

CANNABIS COMPACT
Between
THE LOWER SIOUX INDIAN COMMUNITY IN THE STATE OF MINNESOTA
And
THE STATE OF MINNESOTA

Article I. Introduction

- A. Authority. This Cannabis Compact between the Lower Sioux Indian Community in the State of Minnesota and the State of Minnesota (the “Compact”) is entered into pursuant to Minnesota Statutes, sections 3.9224 and 3.9228 (the “Compacting Legislation”). This document will be cited as the “Cannabis Compact Between the Lower Sioux Indian Community in the State of Minnesota and the State of Minnesota.”
- B. Parties. The Parties to this Compact are the Lower Sioux Indian Community in the State of Minnesota (“Tribe”) and the State of Minnesota (“State”) (individually, a “Party” and collectively, the “Parties”).

The Tribe has its headquarters on the Lower Sioux Indian Reservation, which is located in the State of Minnesota. The Tribe is a federally recognized Indian tribe possessed of inherent sovereignty, sovereign immunity, and the powers of self-government, including the power to enter into binding agreements with a state government.

The State is a state within the United States, possessed of the full powers of a state government. The Compacting Legislation allows the Governor or the Governor’s designee to enter into a compact with any Minnesota Tribal Government wishing to enter into a compact regulating any issues related to the Cannabis industry, including medical or adult-use Cannabis flower, medical or adult-use Cannabis products, extracts, concentrates, and artificially derived cannabinoids that affect the interest of both the State and a Minnesota Tribal Government or otherwise have an impact on Tribal-State relations.

- C. Purpose of Compact. Historically, the production, possession, delivery, distribution, sale, and use of Cannabis has been illegal across the United States and in Indian Country. The federal Controlled Substances Act (“CSA”), 21 U.S.C. § 801 et seq., generally prohibits or restricts possession or use of marijuana, the definition of which includes Cannabis and many of its derivatives. However, many states, including Minnesota, have legalized Cannabis for medicinal or adult recreational uses. In response to the growing number of states legalizing Cannabis in some form, United States Deputy Attorney General James M. Cole issued a memorandum on August 29, 2013 (“Cole Memorandum”) establishing federal guidelines for the federal prosecution of offenses related to marijuana. The Cole Memorandum stated that given the Department of Justice’s (“DOJ”) limited resources, the DOJ should refrain from enforcing federal marijuana prohibition in states that “legalized marijuana in some form and . . . implemented strong and effective regulatory and enforcement systems to control the

cultivation, distribution, sale, and possession of marijuana,” except where a lack of federal enforcement would undermine certain federal priorities:

- (1) The prevention of the distribution of marijuana to minors;
- (2) The prevention of revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;
- (3) The prevention of the diversion of marijuana from states where it is legal under state law in some form to other states;
- (4) The prevention of state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
- (5) The prevention of violence and the use of firearms in the cultivation and distribution of marijuana;
- (6) The prevention of drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
- (7) The prevention of the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
- (8) The prevention of marijuana possession or use on federal property.

On October 28, 2014, DOJ Director Monty Wilkinson issued a memorandum to all United States Attorneys (“Wilkinson Memorandum”), which extended the guidance provided in the Cole Memorandum to Indian Country. The Wilkinson Memorandum acknowledged that “[t]he eight priorities in the Cole Memorandum will guide United States Attorneys’ marijuana enforcement efforts in Indian Country, including in the event that sovereign Indian Nations seek to legalize the cultivation or use of marijuana in Indian Country.” The Wilkinson Memorandum effectively treats tribal governments the same as state governments in the decision to legalize Cannabis.

The Cole and Wilkinson Memoranda were rescinded by United States Attorney General Jefferson Sessions on January 4, 2018; however, there has been little practical change to federal enforcement policy. A review of federal prosecutions involving Cannabis reflects no cases of purely state-compliant Cannabis Activity. As of May 2024, the DOJ proposed to transfer marijuana from schedule I of the CSA to schedule III of the CSA, consistent with the view of the Department of Health and Human Services (“HHS”) that marijuana has a currently accepted medical use as well as HHS’s views about abuse potential and level of physical or psychological dependence of marijuana. This proposed rule, which must navigate the formal rulemaking process, indicates a continuance of the spirit embodied by the policy set forth in the Cole

Memorandum. The State and Tribe agree the terms of this Compact are sufficient and necessary to rise to the current standard of federal priorities, despite the Parties' acknowledgement that this Compact does not protect the sales or regulation of State or Tribal Cannabis Activity from federal enforcement.

The Rohrabacher-Farr amendment, otherwise known as the Rohrabacher-Blumenauer amendment, is a provision that has been included in federal budget bills since 2014. The amendment prohibits the DOJ from using funds to interfere with the implementation of state medical Cannabis laws. It serves as a safeguard against federal interference in states' rights to establish and regulate their own medical Cannabis programs. The amendment has been extended multiple times over the past decade, was most recently approved for the fiscal year ending September 30, 2024 by Public Law 118-42, which was extended through the fiscal year ending September 30, 2025 by Public Law 118-83, and further establishes the landscape of federal priority not expending resources to pursue states legalizing Cannabis, including Minnesota.

- D. Intent. Through State law, the State has partially decriminalized certain activities relating to Cannabis, including the cultivation, production, possession, delivery, transportation, distribution, sale, and use of Cannabis in the State. State law provides a framework for a civil regulatory system that accomplishes federal priorities as described above relating to Cannabis. The Tribe, as a sovereign nation, has legalized certain Cannabis-related activities on, about, and within its Tribally Regulated Land. The Tribe has its own civil regulatory system that accomplishes federal priorities related to Cannabis.

The State and Tribe have recognized the need for cooperation and collaboration with regard to Cannabis in Indian Country as it pertains to Tribal-State interaction. The Parties share a strong interest in ensuring that Cannabis transactions between the State and Tribal jurisdictions are well-regulated to protect public safety and community interest, and in alignment with federal priorities and guidelines and Compacting Legislation. The Parties share a further interest in ensuring that Cannabis Activities conducted by the Tribe, or under the Tribal civil regulatory framework, are well-regulated to protect public safety and community interest in alignment with federal priorities, guidelines, and Compacting Legislation to the extent it is applicable. The Parties intend to enter into this Compact to strengthen their abilities to meet these mutual interests and provide a framework for cooperation to ensure alignment sufficient to meet the federal priorities. Furthermore, the Parties intend for this Compact to provide a regulatory framework and allow for the Tribe to (i) engage in Cannabis Activities outside the boundaries of its Tribally Regulated Land in accordance with the terms described hereunder; (ii) purchase non-tribal Cannabis for the purpose of selling within and outside the boundaries of Tribally Regulated Land; (iii) conduct sales of Cannabis grown or produced by a Tribal Enterprise or Tribally Licensed Cannabis Business with a State-licensed business; and (iv) transport Cannabis outside the boundaries of Tribally Regulated Land.

The Parties agree that it is in their respective best interest to enter into a Compact to enhance public health and safety, ensure a lawful and well-regulated Cannabis market, encourage economic development in Indian Country, and provide fiscal benefits to the Tribe and the State.

- E. Compact Applicability Limitation. Compacting Legislation provides a unique set of criteria for establishing and authorizing this Compact. Nothing put forth herein shall be interpreted or construed to apply to, for, or to establish precedent for, any matter outside of Cannabis-related activity specifically authorized pursuant to Compacting Legislation. Amendment or repeal of the Compacting Legislation shall not operate to amend or terminate this Compact.
- F. Citations to Minnesota Statutes. Any definitions which cite to chapter 342 of the Minnesota Statutes or any other State law are for short-hand and efficiency purposes only.
- G. References to Regulatory Entities. The State is a Party to this Compact and OCM shall from time to time throughout this Compact be referred to separately, and in this Compact when OCM is required to perform or act the State shall cause OCM to do so. Likewise, the Tribe is a Party to this Compact and the Tribal Regulatory Agency (“TRA”) shall from time to time throughout this Compact be referred to separately, and in this Compact when the TRA is required to perform or act the Tribe shall cause the TRA to do so.

Article II. Definitions

A. Definitions.

1. “Cannabis” shall mean and include the definitions of “Cannabis concentrate,” “Cannabis flower,” “Cannabis product,” “Cannabis seed,” and “Cannabis plant” and Cannabis defined by the Compacting Legislation.
2. “Cannabis Activity” may include any action or operation related to the commercial cultivation, production, processing, manufacturing, distribution, wholesaling, sale, possession, use, transportation, or delivery of Cannabis authorized by a license issued by the Tribal Regulatory Agency pursuant to this Compact.
3. “Compact” shall mean this Cannabis Compact between the Lower Sioux Indian Community in the State of Minnesota and the State of Minnesota.
4. “Compacting Legislation” shall mean Minnesota Statutes, chapter 342; section 3.9224; section 3.9228; or other Minnesota State legislation which is in effect and applicable to the subject matter contained herein.
5. “Credible suspicion” shall mean a well-founded belief regarding specific articulable facts based on documents, recordings, physical evidence, and/or statements from credible witnesses with firsthand knowledge.
6. “Cultivation License” shall mean a license entitling the licensee to grow Cannabis plants within the approved amount of space from seed or immature plant to mature plant, harvest Cannabis flower from a mature plant, and package and label immature Cannabis plants and seedlings and Cannabis flower for sale.

