and

(2) perform other actions approved by the office.

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

Sec. 14. Minnesota Statutes 2024, section 342.39, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis event organizer license entitles the license holder to:

(1) organize a temporary cannabis event lasting no more than four days; and

(2) perform other actions approved by the office.

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

Sec. 15. **REPEALER.**

(a) Minnesota Statutes 2024, section 151.72, subdivisions 1, 2, 4, 5, 5b, 5c, 6, and 7, are repealed.

(b) Minnesota Statutes 2025 Supplement, section 151.72, subdivisions 3 and 5a, are repealed.

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

ARTICLE 2
CANNABIS LICENSING AND ENDORSEMENTS

Section 1. Minnesota Statutes 2024, section 342.07, subdivision 3, is amended to read:

Subd. 3. **Edible cannabinoid product handler endorsement.** (a) ~~Any person~~ A license holder 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~~ apply for and 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 in a manner consistent with Department of Agriculture regulation of 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 a lower-potency hemp edible must not be considered adulterated solely because the product or edible contains tetrahydrocannabinol, cannabis concentrate, hemp concentrate, artificially derived cannabinoids, or any other material extracted or derived from a cannabis plant, cannabis flower, hemp plant, or hemp plant parts.

(d) ~~The~~ An edible cannabinoid product handler endorsement ~~must prohibit~~ prohibits 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~~ The limitation in this paragraph does not apply to the manufacture of lower-potency hemp edibles.

(e) An edible cannabinoid product handler endorsement is available to the following license holders:

(1) cannabis microbusinesses;

(2) cannabis mezzobusinesses;

(3) cannabis manufacturers;

(4) lower-potency hemp edible manufacturers; and

(5) cannabis macrobusinesses.

(f) A lower-potency hemp edible manufacturer with an edible cannabinoid product handler endorsement may only manufacture lower-potency hemp edibles and must not add any cannabis flower, cannabis concentrate, or cannabinoid derived from cannabis flower or cannabis concentrate to a product consistent with the requirements in section 342.45.

Sec. 2. Minnesota Statutes 2024, section 342.15, subdivision 2, is amended to read:

Subd. 2. **Criminal offenses; disqualifications.** ~~(a)~~ The office may by rule determine whether any felony convictions, including but not limited to convictions for noncannabis controlled substance crimes in the first or second degree, human trafficking, labor trafficking, fraud, or financial crimes, disqualify an individual from holding or receiving a cannabis business license issued under this chapter or working for a cannabis business, and the length of any such disqualification. In adopting rules pursuant to this subdivision, the office shall not disqualify an individual for a violation of section 152.025.

~~(b) The office must not issue a cannabis business license to any person or business who was convicted of illegally selling cannabis after August 1, 2023, unless five years have passed since the date of conviction.~~

~~(c) The office must not issue a cannabis business license to any person or business who violated this chapter after August 1, 2023, unless five years have passed since the date of violation. The office may set aside the violation if the office finds that the violation occurred as a result of a mistake made in good faith and the violation did not involve gross negligence, an illegal sale of cannabis, or cause harm to the public. The office must not issue a license to any person or business who the office has assessed a fine to under section 342.09, subdivision 6.~~

Sec. 3. Minnesota Statutes 2024, section 342.15, subdivision 5, is amended to read:

Subd. 5. **Civil and regulatory offenses; disqualifications.** (a) The office may determine whether any civil or regulatory violations, as determined by another state agency, local unit of government, or any other jurisdiction, disqualify an individual from holding or receiving a cannabis business license issued under this chapter or disqualify an individual from working for a cannabis business, and the length of the disqualification. Upon the office's request, a state agency, as defined in section 13.02, subdivision 17, except for the Department of Revenue, may release civil investigative data, including data classified as protected nonpublic or confidential under section 13.39, subdivision 2, if the request is related to a specific applicant and the data is necessary to make a determination under this section.

(b) The office must not issue a cannabis business license to any person or business who violated this chapter after August 1, 2023, unless five years have passed since the date of the violation. The office may set aside the violation if the office finds that the violation:

(1) occurred as a result of a mistake made in good faith;

(2) did not involve gross negligence;

(3) did not involve an illegal sale of cannabis; and

(4) did not cause harm to the public.

(c) The office must not issue a cannabis business license to any person or business who was assessed a fine by the office under section 342.09, subdivision 6.

(d) The office may determine the length of a disqualification for a true party of interest who owns or controls more than ten percent of a cannabis business that had a cannabis business license or hemp business license revoked by the office under section 342.21.

Sec. 4. Minnesota Statutes 2024, section 342.19, subdivision 6, is amended to read:

Subd. 6. **Inspection of unlicensed businesses and facilities.** (a) The office may inspect any commercial premises that is not licensed under this chapter where cultivation, manufacturing, processing, or sale of cannabis plants, cannabis flower, cannabis concentrate, artificially derived cannabinoids, hemp-derived consumer products, ~~or~~ edible cannabinoid products, or lower-potency hemp edibles is taking place.

(b) A representative of the office performing an inspection under this subdivision must present appropriate credentials to the owner, operator, or agent in charge and clearly state the purpose of the inspection.

(c) After providing the notice required under paragraph (b), a representative of the office may enter the commercial premises and perform any of the following to determine if any person is engaging in activities that are regulated by this chapter and not authorized without the possession of a license and to determine the appropriate penalty under section 342.09, subdivision 6:

(1) inspect and investigate the commercial premises;

(2) inspect and copy records; and

(3) question privately any employer, owner, operator, agent, or employee of the commercial operation.

(d) Entry of a commercial premises must take place during regular working hours or at other reasonable times.

(e) If the office finds any cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product on the inspected commercial premises, the office may ~~either~~:

(1) immediately seize the item ~~or~~;

(2) affix to the item a tag, withdrawal from distribution order, or other appropriate marking providing notice that the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is, or is suspected of being, possessed or 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; and

(3) assess a civil penalty to the business pursuant to section 342.09, subdivision 6, and may treat the possession of the seized, embargoed, or detained product as having been sold.

(f) It is unlawful for a person to remove or dispose of a detained or embargoed cannabis plant, cannabis flower, cannabis product, artificially 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 may be treated as a sale for the purposes of imposing a penalty pursuant to section 342.09, subdivision 6.

~~(f)~~ (g) If the office has seized, detained, or embargoed any item pursuant to paragraph (e), the office must:

(1) petition the district court in the county in which the item was found for an order authorizing destruction of the product; and

(2) notify the county attorney in the county where the item was found of the office's actions.

~~(g)~~ (h) If the court finds that the seized, detained, or embargoed cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product was possessed or distributed in violation of this chapter or rules adopted under this chapter, the office may destroy the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product at the expense of the person who possessed or distributed the item in violation of this chapter and all court costs, fees, storage, and other proper expenses must be assessed against the person or the person's agent.

~~(h)~~ (i) The provisions of subdivision 2, paragraph (f), apply to any analysis or examination performed under this subdivision.

~~(i)~~ (j) The authorization under paragraph (e) does not apply to any cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product lawfully purchased for personal use.

Sec. 5. **[342.245] ENDORSEMENTS.**

(a) The office must provide endorsement application forms to applicants.

(b) The office may deny an endorsement application if:

(1) the license holder has previously had an endorsement suspended, revoked, or canceled by the office within the last five years;

(2) the license holder owes outstanding fines to the office for violations; or

(3) the license holder does not meet the requirements to: (i) conduct activities authorized by the endorsement; or (ii) conduct activities authorized by the endorsement at the specific location indicated on the application.

(c) The office must not charge a fee to an applicant for an endorsement application.

(d) The office must align the term and renewal period for an endorsement with the term and renewal period of the applicant's license.

Sec. 6. Minnesota Statutes 2024, section 342.25, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** ~~Every~~ (a) A cannabis business ~~with a license or endorsement authorizing the cultivation of cannabis~~ seeking to cultivate cannabis must ~~comply with the requirements of this section~~ apply for and obtain a cannabis cultivation endorsement.

(b) A cannabis cultivation endorsement is available to the following license holders:

(1) cannabis microbusinesses;

(2) cannabis mezzobusinesses;

(3) cannabis cultivators; and

(4) cannabis macrobusinesses.

Sec. 7. Minnesota Statutes 2024, section 342.25, subdivision 2, is amended to read:

Subd. 2. **Cultivation records.** A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement 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~~ A cultivation record must include the quantity and timing, ~~where~~ if 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~~ A cannabis business must ~~present~~ provide cultivation records to the office, the commissioner of agriculture, or the commissioner of health upon request.

Sec. 8. Minnesota Statutes 2024, section 342.25, subdivision 3, is amended to read:

Subd. 3. **Agricultural chemicals and other inputs.** A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement 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.

Sec. 9. Minnesota Statutes 2024, section 342.25, subdivision 4, is amended to read:

Subd. 4. **Cultivation plan.** A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement 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.

