



OCM Annual Report to Legislature (2024)

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Executive Summary

The purpose of this report is to provide an overview of the status of Minnesota's cannabis program to the Minnesota State Legislature, as required by §342.04(b, c, and g), §342.72 subd 4, §342.70 subd 5, and §342.73 subd 8(b). As the work is still in its early phases, some details are not yet available or are limited in scope. The report focuses on outlining the forthcoming steps for the Office of Cannabis Management (OCM) and offers recommendations from the Office to ensure the effective rollout of Minnesota's regulated adult-use cannabis program.

Section 1: Status of the Regulated Cannabis Industry

Minnesota's Office of Cannabis Management leads the work to stand up the new agency and develop the operational and regulatory systems to oversee the new regulated cannabis industry. While the adult-use cannabis program is currently in the pre-market phase, OCM continues the planning work and rulemaking process required to ensure a safe and effective retail adult-use program. Additionally, the Office will continue to work closely with the Office of Medical Cannabis (OMC) on their operation and regulation of the continued [Medical Cannabis Program \(https://www.health.state.mn.us/people/cannabis/index.html\)](https://www.health.state.mn.us/people/cannabis/index.html) and the [lower-potency hemp edible market \(https://www.health.state.mn.us/people/cannabis/edibles/index.html\)](https://www.health.state.mn.us/people/cannabis/edibles/index.html) as the Office prepares for the planned transfer of authority regarding both these programs to ensure they continue to operate safely and effectively. The Office remains committed to collecting and reporting information regarding the adult-use industry in future reports following the forthcoming market launch of an adult-use retail program.

Section 2: Status of the Illicit Cannabis Market and Hemp Consumer Industry

Section 2.1: Status of Illicit Cannabis Market

Since Minnesota's adult-use cannabis program is not yet available for retail sale, the illicit cannabis market continues to play a role in cannabis consumption in Minnesota, as highlighted in the Office of Cannabis Management's "An Examination of Cannabis Consumers and Cannabis Demand in Minnesota" report to the legislature (*An Examination of Cannabis Consumers and Cannabis Demand in Minnesota*. (2024). Minnesota Office of Cannabis Management). A considerable proportion of consumers still rely on unregulated sources for their supply of cannabis.

According to the report, a majority of individuals who obtained any cannabis in the past month cited friends and family (67.6%) and adult-use dispensaries (61.3%)—interpreted here as retailers of lower-potency hemp edibles—as their primary sources. Notably, 53.4% acquired cannabis from an illicit source (this study specifically investigated use of a "dealer") and 42.7% from a medical dispensary. Additionally, it is noteworthy that a significant portion of non-medical patients obtained cannabis from regulated sources: 19.1% from medical dispensaries, 20.8% from caregivers, and 10.1% from delivery services. Although not definitive, these figures indicate a potential prevalence of illicitly acquiring regulated medical cannabis.

The prevalence of acquiring cannabis from dealers—an illicit source—is notably high. Dealers accounted for the largest proportion of cannabis obtained (17.6%), and participants were more likely to visit dealers multiple times within a month compared to other sources. Regionally, residents of Olmsted County (5.7 grams), Blue Earth County (5.6 grams), Washington County (5.2 grams), St. Louis County (5.2 grams), Hennepin County (4.5 grams), and Sherburne County (4.4 grams) reported the highest average amounts of cannabis obtained from dealers in the past month (only counties with 10 or more respondents were included in this comparative analysis). These findings underscore the continued prominence of the illicit cannabis market in Minnesota.

Section 2.2: Status of Hemp Consumer Industry

The report also sheds light on the usage of alternative cannabinoids like CBD, Delta-8 THC, and Delta-10 THC. Over half of the participants (50%) reported using at least one such alternative within the last month, with 68% indicating usage at some point in the past.

Minnesota continues to allow the sale of hemp-based edibles with lower THC potency, including products containing hemp-derived Delta-9 THC, Delta-8 THC, CBD, and CBG. These edibles are restricted to adults aged 21 and over. The law specifies that each serving of these hemp edibles can contain a maximum serving of 5mg of Delta-9 or Delta-8 THC, 25mg of CBD, and 25mg of CBG. Additionally, hemp beverages are allowed to have up to 10mg of THC per container, or two servings, and edibles can have up to 50mg of THC per package, equating to ten servings. Minnesota allows these lower-potency hemp products to be sold in various non-dispensary establishments, including grocery stores, bars, liquor stores, and restaurants.