7. “Delivery License” shall mean a license entitling the licensee to deliver Cannabis flower and Cannabis products directly to customers located outside of Tribally Regulated Lands.
8. “Full Panel Test” shall mean the Cannabis testing required for Cannabis as set forth herein at Article IV(D)(1).
9. “Indian Country” shall mean the lands of the Tribe as defined by United States Code, title 18, section 1151.
10. “Local Jurisdiction” shall mean a County or City government with regular governing authority over the location of a Tribal Enterprise.
11. “Manufacturing License” shall mean a license entitling the licensee to:
 - a. Purchase Cannabis flower, Cannabis products and artificially derived cannabinoids from a Cannabis business authorized or endorsed to (i) cultivate Cannabis, (ii) manufacture Cannabis products, (iii) wholesale Cannabis flower and Cannabis products, or (iv) manufacture artificially derived cannabinoids;
 - b. Accept two ounces or less of Cannabis flower from an unlicensed person who is at least 21 years of age on a single occasion;
 - c. Make Cannabis concentrate;
 - d. Make hemp concentrate including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;
 - e. Manufacture artificially derived cannabinoids;
 - f. Manufacture adult-use Cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption; and
 - g. Package and label adult-use Cannabis products for sale to customers.
12. “Material impact on public health and safety” means a significant adverse effect or imminent danger thereof on the well-being of individuals and/or the general population.
13. “Material noncompliance” means a serious violation of a substantive provision of the Tribal Code, this Compact (or Attachment A), chapter 342 of the Minnesota Statutes, or chapter 9810 of the Minnesota Administrative Rules, as relevant.
14. “Material matters of health and safety” means serious health and safety issues that significantly impact the well-being of individuals and/or the general population.
15. “Medical Cannabis” shall mean Cannabis produced by a State licensee approved to cultivate or manufacture for sale medical Cannabis flower or medical cannabinoid products.
16. “Minnesota Tribal Government” shall mean the same definition as defined in the Compacting Legislation.
17. “Office of Cannabis Management” or “OCM” shall mean that agency of the State of Minnesota which is authorized by Minnesota law to oversee the enforcement of the State’s civil regulatory Cannabis program, as the same may be redesignated from time to time by the State.
18. “Parties” shall mean the State and the Tribe.
19. “Retail License” shall mean a license entitling the licensee to perform the equivalent of the following:
 - a. Purchase immature Cannabis plants and seedlings, Cannabis flower, and Cannabis products from Cannabis businesses authorized or endorsed to (i) cultivate Cannabis, (ii)

- manufacture Cannabis products, or (iii) wholesale Cannabis flower and Cannabis products; and
- b. Sell immature Cannabis plants and seedlings, adult-use Cannabis flower, and Cannabis products and other products authorized by law to customers.
20. “Seed-to-Sale Tracking System” shall mean the maintenance of comprehensive records of cultivation, manufacturing, transportation, and sale activities, including but not limited to plant inventory, cultivation methods employed, and any applied treatments or amendments, ensuring complete traceability and accountability from seed to sale.
21. “State” shall mean the State of Minnesota.
22. “State-Licensed Cannabis Business” shall mean any business holding a license from OCM pursuant to Minnesota Statutes, chapter 342.
23. “Termination” or “Termination Date” shall mean the date on which the Tribe or State terminates this Compact; otherwise, this Compact shall remain in effect in perpetuity.
24. “Testing Facility License” shall mean a license entitling the licensee to perform the equivalent of the following: obtain and test immature Cannabis plants and seedlings, Cannabis flower, and Cannabis products from a Cannabis business authorized or endorsed to (i) cultivate Cannabis, (ii) manufacture Cannabis, or (iii) wholesale Cannabis.
25. “Transporter License” shall mean a license entitling the license holder to perform the equivalent of the following: transport immature Cannabis plants and seedlings, Cannabis flower, Cannabis products, and artificially derived cannabinoids between Cannabis businesses engaged in Cannabis Activity.
26. “Tribal Code” shall mean the civil regulatory system codified and implemented by the Tribe governing the Tribe’s Cannabis Activity.
27. “Tribal Council” shall mean the governing body of the Tribe, identified in the Tribe’s constitution as the Community Council of the Lower Sioux Indian Reservation.
28. “Tribal Enterprise” shall mean an entity licensed by the Tribal Regulatory Agency under this Compact to engage in Compacted Cannabis Activity and controlled by the Tribe with no less than fifty-one percent (51%) ownership interest.
29. “Tribal Regulatory Agency” or “TRA” shall mean the agency of the Tribe which is authorized by the Tribe’s governing body to oversee the enforcement of the Tribe’s civil regulatory Cannabis program, as the same may be redesignated from time to time by the Tribe.
30. “Tribally Licensed Cannabis Business” shall mean all businesses licensed by the Tribal Regulatory Agency, pursuant to its Tribal Code, to engage in Cannabis Activity; provided, however, this definition does not include those businesses which may be licensed under the Tribal Code and meet the definition of a Tribal Enterprise. References to “tribally licensed Cannabis business” shall mean a tribally licensed Cannabis business other than a Tribally Licensed Cannabis Business.
31. “Tribally Regulated Land” shall mean, as defined in Compacting Legislation: (1) all land held in trust by the United States for the benefit of a Minnesota Tribal Government (“trust land”); (2) all land held by a Minnesota Tribal Government in restricted fee status; and (3) all land within the exterior boundaries of the reservation of a Minnesota Tribal Government that is subject to the civil regulatory jurisdiction of the Tribal government. For the purposes

of this section, land that is subject to the civil regulatory jurisdiction of the Tribal government includes: (i) trust land, or fee land held (including leased land) by the Tribe, entities organized under Tribal law, or individual Indians; and (ii) land held (including leased land) by non-Indian entities or individuals who consent to the civil regulation of the Tribal government or are otherwise subject to such regulation under federal law.

32. "Tribe" shall mean the Lower Sioux Indian Community in the State of Minnesota.
33. "Wholesale License" shall mean a license entitling the licensee to:
 - a. Purchase immature Cannabis plants and seedlings, Cannabis flower, Cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from State-Licensed Cannabis Businesses, Tribal Enterprises located outside of Tribally Regulated Land, and other tribally licensed Cannabis businesses or tribal enterprises licensed by the tribal regulatory authority of a tribe other than the Tribe authorized or endorsed to (i) cultivate Cannabis, (ii) manufacture Cannabis, (iii) manufacture or sell lower-potency hemp edibles, or (iv) manufacture or sell hemp-derived consumer products; and
 - b. Sell immature Cannabis plants and seedlings, Cannabis flower, Cannabis products, and other products authorized by law to State-Licensed Cannabis Businesses, Tribal Enterprises located outside of Tribally Regulated Land, and other tribally licensed Cannabis businesses or tribal enterprises licensed by the tribal regulatory authority of a tribe other than the Tribe.
 - c. Sell lower-potency hemp edibles to State-Licensed Cannabis Businesses, Tribal Enterprises located outside of Tribally Regulated Land, and other tribally licensed Cannabis businesses or tribal enterprises licensed by the tribal regulatory authority of a tribe other than the Tribe.
 - d. Import hemp-derived consumer products and lower-potency hemp edibles that contain hemp concentrate or artificially derived cannabinoids derived from hemp plants or hemp parts.

Article III. Scope and Applicability of Compact

A. Compacted Cannabis Activity.

1. This Compact applies to Compacted Cannabis Activity, which is (i) Cannabis Activity undertaken within the boundaries of Tribally Regulated Land by a Tribally Licensed Cannabis Business or Tribal Enterprise in connection with the sale, or offer of sale, of Cannabis directly to a State-Licensed Cannabis Business, and (ii) Cannabis Activity undertaken by a Tribal Enterprise outside the boundaries of Tribally Regulated Land pursuant to a license issued by the Tribal Regulatory Agency, as further defined in the following sections. Except as otherwise provided by the express terms of this Compact, Cannabis Activity occurring within the Tribe's Tribally Regulated Land is outside the scope of this Compact, under the sole regulatory authority of the Tribe, and by entering into this Compact the Tribe does not submit to the jurisdiction of the State with regard to any such activities.
2. For purposes of applying Article III(A)(1):

- a. Compacted Cannabis Activity includes seed-to-sale tracking of all Cannabis that is or will be subject to the definition of Compacted Cannabis Activity at Article III(A)(1).
 - b. OCM and its agents engaged in auditing and verification as permitted under this Compact may assume that all Cannabis Activity in a Tribally Licensed Cannabis Business or Tribal Enterprise subject to this section is Compacted Cannabis Activity unless the Tribally Licensed Cannabis Business or Tribal Enterprise clearly segregates Compacted Cannabis Activity from other Cannabis Activity.
3. Compacted Cannabis Activity does not include any activity other than that expressly identified in Article III(A)(1)–(2).

B. Authorization to State-Licensed Cannabis Businesses.

1. State-Licensed Cannabis Businesses may conduct Cannabis transactions with any entity duly licensed by the Tribal Regulatory Agency consistent with the terms of this Compact. The Cannabis transactions authorized by this Compact include the purchase of Cannabis flower or Cannabis products cultivated, manufactured, or packaged by a Tribally Licensed Cannabis Business or Tribal Enterprise and sale of Cannabis flower or Cannabis products to a Tribally Licensed Cannabis Business or Tribal Enterprise. Cannabis products purchased by a State-Licensed Cannabis Business consistent with the terms of this Compact are adult-use Cannabis flower, concentrates, or products, as applicable, under Minnesota Statutes, section 342.01, subdivisions 2–4.
2. State-Licensed Cannabis Businesses holding Testing, Transporter, or Delivery Licenses may be licensed by both the Tribal Regulatory Agency and OCM, provided that, for Transporter or Delivery Licensees, the State-Licensed Cannabis Business does not maintain a permanent facility within the Tribe’s Tribally Regulated Land. No other State-Licensed Cannabis Businesses may be licensed by both the Tribal Regulatory Agency and OCM. There is no prohibition against State-Licensed Cannabis Businesses having common ownership with businesses licensed by the Tribal Regulatory Agency. This provision does not prevent the Tribe from requiring licensing, registration, or permitting of State-Licensed Cannabis Businesses, in all license categories, as a condition for conducting Cannabis transactions with any entity duly licensed by the Tribal Regulatory Agency, so long as such licensing, registration, or permit is for the equivalent of vendor background purposes and does not allow the State-Licensed Cannabis Businesses to conduct cultivation, manufacturing, wholesale, retail, testing, or event activities within Tribally Regulated Land. OCM shall respond to any inquiry from the Tribal Regulatory Agency requesting confirmation that a specific person or entity has not been licensed by OCM within two (2) business days.

C. Medical Cannabis.

1. This Compact primarily addresses Cannabis intended for adult recreational use. This Compact authorizes Tribally Licensed Cannabis Businesses and Tribal Enterprises licensed by the Tribal Regulatory Agency to purchase Medical Cannabis from State-Licensed

Cannabis Businesses licensed or endorsed to sell Medical Cannabis. The Medical Cannabis must be transported or delivered to the Tribally Licensed Cannabis Business or Tribal Enterprise located on, about, or within Tribally Regulated Lands of the Tribe. Once within the Tribally Regulated Lands of the Tribe, the Medical Cannabis may be recategorized as adult use, if permitted by the Tribe's Code, provided that any such recategorized Medical Cannabis may thereafter only be sold on the Tribe's Tribally Regulated Land to a customer. Recategorizing a product includes extracting, distilling, and isolating cannabinoids.