Sec. 10. Minnesota Statutes 2024, section 342.25, subdivision 5, is amended to read:

Subd. 5. **Agricultural chemicals and other inputs; pollinator protection.** (a) A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement 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~~ with a cannabis cultivation endorsement must not apply pesticides when pollinators are present or allow pesticides to drift to flowering plants that are attractive to pollinators.

Sec. 11. Minnesota Statutes 2024, section 342.25, subdivision 6, is amended to read:

Subd. 6. **Adulteration prohibited.** A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement 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.

Sec. 12. Minnesota Statutes 2024, section 342.25, subdivision 7, is amended to read:

Subd. 7. **Indoor or outdoor cultivation authorized; security.** A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement may cultivate cannabis plants indoors or outdoors, subject to the security, fencing, lighting, and any other requirements imposed by the office in rule.

Sec. 13. Minnesota Statutes 2024, section 342.26, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** ~~Every~~ (a) A 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~~ seeking to manufacture cannabis products must apply for and obtain the applicable endorsement according to subdivisions 3 and 4.

(b) An endorsement under subdivisions 3 and 4 is available to the following license holders:

(1) cannabis microbusinesses;

(2) cannabis mezzobusinesses;

(3) cannabis manufacturers; and

(4) cannabis macrobusinesses.

Sec. 14. Minnesota Statutes 2024, section 342.26, subdivision 2, is amended to read:

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 artificially 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 artificially 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~~ with an endorsement under subdivision 3 or 4 must comply with all applicable packaging, labeling, and health and safety requirements.

(d) A cannabis business with a production of consumer product endorsement may not manufacture, import, export, or sell a cannabinoid product powered by or with a battery that is not easily removable.

EFFECTIVE DATE. Paragraph (d) is effective January 1, 2027.

Sec. 15. Minnesota Statutes 2024, section 342.26, subdivision 3, is amended to read:

Subd. 3. **Cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, and creation of artificially derived cannabinoids endorsement.** (a) A cannabis business ~~licensed or authorized~~ seeking to manufacture ~~cannabis products that creates~~ cannabis concentrate~~, hemp concentrate, or artificially derived cannabinoids~~ must apply for and obtain ~~an~~ a cannabis extraction and concentration endorsement ~~from the office~~.

(b) A cannabis business seeking to manufacture hemp concentrate must apply for and obtain a hemp extraction and concentration endorsement.

(c) A cannabis business seeking to manufacture artificially derived cannabinoids must apply for and obtain a creation of artificially derived cannabinoids endorsement. A cannabis business must hold a hemp extraction and concentration endorsement to apply for and obtain a creation of artificially derived cannabinoids endorsement.

~~(b)~~ (d) A business ~~licensed or authorized to manufacture cannabis products~~ with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement 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~~ business with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement may not use a method of extraction and concentration or a volatile chemical without approval by the office.

~~(c)~~ (e) A business ~~licensed or authorized to manufacture cannabis products~~ with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement 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~~ with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement may not use a method of conversion or a catalyst without approval by the office.

~~(d)~~ (f) A business ~~licensed or authorized to manufacture cannabis products~~ with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement,

or creation of artificially derived cannabinoids endorsement 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)~~ (g) A business ~~licensed or authorized to manufacture cannabis products that manufactures~~ with a cannabis extraction and concentration endorsement may manufacture cannabis concentrate from cannabis flower received from an unlicensed person who is at least 21 years of age and 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)~~ (h) Upon the sale of cannabis concentrate, hemp concentrate, or artificially derived cannabinoids to any person, cooperative, or business, a business ~~licensed or authorized to manufacture cannabis products~~ with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement 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.

Sec. 16. Minnesota Statutes 2024, section 342.26, subdivision 4, is amended to read:

Subd. 4. **Edible cannabinoid product handler endorsement and production of consumer products endorsement.** (a) A cannabis business ~~licensed or authorized to manufacture cannabis products that produces edible cannabis products or lower-potency hemp edibles~~ seeking to produce edible cannabis products or lower-potency hemp edibles

must apply for and obtain an edible cannabinoid product handler endorsement from the office.

(b) A cannabis business with an edible cannabinoid product handler endorsement must comply with the requirements in section 342.07, subdivision 3.

~~(b)~~ (c) A cannabis business ~~licensed or authorized to manufacture cannabis products~~ seeking to produce hemp-derived consumer products or cannabis products other than edible cannabis products must apply for and obtain ~~an~~ a production of consumer products 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)~~ (d) A cannabis business with an endorsement under this subdivision must ensure that all areas within the licensed premises of ~~a~~ the 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)~~ (e) A cannabis business ~~licensed or authorized to manufacture cannabis products~~ with an endorsement under this subdivision may only add chemicals or compounds approved by the office to cannabis concentrate, hemp concentrate, or artificially derived cannabinoids.

~~(e)~~ (f) Upon the sale of any cannabis product, lower-potency hemp edible, or hemp-derived consumer product to a cannabis business or hemp business, a cannabis business ~~licensed or authorized to manufacture cannabis products~~ with an endorsement under this subdivision 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)~~ (g) A business ~~licensed or authorized to manufacture cannabis products shall~~ with an endorsement under this subdivision must not add any cannabis flower, cannabis concentrate, artificially derived cannabinoid, hemp plant part, or hemp concentrate to a product ~~where~~ if 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~~ if 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.

Sec. 17. Minnesota Statutes 2024, section 342.26, subdivision 5, is amended to read:

Subd. 5. **Exception.** Nothing in this section applies to the operations of a lower-potency hemp edible manufacturer. A lower-potency hemp edible manufacturer must comply with section 342.45 and applicable rules.

Sec. 18. Minnesota Statutes 2024, section 342.27, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** ~~Every~~ (a) A cannabis business ~~with a license or endorsement authorizing the~~ seeking to conduct retail ~~sale~~ sales of cannabis flower ~~or~~, cannabis products, hemp-derived consumer products, or lower-potency hemp edible products must ~~comply with the requirements of this section~~ apply for and obtain a cannabis retail operations endorsement.

(b) A cannabis retail operations endorsement is available to the following license holders:

(1) cannabis microbusinesses;

(2) cannabis mezzobusinesses;

(3) cannabis retailers; and

(4) cannabis macrobusinesses.

Sec. 19. Minnesota Statutes 2024, section 342.27, is amended by adding a subdivision to read:

Subd. 2a. **Cannabis flower packaging endorsement.** (a) A cannabis business seeking to package cannabis flower at a point of retail sale must apply for and obtain a cannabis flower packaging endorsement.

(b) A cannabis business with a cannabis flower packaging endorsement must package cannabis flower in a container that:

(1) complies with all packaging requirements in section 342.62;

(2) complies with all applicable rules; and

(3) includes an affixed label on the container that, at the final point of sale to a customer or patient, meets all requirements in section 342.63 and applicable rules.

(c) A cannabis business with a cannabis flower packaging endorsement may store bulk cannabis flower intended to be packaged at the point of sale outside of the secure storage area during operating hours. At the end of operating hours, the business must ensure that bulk cannabis flower is placed in the secure storage area.

(d) A cannabis flower packaging endorsement is available to the following license holders only if the license holder holds a cannabis retail operations endorsement:

(1) cannabis microbusinesses;

(2) cannabis mezzobusinesses;

(3) cannabis retailers; or

(4) cannabis macrobusinesses.

Sec. 20. Minnesota Statutes 2024, section 342.28, subdivision 6, is amended to read:

Subd. 6. **Cannabis cultivation endorsement.** A cannabis microbusiness that cultivates cannabis plants and harvests cannabis flower must apply for and obtain a cannabis cultivation endorsement and comply with the requirements in section 342.25.

Sec. 21. Minnesota Statutes 2024, section 342.28, subdivision 7, is amended to read:

Subd. 7. **Cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, and creation of artificially derived cannabinoids endorsement.** (a) A cannabis microbusiness ~~that creates~~ seeking to manufacture cannabis concentrate must apply for and obtain a cannabis extraction and concentration endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

(b) A cannabis microbusiness seeking to manufacture hemp concentrate must apply for and obtain a hemp extraction and concentration endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

(c) A cannabis microbusiness seeking to manufacture artificially derived cannabinoids must apply for and obtain a creation of artificially derived cannabinoids endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

Sec. 22. Minnesota Statutes 2025 Supplement, section 342.28, subdivision 8, is amended to read:

Subd. 8. **Production of consumer products endorsement and edible cannabinoid product handler endorsement.** (a) A cannabis microbusiness ~~that manufactures edible~~ seeking to manufacture cannabis products~~, lower-potency hemp products,~~ or hemp-derived consumer products must apply for and obtain a production of consumer products endorsement and comply with the requirements in section 342.26, subdivisions 2 and 4.