This initiative marks Minnesota as the first state in the country to implement such a program. According to Chapter 63, the management and oversight of the lower potency hemp and CBD markets will transfer from the Minnesota Department of Health to the Office of Cannabis Management by March 1, 2025. As of October 1, 2023, businesses selling these products were required to register with the Department of Health. At the time of publication of this report, there are approximately [3,050 businesses registered \(https://www.health.state.mn.us/people/cannabis/edibles/index.html\)](https://www.health.state.mn.us/people/cannabis/edibles/index.html) with the State of Minnesota to sell these products. The Office remains committed to collecting and reporting additional information regarding the hemp consumer industry in future reports.

Section 3: Traffic Safety and Legal Implications

Presently, the Office of Traffic Safety does not categorize impaired driving based on substance. As such, only data on drunk driving and driving under the influence of drugs is available. In 2022, there were 25,872 DWI arrests and 3,261 arrests for drugged driving incidents; see [Minnesota Department of Public Safety Report \(https://dps.mn.gov/divisions/ots/reports-statistics/Documents/2022a-crash-facts.pdf\)](https://dps.mn.gov/divisions/ots/reports-statistics/Documents/2022a-crash-facts.pdf). In order to understand the rate of cannabis impaired driving there will need to be more specificity collected related to DUIC incidents. The Office will work with the Office of Traffic Safety to explore the collection of DUIC incidents specific to cannabis to gain a better understanding of cannabis use in accidents, arrests, and convictions.

The Department of Public Safety launched a pilot project in January 2024 to assess impaired driving involving cannabis and other drugs. The Office will also be informed by the Department of Public Safety’s pilot project as the results are reported and will include those results in a future report.

Section 4. Potency Changes in Cannabis Product

Given that adult-use cannabis products have not yet been introduced to the Minnesota market, the Office does not have information yet to report on potency changes in cannabis products. The Office remains committed to collecting and reporting this information in future reports following market launch.

Section 5. Social Equity and Community Impact

The Office does not yet have comprehensive information to report on social equity and community impact. The Office is bringing forward legislative requests aimed at strengthening the social equity components of the cannabis legalization legislation. These changes will help ensure social equity applicants have improved access to the capital necessary to begin businesses and build generational wealth.

Current information on the status of automatic expungements set for implementation by the Bureau of Criminal Apprehension can be found at the [Bureau of Criminal Apprehension \(https://dps.mn.gov/divisions/bca/expungements/Pages/default.aspx\)](https://dps.mn.gov/divisions/bca/expungements/Pages/default.aspx). Eligible felony level cannabis-related convictions will be reviewed by a Cannabis Expungement Board to determine whether the records meet the criteria identified in statute for expungement; this board is continuing to be stood up by the Minnesota Department of Corrections. The Bureau of Criminal Apprehension is working to automate expungement of cannabis related records; the programming changes required for this work is underway but not yet complete.

The Office remains committed to collecting and reporting this information in future reports following market launch.

Section 6. Diversity in the Cannabis Industry

The Office does not yet have information to provide a comprehensive report on the status of racial and geographic diversity in the cannabis industry. The Office remains committed to collecting and reporting this information in future reports following market launch.

Section 7: Legislative Recommendations

As encouraged in statute, the Office of Cannabis Management has identified legislative recommendations to streamline licensing and administrative processes and improve the regulated cannabis industry. These recommendations focus on improving the structure of the application and licensing process, strengthening social equity licensing, and unifying supply chains.