2. Any such Medical Cannabis that is not recategorized may thereafter be sold to (i) a State-Licensed Cannabis Business outside of Tribally Regulated Land, (ii) other Minnesota Tribal Governments (or their respective licensed or authorized tribal enterprises or tribally licensed Cannabis businesses), or (iii) a consumer on Tribally Regulated Land. In order to sell Medical Cannabis (which is not recategorized) to a State-Licensed Cannabis Business outside of the Tribe's Tribally Regulated Land, or to another Minnesota Tribal Government (or its respective licensed or authorized tribal enterprises or tribally licensed Cannabis businesses), the Tribe must utilize an exclusively medical Metrc instance to track such Medical Cannabis, and provide OCM appropriate access to the Metrc instance.

D. Closed Loop. Other than retail sale to consumers, this Compact does not authorize Tribally Licensed Cannabis Businesses or Tribal Enterprises to conduct Cannabis Activity with any person or entity not licensed by OCM. This Compact authorizes Tribally Licensed Cannabis Businesses and Tribal Enterprises to conduct Cannabis Activity with any person or entity licensed by OCM, and this Compact acknowledges the authority of the Tribe to authorize Cannabis Activity between Tribally Licensed Cannabis Businesses, Tribal Enterprises, State-Licensed Cannabis Businesses, and licensees of other Minnesota Tribal Governments. Cannabis Activity among and between Minnesota Tribal Governments is expressly outside the scope of this Compact.

E. Criminal Jurisdiction. Nothing in this Compact shall be interpreted as limiting the criminal jurisdiction of the State of Minnesota.

F. Acknowledgment of Tribal Sovereignty and Immunity. The State acknowledges the inherent sovereignty of the Tribe as an independent, self-governing nation with the authority to regulate and govern its internal affairs, including without limitation all Cannabis Activity occurring on Tribally Regulated Land. The State recognizes and respects the principle of Tribal sovereign immunity. The Tribe does not waive such immunity by entering into this Compact.

G. State Does Not Concede Immunity. By entering into this Compact, the State does not concede its immunity, except as otherwise specifically authorized herein or under State law.

Article IV. Tribal Regulation and Licensing

A. Tribal Regulatory Agency. The Tribe has already adopted a Tribal Code that establishes a Tribal Regulatory Agency to carry out enforcement of the Tribal Code with regard to the regulation of Cannabis Activity.

1. No officer or employee of the Tribal Regulatory Agency may own an interest in, be employed by, or be a member of a board of directors of a Tribally Licensed Cannabis Business or Tribal Enterprise.
2. If a spouse or immediate family member of an officer or employee of the Tribal Regulatory Agency owns an interest in, is employed by, or is a member of a board of directors of a Tribally Licensed Cannabis Business or Tribal Enterprise, the potential conflict of interest must be publicly disclosed, and the officer or employee of the Tribal Regulatory Agency shall be recused from any decisions impacting the spouse or immediate family member.
3. The Tribal Regulatory Agency must be physically and legally independent from any Cannabis Activity conducted by Tribal Enterprises and Tribally Licensed Cannabis Businesses. For example, if the Tribe's Tribal Council establishes a legal entity to own one or more Tribal Enterprises, that entity may not appoint, supervise, or in any way be affiliated with the Tribal Regulatory Agency.
4. This Compact acknowledges that the Tribe or its Tribal Council owns or may own interests in a Tribal Enterprise.
5. OCM shall ensure that all of its employees shall at all times abide by conflict-of-interest policies at least as restrictive as those set forth herein.

B. Standards and Amendments.

1. Tribally Licensed Cannabis Businesses and Tribal Enterprises are not subject to State Cannabis laws or regulations except as provided by this Compact. Attachment A is incorporated by reference into this Compact. References to OCM in Attachment A shall not be construed to expand the scope of OCM's jurisdiction or authority within the Tribe's Tribally Regulated Land beyond what is specifically set forth in this Compact. References to hemp or lower-potency hemp edible products in Attachment A shall not be construed to expand the scope of this Compact with regard to the regulation and licensing of activity specific to hemp and lower-potency hemp edible products.
2. The Tribal Cannabis laws and regulations applicable to Compacted Cannabis Activity must meet or exceed the standards set forth in Attachment A, and the Tribal Regulatory Agency must ensure the standards are complied with by all Tribal Enterprises and Tribally Licensed Cannabis Businesses with regard to Compacted Cannabis Activity. For purposes of Tribal Regulatory Agency enforcement of Attachment A, references to OCM within Attachment A shall be considered references to the Tribal Regulatory Agency. The Parties acknowledge the implementation of Attachment A will require the exercise of some discretion by the Tribal Regulatory Agency. If the Parties disagree on an interpretation of Attachment A, the Parties shall follow the Dispute Resolution procedures set forth herein. The Parties also acknowledge that Attachment A incorporates the following State statutes and regulations: Minnesota Statutes, chapter 182; Minnesota Administrative Rules, chapter 5205; Minnesota State building and fire codes; State environmental and workplace safety requirements and policies; Minnesota Statutes, sections 325E.61 and 325E.64; and Minnesota Statutes,

chapter 221. The Tribe agrees that the foregoing State statutes and regulations shall apply to all off-Tribally Regulated Land Compacted Cannabis Activity, and the Parties agree that this Compact and Attachment A do not resolve any issue concerning the applicability of the foregoing State statutes and regulations within Tribally Regulated Land.

3. The State may, from time to time, unilaterally update Attachment A when chapter 9810 of the Minnesota Administrative Rules is formally amended; provided, however, no updates to Attachment A shall be permitted unless and until amendments to chapter 9810 of the Minnesota Administrative Rules are formally and finally adopted through a completed administrative rulemaking process. All such updates to Attachment A must be substantively identical to the amendments formally and finally adopted through a completed administrative rulemaking process. The State and OCM shall provide the Tribe with ninety (90) days' notice prior to the commencement of the formal rulemaking process of the proposed amendments or updates to chapter 9810 of the Minnesota Administrative Rules to review proposed amendments and to allow the Tribe time to request a consultation with OCM, and OCM, upon receipt of the Tribe's request for consultation, shall meet and confer with the Tribe regarding the proposed amendments. Furthermore, prior to undertaking any rulemaking which will impact Attachment A, OCM agrees to form a Tribal Advisory Committee to provide a forum for Minnesota Tribal Governments to consult and comment on proposed rulemaking concepts and drafts.
4. Updates to Attachment A shall be formally presented to the Tribe in a written format and pursuant to written notice (i) after amendment to chapter 9810 of the Minnesota Administrative Rules is formally and finally adopted through a completed administrative rulemaking process; and (ii) given in accordance with the notice provisions set forth in this Compact. The Tribe shall implement the updates to Attachment A by amending the corresponding provisions of the Tribal Code within one hundred twenty (120) days of receiving formal notice of the updates from the State ("Tribe's Update Implementation Period"). The Tribe's Update Implementation Period may be extended by OCM in cases where the Tribe reasonably establishes that the compliance would result in economic loss, or where compliance will reasonably take longer such as improvements to buildings.
5. Intentionally Omitted Regulations. Attachment A consists of the chapter 9810 of the Minnesota Administrative Rules with the parts unrelated to Cannabis Activity intentionally omitted. A section of the Minnesota Administrative Rules which has been intentionally omitted in Attachment A shall not be reincorporated (including by internal cross-reference) unless either the omitted regulation is subject to changes through either statutory changes, changes adopted during the rulemaking process related to public health and safety; or, substantial findings of good cause related to public health and safety necessitating the reincorporation of prior omitted regulation. As part of the rulemaking process, OCM may from time-to-time renumber or re-letter existing parts, subparts, items, or subitems of Attachment A. Such renumbering or re-lettering shall not be considered the reinsertion of intentionally omitted parts, subparts, items, or subitems.
6. Nothing in Attachment A (in original or updated form) shall apply to a Tribally Licensed Cannabis Business or Tribal Enterprise that does not also apply to State-Licensed Cannabis

Businesses and to tribal Cannabis businesses and tribal enterprises licensed by other Minnesota Tribal Governments.

7. Nothing in Attachment A (in original or updated form) shall be construed as or otherwise operate to be a waiver, in whole or in part, of the Tribe's sovereign immunity.
8. The Tribal Regulatory Agency shall sufficiently differentiate between Tribally Licensed Cannabis Businesses, Tribal Enterprises, and other Tribal licensees for purposes of enforceability of this Compact.
9. The Tribal Regulatory Agency shall ensure that OCM has an up-to-date copy of all Tribal Cannabis laws and regulations.
10. If this Compact and Attachment A are in conflict, this Compact shall control.

C. Seed-to-Sale Tracking.

1. The Tribe and the State mutually recognize the importance of implementing a robust monitoring system, or "Seed-to-Sale Tracking System," for the regulation and oversight of Cannabis Activities. Generally, seed-to-sale tracking is an effective means to ensure that Cannabis is not diverted into the illegal market, and to enable regulatory agencies to order recalls of product determined to be contaminated or otherwise hazardous. The State has selected Metrc as its initial statewide Seed-to-Sale Tracking System.
2. The Tribe has also selected Metrc for its initial Seed-to-Sale Tracking System for all Compacted Cannabis Activity under the jurisdiction of the Tribal Regulatory Agency. Notwithstanding anything to the contrary herein, neither the State nor OCM shall have access to the Seed-to-Sale Tracking System implemented by the Tribe, the Tribal Regulatory Agency, or any Tribally Licensed Cannabis Business, or Tribal Enterprise except with respect to Compacted Cannabis Activity.
3. OCM shall contract with Metrc to create and implement the seamless instance-to-instance transfer of Metrc data between the Tribe's Metrc instance and the State's Metrc instance. All batches transferred between instances shall contain immediate access to all genealogical, historical, and testing data associated with the batch, allowing the receiving Party's regulatory authority to be able to determine the origin and full product history of any batch transferred. The Metrc instance to instance system shall not require Cannabis transferred from one instance to the other to be retagged.
4. The Tribe shall also maintain a subjurisdiction within its instance containing all Metrc data for Tribal Enterprise facilities located off its Tribally Regulated Land, and shall share credentials with OCM to permit online access to the subjurisdiction.
5. If the Metrc instance to instance capability is not operational at the time of the Compact's implementation, the Tribe shall establish a subjurisdiction within its instance which will permit OCM to have full visibility of all genealogy and data contained in the Tribe's Seed-to-Sale Tracking System for all Cannabis Activity of Tribal Enterprises and Tribally Licensed Cannabis Businesses with regard to those batches or portions of batches which leave Tribally Regulated Land, while not permitting OCM to see any other data contained in the Tribe's Metrc instance. Furthermore, each Party shall provide the other written notice

of any external transfers from the State's Metrc instance to the Tribe's Metrc instance. All Cannabis will be retagged when it enters the new jurisdiction.