(b) A cannabis microbusiness seeking to manufacture edible cannabis products or lower-potency hemp edibles must apply for and obtain an edible cannabinoid product handler endorsement and comply with the requirements in section 342.26, subdivisions 2 and 4.

Sec. 23. Minnesota Statutes 2024, section 342.28, subdivision 9, is amended to read:

Subd. 9. **Retail operations endorsement.** (a) A cannabis microbusiness ~~that operates~~ seeking to operate a retail location must apply for and obtain a cannabis retail operations endorsement and comply with the requirements in section 342.27.

(b) A cannabis microbusiness with a cannabis retail operations endorsement may apply for and obtain a cannabis flower packaging endorsement subject to the requirements in section 342.27, subdivision 2a.

Sec. 24. Minnesota Statutes 2024, section 342.28, subdivision 11, is amended to read:

Subd. 11. **Transportation between facilities.** A cannabis microbusiness ~~may~~ seeking to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities operated by the cannabis microbusiness ~~if~~ must apply for and obtain an internal transporter endorsement. To obtain an internal transporter endorsement, the cannabis microbusiness must:

(1) ~~provides~~ provide the office with the information described in section 342.35, subdivision 2; and

(2) ~~complies~~ comply with the requirements of section 342.36.

Sec. 25. Minnesota Statutes 2024, section 342.29, subdivision 5, is amended to read:

Subd. 5. **Cannabis cultivation endorsement.** A cannabis mezzobusiness ~~that cultivates~~ seeking to cultivate cannabis plants and ~~harvests~~ harvest cannabis flower must apply for and obtain a cannabis cultivation endorsement and comply with the requirements in section 342.25.

Sec. 26. Minnesota Statutes 2024, section 342.29, subdivision 6, is amended to read:

Subd. 6. **Cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, and creation of artificially derived cannabinoids endorsement.** (a) A cannabis mezzobusiness ~~that creates~~ seeking to manufacture cannabis

concentrate must apply for and obtain a cannabis extraction and concentration endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

(b) A cannabis mezzobusiness seeking to manufacture hemp concentrate must apply for and obtain a hemp extraction and concentration endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

(c) A cannabis mezzobusiness seeking to manufacture artificially derived cannabinoids must apply for and obtain a creation of artificially derived cannabinoids endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

Sec. 27. Minnesota Statutes 2025 Supplement, section 342.29, subdivision 7, is amended to read:

Subd. 7. **Production of consumer products endorsement and edible cannabinoid product handler endorsement.** (a) A cannabis mezzobusiness ~~that manufactures edible~~ seeking to manufacture cannabis products~~, lower-potency hemp products,~~ or hemp-derived consumer products must apply for and obtain a production of consumer products endorsement and comply with the requirements in section 342.26, subdivisions 2 and 4.

(b) A cannabis mezzobusiness seeking to manufacture edible cannabis products or lower-potency hemp edibles must apply for and obtain an edible cannabinoid product handler endorsement and comply with the requirements in section 342.26, subdivisions 2 and 4.

Sec. 28. Minnesota Statutes 2024, section 342.29, subdivision 8, is amended to read:

Subd. 8. **Retail operations endorsement.** (a) A cannabis mezzobusiness ~~that operates~~ seeking to operate a retail location must apply for and obtain a cannabis retail operations endorsement and comply with the requirements in section 342.27.

(b) A cannabis mezzobusiness with a cannabis retail operations endorsement may apply for and obtain a cannabis flower packaging endorsement subject to the requirements in section 342.27, subdivision 2a.

Sec. 29. Minnesota Statutes 2024, section 342.29, subdivision 8a, is amended to read:

Subd. 8a. **Multiple endorsements required.** (a) Within 18 months of receiving a cannabis mezzobusiness license, a cannabis mezzobusiness must apply for and obtain at least two of the following endorsements ~~identified in subdivisions 5, 6, 7, and 8.~~:

(1) a cannabis cultivation endorsement under section 342.25;

(2) a cannabis extraction and concentration endorsement under section 342.26;

(3) a hemp extraction and concentration endorsement under section 342.26;

(4) a creation of artificially derived cannabinoids endorsement under section 342.26;

(5) an edible cannabinoid product handler endorsement under section 342.26;

(6) a production of consumer products endorsement under section 342.26; or

(7) a cannabis retail operations endorsement under section 342.27.

(b) If a cannabis mezzobusiness fails to obtain multiple endorsements within 18 months, the office may suspend, revoke, or not renew the license as provided in section 342.21.

Sec. 30. Minnesota Statutes 2024, section 342.29, subdivision 10, is amended to read:

Subd. 10. **Transportation between facilities.** A cannabis mezzobusiness ~~may~~ seeking to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities operated by the cannabis mezzobusiness ~~if~~ must apply for and obtain an internal transporter endorsement. To obtain an internal transporter endorsement, the cannabis mezzobusiness must:

(1) ~~provides~~ provide the office with the information described in section 342.35, subdivision 2; and

(2) ~~complies~~ comply with the requirements of section 342.36.

Sec. 31. Minnesota Statutes 2025 Supplement, section 342.30, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** (a) A cannabis cultivator seeking to cultivate cannabis must apply for and obtain a cannabis cultivation endorsement.

(b) A cannabis cultivator ~~license entitles the license holder to~~ with a cannabis cultivation endorsement may:

(1) grow cannabis plants within the approved amount of space from seed or immature plant to mature plant;

(2) harvest cannabis flower from a mature plant;

(3) package and label immature cannabis plants and seedlings and cannabis flower for sale to other cannabis businesses;

(4) sell immature cannabis plants and seedlings and cannabis flower to other cannabis businesses;

(5) transport cannabis flower to a cannabis manufacturer located on the same premises; and

(6) perform other actions approved by the office.

Sec. 32. Minnesota Statutes 2024, section 342.30, subdivision 3, is amended to read:

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~~ cultivation endorsement 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.

Sec. 33. Minnesota Statutes 2024, section 342.31, subdivision 3, is amended to read:

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~~ extraction and concentration endorsement, a hemp extraction and concentration endorsement, a creation of artificially derived cannabinoids endorsement, a production of consumer products endorsement, or an edible product handler endorsement 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.

Sec. 34. Minnesota Statutes 2024, section 342.31, subdivision 5, is amended to read:

Subd. 5. **Manufacturing operations.** A cannabis manufacturer must comply with the requirements in section 342.26. A cannabis manufacturer must apply for and obtain a cannabis extraction and concentration endorsement, a hemp extraction and concentration endorsement, a creation of artificially derived cannabinoids endorsement, a production of consumer products endorsement, or an edible product handler endorsement before conducting activities authorized only under the applicable endorsement.

Sec. 35. Minnesota Statutes 2025 Supplement, section 342.32, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** (a) A cannabis retailer seeking to conduct retail sales of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products must apply for and obtain a cannabis retail operations endorsement.

(b) A cannabis retailer ~~license entitles the license holder to~~ with a cannabis retail operations endorsement may:

(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 medical cannabis combination businesses;

(2) purchase lower-potency hemp edibles from a licensed lower-potency hemp edible manufacturer or lower-potency hemp edible wholesaler;

(3) 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

(4) perform other actions approved by the office.

Sec. 36. Minnesota Statutes 2024, section 342.32, subdivision 3, is amended to read:

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~~ operations endorsement 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, cannabis products, lower-potency hemp edibles, 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.

Sec. 37. Minnesota Statutes 2025 Supplement, section 342.43, subdivision 2, is amended to read:

Subd. 2. **Multiple licenses; limits.** (a) A person, cooperative, or business may hold any combination of a lower-potency hemp edible manufacturer, a lower-potency hemp edible wholesaler, and a 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, a lower-potency hemp edible wholesaler license, a lower-potency hemp edible retailer license, or any combination of those licenses, 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, a lower-potency hemp edible wholesaler license, a lower-potency hemp edible retailer license, or any combination of those licenses, and also holding any other license, including but not limited to a license to prepare or sell food; sell tobacco, tobacco-related devices, electronic delivery devices as defined in section 609.685, subdivision 1, and 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, a lower-potency hemp edible wholesaler license, a lower-potency hemp edible retailer license, or any combination of those licenses, may ~~not~~ hold a cannabis business license.

Sec. 38. Minnesota Statutes 2025 Supplement, section 342.44, subdivision 1, is amended to read:

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 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 applicant for a lower-potency hemp edible manufacturer license must submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement. A labor peace agreement entered into on or after August 15, 2025, must address the duration of the election.

(d) The office may determine whether any civil or regulatory violation as determined by the office, another state agency, a local government, or any other jurisdiction disqualifies an individual or business from receiving a hemp business license issued under this chapter. The office may determine the length of the disqualification.