Section 7.1: Improving the Structure of the Application and Licensing Process

The Office has identified opportunities to improve the application and licensing program and reduce the risk of bottlenecks, and delay resulting from litigation at either the state or local level and undue financial hardship to applicants. The Office recommends eliminating the need for premises to be secured at the point of initial application (see Chapter 63 § 342.14 Subdivision 1(a)(4)(i)). Requiring applicants to secure premises and comply with local codes before being considered for a license imposes a significant financial burden. This is especially true for social equity applicants and small businesses who may invest substantial capital without any assurance of securing a license. This uncertainty can lead to substantial economic strain for these groups. For example, the state of [California](https://cannabis.ca.gov/wp-content/uploads/sites/2/2023/04/Application-Checklist.pdf) (<https://cannabis.ca.gov/wp-content/uploads/sites/2/2023/04/Application-Checklist.pdf>) requires that prospective cannabis licensees obtain a premise and meet associated property requirements prior to submitting a license application (California Code of Regulations Title 4 Division 19 Article 2 § 15002), referenced as a [barrier to prospective social equity applicants](https://calmatters.org/california-divide/2020/07/california-cannabis-market-black-minority-businesses-struggle/) (<https://calmatters.org/california-divide/2020/07/california-cannabis-market-black-minority-businesses-struggle/>) securing a license.

The Office also recommends the removal of local government narrative input in the license awarding process (see Chapter 63 § 342.13(g)). This requirement exposes the program to potential litigation and significantly slows the licensing process. The current system, which allows local governments discretionary and subjective input on cannabis applications and increases the risk of litigation. Applicants who find themselves adversely and inconsistently impacted by this practice may pursue legal action, potentially delaying the issuance of licenses. These changes do not impact the broader infrastructure for local control and input and it makes endorsements contingent on local certification of compliance, and in the case of retail, local registration. No changes are being recommended to local governments' zoning control. Additionally, the existing process renders licenses and endorsements, particularly in retail, ineffective. This may result in "phantom licenses" where licenses are granted but remain inactive due to the inability to secure local approval or registration. Similar outcomes, while procedurally different, have been demonstrated in Michigan where the ability of local governments to set localized application scoring procedures has resulted in [countless lawsuits and delays to market launch](https://www.theoaklandpress.com/2023/01/08/cannabis-firms-fail-in-lawsuit-against-royal-oak/) (<https://www.theoaklandpress.com/2023/01/08/cannabis-firms-fail-in-lawsuit-against-royal-oak/>) in critical regions, like the Detroit metro area. The Office also recommends defining the term "endorsement" to align with legislative intent for clarity.

These recommendations allow for a more streamlined and transparent approach to licensing that will assist in applicant comprehension and allow for licenses to be issued in an expedited fashion.

Section 7.2: Strengthening Social Equity Licenses

The Office recommends a strengthening of the existing social equity prioritization in Chapter 63 by replacing the 20% of points reserved for social equity applicants with a new license classification. Although current statute reserves 20% of total application points for these applicants, it doesn't address their prioritization in scenarios without caps for certain license categories (see Chapter 63 § 342.18 Subdivision 4(d)). Additionally, current law does not provide a temporal advantage of entering the market before other applicants. The requirement for a competitive licensing process with the current criteria also adds risks of [delay in market launch](#)

<https://michiganadvance.com/blog/after-delays-detroit-reopens-recreational-marijuana-license-process/>) and negatively impacts its development due to vulnerability of being challenged. This has resulted in time-consuming litigation and delays in licensing across the country. Finally, Chapter 63 includes broad criteria for the categorization of social equity points and may unintentionally extend benefits to non-social equity applicants. Because of this, social equity licenses lack meaningful advantages under the existing framework.

To fortify these provisions, the Office also recommends implementing several best practices that prioritize social equity applicants and ensure that licenses are granted to suitable candidates. For instance, the requirement for 100% ownership by social equity applicants may limit their ability to secure vital investments. This requirement is a significant barrier to social equity applicants' ability to raise necessary capital. Meanwhile, best practices that have developed across programs in other states—like [New Mexico \(https://www.rld.nm.gov/wp-content/uploads/2022/06/CCD-Social-Equity.pdf\)](https://www.rld.nm.gov/wp-content/uploads/2022/06/CCD-Social-Equity.pdf) and [Colorado \(https://leg.colorado.gov/sites/default/files/images/olls/crs2020-title-44.pdf\)](https://leg.colorado.gov/sites/default/files/images/olls/crs2020-title-44.pdf) (§ 44-10-308(4)(d)), for example—require simple majority ownership or at least 51% ownership, respectively, to qualify as a social equity business. Learning from other states, a more practical approach is mandating a *minimum* 51% ownership by social equity applicants, facilitating better capital acquisition through ownership shares to meet ownership eligibility criteria.