6. If a Tribal Enterprise or Tribally Licensed Cannabis Business purchases Medical Cannabis from a State-Licensed Cannabis Business, the Medical Cannabis shall also be subject to the Tribe's Seed-to-Sale Tracking System and shall be included in the subjurisdiction permitting OCM to have full visibility with regard to its whereabouts and ultimate disposition.
7. The State and the Tribe agree that information disclosing quantitative Cannabis Activity, price data, and financial information entered into the Seed-to-Sale Tracking System by the Tribe, Tribal Enterprises, or Tribally Licensed Cannabis Businesses is subject to the trade-secret exception for disclosure of information as defined by Minnesota Statutes, section 13.37.
8. Modification of the foregoing provisions is permitted:
 - a. If, in the future, Seed-to-Sale Tracking Systems from different vendors are able to seamlessly handle transactions and external transfers between them, the Tribe and the State may use systems from different vendors, provided the minimum standards set forth above are met and the Parties agree in advance of changing vendors that such minimum standards are met.
 - b. If OCM decides to replace Metrc with another Seed-to-Sale Tracking System in the future, the Parties shall meet and determine the transition to and the implementation of the new system to meet the goals of a Seed-to-Sale Tracking System and effectively track Cannabis moving between the State and Tribal regulatory jurisdictions.
 - c. If the planned Seed-to-Sale Tracking System measures provided in Article IV(C)(2)–(5) above are unworkable, or impractical such that the purpose of the Compact is substantially frustrated, then OCM and the Tribal Regulatory Agency may agree on different implementation specifications for a Seed-to-Sale Tracking System.

D. Testing.

1. Testing Requirements. In addition to the testing requirements for all Cannabis set forth in Attachment A, and in recognition of the State's agreement to not have any inspection authority with regard to cultivation and manufacturing operations within Tribally Regulated Land, the Tribe agrees that all Cannabis cultivated or manufactured on Tribally Regulated Land for sale outside of Tribally Regulated Land will be subject to batch sampling and Full Panel Testing of the sample, which must be passed prior to the Cannabis batch leaving Tribally Regulated Land. The results of the Full Panel Test will be included in the Seed-to-Sale data for the batch which shall be visible to OCM in the instance-to-instance transfer utilizing the package trace feature.
2. Off-Tribally Regulated Land Testing Requirements. Cannabis that is cultivated and/or manufactured by a Tribal Enterprise outside of Tribally Regulated Land is subject to the State's testing requirements as set forth in Attachment A and the Cannabis Technical Authority as the same may be amended or updated from time to time. Cannabis that is partially produced within Tribally Regulated Land and partially produced outside of

Tribally Regulated Land is always subject to the Full Panel Test requirement prior to leaving Tribally Regulated Land, and is always subject to the State’s testing requirements outside of Tribally Regulated Land.

3. Testing Labs. All testing conducted in compliance with this section must be conducted by a Cannabis testing facility licensed by OCM pursuant to Minnesota Statutes, section 342.37, which may include tribal testing facilities which have been authorized by OCM. The reference to the office in Attachment A, part 9810.3100, subpart 8(B) shall mean OCM.
4. Cannabis Technical Authority. OCM shall issue an official Cannabis Technical Authority document setting forth the specific testing requirements for Cannabis, which shall serve as guidance for all testing facilities licensed by OCM, and which may include tribal testing facilities which have been authorized by OCM. OCM shall update the Cannabis Technical Authority annually. The Cannabis Technical Authority shall include a section specifically setting forth the definition of the Full Panel Test required by subsections 1 and 2 above for Cannabis which will leave Tribally Regulated Land. The Full Panel Test shall not require testing inconsistent with the cumulative testing required for all Cannabis within the jurisdiction of OCM.

E. License Limitations Outside of Tribally Regulated Land.

1. For the purposes of this section, the term “licensee” shall mean the holder of a license issued by the Tribal Regulatory Agency. The Tribe is subject to the following limitations on licensing Tribal Enterprises for operation of a place of business outside the boundaries of Tribally Regulated Land:
 - a. Retail License. The Tribal Regulatory Agency may issue up to eight (8) Retail Licenses (each license representing one storefront or retail location) to Tribal Enterprises; provided, however, that no more than one (1) licensee shall be located in any municipality and no more than three (3) licensees shall be located in any county.
 - b. Cultivation License. The Tribal Regulatory Agency may provide Cultivation Licenses to Tribal Enterprises that, cumulatively, do not exceed indoor cultivation of more than 30,000 square feet of Cannabis canopy, or the maximum permitted by OCM for State-Licensed Cannabis Businesses, whichever is greater. The square feet of indoor canopy shall be calculated pursuant to Attachment A. The holder of a Cultivation License issued hereunder may alternatively cultivate up to two acres of mature, flowering plants (which limit shall be increased to a limit that corresponds to any subsequent increase authorized by OCM in chapter 342 of the Minnesota Statutes). The acreage of outdoor canopy shall be calculated pursuant to Attachment A. The Tribal Enterprise holding the Cultivation License issued hereunder may change its choice from indoor to outdoor or vice versa at its discretion and upon reasonable notice from the Tribal Regulatory Agency to OCM, provided once a change is made, the Tribal Enterprise may not change again for at least twelve (12) months.
 - c. Manufacturing License. The Tribal Regulatory Agency may issue one Manufacturing License to a Tribal Enterprise. Currently there is no limit to the amount of Cannabis which may be processed by a Manufacturing Licensee. If in the future OCM establishes

manufacturing limits for State-Licensed Cannabis Businesses, those limits shall be incorporated into Attachment A and applicable to Tribal Enterprises.

- d. Transporter License. The Tribal Regulatory Agency may provide one Transporter License to a Tribal Enterprise. There is no limit to the licensee's fleet size or geographical scope of operations within the State of Minnesota.
 - e. Delivery License. The Tribal Regulatory Agency may provide one Delivery License to a Tribal Enterprise. There is no limit to the licensee's fleet size or geographical scope of operations within the State of Minnesota.
 - f. Testing Facility License. The Tribe and OCM may negotiate a Memorandum of Understanding to address OCM licensing of Tribally owned testing facilities.
 - g. Wholesaler License. The Tribal Regulatory Agency may provide one Wholesaler License to a Tribal Enterprise.
 - h. Event License. The Tribal Regulatory Agency may issue Event Licenses to Retail License holders, provided the Events take place on the Retail License holder's premises. Events are limited to participants aged 21 and over, and are managed consistent with the State statute as the same may be amended from time to time. Events located outside of Retail License premises and not on Tribally Regulated Land must be authorized by a license issued by OCM and by relevant Local Jurisdictions consistent with the Local Jurisdictions' event permitting requirements.
2. Tribal Enterprises are not subject to vertical integration limitations, except that no Tribal Enterprise that holds a Testing Facility License may also hold any other license.
 3. Tribal Enterprises operating outside of Tribally Regulated Land are not by this Compact made exempt from any generally applicable non-Cannabis related State law or regulation.
 4. Nothing in this Compact prohibits Tribal Enterprises from collocating different license operations in the same physical location.
 5. Nothing in this Compact is intended to limit Minnesota Tribal Governments from cooperating with each other and contracting with each other with regard to the management of tribally licensed Cannabis businesses outside of Tribally Regulated Land, and the sharing of revenue from such businesses, provided that one tribe owns at least 51% of the legal entity, and the tribal regulatory agency of that tribe is responsible for regulatory oversight.
 6. Subject to the true party of interest and multiple license ownership limitations imposed on State license holders in chapter 342, with regard to licenses issued by the Tribal Regulatory Agency pursuant to this section, nothing in this Compact prohibits the Tribe or Tribal Enterprises from the following outside of Tribally Regulated Land: (i) organizing and owning, in whole or in part, interests in a legal entity including, without limitation, corporations, limited liability companies, partnerships, limited partnerships, or joint ventures, with individuals or entities that are not affiliated with the Tribe or other Minnesota Tribal Governments for the purpose of conducting Cannabis activity outside of Tribally Regulated Land; (ii) contracting with individuals or entities that are not affiliated with the Tribe or other Minnesota Tribal Governments with regard to the management of Cannabis Activity outside of Tribally Regulated Land; or (iii) sharing of revenue from such Cannabis Activity, provided that a single Minnesota Tribal Government owns at least fifty-one percent (51%) of the legal entity, whether such entity is organized under tribal or State law.

To the extent that the Tribe chooses to participate in the State market in whole or in part as a true party of interest of a State license holder, and subject itself to State jurisdiction and regulatory oversight, any true party of interest or multiple license ownership limitations imposed on that State-issued license shall not be imposed on the Tribal Enterprise's operations authorized by this Compact.

7. The State acknowledges that the Tribe may elect to contract with other Minnesota Tribal Governments, or a cooperative, to receive or provide regulatory services outside of Tribally Regulated Land. If such contracts are entered into, the State will require the Minnesota Tribal Government whose licensees are subject to the contracted-for regulatory services to appoint one of its tribal officials as a contact for OCM on regulatory matters, and the Parties acknowledge that the State will always default to the Minnesota Tribal Government that is entitled to the licenses under the Compact in the case of a dispute between Minnesota Tribal Governments concerning regulatory authority.