Sec. 39. Minnesota Statutes 2024, section 342.44, subdivision 2, is amended to read:

Subd. 2. **Issuance; eligibility; prohibition on transfer.** (a) The office may issue a hemp business 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; and

(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. 40. Minnesota Statutes 2024, section 342.45, subdivision 3, is amended to read:

Subd. 3. **Extraction and concentration.** (a) A lower-potency hemp edible manufacturer ~~that creates~~ seeking to create hemp concentrate ~~or~~ must apply for and obtain a lower-potency hemp extraction and concentration endorsement. A lower-potency hemp edible manufacturer seeking to create artificially derived cannabinoids must apply for and obtain ~~an~~ a lower-potency hemp creation of artificially derived cannabinoid endorsement from the office.

(b) A lower-potency hemp edible manufacturer ~~seeking an~~ with a lower-potency hemp extraction and concentration 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 or a volatile chemical without approval by the office.

(c) A lower-potency hemp edible manufacturer ~~seeking an~~ with a lower-potency hemp creation of artificially derived cannabinoid endorsement ~~to create artificially 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 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 lower-potency hemp edibles~~ lower-potency hemp edible manufacturer may not use a method of conversion or a catalyst without approval by the office.

(d) A lower-potency hemp edible manufacturer with a lower-potency hemp extraction and concentration endorsement or a lower-potency hemp creation of artificially derived

cannabinoid endorsement 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 artificially 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.

Sec. 41. Minnesota Statutes 2025 Supplement, section 342.62, subdivision 2, is amended to read:

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) All cannabis flower sold to customers or patients must be prepackaged unless the business selling the cannabis flower holds a cannabis flower packaging endorsement.

~~(b)~~ (c) The requirement that packaging be child-resistant does not apply to a lower-potency hemp edible that is intended to be consumed as a beverage.

~~(c)~~ (d) 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.

~~(d)~~ (e) Notwithstanding paragraph ~~(c)~~ (d), any edible cannabinoid products that are intended to be combined with food or beverage products before consumption must indicate a single serving using one of the following methods:

(1) the product is packaged in individual servings;

(2) the product indicates a single serving by scoring or use of another indicator that appears on the product; or

(3) the product is sold with a calibrated dropper, measuring spoon, or similar device for measuring a single serving.

~~(e)~~ (f) A package containing multiple servings of a lower-potency hemp edible that is not intended to be consumed as a beverage must not contain:

(1) more than 50 milligrams of delta-9 tetrahydrocannabinol;

(2) more than 1,000 milligrams of cannabidiol, cannabigerol, cannabinol, or cannabichromene~~.~~;

(3) more than the established limit of any other cannabinoid authorized by the office; or

(4) any combination of those cannabinoids that exceeds the identified amounts for the applicable product category.

~~(f)~~ (g) A single container containing a lower-potency hemp edible ~~product~~ that is intended to be consumed as a beverage must not contain:

(1) more than ten milligrams of delta-9 tetrahydrocannabinol;

(2) more than 200 milligrams of cannabidiol, cannabigerol, cannabinol, or cannabichromene;

(3) more than the established limit of any other cannabinoid authorized by the office; or

(4) any combination of those cannabinoids that exceeds the identified amounts for the applicable product category.

~~(g)~~ (h) Edible cannabis products and lower-potency hemp edibles 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.

Sec. 42. Minnesota Statutes 2025 Supplement, section 342.63, subdivision 2, is amended to read:

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 combination business, or industrial hemp grower where the cannabis flower or hemp plant part was cultivated;

(2) the net weight 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 342.61 and that the cannabis flower or hemp plant part complies with the applicable standards;

(7) ~~information on the usage of the cannabis flower or hemp-derived consumer product~~ the type of product, including directions on usage;

(8) ~~the following statement: "Keep this product out of reach of children."~~ the warning symbol established by the office indicating that the product is not for children and information about the Minnesota Poison Control Center; and

(9) any other statements or information required by the office.

Sec. 43. Minnesota Statutes 2025 Supplement, section 342.63, subdivision 3, is amended to read:

Subd. 3. **Content of label; cannabinoid products excluding lower-potency hemp edibles.** ~~(a)~~ All cannabis products, ~~lower-potency hemp edibles,~~ hemp concentrate, hemp-derived consumer products other than products subject to the requirements under subdivision 2, and 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 combination business, 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)~~ (1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, medical cannabis combination business, or industrial hemp grower that manufactured the cannabis concentrate, hemp concentrate, or artificially 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 combination business that manufactured the product;

~~(3)~~ (2) the net weight of the ~~cannabis~~ product~~, lower-potency hemp edible, or hemp-derived consumer product~~ in the package or container;

~~(4)~~ (3) the type of ~~cannabis~~ product, ~~lower-potency hemp edible, or hemp-derived consumer product~~ including directions on usage;

~~(5)~~ (4) the batch number;

~~(6)~~ (5) the serving size;

~~(7)~~ (6) the cannabinoid profile per serving and in total;

~~(8)~~ (7) a list of ingredients;

~~(9)~~ (8) 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)~~ (9) a warning symbol ~~developed by the office in consultation with the commissioner of health and the Minnesota Poison Control System that:~~ established by the office indicating that the product is not for children and information about the Minnesota Poison Control Center;

~~(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)~~ (10) verification that the ~~cannabis~~ product~~, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product~~ was tested according to section 342.61

~~and that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product complies with the applicable standards~~; and

~~(12) information on the usage of the product;~~

~~(13) the following statement: "Keep this product out of reach of children."; and~~

~~(14)~~ (11) any other statements or information required by the office.

~~(b) The office may by rule establish alternative labeling requirements for lower-potency hemp edibles that are imported into the state if those requirements provide consumers with information that is substantially similar to the information described in paragraph (a).~~

Sec. 44. Minnesota Statutes 2024, section 342.63, subdivision 4, is amended to read:

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) if applicable, 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.

Sec. 45. Minnesota Statutes 2025 Supplement, section 342.63, subdivision 5, is amended to read:

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~~ includes 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) All hemp-derived topical products that contain THC must have affixed to the product's packaging or container a label that includes at least the following information:

(1) the information required in paragraph (a);

(2) the amount or percentage of THC per serving and the total THC;

(3) the universal symbol established by the office indicating that the package or container contains a product containing THC;

(4) the warning symbol established by the office indicating that the product is not for children and information about the Minnesota Poison Control Center; and

(5) information that the product was tested according to section 342.61, subdivision 4.

Sec. 46. Minnesota Statutes 2024, section 342.63, is amended by adding a subdivision to read:

Subd. 7. **Labeling of lower-potency hemp edibles.** (a) All lower-potency hemp edible products must have affixed to the packaging or container a label that includes at least the following information:

(1) information about the business that cultivated the hemp parts used in the product, including either:

(i) the business's name, the business's address, and the country and state, if applicable, where the business operates; or

(ii) the business's name and business's license number;

(2) information about the business that manufactured the hemp concentrate and artificially derived cannabinoids used in the product, including either:

(i) the business's name, the business's address, and the country and state, if applicable, where the business operates; or

(ii) the business's name and the business's license number;

(3) the net weight of the lower-potency hemp edible product in the package or container;

(4) the batch number;

(5) the serving size;

(6) the cannabinoid profile per serving and total THC;

(7) a list of ingredients;

(8) the universal symbol established by the office indicating that the package or container contains a product containing THC;

(9) the warning symbol established by the office indicating that the product is not for children and information about the Minnesota Poison Control Center;

(10) verification that the lower-potency hemp edible was tested according to section 342.61;

(11) directions on the usage of the product; and

(12) any other statements or information required by the office.

(b) A cannabis or hemp business selling lower-potency hemp edibles to customers may provide customers with the required information in paragraph (a), clauses (1), (2), and (4), through the use of a scannable barcode affixed to the label of the product if the barcode is accurate and active at all times.

(c) The label of a lower-potency hemp edible product that contains only nonintoxicating cannabinoids approved by the office and that does not include THC is not required to include the universal symbol in paragraph (a), clause (8).

Sec. 47. Minnesota Statutes 2024, section 342.66, subdivision 3, is amended to read:

Subd. 3. **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~~ hemp concentrate that is 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~~ must not contain more than 0.3 percent total THC.

ARTICLE 3
ADULT-USE AND MEDICAL CANNABIS STREAMLINING

Section 1. Minnesota Statutes 2024, section 342.01, subdivision 14, is amended to read:

Subd. 14. **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 transporter;

(8) cannabis testing facility;

(9) cannabis event organizer;

(10) cannabis delivery service; and

(11) ~~medical~~ cannabis ~~combination business~~ macrobusiness.

Sec. 2. Minnesota Statutes 2025 Supplement, section 342.01, subdivision 48, is amended to read:

Subd. 48. **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 wholesaler;

(13) lower-potency hemp edible retailer; or

(14) ~~medical~~ cannabis ~~combination business~~ macrobusiness.