In Chapter 63 there is no distinction between general and social equity licensees post-licensing, which could reduce the value and opportunities available to social equity licensees. The Office recommends creating a separate social equity license classification, a strategy proven effective in many other states—such as [Arizona \(https://www.azdhs.gov/licensing/marijuana/social-equity/index.php#about\)](https://www.azdhs.gov/licensing/marijuana/social-equity/index.php#about), [Maryland \(https://mmcc.maryland.gov/Documents/2023%20PDF%20Files/Laws%20and%20Regulations/Issue%2014%20%20807-14-2023%29%20%281%29.pdf\)](https://mmcc.maryland.gov/Documents/2023%20PDF%20Files/Laws%20and%20Regulations/Issue%2014%20%20807-14-2023%29%20%281%29.pdf), and [New Mexico \(https://www.rld.nm.gov/wp-content/uploads/2022/06/CCD-Social-Equity.pdf\)](https://www.rld.nm.gov/wp-content/uploads/2022/06/CCD-Social-Equity.pdf), among others—to ensure licenses are awarded to deserving social equity applicants.

When paired together, these recommendations aim to strengthen the social equity provisions of Chapter 63 and mitigate potential issues that have led to [lengthy litigation \(https://mjbizdaily.com/another-lawsuit-targets-detroits-adult-use-marijuana-licensing-ordinance/\)](https://mjbizdaily.com/another-lawsuit-targets-detroits-adult-use-marijuana-licensing-ordinance/) in other jurisdictions.

Section 7.3: Unifying Supply Chains

Chapter 63 bifurcates medical and adult-use cannabis into two separate supply chains that do not overlap. This dual supply chain model is burdensome and expensive for operators and poses public health and safety risks. To reduce costly inefficiencies for the industry and the State, the Office recommends consolidating medical and adult-use cannabis into one single supply chain from the point of cultivation. Merging the cannabis supply chains aligns with industry best practices and is commonplace in several other states with mature adult-use cannabis markets.

A single supply chain for medical and adult-use cannabis has several key benefits that can support the long-term success and viability of Minnesota's regulated market. First, simplifying the supply chain will likely lead to lower retail prices for both adult-use consumers and medical patients. By reducing costs and inefficiencies for operators, these savings could be passed onto the consumer. Second, this change would streamline the licensing

process by reducing the number of license types that the OCM issues and oversees. This will reduce administrative burden, minimize costly enforcement efforts by the OCM, optimize resource allocation, and expedite the licensing process. Finally, consolidating the supply chains now will prevent unnecessary disruption to both the OCM and the regulated industry in the future. For example, the [California cannabis market \(https://cannabis.ca.gov/about-us/consolidation/\)](https://cannabis.ca.gov/about-us/consolidation/) shows the complications for all parties in attempting to maintain distinct supply chains as well as the significant effort required in the merger of those supply chains, which involved the consolidation of all affected regulations and all license types.

Section 7.4: Market Launch Outcomes

The Office recommends adopting a mechanism to issue temporary licenses through statute, particularly for social equity applicants. This strategy would accelerate the timeline, help ensure adequate supply for initial market launch, mitigate some the risk associated with the time between legalization and final rule adoption, and offer first mover advantage for social equity applicants, all in support of the 2025 market launch goal. Temporary regulations for social equity licenses are key in not only keeping pace with the planned launch but also in ensuring fairness and equity from the market's onset. The recommendation aims to facilitate a prompt and equitable market debut.