F. State Auditing and Compliance Verification Access.

1. Annual Audits and Compliance Outside of Tribally Regulated Land. For the purpose of auditing compliance with this Compact outside of Tribally Regulated Land, OCM shall, upon the presentation of appropriate identification, have the right to gain access to all premises outside the boundaries of Tribally Regulated Land used for the operation of Cannabis Activity by a Tribal Enterprise on an annual basis. Annual on-site inspections shall occur during the months of February and March of each year. OCM may inspect all premises, equipment, records, documents, products, or items related to the operation of Cannabis Activity by the Tribal Enterprise. The Tribal Regulatory Agency shall have the right to attend the annual on-site audits.
2. Audits Based on Credible Suspicion of Material Noncompliance. In the event that OCM develops a credible suspicion of material noncompliance with this Compact by a Tribal Enterprise and such noncompliance has a material impact on public health and safety, OCM may conduct a credible suspicion audit of the premises. OCM shall provide the Tribal Regulatory Agency with at least 24-hour notice of the intended time, date, and location of the audit, and the Tribal Regulatory Agency may accompany OCM during the audit. If the Tribal Regulatory Agency requests a modification of the time of the audit to accommodate the schedule of its representative, OCM may modify the time of the audit to accommodate, but OCM retains the discretion to schedule the audit. During such on-site audits, the Tribal Regulatory Agency and OCM may inspect all premises, equipment, records, documents, products, or items related to the suspected material noncompliance by the Tribal Enterprise.
3. Audit and Compliance Monitoring Standard. OCM shall utilize Attachment A as the standard for compliance. The Tribal Regulatory Agency shall also use Attachment A as the standard for compliance; provided that the Tribal Regulatory Agency may additionally audit a Tribal Enterprise for compliance with the Tribal Code and regulations.
4. Discretion on Audit and Compliance Monitoring Format. After a period of clean audits OCM may, at its discretion, choose to conduct desk audits in lieu of physically visiting facilities.

G. Mutual Respect of Sovereigns. It is the intent of the Compact to acknowledge the government-to-government relationship between the Parties, and to establish a regulatory relationship based on mutual respect, common interest, and forthright communication.

H. Communication Between Regulatory Agencies; Responsibilities of Agencies.

1. Reporting Noncompliance or Concerns.

a. Immediate Reporting of Noncompliance that Poses a Public Health or Safety Risk.

- i. The Tribal Regulatory Agency shall provide written notice to OCM of any material noncompliance or credible suspicion of noncompliance with the Tribal Code or this Compact arising at a Tribally Licensed Cannabis Business or a Tribal Enterprise that poses a public health or safety risk.
- ii. OCM shall provide written notice to the Tribal Regulatory Agency of any material noncompliance or a credible suspicion of noncompliance with chapter 342 of the Minnesota Statutes or chapter 9810 of the Minnesota Administrative Rules arising at or committed by a State-Licensed Cannabis Business that conducts transactions with a Tribally Licensed Cannabis Business or a Tribal Enterprise that poses a public health or safety risk.
- iii. OCM shall provide written notice to the Tribal Regulatory Agency of any evidence of material noncompliance or credible suspicion of noncompliance with this Compact or Attachment A arising at a Tribal Enterprise, or at a Tribally Licensed Cannabis Business that conducts transactions with a State-Licensed Cannabis Business, that poses a public health or safety risk.
- iv. The Tribal Regulatory Agency shall provide written notice to OCM of any evidence of material noncompliance or credible suspicion of noncompliance with chapter 342 of the Minnesota Statutes or chapter 9810 of the Minnesota Administrative Rules arising at or committed by a State-Licensed Cannabis Business that conducts transactions with a Tribally Licensed Cannabis Business or a Tribal Enterprise that poses a public health or safety risk.
- v. All notices provided under this section shall be provided within five (5) business days of discovery of the material noncompliance or credible suspicion of noncompliance and include detailed information about the nature of the noncompliance, the entities involved, and any immediate actions taken by the regulatory agency.

a. Routine Reporting.

- i. Within ninety (90) days following December 31st of each calendar year, the Tribal Regulatory Agency shall submit an annual report to OCM summarizing compliance activities, including inspections conducted, violations identified, and corrective actions implemented for all Tribal Enterprises conducting Cannabis Activity outside of the Tribe's Tribally Regulated Land. The reports under this paragraph will also include any trends or recurring issues observed and recommendations for addressing them.

- ii. Within thirty (30) days following a request from the TRA, OCM shall provide the TRA a report of all compliance activities, including inspections conducted, violations identified, and corrective actions implemented for a specified State-Licensed Cannabis Business that conducts transactions with Tribally Licensed Cannabis Businesses or Tribal Enterprises. The TRA's request under this paragraph must be accompanied by a release of information signed by the relevant State-Licensed Cannabis Business.
2. Collaboration and Follow-Up.
 - a. Each regulatory agency shall take action with its licensees to correct areas of noncompliance identified pursuant to this section, and shall notify the other agency of the action and the correction, provided that OCM is not required to disclose information protected by the Minnesota Government Data Practices Act.
 - b. If a regulatory agency's corrective action is deemed inadequate by the other regulatory agency, the regulatory agencies shall meet to jointly review and resolve the difference between the regulatory agencies' determinations, provided that OCM is not required to disclose information protected by the Minnesota Government Data Practices Act.
 - c. If the Tribal Regulatory Agency and OCM are unable resolve the differences in their regulatory approach or determination, the Parties shall follow the procedures set forth in Article V, Dispute Resolution herein.
3. State Temporary Operating Pause.
 - a. If OCM determines that there is material noncompliance with this Compact, or a law or regulation applicable under this Compact, at a Tribal Enterprise or Tribally Licensed Cannabis Business that poses a real threat to public health and safety outside of the Tribe's Tribally Regulated Land but is limited to a specific Cannabis product or products, and the material noncompliance is unaddressed by the Tribal Regulatory Agency or OCM is not reasonably satisfied with the actions of the Tribal Regulatory Agency to address the threat, then OCM may, instead of imposing a full operating pause, embargo such Cannabis products from sale or shipment outside of Tribally Regulated Land, and the Tribal Regulatory Agency shall notify and inform all relevant Tribally Licensed Cannabis Businesses and Tribal Enterprises of the embargo.
 - b. If OCM determines that there is material noncompliance with this Compact, or a law or regulation applicable under this Compact, at a Tribal Enterprise or Tribally Licensed Cannabis Business which poses a real threat to public health and safety outside of the Tribe's Tribally Regulated Land, and if OCM is not reasonably satisfied with the actions of the Tribal Regulatory Agency to address the threat, then OCM may pause all State Cannabis Business transactions with the Tribal Enterprise or Tribally Licensed Cannabis Business and all transactions of the Tribal Enterprise or Tribally Licensed Cannabis Business off Tribally Regulated Land for up to seven (7) calendar days, and shall give notice to all other Minnesota Tribal Regulatory Agencies of its action. The seven (7) calendar days shall be used for discussion between the Tribal Regulatory Agency and OCM concerning noncompliance and the regulatory disagreement.
4. Confidentiality and Data Sharing.
 - a. Confidential Information.

- i. Both Parties agree to maintain the confidentiality of sensitive information related to Tribally Licensed Cannabis Businesses and Tribal Enterprises, including, but not limited to, proprietary business information, trade secrets, and personal data of employees and customers. This includes, but is not limited to, confidential or sensitive information obtained during the course of an audit or investigation under Article IV(F).
 - ii. Confidential information shall only be shared as necessary to ensure compliance with applicable laws and regulations and this Compact.
 - b. Data Sharing Protocols.
 - i. The Tribal Regulatory Agency and OCM shall develop secure data sharing protocols acceptable to each to facilitate the exchange of information relevant to compliance monitoring and enforcement.
 - ii. Both Parties will ensure that data sharing complies with all applicable privacy and data protection laws.
- I. State Surveillance Testing. As part of its regulatory oversight of the State market, OCM intends to engage in regular surveillance testing of products marketed for sale in the State market. Products are randomly selected and procured directly from cultivators, manufacturers, or Cannabis businesses with a retail endorsement. In the event OCM's surveillance testing includes a product cultivated, manufactured, or packaged for final sale within the Tribally Regulated Lands of the Tribe, OCM will notify the Tribal Regulatory Agency of the location from which the product was procured and the results of any testing conducted by OCM as part of the surveillance program. OCM shall report any evidence of material noncompliance arising from surveillance testing to the Tribal Regulatory Agency pursuant to Article IV(H).

Article V. Dispute Resolution

- A. Method. Should a dispute arise between the Parties regarding the terms of this Compact, the Parties shall attempt to resolve the dispute through the following dispute resolution process:
 - 1. Notice. Either Party may initiate the dispute resolution process by notifying the other Party, in writing, of its intent to do so. The notice must set out the issues in dispute and the notifying Party's position on each issue. The notice must include any relevant communication history.
 - 2. Regulatory Agency Meet and Confer. Upon receipt of the notice, within seven (7) calendar days the Tribal Regulatory Agency and OCM leadership shall meet to discuss the dispute and reach an agreement for resolution.
 - 3. Policy-Level Meet and Confer. If Regulatory Agency Meet and Confer efforts are unsuccessful, provided at least fifteen (15) calendar days has passed since the notice of the dispute was delivered, either Party may escalate to a meet and confer between the Tribe's Tribal Council, or their designees, and the Governor's designees to discuss the dispute and reach an agreement for resolution. This step shall be completed within thirty (30) days of the notice of the dispute.