Sec. 3. Minnesota Statutes 2024, section 342.01, subdivision 52, is amended to read:

Subd. 52. **Medical cannabinoid product.** (a) "Medical cannabinoid product" means a cannabis product that~~:~~

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

~~(2)~~ is provided to a patient enrolled in the registry program; a visiting patient; a registered designated caregiver; or a parent, legal guardian, or spouse of an enrolled patient, by a registered designated caregiver, cannabis retailer, or cannabis business with a medical cannabis retail endorsement 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 or hemp-derived consumer products.~~

(b) A medical cannabinoid product may contain or be infused with cannabinoids derived from hemp that have been approved by the office as nonintoxicating.

Sec. 4. Minnesota Statutes 2024, section 342.01, subdivision 54, is amended to read:

Subd. 54. **Medical cannabis flower.** "Medical cannabis flower" means cannabis flower provided to a patient enrolled in the registry program or a visiting patient; a registered designated caregiver; or a parent, legal guardian, or spouse of an enrolled patient by a registered designated caregiver, cannabis retailer, or cannabis business with a medical cannabis retail endorsement to treat or alleviate the symptoms of a qualifying medical condition. ~~Medical cannabis flower does not include adult-use cannabis flower.~~

Sec. 5. Minnesota Statutes 2024, section 342.09, subdivision 3, is amended to read:

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 macrobusiness, cannabis manufacturer, ~~medical cannabis combination business,~~ or lower-potency hemp edible manufacturer license issued under this chapter.

Sec. 6. Minnesota Statutes 2025 Supplement, section 342.10, is amended to read:

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 wholesaler;

(13) lower-potency hemp edible retailer; and

(14) ~~medical~~ cannabis ~~combination business~~ macrobusiness.

Sec. 7. Minnesota Statutes 2025 Supplement, section 342.11, is amended to read:

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 $5,000;

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

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

(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 edible wholesaler:

(i) an application fee of $250;

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

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

(13) for a lower-potency hemp edible retailer:

(i) an application fee of $250 or, if the lower-potency hemp retailer operates more than one retail location, $250 per retail location;

(ii) an initial license fee of $250 or, if the lower-potency hemp retailer operates more than one retail location, $250 per retail location; and

(iii) a renewal license fee of $250 or, if the lower-potency hemp retailer operates more than one retail location, $250 per retail location; and

(14) for a ~~medical~~ cannabis ~~combination business~~ macrobusiness:

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

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

(iii) a renewal license fee of $70,000.

Sec. 8. Minnesota Statutes 2025 Supplement, section 342.12, is amended to read:

342.12 LICENSES; TRANSFERS; ADJUSTMENTS.

Subdivision 1. **Transfer of licenses.** (a) Licenses issued under this chapter that are available to all applicants pursuant to section 342.14, subdivision 1b, paragraph (c), may be freely transferred subject to the prior written approval of the office unless the license holder has not received a final site inspection or the license holder is a social equity applicant.

(b) Licenses issued as social equity licenses pursuant to either section 342.14, subdivision 1b, paragraph (b), or section 342.175, paragraph (b), may only be transferred to another social equity applicant for three years after the date on which the office issues the license.

Three years after the date of issuance, a license holder may transfer a license to any entity. Transfer of a license that was issued as a social equity license must be reviewed by the Division of Social Equity and is subject to the prior written approval of the office.

(c) Preliminary license approval issued pursuant to section 342.14, subdivision 5, may not be transferred.

(d) 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~~ license holder dissolves; consolidates; reorganizes; undergoes bankruptcy, insolvency, or receivership proceedings; merges with another legal organization; or assigns all or substantially all of its assets for the benefit of creditors.

(e) Licenses must be renewed annually.

~~(f) License holders may petition the office to adjust the tier of a license issued within a license category if the license holder meets all applicable requirements.~~

~~(g) The office by rule may permit the relocation of a licensed cannabis business; permit the relocation of an approved operational location, including a cultivation, manufacturing, processing, or retail location; 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.~~

Subd. 2. **License availability.** (a) Beginning January 1, 2027, the office may determine whether licenses are available for a license holder that is a cannabis microbusiness or cannabis mezzobusiness to petition to reclassify the license holder as another type of business, either as a cannabis mezzobusiness or cannabis macrobusiness.

(b) If the office determines that licenses are available, subject to section 342.14, subdivision 1a, the office must announce the date on which the office will begin accepting petitions from applicants seeking reclassification. When approving reclassification of a license, the office must give priority to:

(1) any cannabis microbusiness with a medical retail endorsement that is seeking reclassification; or

(2) any cannabis mezzobusiness with a medical endorsement that is seeking reclassification.

(c) The office shall establish procedures for the processing of petitions to reclassify under this subdivision. A license holder that seeks to reclassify its license as a cannabis mezzobusiness or cannabis macrobusiness must include in its petition to reclassify at least the following information, if applicable:

(1) its status as a social equity license holder;

(2) the number of medical endorsements held and a description of the manner in which medical patients are provided services;

(3) financial statements exhibiting the ability to operate a larger license;

(4) a transition plan that describes how the license holder will comply with all statutes and rules applicable to the reclassified license; and

(5) a description of the planned growth of the license holder up to the limits of the new license type.

(d) After a license holder submits a petition to reclassify that contains all required information, the office must review the petition. The office may deny a petition if:

(1) the petition is incomplete;

(2) the petition contains a materially false statement about the applicant or omits information required under this subdivision;

(3) the license holder does not meet the qualifications under section 342.16;

(4) the license holder is prohibited from holding the license under section 342.18, subdivision 2;

(5) the license holder does not meet the minimum requirements under section 342.18, subdivision 3;

(6) the petition was not submitted by the petition deadline;

(7) the license holder has unpaid fines or fees or has engaged in substantial noncompliance with this chapter; or

(8) the office determines that the applicant would be prohibited from holding a license for any other reason.

(e) The office may request additional information from any license holder if the office determines that the information is necessary to review or process the petition. If the license

holder does not provide the additional requested information within 14 calendar days of the office's request for information, the office may deny the petition.

(f) If the office denies a petition, the office must notify the license holder of the denial and the basis for the denial.

(g) A license holder whose petition is not denied under this subdivision is a qualified petitioner. The office shall reclassify the license of all qualified petitioners holding a social equity license. The number of reclassified licenses approved for social equity applicants must be equal to or greater than the number of reclassified licenses approved for all applicants. In the event the number of qualified petitioners not classified as social equity license holders exceeds the number of qualified petitioners classified as social equity license holders, the office shall select qualified petitioners using the methods in section 342.14, subdivision 4.

(h) Reclassification according to this subdivision must not remove the social equity license status from a social equity license.

(i) A license holder that submits a petition to reclassify its license may continue operations pending office determination on the petition. A license holder that submits a petition to reclassify its license that is denied retains their existing license.

Sec. 9. Minnesota Statutes 2025 Supplement, section 342.13, is amended to read:

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 authorized under this chapter.

(b) Except as provided in section 342.22, a local unit of government may not prohibit the establishment or operation of a cannabis business or hemp 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 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field.

(d) The office shall work with local units of government to:

(1) develop model ordinances for reasonable restrictions on the time, place, and manner of the operation of a cannabis business;

(2) develop standardized forms and procedures for the issuance of a retail registration pursuant to section 342.22; and

(3) develop model policies and procedures for the performance of compliance checks required under section 342.22.

(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 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. The office may not issue a license if the local unit of government informs the office that the cannabis business does not meet local zoning and land use laws. If the local unit of government does not provide the certification to the office within 30 days of receiving a copy of an application from the office, the office may issue a license.

(g) 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. 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 paragraph prohibits a local unit of government from enforcing a local ordinance. If a local unit of government notifies the office that a cannabis business other than a cannabis retailer, cannabis microbusiness, cannabis mezzobusiness, cannabis macrobusiness, or lower-potency hemp edible retailer with a retail operations endorsement~~, or medical cannabis combination business operating a retail location~~ poses an immediate threat to the health or safety of the public, the office must respond within one business day and may take any action described in section 342.19 or 342.21.

(h) A local government unit that issues a cannabis retailer registration under section 342.22 may, by ordinance, limit the number of licensed cannabis retailers, cannabis macrobusinesses with a retail operations endorsement, cannabis mezzobusinesses with a retail operations endorsement, and cannabis microbusinesses with a retail operations endorsement to no fewer than one registration for every 12,500 residents.

(i) If a county has one active registration for every 12,500 residents, a city or town within the county is not obligated to register a cannabis business.

(j) Nothing in this section shall prohibit a local government unit from allowing licensed cannabis retailers in excess of the minimums set in paragraph (h).

(k) Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

Sec. 10. Minnesota Statutes 2024, section 342.175, is amended to read:

342.175 SOCIAL EQUITY LICENSE CLASSIFICATION.

(a) The office must classify licenses listed in section 342.10, clauses (1) to (10) and ~~(13)~~ (14) as:

(1) available to social equity applicants who meet the requirements of section 342.17; and

(2) available to all applicants.