Section 8: Adverse Effects of Secondhand Smoke

Exposure to secondhand cannabis smoke, particularly indoors, has been linked to adverse health effects. Although research in this area is limited, a [Berkeley study \(https://publichealth.berkeley.edu/news-media/research-highlights/first-of-its-kind-research-shows-dangers-of-secondhand-cannabis-smoke/\)](https://publichealth.berkeley.edu/news-media/research-highlights/first-of-its-kind-research-shows-dangers-of-secondhand-cannabis-smoke/) revealed that secondhand smoke from bongs (water pipes) contains significantly higher and more persistent concentrations of fine particulate matter compared to cigarette smoke. These fine particulates are associated with serious health risks, including premature death, strokes, diminished lung function, and increased mortality due to lung cancer and heart disease. Recognizing this, states like [Michigan \(https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder4/Folder40/Folder3/Folder140/Folder2/Folder240/Folder1/Folder340/Marijuana-and-Asthma-Infographic_final.pdf?rev=1027643a823b4736b4b586647899261b&hash=C961CB467A24C06B24C295F50DDDF791\)](https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder4/Folder40/Folder3/Folder140/Folder2/Folder240/Folder1/Folder340/Marijuana-and-Asthma-Infographic_final.pdf?rev=1027643a823b4736b4b586647899261b&hash=C961CB467A24C06B24C295F50DDDF791), [Washington \(https://www.learnaboutcannabiswa.org/topics/health-effects/secondhand-exposure/\)](https://www.learnaboutcannabiswa.org/topics/health-effects/secondhand-exposure/), [Maryland \(https://mmcc.maryland.gov/Pages/cannabisfaq.aspx\)](https://mmcc.maryland.gov/Pages/cannabisfaq.aspx), and [New Jersey \(https://www.nj.gov/cannabis/adult-personal/safe-responsible-consumption/\)](https://www.nj.gov/cannabis/adult-personal/safe-responsible-consumption/) have developed public awareness materials about the dangers of secondhand smoke. The Office plans to collaborate with the Department of Health to review existing research and work to educate the public on the harmful impacts of secondhand smoke. Additionally, the Department of Health has launched a [new webpage \(https://www.health.state.mn.us/communities/cannabis/yourhealth.html\)](https://www.health.state.mn.us/communities/cannabis/yourhealth.html) to provide health information regarding cannabis and cannabis use directly to the public. The Office remains committed to collecting and reporting information regarding the adverse effects of secondhand smoke in future reports following market launch.

Section 9: Recommendations for Educational and Training Funding

The focus for adult-use cannabis programs should be achieving the best outcomes for public health and safety. As such, educational and training programs should be funded and implemented to provide information to consumers on the potential dangers of cannabis, responsible cannabis consumption, and risks and laws regarding driving under the influence of cannabis. Chapter 63 includes \$10M in FY25 for local and tribal health departments to create and disseminate educational materials on cannabis.

Section 9.1: Pregnancy and Breastfeeding Education

To educate individuals who are breastfeeding or pregnant, consumers should be provided with medically accurate information on the potential known risks of cannabis use during breastfeeding and pregnancy. While research is still very limited on the impact of cannabis use during pregnancy, the current guidance is that pregnant and/or breastfeeding individuals should discontinue cannabis use during pregnancy and breastfeeding. The Office will look to scientific research and resources created by many other states with adult-use programs such as [Illinois \(https://dph.illinois.gov/topics-services/prevention-wellness/cannabis.html\)](https://dph.illinois.gov/topics-services/prevention-wellness/cannabis.html), [Michigan \(https://www.michigan.gov/-/media/Project/Websites/cra/bulletin/health-safety/Marijuana_and_Pregnancy_Provider_Fact_Sheet.pdf?rev=2f984e3623d641ffbbefde91f6e03653\)](https://www.michigan.gov/-/media/Project/Websites/cra/bulletin/health-safety/Marijuana_and_Pregnancy_Provider_Fact_Sheet.pdf?rev=2f984e3623d641ffbbefde91f6e03653), [Maryland \(https://mmcc.maryland.gov/Documents/2022_PDF_Files/CDAT/Pregnancy%20and%20Breastfeeding.pdf\)](https://mmcc.maryland.gov/Documents/2022_PDF_Files/CDAT/Pregnancy%20and%20Breastfeeding.pdf), [Maine \(https://www.maine.gov/dhhs/mecdc/public-health-systems/data-research/prams/documents/pdf/prams-mj.pdf\)](https://www.maine.gov/dhhs/mecdc/public-health-systems/data-research/prams/documents/pdf/prams-mj.pdf), [Massachusetts \(https://masscannabiscontrol.com/health-effects/\)](https://masscannabiscontrol.com/health-effects/), among others which have created resources on the risks of cannabis use for those who are pregnant and/or breastfeeding.