4. Mediation. If the Policy-Level Meet and Confer is unsuccessful, or at any point in the dispute resolution process, the Parties may voluntarily agree to participate in mediation. The Parties expressly agree that by entering into this Compact and agreeing to submit disputes to mediation, neither the State nor the Tribe is waiving its sovereign immunity to suit. The mediation process is intended solely as a means to facilitate amicable resolution of disputes. The Parties agree to participate in the mediation process in good faith and to use their best efforts to reach a mutually acceptable resolution of the dispute.
 - a. Selection of Mediator. The mediator shall be an impartial individual with expertise in tribal law and experience in mediating disputes involving sovereign entities. The Parties shall jointly select the mediator. If the Parties cannot agree on a mediator within thirty (30) days of the invocation of mediation, the mediator shall be appointed in accordance with the rules of a recognized mediation organization agreed upon by the Parties.
 - b. Procedure. The Parties shall agree to mediation procedures or accept procedures provided by the mediator.
 - c. Termination of Mediation. Either Party may unilaterally terminate the mediation by providing written notice to the mediator and to the other Party. The mediator may terminate the mediation if they believe that continued mediation is unlikely to result in a resolution, or if either Party is acting in bad faith.
 - d. Costs. The costs of mediation, including the mediator's fees and expenses, will be shared equally by both Parties unless otherwise agreed upon prior to mediation. Each Party will individually bear its own costs, including attorney's fees, travel, and preparation expenses.
5. Arbitration. The Parties acknowledge that the Compacting Legislation prohibits the State from requiring the Tribe to waive its sovereign immunity as a condition for compacting. Upon encountering a dispute that cannot be resolved by the voluntary dispute resolution set forth herein, the Parties may, at their discretion, agree to resolve the dispute by submitting to binding arbitration. The State agrees that if the Tribe elects to waive its immunity from suit to submit to binding arbitration, the State will also agree to waive its immunity from suit and submit to binding arbitration, and the Tribe's and State's immunity shall be deemed waived for any subsequent enforcement of any arbitration award by the Arbitration Panel (as defined below).
6. If the Parties elect to submit to binding arbitration pursuant to this section, the following provisions regarding arbitration shall be binding upon the Parties:
 - a. General. All arbitration proceedings shall be administered by the American Arbitration Association ("AAA") or such other administrator as the Parties shall mutually agree upon and in accordance with the procedural rules of the AAA Commercial Arbitration Rules, or such other rules as the Parties shall mutually agree. If there is any inconsistency in between the terms of this section and any AAA rules, the procedures in this section shall govern.
 - b. Arbitrators. The dispute shall be heard by a panel of three (3) arbitrators unless the Parties agree otherwise (the "Arbitration Panel"). The Arbitration Panel shall be selected as follows: (i) one arbitrator shall be selected by the Tribe; (ii) one arbitrator shall be selected by the State; and (iii) the third arbitrator shall be selected by the arbitrators

selected by the Parties. The arbitrators shall be independent and impartial. Upon selection, each arbitrator shall promptly disclose any circumstances that might cause doubt regarding the arbitrator's independence or impartiality. All statutes of limitation applicable to any dispute shall apply to any arbitration proceeding. All discovery activities shall be expressly limited to the dispute being arbitrated.

- c. Right to Compel Arbitration. Once a decision to submit to binding arbitration has been made by the Parties pursuant to this Compact, the decision may not be reversed. If either Party withdraws from arbitration after it has been duly initiated pursuant to this Compact, the arbitrators may issue a decision despite the Party's withdrawal or lack of participation.
- d. Place of Arbitration. All hearings and other proceedings in the arbitration shall be held in St. Paul, Minnesota, unless otherwise designated by the Parties.
- e. Decision Binding. The Arbitration Panel shall have the authority to award in connection with a dispute any remedy or relief that a court of competent jurisdiction could order or grant, including, without limitation, equitable remedies, specific performance of any obligation created under this Compact, and the issuance of an injunction.
- f. Noncompliance with Arbitration Awards. In the event a Party that does not prevail in arbitration fails to comply with the original arbitration award, the prevailing Party may re-open the arbitration proceedings to arbitrate whether the original arbitration award has been complied with. If the Arbitration Panel determines that the original arbitration award has not been complied with, in whole or in part, the Arbitration Panel shall issue a follow-up award requiring compliance with the original arbitration award within a reasonably sufficient period of time. If the Arbitration Panel subsequently determines after a hearing that its follow-up award has not been complied with within the time required, then the aggrieved Party may terminate the Compact on written notice to the non-terminating Party, and such termination shall not be subject to further arbitration.
- g. Costs of Arbitration. All costs of arbitration, including the fees and expenses of the arbitrators, shall initially be borne equally by the Parties, but ultimate responsibility for such costs shall be determined by the Arbitration Panel in the course of their decision and/or award according to the extent to which each Party prevailed on the issues subject to the arbitration.
- h. Prohibition of Punitive Damages. The Parties hereto acknowledge and agree that each has equal bargaining power and that all have freely entered into this agreement after such consultation with their attorneys as such Party has deemed desirable, and that therefore the Parties hereby agree that notwithstanding any other provision herein, the arbitrators shall have no power to award punitive damages and any such award shall be null and void and of no effect.
- i. Validity of Provision; Exhaustion of Remedies. Each Party hereto agrees that this arbitration provision is valid, binding, and enforceable if invoked, and to the extent permitted by law, waives any defense or claim to the contrary. The Tribe hereby expressly unconditionally and irrevocably waives any right it may otherwise have to require that a dispute with the State be considered or heard first in a Tribal court, or that

a Tribal court has jurisdiction over any dispute with the State arising out of this Compact.

7. Recognizing the commercial value of the information disclosed pursuant to these provisions, the State shall treat all data shared as part of the alternative dispute resolution process as trade secret data under Minnesota Statutes, section 13.37 and civil investigatory data under Minnesota Statutes, section 13.39.

B. Termination.

1. The Parties may mutually agree to terminate the Compact at any time, and the Tribe may unilaterally decide to terminate the Compact at any time with ninety (90) days prior written notice to the State.
2. Termination for Alleged Noncompliance.
 - a. If voluntary dispute resolution efforts are unsuccessful and the Parties do not agree to binding arbitration, either Party may terminate the Compact, or, if possible, severable provisions of the Compact that relate directly to the dispute, with ninety (90) days' prior written notice to the other Party for alleged material noncompliance with this Compact, provided the material noncompliance concerns material matters of health and safety, or a willful disregard of the off-Tribally Regulated Land license limitations set forth in Article IV(E)(1).
 - b. If the State elects to terminate the Compact unilaterally pursuant to this subsection, the Tribe may elect to immediately submit the matter to voluntary binding arbitration pursuant to Article V(A)(5)–(6) herein. If the Tribe elects to submit the dispute to binding arbitration, then (i) the State's election to terminate the Compact shall be rescinded, (ii) the State shall proceed to binding arbitration pursuant to Article V(A)(5)–(6) herein, and (iii) termination of this Compact shall not be a subject of the arbitration.
 - c. The Arbitration Panel shall have continuing jurisdiction over the State's termination as a remedy, at the request of the State, if the Tribe fails to comply with the Arbitration Panel's order as set forth above.
3. Termination for Diversion. The Parties share a mutual desire to ensure Cannabis is not diverted into the illegal market. If the State develops a credible suspicion that Cannabis is being diverted into the illegal market by a person or entity over which the Tribal Regulatory Agency has jurisdiction with the actual knowledge or willful disregard of either the Tribal Council or the Tribal Regulatory Agency, the State may elect to terminate the Compact. Immediately, and no longer than five (5) calendar days upon the State developing such credible suspicion, the State shall provide the Tribe with written notice of termination that contains (i) a reasonably detailed description of the diversion of Cannabis, (ii) a reasonably detailed description of the facts establishing the Tribal Council and/or TRA's actual knowledge or willful disregard of the diversion, and (iii) a statement that all of the Tribe's trade with State-Licensed Cannabis Businesses and retail and wholesale sales of Cannabis outside of Tribally Regulated Land shall be suspended for fifteen (15) days from the date the written notice is received. During the aforementioned fifteen- (15) day suspension period, the Parties, by and through designees with full decision-making authority, shall meet and confer and the Tribe may present evidence to dispute the State's evidence and/or to

present its planned and/or actual corrective actions including any investigations in conjunction with or as a precursor to any corrective actions. At the conclusion of the fifteen (15) day suspension, the Compact shall be terminated unless the State has withdrawn the termination based on the meet and confer or the Tribe has provided the State written notice of its intent to initiate arbitration. The Tribe must initiate arbitration pursuant to this section within ten (10) days of the conclusion of the fifteen- (15) day suspension. If, within the scope of this Compact, the Tribe or Tribal Regulatory Agency develops a credible suspicion that Cannabis is being diverted into the illegal market by a person or entity over which the Tribal Regulatory Agency has jurisdiction, the Tribe or Tribal Regulatory Agency shall immediately provide written notice thereof to OCM at which time the Tribe or the Tribal Regulatory Agency and OCM shall collaborate to resolve the diversion to the satisfaction of OCM and this Compact shall not be subject to a termination based on diversion under this Article V(B)(3).

Article VI. Miscellaneous

A. Compliance with Laws of Local Jurisdiction.

1. Tribal Enterprises operating outside the boundaries of Tribally Regulated Land are exempt from Local Jurisdiction Cannabis-related enforcement and ordinances (and are immune from their enforcement) including without limitation Local Jurisdiction registration requirements set forth in chapter 342 of the Minnesota Statutes and Cannabis-specific zoning ordinances. Tribal Enterprises operating outside the boundaries of Tribally Regulated Land shall not be exempt from non-Cannabis related ordinances adopted by a Local Jurisdiction and their enforcement (the Tribe reserves its legal position that Tribal Enterprises are immune from such enforcement), including non-Cannabis-specific zoning ordinances, provided that all such non-Cannabis related ordinances are equal in application to all similarly situated businesses or residents including without limitation State-Licensed Cannabis Businesses.
2. In the event of a dispute between a Tribal Enterprise and a Local Jurisdiction over the scope, applicability, or implementation of non-Cannabis related ordinances adopted by a Local Jurisdiction, either the Tribal Enterprise or OCM, on behalf of the Local Jurisdiction, may, propose alternative dispute resolution, with the following understandings and conditions:
 - a. The alternative dispute resolution is voluntary for the Tribal Enterprise and the Local Jurisdiction;
 - b. The alternative dispute resolution is limited to this Article VI(A), Compliance with Laws of Local Jurisdiction; and
 - c. OCM, with the consent of the Tribal Enterprise and the Local Jurisdiction, shall participate in the alternative dispute resolution process as an independent party with an interest in the fair implementation of State law and this Compact.
3. Upon written request from the Tribe, the Tribal Regulatory Agency, or a Tribal Enterprise, OCM shall issue and direct a letter to a Local Jurisdiction in substantially the same form as that which is attached to this Compact as Attachment B.