(b) The office must classify any license issued to a social equity applicant as a social equity license.

Sec. 11. Minnesota Statutes 2025 Supplement, section 342.18, subdivision 2, is amended to read:

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, mezzobusiness licenses, or ~~medical~~ cannabis ~~combination business~~ macrobusiness licenses, or the issuance of lower-potency hemp edible manufacturer, lower-potency hemp edible wholesaler, and lower-potency hemp edible retailer licenses to the same person or entity.

Sec. 12. Minnesota Statutes 2024, section 342.22, subdivision 1, is amended to read:

Subdivision 1. **Registration required.** Before making retail sales to customers or patients, a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, ~~medical~~ cannabis ~~combination business~~ macrobusiness, 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.

Sec. 13. Minnesota Statutes 2025 Supplement, section 342.22, subdivision 3, is amended to read:

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 ~~combination business~~ macrobusiness operating a retail location, or lower-potency hemp edible retailer that:

(1) has a valid license or preliminary license approval 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 any applicable local ordinance established pursuant to section 342.13.

(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.

Sec. 14. Minnesota Statutes 2024, section 342.22, subdivision 5, is amended to read:

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 a local ordinance authorized under section 342.13 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 342.19 or 342.21.

(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, cannabis mezzobusiness, cannabis retailer, ~~medical~~ cannabis ~~combination business~~ macrobusiness, or lower-potency hemp edible retailer may make any sale to a customer or patient without a valid retail registration with a local unit of government and a valid license with any applicable endorsement from the office. A local unit of government may impose a civil penalty of up to $2,000 for each violation of this paragraph.

Sec. 15. Minnesota Statutes 2024, section 342.27, subdivision 12, is amended to read:

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.; or

(7) sell medical cannabinoid products to a person who is not registered in the patient registry or is not enrolled in the registry program as a patient or caregiver.

Sec. 16. Minnesota Statutes 2024, section 342.35, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis transporter license entitles the license holder to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis macrobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, and industrial hemp growers to cannabis microbusinesses, cannabis mezzobusinesses, cannabis macrobusinesses, cannabis manufacturers, cannabis testing facilities, cannabis wholesalers, cannabis retailers, and lower-potency hemp edible retailers~~, and medical cannabis combination businesses~~ and perform other actions approved by the office.

Sec. 17. Minnesota Statutes 2024, section 342.37, subdivision 1, is amended to read:

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, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis macrobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, ~~medical cannabis combination businesses,~~ and industrial hemp growers.

Sec. 18. Minnesota Statutes 2025 Supplement, section 342.40, subdivision 7, is amended to read:

Subd. 7. **Cannabis event sales.** (a) Cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, ~~medical~~ cannabis ~~combination businesses~~ macrobusinesses operating a retail location, 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 342.27, 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 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 342.27, subdivision 6, apply to authorized retailers 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; or

(4) 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, and 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 cannabis products sold, damaged, or destroyed at a cannabis event must be recorded in the statewide monitoring system.

Sec. 19. Minnesota Statutes 2024, section 342.41, subdivision 1, is amended to read:

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 microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, and ~~medical~~ cannabis ~~combination businesses~~ macrobusinesses; 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.

Sec. 20. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

Subd. 1a. **Types of medical cannabis endorsements; authorized actions.** The office may issue the following types of medical cannabis endorsements to a license holder:

(1) a medical cannabis cultivation endorsement;

(2) a medical cannabis manufacturer endorsement; or

(3) a medical cannabis retail endorsement.

Sec. 21. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

Subd. 1b. **Medical cannabis cultivation endorsement.** (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis macrobusiness, or cannabis cultivator with a cannabis cultivation endorsement may apply for and obtain a medical cannabis cultivation endorsement.

(b) A cannabis business with a medical cannabis cultivation endorsement must:

(1) comply with the requirements of section 342.25; and

(2) otherwise meet all applicable requirements established by the office.

(c) A medical cannabis cultivation endorsement entitles the license holder to perform the actions authorized in section 342.30, subdivision 1.

(d) A cannabis microbusiness with a medical cannabis cultivation endorsement may cultivate cannabis an additional 1,000 square feet indoors or one-quarter acre outdoors in addition to the limits in section 342.28.

(e) A cannabis mezzobusiness with a medical cannabis cultivation endorsement may cultivate cannabis an additional 3,000 square feet indoors or one-half acre outdoors in addition to the limits in section 342.29.

(f) A cannabis cultivator with a medical cannabis cultivation endorsement may cultivate an additional 6,000 square feet indoors or one acre outdoors in addition to the limits in section 342.30.

(g) Annually, at least one quarter of all cannabis flower cultivated by a cannabis business with a medical cannabis cultivation endorsement must be sold by the license holder to a cannabis business with a medical cannabis endorsement, including the license holder if the license holder has a medical cannabis manufacturing endorsement or medical cannabis retail endorsement.

Sec. 22. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

Subd. 1c. **Medical cannabis manufacturer endorsement.** (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis macrobusiness, or cannabis manufacturer with a manufacturing endorsement may apply for and obtain a medical cannabis manufacturer endorsement.

(b) A cannabis business with a medical cannabis manufacturer endorsement must:

(1) comply with the requirements of section 342.26;

(2) manufacture high medical need products identified by the office; and

(3) otherwise meet all applicable requirements established by the office.

(c) A medical cannabis manufacturer endorsement entitles a license holder to:

(1) manufacture medical cannabinoid products; and

(2) sell medical cannabinoid products only to other cannabis businesses with a medical cannabis manufacturer endorsement or medical cannabis retail endorsement.

(d) A medical cannabinoid product must be labeled with a "Minnesota Medical Cannabis" warning symbol and must only be sold to a person, patient, or caregiver enrolled in the registry program or a visiting patient.

(e) A medical cannabis manufacturer endorsement held by a cannabis microbusiness entitles the license holder to increase the use of cannabis by dry weight up to 25 percent above the limit established by the office in rule.

(f) A medical cannabis manufacturer endorsement held by a cannabis mezzobusiness entitles the license holder to increase the use of cannabis by dry weight up to 25 percent above the limit established by the office in rule.

Sec. 23. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

Subd. 1d. **Medical cannabis retail endorsement.** (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis macrobusiness, or cannabis retailer with a retail operations endorsement may apply for and obtain a medical cannabis retail endorsement.

(b) A cannabis business with a medical cannabis retail endorsement must:

(1) comply with all requirements of this section and section 342.27;

(2) have at least one member of staff who has earned a medical cannabis consultant certificate issued by the office and completed the required training or have at least one member of staff who is a licensed pharmacist under chapter 151;

(3) ensure availability of patient consultations as required under this section;

(4) ensure that patients and caregivers enrolled in the registry program receive priority service;

(5) carry all products identified by the office as high medical need; and

(6) otherwise meet all applicable requirements established by the office.

(c) The office must identify high medical need products and publish a list of all high medical need products on the office's publicly accessible website.

(d) A medical cannabis retail endorsement held by a cannabis business entitles the license holder to perform the actions authorized in section 342.32, subdivision 1.

(e) A cannabis microbusiness with a medical retail endorsement may operate one additional retail location in excess of the limit in section 342.28, subdivision 2, paragraph (d), if at least one retail location is located in an area identified by the office as a high medical need area.

(f) A cannabis mezzobusiness with a medical cannabis retail endorsement may operate up to two additional retail locations in excess of the limit in section 342.29, subdivision 2, paragraph (d), if at least two retail locations are located in an area identified by the office as a high medical need area.

(g) A cannabis retailer with a medical cannabis retail endorsement may operate up to three additional retail locations in excess of the limit established in section 342.32, subdivision 2, if at least three retail locations are located in an area identified by the office as a high medical need area.

Sec. 24. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

Subd. 1e. **Additional authorized actions; external transporter endorsement and medical cannabis delivery endorsement.** (a) A cannabis microbusiness or cannabis mezzobusiness with at least two medical cannabis endorsements may apply for and obtain an external transporter endorsement to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products to and from other cannabis microbusinesses, cannabis mezzobusinesses, cannabis macrobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, cannabis retailers, and hemp businesses if the cannabis business:

(1) provides the office with the information required in section 342.35, subdivision 2; and

(2) complies with the requirements of section 342.36.

(b) A cannabis business with a medical cannabis retail endorsement may apply for and obtain a medical cannabis delivery endorsement to deliver medical cannabis flower and medical cannabinoid products to patients enrolled in the registry program; registered designated caregivers; and parents, legal guardians, and spouses of an enrolled patient if the cannabis business:

(1) provides the office with the information required in section 342.41, subdivision 2; and

(2) complies with the requirements of subdivisions 2 and 3 and section 342.42.