To support this work, Chapter 63 appropriated \$2 million in funding in fiscal year 2025 to the Minnesota Department of Health to coordinate programming to educate pregnant individuals, breastfeeding individuals, and individuals who may become pregnant on the health risks of cannabis. In addition, OCM will collaborate with the Minnesota Department of Health to ascertain funding recommendations for future years.

Section 9.2: Training for Home Visiting and Child Welfare Workers

Considering the significant changes to the treatment of cannabis within the legal system, training for home visiting and child welfare workers is incredibly important. Home visiting and child welfare workers will have to change how they operate with respect to cannabis. These individuals should be aware of cannabis safe storage and understand safe use practices in a household with children. These workers should be trained to not take punitive actions against parents merely on the presence of cannabis. Rather, they should be given a comprehensive education on cannabis and how to protect children from it. Many states have taken this approach and no longer allow for children to be taken from parents on the cannabis alone.

The Office will collaborate with the Department of Health and Department of Human Services and other relevant regulatory agencies to ascertain funding recommendations.

Section 9.3 Youth Education on Health Effects

To mitigate underage and harmful cannabis use, it is essential to educate youth and young adults about its risks through age-appropriate, evidence-based campaigns. States such as [New Jersey](https://www.nj.gov/cannabis/highpoints/20230724.shtml) (<https://www.nj.gov/cannabis/highpoints/20230724.shtml>), [Michigan](https://www.michigan.gov/-/media/Project/Websites/cra/consumer-connection/2021-lara-child-marijuana-brochure-APPROVED.pdf?rev=8a7de5aa78394b5d932b0bed20b4e20a) (<https://www.michigan.gov/-/media/Project/Websites/cra/consumer-connection/2021-lara-child-marijuana-brochure-APPROVED.pdf?rev=8a7de5aa78394b5d932b0bed20b4e20a>), [Washington](https://www.youcanwa.org/) (<https://www.youcanwa.org/>), and [Maine](https://www.uncloudedmaine.com/) (<https://www.uncloudedmaine.com/>) have created educational cannabis programming for youths and young adults. Minnesota is informed on trends in high-risk behavior among adolescents and teens through the statewide student survey. Additionally, those of driving age must be informed about the dangers and legal implications of driving under the influence of cannabis. Parents should also be equipped with resources on safely storing cannabis products and advised on how to engage in age-appropriate discussions with their children about cannabis use.

To support this work, Chapter 63 appropriated \$5 million in funding in fiscal year 2025 to the Minnesota Department of Health to coordinate programming to raise public awareness about adverse health effects of cannabis for people under age 25. The Office is collaborating with the Department of Health and other relevant regulatory agencies to ascertain funding recommendations for future years.

Section 9.4: Funding for CanTrain, CanNavigate, CanStartup, and CanGrow Programs

The CanTrain, CanNavigate, CanStartup, and CanGrow programs are designed to support individuals and organizations in the cannabis industry through grants, aiding in understanding and navigating the regulatory landscape, application processes, and business operations. Specifically, CanTrain offers grants to organizations for training social equity applicants in the cannabis industry. CanNavigate provides grants to assist individuals in maneuvering through the legal cannabis industry's regulatory framework. CanStartup awards grants to nonprofit corporations to offer loans to cannabis microbusinesses and social equity applicants. Lastly, CanGrow grants support organizations in guiding farmers through the legal cannabis industry's regulatory structure and offers loans to aid their entry into the industry.

To support the work to launch the CanTrain, CanNavigate, and CanStartup programs, Chapter 63 appropriated \$6 million in funding for the Department of Employment and Economic Development for fiscal years 2024 and 2025. The Office is collaborating with the relevant regulatory agencies to prepare for and launch these programs and to ascertain funding recommendations for future years. Chapter 63 also appropriated \$1 million per year starting in fiscal year 2024 to support the CanGrow program.