4. Proximity to Sensitive Locations. The Tribal Regulatory Agency shall not issue licenses to Tribal Enterprises operating outside the boundaries of Tribally Regulated Land to conduct Cannabis Activity 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, unless the equivalent laws of the Local Jurisdiction are less restrictive and then such location limitations are incorporated herein and the Tribal Regulatory Agency shall abide by them. This paragraph shall not limit Delivery Licensees from delivering within the restricted zones referenced above.
5. Hours of Operation. The Tribal Regulatory Agency shall not authorize the retail sale of Cannabis flower or Cannabis products by a Tribal Enterprise Retailer operating outside the boundaries of Tribally Regulated Land between 2:00 a.m. and 8:00 a.m. on the days of Monday through Saturday nor between 2:00 a.m. and 10:00 a.m. on Sunday, unless the equivalent laws of the Local Jurisdiction are less restrictive and then such limitations are incorporated herein and the Tribal Regulatory Agency shall abide by them.

B. Taxation.

1. Consistent with Minnesota Statutes, section 295.81, subdivision 4(d) and Minnesota Statutes, section 297A.67, subdivision 39, the Tribe shall not be required to collect or remit any State sales, use, or gross receipts tax for Cannabis sales by Tribally licensed businesses on Tribally Regulated Land.
2. The Tribe and State agree that a tax agreement, as authorized under Minnesota Statutes, section 270C.19, subdivision 6, for sharing of sales and gross receipts tax collected from any Tribally owned Cannabis business that operates off-Reservation, may be negotiated between the Tribe and the Minnesota Department of Revenue in the future.

C. Most Favored Nations.

1. If at any time prior to or after the Effective Date of this Compact, the State enters into a compact with any other Minnesota Tribal Government that contains more favorable provisions with respect to any provisions of this Compact, at the Tribe's request, the State shall meet and confer with the Tribe regarding modifying this Compact. The State's agreement to modify this Compact to include the requested provisions, as provided in this section, shall not be unreasonably withheld or delayed, and under no circumstances shall take longer than thirty (30) days, provided that if the favorable provision in the relevant compact is tied to other negotiated terms, the Tribe may be required to adopt such other terms in order to obtain the requested provisions, and the State's representations concerning how provisions in a compact are tied together shall be presumed to be accurate, but subject to rebuttal by the Tribe.
2. If at any time prior to or after the Effective Date of this Compact, the State enters into a compact, agreement, or consent decree with any other Minnesota Tribal Government that contains more favorable provisions with respect to the provisions of this Compact set forth below, at the election of the Tribe and upon the Tribe's written notice to the State, this Compact shall be amended so that it conforms, in part or in whole, to any one of such compacts, agreements, or consent decrees, and this Compact shall be deemed so amended

by the State immediately upon the State's receipt of such written notice from the Tribe. Implementation of the amendment(s) pursuant to this section shall not be unreasonably withheld or delayed by the State:

- a. Article IV(E), License Limitations Outside of Tribally Regulated Land;
- b. Article VI(B), Taxation;
- c. Article VI(C), Most Favored Nations;
- d. Article IV(H)(4), Confidentiality and Data Sharing; and
- e. Article V, Dispute Resolution in its entirety, with the exception of Article V(B)(3), Termination for Diversion.

D. Government Data Practices. The Parties acknowledge that the State is subject to the Minnesota Government Data Practices Act, Minnesota Statutes, chapter 13, as it applies to data provided by the State under this Compact, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Parties under this Compact. The Parties acknowledge that the Tribe is subject to Tribal law and policy as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Parties under this Compact. The State agrees to treat all data received from the Tribe with the same classification as the data had under Tribal law and policy.

E. No Tribal Consent to State Licenses within Tribally Regulated Land. The Parties agree that the State shall not issue any Cannabis licenses to individuals or entities for facilities located within Tribally Regulated Land. This section does not prohibit the State from entering into a memorandum of understanding with the Tribe to operate a testing facility on Tribally Regulated Land.

F. Term. This Compact shall remain in effect in perpetuity or until it is terminated by either Party pursuant to the terms of this Compact. The Parties agree to meet every seven (7) years to discuss the status of the Compact and may suggest corrections, updates, and improvements.

G. Standard Forms. The Parties shall work together to develop standard forms for use and implementation, such as OCM Site Inspection Notices, OCM Notices of Material Noncompliance, and such other mutually agreed upon forms identified in or incident to this Compact. Final forms shall be agreed upon within 365 days of the Effective Date of this Compact. The Parties shall cooperate and work together to develop additional forms as deemed necessary throughout the term of this Compact.

H. Notice and Designated Contacts.

1. The Parties agree to maintain regular and open communication regarding the administration and implementation of this Compact. The Parties agree that the following individuals will be designated primary contacts regarding administration of this Compact:

For the Tribe: Kehl Van Winkle
Cannabis Regulatory Commission Director

Lower Sioux Indian Community in the State of
Minnesota
39527 Reservation Highway 1
P.O. Box 308
Morton, MN 56270
888-952-5242
kvanwinkle@mctlaw.com

For the State: Eric Taubel
Director
Office of Cannabis Management
P.O. Box 64034
St. Paul, MN 55102
651-539-5000
Eric.Taubel@state.mn.us

The designated individuals may be changed by written notice from the Tribal Council or the Governor as described herein.

2. Notice. Any notice that may be or is required to be sent under this Compact shall be sent as follows:

If to the Tribe: Joseph O'Brien
President
Lower Sioux Indian Community in the State of
Minnesota
39527 Reservation Highway 1
P.O. Box 308
Morton, MN 56270
507-697-6185
joseph.obrien@lowersioux-nsn.gov

With copy to: Legal Department
Lower Sioux Indian Community in the State of
Minnesota
39527 Reservation Highway 1
P.O. Box 308

Morton, MN 56270
507-697-6185
nizhoni.smith@lowersioux-nsn.gov
peter.rademacher@lowersioux-nsn.gov

If to the State: Eric Taubel
Director
Office of Cannabis Management
P.O. Box 64034
St. Paul, MN 55102
651-539-5000
Eric.Taubel@state.mn.us

With copy to: Mary Fee
General Counsel
Office of the Governor
30 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155
651-201-3400
Mary.Fee@state.mn.us

- I. Amendment. No amendment or alteration of this Compact shall arise by implication or course of conduct. This Compact, less and except Attachment A, may be altered only by a subsequent written document, approved by the Parties, expressly stating the Parties' intention to amend this Compact.
- J. Federal Change. If the scheduling classification of Cannabis as prescribed under the CSA is altered in any way or federal marijuana enforcement policy changes in a way that has a material impact on the terms of this Compact or its implementation, or if chapter 342 of the Minnesota Statutes is repealed, then the Parties agree to meet and discuss in good faith the need to modify this Compact. If such modifications cannot be agreed upon, then either Party may terminate this Compact with sixty (60) days' written notice.
- K. Cooperation. If the federal government or any agency thereof, commences or threatens to commence an administrative, civil, or criminal action, proceeding, or investigation against the Tribe or any entity of the Tribe related to this Compact ("Compact Proceedings"), the State agrees to cooperate with the Tribe, Tribal Regulatory Agency, Tribally Licensed Cannabis Businesses, and Tribal Enterprises in defense of such Compact Proceedings, including cooperating in the defense of the Tribe's authority to enter into and implement terms and provisions of this Compact. Such cooperation shall be administrative in nature; nothing in this section shall require the State or the Minnesota Attorney General to affirmatively commence

or join any action, proceeding, or investigation. Nothing in this section shall be construed as a waiver of the Tribe's sovereign immunity.

- L. No Limitation. The Parties agree that the execution of this Compact and the benefits and obligations that arise therefrom shall not be construed as limiting any otherwise lawful activity of the Tribe, its government, or its business enterprises, nor subject the Tribe, its government, or its business enterprises to any State jurisdiction not otherwise agreed to in this Compact.
- M. Severability. If any provision of this Compact or its application to any person or circumstance is held invalid, the remainder of the Compact shall not be affected and shall remain in full force.
- N. Ratification. The Parties have secured all required approvals to enter this Compact and the undersigned are authorized to sign and bind their respective Party. The Compact is effective upon signature by both Parties.
- O. Counterparts. This Compact may be executed in counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

This Compact is hereby made and entered into this 9 day of MARCH, 2026.

STATE OF MINNESOTA

LOWER SIOUX INDIAN
COMMUNITY IN THE STATE
OF MINNESOTA



TIM WALZ, Governor



JOSEPH O'BRIEN, President

Attachment A

9810.0100 SCOPE; PURPOSE; APPLICATION.

[Intentionally omitted.]

9810.0200 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of this chapter, the terms defined in Minnesota Statutes, chapter 342, have the meanings given them.

Subp. 2. **Acceptance criteria.** "Acceptance criteria" means the conditions that must be satisfied for a product to be accepted.

Subp. 3. **AOAC International.** "AOAC International" means the Association of Official Analytical Collaboration International.

Subp. 4. **Authorized event retailer.** "Authorized event retailer" means any licensed retailer authorized by the office to make retail sales at a cannabis event.

Subp. 5. **Authorized personnel.** "Authorized personnel" means one or more individuals authorized or assigned by the regulated business or the business's designee to perform a specific type of duty or to be at a specific location.

Subp. 6. **Cannabis clone.** "Cannabis clone" means a cannabis plant that is propagated from a cannabis cutting.

Subp. 7. **Cannabis cultivator.** "Cannabis cultivator" means a person, cooperative, or business authorized by the office to cultivate cannabis plants for sale.

Subp. 8. **Cannabis cutting.** "Cannabis cutting" means the vegetative material removed from a cannabis mother plant that is intended to be used for propagation, including plant tissue for use in tissue culture.

Subp. 9. **Cannabis delivery vehicle.** "Cannabis delivery vehicle" means a motor vehicle used by a cannabis delivery service to transport regulated products to a customer, patient, or designated caregiver.

Subp. 10. **Cannabis mother plant.** "Cannabis mother plant" means a female cannabis plant intentionally maintained in a nonflowering vegetative state for the purpose of producing cannabis cuttings.