Sec. 25. Minnesota Statutes 2025 Supplement, section 342.51, subdivision 2, is amended to read:

Subd. 2. **Distribution requirements.** ~~(a)~~ Prior to distribution of medical cannabis flower or medical cannabinoid products to a person enrolled in the registry program, an employee of a cannabis business must:

(1) review and confirm the patient's enrollment in the registry program;

(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 established by the office;

(3) confirm that the patient had a consultation with: (i) an employee with a valid medical cannabis consultant certificate issued by the office; or (ii) an employee who is a licensed pharmacist under chapter 151 to determine the proper medical cannabis flower or medical cannabinoid product, dosage, and paraphernalia for the patient if required under subdivision 3;

(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 the office; and

(5) provide the patient with any other information required by the office.

~~(b) A cannabis business with a medical cannabis retail endorsement may not deliver medical cannabis flower or medical cannabinoid products to a person enrolled in the registry program unless the cannabis business with a medical cannabis retail endorsement also holds a cannabis delivery service license. The delivery of medical cannabis flower and medical cannabinoid products are subject to the provisions of section 342.42.~~

Sec. 26. Minnesota Statutes 2024, section 342.515, as amended by Laws 2025, chapter 31, sections 89 and 90, is amended to read:

342.515 ~~MEDICAL~~ CANNABIS ~~COMBINATION BUSINESSES~~ MACROBUSINESSES.

Subdivision 1. **Authorized actions.** ~~(a) A person, cooperative, or business holding a medical cannabis combination business license is prohibited from owning or operating any~~

~~other cannabis business or hemp business or holding an active registration agreement under section 152.25, subdivision 1.~~

~~(b) A person or business may hold only one medical cannabis combination business license.~~

~~(c)~~ (a) A ~~medical~~ cannabis ~~combination business~~ macrobusiness license, consistent with the requirements of specific license endorsements approved by the office, entitles the license holder to perform ~~any or all of~~ the following ~~within the limits established by this section~~ actions:

(1) grow cannabis plants from seed or immature plant to mature plant ~~and~~, harvest adult-use cannabis flower and medical cannabis flower from a mature plant, package and label cannabis flower for sale to other cannabis businesses, and sell immature cannabis plants and seedlings and cannabis flower to other cannabis businesses;

(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 artificially derived cannabinoids;

~~(5) manufacture medical cannabinoid products;~~

~~(6)~~ (5) manufacture, package, and label adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

~~(7)~~ (6) purchase immature cannabis plants and seedlings and cannabis flower from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, or another ~~medical~~ cannabis ~~combination business~~ macrobusiness;

~~(8)~~ (7) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

~~(9)~~ (8) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, or another ~~medical~~ cannabis ~~combination business~~ macrobusiness;

~~(10)~~ (9) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

~~(11) manufacture, package, and label medical cannabis flower and medical cannabinoid products for sale to cannabis businesses with a medical cannabis processor endorsement,~~

~~cannabis businesses with a medical cannabis retail endorsement, other medical cannabis combination businesses, and persons in the registry program;~~

~~(12) transport and deliver medical cannabis flower and medical cannabinoid products to medical cannabis processors, medical cannabis retailers, other medical cannabis combination businesses, patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;~~

~~(13) manufacture, package, and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers and other cannabis businesses;~~

~~(14) sell medical cannabis flower and medical cannabinoid products to other cannabis businesses with a medical endorsement, other medical cannabis combination businesses, and patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;~~

~~(15)~~ (10) 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;

~~(16) transport 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;~~

~~(17)~~ (11) sell ~~and transport~~ lower-potency hemp edibles to lower-potency hemp edible retailers and lower-potency hemp edible wholesalers; and

~~(18)~~ (12) perform other actions approved by the office.

~~(d) A medical cannabis combination business is not required to obtain a medical cannabis endorsement to perform any actions authorized under this section.~~

(b) A cannabis macrobusiness must apply for and obtain a medical manufacturing endorsement and at least one other medical cannabis endorsement identified in section 342.51.

Subd. 2. **Cultivation endorsement; size limitations.** (a) A cannabis macrobusiness seeking to cultivate cannabis plants and harvest cannabis flower must obtain a cannabis cultivation endorsement and comply with section 342.25.

(b) A cannabis macrobusiness that obtains a cannabis cultivation endorsement must apply for and obtain a medical cannabis cultivation endorsement and comply with section 342.51, subdivision 1b.

~~(a)~~ (c) A ~~medical~~ cannabis ~~combination business may cultivate cannabis to be sold as medical cannabis flower or used in medical cannabinoid products in an area of up to 60,000 square feet of plant canopy subject to the limits on adult-use cannabis cultivation in paragraph (c). A medical cannabis combination business may cultivate cannabis and manufacture cannabis in more than one location, except the aggregate total of plant canopy in all locations must count toward the business' canopy limit.~~ macrobusiness that cultivates cannabis at an indoor facility may cultivate up to 30,000 square feet of plant canopy.

~~(b)~~ (d) A ~~medical~~ cannabis ~~combination business may cultivate cannabis to be sold as adult-use cannabis flower or used in adult-use cannabis products in an area authorized by the office as described in paragraph (c).~~ macrobusiness that cultivates cannabis at an outdoor location may cultivate up to two acres of mature, flowering plants.

~~(c) The office shall authorize a medical cannabis combination business to cultivate cannabis for sale in the adult-use market in an area of plant canopy that is equal to one-half of the area the business used to cultivate cannabis sold in the medical market in the preceding year. The office shall establish an annual verification and authorization procedure. The office may increase the area of plant canopy in which a medical cannabis combination business is authorized to cultivate cannabis for sale in the adult-use market between authorization periods if the business demonstrates a significant increase in the sale of medical cannabis and medical cannabis products.~~

(e) A cannabis macrobusiness with a cannabis cultivation endorsement and a retail operations endorsement may package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers.

(f) A cannabis macrobusiness with a medical cannabis cultivation endorsement and a medical cannabis retail endorsement may package and label medical cannabis flower and medical cannabinoid products for sale to patients enrolled in the registry program; registered designated caregivers; and parents, legal guardians, and spouses of an enrolled patient.

Subd. 3. **~~Manufacturing~~ Manufacturer endorsement; size limitations.** (a) By rule, the office may establish limits on cannabis manufacturing that are consistent with the area of plant canopy a business is authorized to cultivate. Until the office establishes limits by

rule, a cannabis macrobusiness must not use more than 90,000 pounds of cannabis or its dry-weight equivalent of raw concentrates to manufacture cannabis products.

(b) A cannabis macrobusiness must apply for and obtain a medical cannabis manufacturer endorsement and must comply with section 342.51, subdivision 1c.

(c) A cannabis macrobusiness may apply for and obtain one or more cannabis manufacturer endorsements identified in section 342.26.

Subd. 4. **Retail operations endorsement; locations.** (a) A ~~medical~~ cannabis ~~combination business~~ macrobusiness with a retail operations endorsement may operate up to ~~one retail location in each congressional district. A medical cannabis combination business must offer medical cannabis flower, medical cannabinoid products, or both at every retail location.~~ eight retail locations and, if operating more than five retail locations, must ensure that at least three retail locations are located in areas identified by the office as high medical need areas.

(b) A cannabis macrobusiness may apply for and obtain a retail operations endorsement and must comply with section 342.27.

(c) A cannabis macrobusiness with a retail operations endorsement must apply for and obtain a medical cannabis retail operations endorsement and comply with section 342.51, subdivision 1d.

(d) A cannabis macrobusiness with a retail operations endorsement and a medical cannabis retail operations endorsement must carry and make available for sale, at each retail location, all high medical need products identified by the office.

Subd. 5. **Failure to participate; suspension or revocation of license.** The office may suspend or revoke a ~~medical~~ cannabis ~~combination business~~ macrobusiness license if the office determines that the business is no longer actively participating in the medical cannabis market. ~~The office may, by rule, establish minimum requirements related to cannabis cultivation, manufacturing of medical cannabinoid products, retail sales of medical cannabis flower and medical cannabinoid products, and other relevant criteria to demonstrate active participation in the medical cannabis market.~~ If a cannabis macrobusiness fails to obtain or operate under a medical cannabis manufacturer endorsement or fails to carry and make available for sale, at each retail location, high medical need products identified by the office, the office may suspend or revoke the cannabis macrobusiness's license under this subdivision.

~~Subd. 6. **Operations.** A medical cannabis combination business must comply with the relevant requirements of sections 342.25, 342.26, 342.27, and 342.51, subdivisions 2 to 5.~~

Subd. 7. ~~**Transportation**~~ **Internal transporter endorsement and external transporter endorsement.** (a) A ~~medical~~ cannabis ~~combination business~~ macrobusiness may obtain an internal transporter endorsement to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities owned by the license holder if the ~~medical~~ cannabis ~~combination business~~ macrobusiness:

(1) provides the office with the information described in section 342.35, subdivision 2; and

(2) complies with the requirements of section 342.36.