Section 9.5: Community Development Grants through CanRenew Program

The CanRenew Program provides grants to organizations for community development in social equity communities. Programs funded under CanRenew grants may include economic development, improvement of the social determinants of health, violence prevention, youth development or civil legal review. The legislation also appropriated \$1 million in fiscal year 2025 and then \$15 million per year in fiscal year 2026 to support the CanRenew program. The Office's Division of Social Equity will administer the grants in accordance with the OCM Annual Report to Legislature (2024)

criteria outlined in statute that includes extensive outreach and engagement with community organizations, particularly those located in eligible communities.

Section 9.6: Law Enforcement Training

Allocating funds for training law enforcement officers is essential due to changes in laws regarding cannabis flower, products, and lower potency edibles as well as the cultural uses of sage and distinguishing use of sage from the use of cannabis flower. These trainings are crucial to ensure that officers are well-equipped to manage traffic stops, DUI incidents, searches, and seizures under the new cannabis laws. Additionally, the training will familiarize officers with possession limits and usage regulations to enforce cannabis laws effectively and equitably.

To support this training work, Chapter 63 appropriated \$10 million in fiscal year 2024 and \$5 million in fiscal year 2025 to the Department of Public Safety's Office of Traffic Safety. Currently, the Office is working in collaboration with local law enforcement agencies, the Minnesota Chiefs of Police, the Minnesota Sheriff's Association, the League of Minnesota Cities, the Association of Minnesota Counties, and county social services agencies to determine appropriate funding levels for these initiatives in future years.

Section 9.7: Training Recommendations on Cannabis Law Changes and Drug Recognition

To effectively enforce cannabis laws and identify drug-impaired driving during traffic stops, it's crucial that law enforcement officers have the appropriate training and tools. As noted above, these efforts will be largely informed by the pilot project recently started by the Department of Public Safety Office of Traffic Safety.

Section 9.8: Drug Detection Canines

A program is needed to help police departments transition from drug detection canines that have been trained on detecting cannabis to dogs trained in other vital public safety areas, like explosives and electronics detection. The Office will work with relevant regulatory bodies and local law enforcement agencies, including the Minnesota Chiefs of Police and the Minnesota Sheriff's Association, to determine the necessary funding for this initiative.

Section 9.9: Social Service Agency Support

Funding is essential for the Departments of Human Services and Health and county-level social service agencies to support programs that bolster public health. This financial support is crucial for providing these agencies with resources for Cannabis Use Disorder (CUD) and Substance Use Disorder (SUD). The Office is in consultation with the Departments of Health and Human Services on the implementation of the SUD grants funded in §342.72.

Section 10: Consultation Process

The office will establish a comprehensive consultation process, engaging with all relevant agencies, associations, leagues, and other necessary groups to accurately determine the funding required for all initiatives outlined in this report. These consultation efforts are separate and distinct to the formal consultations that occur with the 11 tribal nations of Minnesota. These efforts are aimed at ensuring that these initiatives are operational in time for the launch of the cannabis market in Minnesota.

Conclusion

The Office leads the robust work to design, implement, and launch a regulatory system to support an adult-use cannabis market in Minnesota, while also providing continuity for the existing Medical Cannabis Program and extensive hemp-derived cannabinoid product market. While the adult-use cannabis market is not yet in the retail phase of this process at the time of the report, there has been significant progress towards this goal since the passage of Chapter 63. The Office remains committed to launching a program that protects public health and safety, promotes equitable economic opportunity, and ensures a safe and accessible adult-use cannabis market. Furthermore, the Office also recognizes the importance of data as a critical factor in the Office's ability to effectively regulate cannabis and is committed to expanding data collection and analysis. While there is not yet comprehensive data regarding the program's outcomes, impact on public health and safety, social equity, and industry diversity, the Office expects this ongoing data collection will inform future reports to the legislature and more, in the future. As the work progresses, the Office will continue to consult with relevant agencies, associations, leagues, and other key groups to determine the necessary funding for implementing the initiatives outlined in this report.