(b) A cannabis macrobusiness with at least two medical cannabis endorsements may apply for and obtain an external transporter endorsement to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products to and from other cannabis microbusinesses, cannabis mezzobusinesses, cannabis macrobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, cannabis retailers, and hemp businesses if the cannabis macrobusiness:

(1) provides the office with the information required under section 342.35, subdivision 2; and

(2) complies with the requirements of section 342.36.

Subd. 8. **Multiple licenses.** (a) A person, cooperative, or business holding a cannabis macrobusiness license may also hold a cannabis event organizer license.

(b) Except as provided in paragraph (a), a person, cooperative, or business holding a cannabis macrobusiness license is prohibited from owning or operating any other cannabis business or hemp business or holding more than one cannabis macrobusiness license.

(c) For purposes of this subdivision, a restriction on the number or type of licenses that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 9. **Conversion of licenses.** (a) By January 1, 2028, the office must convert any existing medical cannabis combination business licenses to cannabis macrobusiness licenses.

(b) Beginning January 1, 2029, the office may determine the number of available cannabis macrobusiness licenses for applicants who do not have an existing license under this chapter. The office must make the determination under this paragraph according to the requirements

of section 342.14, subdivision 1a. If the office is accepting applications for cannabis macrobusiness licenses from applicants without an existing license under this chapter, the office must announce the number of cannabis macrobusiness licenses available and the date on which applications will be accepted. The number of licenses available to social equity applicants must be equal to or greater than the number of licenses available to all applicants. Applicants for cannabis macrobusiness licenses must comply with the application and licensing requirements of this chapter.

Subd. 10. **Additional canopy.** (a) After each annual renewal, the office shall authorize an additional 5,000 square feet of plant canopy for a cannabis macrobusiness license holder with a medical cultivation endorsement that cultivates cannabis at an indoor facility. The cannabis macrobusiness must be in good standing with the office to be eligible for an authorization of additional canopy. The office shall not authorize any macrobusiness license holder with a medical cultivation endorsement that cultivates cannabis at an indoor facility to cultivate more than 45,000 square feet of plant canopy.

(b) After each annual renewal, the office shall authorize an additional 1/2 acre of plant canopy for a cannabis macrobusiness license holder with a medical cultivation endorsement that cultivates cannabis at an outdoor facility. The cannabis macrobusiness must be in good standing with the office to be eligible for an authorization of additional canopy. The office shall not authorize any macrobusiness license holder with a medical cultivation endorsement that cultivates cannabis at an outdoor facility to cultivate more than four acres of plant canopy.

Sec. 27. Minnesota Statutes 2025 Supplement, section 342.61, subdivision 4, is amended to read:

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, or ~~medical~~ cannabis ~~combination business~~ macrobusiness shall make each batch of cannabis flower, cannabis products, artificially 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, or ~~medical~~ cannabis ~~combination business~~ macrobusiness must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign

materials, including but not limited to catalysts used in creating artificially derived cannabinoids, applied or added to the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, 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) A ~~cannabis business~~ license holder 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, artificially 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~~ license holder any part of the sample that remains after testing.

Sec. 28. Minnesota Statutes 2024, section 342.61, subdivision 5, is amended to read:

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, or ~~medical~~ cannabis ~~combination business~~ macrobusiness and the cannabis business or hemp business may then sell or transfer the batch of cannabis flower, cannabis products, artificially 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.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness must maintain the test results for cannabis flower, cannabis products, artificially 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.

(c) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness 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. 29. Minnesota Statutes 2025 Supplement, section 342.63, subdivision 2, is amended to read:

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 ~~combination business~~ macrobusiness, or industrial hemp grower where the cannabis flower or hemp plant part was cultivated;

(2) the net weight 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 342.61 and that the cannabis flower or hemp plant part complies with the applicable standards;

(7) information on the usage of the cannabis flower or hemp-derived consumer product;

(8) the following statement: "Keep this product out of reach of children."; and

(9) any other statements or information required by the office.

Sec. 30. Minnesota Statutes 2025 Supplement, section 342.63, subdivision 3, is amended to read:

Subd. 3. **Content of label; cannabinoid products.** (a) All cannabis products, lower-potency hemp edibles, hemp concentrate, 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 ~~combination business~~ macrobusiness, 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 ~~combination business~~ macrobusiness, or industrial hemp grower that manufactured the cannabis concentrate, hemp concentrate, or artificially 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 ~~combination business~~ macrobusiness that manufactured the product;

(3) the net weight 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 342.61 and that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product complies with the applicable standards;

(12) information on the usage of the product;

(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 hemp edibles that are imported into the state if those requirements provide consumers with information that is substantially similar to the information described in paragraph (a).

Sec. 31. Minnesota Statutes 2024, section 342.63, subdivision 4, is amended to read:

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) <u>if applicable,</u> 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.

Sec. 32. Minnesota Statutes 2025 Supplement, section 342.63, subdivision 6, is amended to read:

Subd. 6. **Additional information.** (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness must provide customers and patients with the following information:

(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, and 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, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(5) substance use disorder treatment options; and

(6) any other information specified by the office.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness may include the information described in paragraph (a) by:

(1) including the information on the label affixed to the packaging or container of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(2) posting the information in the premises of the cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness; or

(3) 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.

Sec. 33. Minnesota Statutes 2024, section 342.80, is amended to read:

342.80 LAWFUL ACTIVITIES.

(a) Notwithstanding any law to the contrary, the cultivation, manufacturing, possessing, and selling of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products by a licensed cannabis business or hemp business in conformity with the rights granted by a cannabis business license or hemp 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 cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, ~~medical~~ cannabis ~~combination business~~ macrobusiness, or lower-potency hemp edible retailer 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 342.27, subdivision 4, and any rules promulgated pursuant to this chapter.

Sec. 34. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber Minnesota Statutes, section 342.515, as Minnesota Statutes, section 342.295, and make any necessary cross-reference changes consistent with this renumbering.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 35. **REPEALER.**

Minnesota Statutes 2024, section 342.51, subdivision 1, is repealed."

Delete the title and insert:

"A bill for an act

relating to cannabis; modifying cannabis business and hemp business license and endorsement provisions; establishing a cannabis macrobusiness license; modifying labeling requirements for cannabinoid products and lower-potency hemp edible; modifying studies and an annual market analysis conducted by the Office of Cannabis Management providing that data reported to the Office of Cannabis Management through statewide monitoring system is not public data; modifying provisions related to public data on cannabis business license applicants and license holders; modifying provisions relating to local unit of government's regulation of cannabis businesses; amending Minnesota Statutes 2024, sections 342.01, subdivisions 14, 52, 54; 342.02, subdivision 2; 342.07, subdivision 3; 342.09, subdivision 3; 342.15, subdivisions 2, 5; 342.175; 342.19, subdivision 6; 342.20, subdivisions 1, 2, 3; 342.22, subdivisions 1, 4, 5; 342.23, subdivision 5; 342.25, subdivisions 1, 2, 3, 4, 5, 6, 7; 342.26, subdivisions 1, 2, 3, 4, 5; 342.27,

subdivisions 1, 2, 12, by adding a subdivision; 342.28, subdivisions 6, 7, 9, 11; 342.29, subdivisions 5, 6, 8, 8a, 10; 342.30, subdivision 3; 342.31, subdivisions 3, 5; 342.32, subdivision 3; 342.35, subdivision 1; 342.37, subdivision 1; 342.39, subdivision 1; 342.41, subdivision 1; 342.44, subdivision 2; 342.45, subdivision 3; 342.51, by adding subdivisions; 342.515, as amended; 342.61, subdivision 5; 342.63, subdivision 4, by adding a subdivision; 342.66, subdivision 3; 342.80; Minnesota Statutes 2025 Supplement, sections 342.01, subdivision 48; 342.04; 342.10; 342.11; 342.12; 342.13; 342.14, subdivisions 3, 6; 342.16; 342.18, subdivision 2; 342.22, subdivision 3; 342.28, subdivision 8; 342.29, subdivision 7; 342.30, subdivision 1; 342.32, subdivision 1; 342.40, subdivision 7; 342.43, subdivision 2; 342.44, subdivision 1; 342.51, subdivision 2; 342.61, subdivision 4; 342.62, subdivision 2; 342.63, subdivisions 2, 3, 5, 6; proposing coding for new law in Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2024, sections 151.72, subdivisions 1, 2, 4, 5, 5b, 5c, 6, 7; 342.51, subdivision 1; Minnesota Statutes 2025 Supplement, section 151.72, subdivisions 3, 5a."

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

Amendments adopted. Report adopted.

.....
(Committee Chair)

March 27, 2026.....
(Date of Committee recommendation)