Subp. 11. **Cannabis retailer.** "Cannabis retailer" means a cannabis business, as defined in Minnesota Statutes, section 342.01, subdivision 14, that holds:

- A. a valid cannabis license;

B. a retail endorsement; and

C. a retail registration with the appropriate local unit of government.

Subp. 12. **Cannabis seedling.** "Cannabis seedling" means a germinated seed that:

A. originates from a cannabis plant;

B. has no flowers; and

C. is no more than eight inches in height.

Subp. 13. **Cannabis transport vehicle.** "Cannabis transport vehicle" means a vehicle used by a cannabis transporter to transport regulated products to a license holder.

Subp. 14. **Cannabis volunteer.** "Cannabis volunteer" means any individual whose scope of work involves that of a cannabis worker, but who does not, and is not required under applicable local, state, or federal law to, receive compensation for those services.

Subp. 15. **Cannabis waste.** "Cannabis waste" means discarded cannabis materials created from the cultivation, harvesting, processing, manufacturing, packaging, storage, transport, delivery, or sale of products of the cannabis industry or the hemp consumer industry.

Subp. 16. **Caregiver.** "Caregiver" means a patient's registered designated caregiver or a patient's parent, legal guardian, or spouse acting as a registered designated caregiver.

Subp. 17. [Intentionally omitted.]

Subp. 18. [Intentionally omitted.]

Subp. 19. **Crop input.** "Crop input" means any substance other than water that is applied to or used in the cultivation of a cannabis plant for the purposes of pest control, plant health, or plant growth management. Crop input includes pesticides, fungicides, plant regulators, fertilizers, soil amendments, plant amendments, and other agricultural products regulated by the Department of Agriculture.

Subp. 20. **Customer.** "Customer" means an individual making a purchase from a licensee that holds a retail license or retail endorsement.

Subp. 21. **Delivery route.** "Delivery route" means a trip from the retail location where a sale originates to a customer delivery location.

Subp. 22. **Dwelling.** "Dwelling" means a physical structure where people live, such as a house, an apartment, or another type of residential structure.

Subp. 23. **Elements of a crime.** "Elements of a crime" means the component parts of a crime that a prosecutor must prove to a judge or jury in order to convict a person of the crime.

Subp. 24. **Excipient.** "Excipient" means an inert substance formulated alongside an active ingredient.

Subp. 25. **Growth phase.** "Growth phase" means the designation of stages of development of a live cannabis plant as a seedling, immature plant, vegetative plant, and flowering plant.

Subp. 26. **Hazardous cannabis waste.** "Hazardous cannabis waste" means cannabis waste that meets the definition of hazardous waste in Minnesota Statutes, section 116.06, subdivision 11.

Subp. 27. **Homogenized composite batch sample.** "Homogenized composite batch sample" means a representative sample as defined in subpart 52 that is homogenized prior to sample analysis.

Subp. 28. **IEC.** "IEC" means the International Electrotechnical Commission.

Subp. 29. **Immature cannabis plant.** "Immature cannabis plant" means any nonflowering plant of the genus *Cannabis*. Immature cannabis plant includes a cannabis clone, a cannabis cutting, a cannabis seedling, and a cannabis mother plant. Immature cannabis plant does not include industrial hemp as defined in Minnesota Statutes, chapter 18K.

Subp. 30. **Ingestible cannabis product.** "Ingestible cannabis product" means a cannabis product designed to be orally ingested, such as a food product or drink infused with cannabis or a cannabis product that is intended to be swallowed.

Subp. 31. **In-process product.** "In-process product" means a regulated product that has been transformed from raw cannabis or hemp but has not yet become the final form in which the product will be sold to consumers.

Subp. 32. **ISO.** "ISO" means the International Organization for Standardization.

Subp. 33. **Kief.** "Kief" means the granular excess plant material and loose trichomes resulting from the grinding, sifting, or other manufacturing of dried cured cannabis flower or plants.

Subp. 34. **Limited-access area.** "Limited-access area" means an area of a cannabis business that is accessible only by individuals who are over 21 years of age.

Subp. 35. **Lower-potency hemp retailer.** "Lower-potency hemp retailer" means a hemp business, as defined in Minnesota Statutes, section 342.01, subdivision 34, that holds a valid lower-potency hemp edible retail license.

Subp. 36. **Manufacturing.** "Manufacturing" means the process by which cannabis flower or plants, cannabis concentrates, artificially derived cannabinoids, hemp plant parts, or hemp concentrates are prepared into usable consumer products or products intended for further

processing.

Subp. 37. **Manufacturing facility.** "Manufacturing facility" means the building or area in which useable or consumable cannabis and hemp products are processed or otherwise prepared to be useable or consumable products.

Subp. 38. **Marketing layer.** "Marketing layer" means the outermost layer of a retail sale container that is predominantly apparent and visible, such as a box or bag that another container containing saleable cannabis product or cannabis flower is in. If the container consists of only a single layer, then the outer surface of the container is the marketing layer.

Subp. 39. **Mature cannabis plant.** "Mature cannabis plant" means any flowering plant of the genus *Cannabis*. Mature cannabis plant does not include industrial hemp as defined in Minnesota Statutes, chapter 18K.

Subp. 40. **Medical cannabis retailer.** "Medical cannabis retailer" means a cannabis Medical combination business or a cannabis business with a medical cannabis retail endorsement to provide medical cannabis flower, medical cannabinoid products, and medical cannabis paraphernalia to a patient or designated caregiver.

Subp. 41. **Nonhazardous cannabis waste.** "Nonhazardous cannabis waste" means cannabis waste that does not meet the definition of hazardous waste in Minnesota Statutes, section 116.06, subdivision 11.

Subp. 42. **Office.** "Office" means the Office of Cannabis Management.

Subp. 43. **Outdoor mixed-light facility.** "Outdoor mixed-light facility" means a hoop house, greenhouse, or other structure with nonrigid walls that uses natural light, in whole or in part, for cultivation.

Subp. 44. [Intentionally omitted.]

Subp. 45. [Intentionally omitted.]

Subp. 46. [Intentionally omitted.]

Subp. 47. [Intentionally omitted.]

Subp. 48. **Point-of-sale system.** "Point-of-sale system" means the combination of hardware, software, and payment services operated by a business to process payments for the purchase of goods and services.

Subp. 49. **Propagation.** "Propagation" means the activity of growing cannabis plants from a cannabis seed, an immature cannabis plant, or another cannabis plant source.

Subp. 50. **Regulated products.** "Regulated products" means all products subject to regulation

by the office, including cannabis plants, cannabis flower, medical cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, and hemp-derived topical products.

Subp. 51. **Remediation.** "Remediation" means any process that removes or reduces the level of contaminant or excess cannabinoid in a batch of any product regulated under Minnesota Statutes, chapter 342.

Subp. 52. **Representative sample.** "Representative sample" means a small portion of a larger sample or product that accurately reflects the characteristics of the entire sample or product.

Subp. 53. **Responsible worker.** "Responsible worker" means a worker who is in charge of ensuring that a task is completed and recorded in the statewide monitoring system.

Subp. 54. **Restricted-access area.** "Restricted-access area" means an area of a cannabis business that is accessible only to authorized cannabis workers.

Subp. 55. **Retail area.** "Retail area" means the space within a cannabis business or hemp business used to conduct retail sales.

Subp. 56. **Retail sale.** "Retail sale" means a transfer of products from a retailer to a customer, patient, or designated caregiver.

Subp. 57. **Retailer.** "Retailer" means any cannabis retailer, medical cannabis combination business operating a retail location, or lower-potency hemp retailer that holds a valid applicable retailer license.

Subp. 58. **Saleable cannabis product.** "Saleable cannabis product" means a manufactured cannabis product that is prepared for sale.

Subp. 59. **Sample.** "Sample" means a sample of products sold by the retailer that is not for sale and is displayed for customers to observe and smell.

Subp. 60. **Security event.** "Security event" means any potential or actual unauthorized access or compromise of a cannabis business's physical location or electronic systems.

Subp. 61. **Smokeable cannabis product.** "Smokeable cannabis product" means a product containing cannabis flower or cannabis concentrate consumed by combustion or vaporization and inhalation of smoke, aerosol, or vapor from the product.

Subp. 62. **Solvent.** "Solvent" means a substance that is capable of solubilizing cannabinoids extracted from cannabis or hemp plants.

Subp. 63. Intentionally omitted.

Subp. 64. **System inventory.** "System inventory" means a cannabis business's inventory of all

regulated products.

Subp. 65. [Intentionally omitted.]

Subp. 66. **Terpene profile.** "Terpene profile" means the specific combination and concentration of terpenes.

Subp. 67. **THC.** "THC" means tetrahydrocannabinol.

Subp. 68. **Tincture.** "Tincture" means a solution of that is:

- A. derived either directly from a hemp or cannabis plant or from a manufactured hemp or cannabis extract;
- B. dissolved in glycerin, food-grade oils, or other food-grade solvents; and
- C. intended to be consumed through oral administration.

Subp. 69. **Trim.** "Trim" means cannabis plant material that is intentionally removed as part of the cultivation process.

Subp. 70. **Vegetative plant.** "Vegetative plant" means a cannabis plant that is over eight inches in height but has no observable buds or flowers.

Subp. 71. **Volunteer cannabis plant.** "Volunteer cannabis plant" means a cannabis plant that results from a seed or root that is not intentionally planted or grown.

Subp. 72. **Wholesale distribution.** "Wholesale distribution" means the distribution of product between cannabis businesses or hemp businesses in the stages of cannabis or hemp production. Wholesale distribution excludes transfers between physical locations operating under a single ownership structure or single license issued by the office.

9810.1000 LICENSE LIMITS.

[Intentionally omitted.]

9810.1001 DISQUALIFYING OFFENSES.

[Intentionally omitted.]

9810.1002 APPEAL.

[Intentionally omitted.]

9810.1003 PETITIONING THE OFFICE.

[Intentionally omitted.]

9810.1100 GENERAL OPERATIONS.

Subpart 1. [Intentionally omitted.]

Subp. 2. Standard operating procedures.

A. A cannabis business and hemp business must establish and maintain written and up-to-date standard operating procedures in accordance with Minnesota Statutes, chapter 342. Standard operating procedures must include:

- (1) the implementation procedures for the general operational requirements of cannabis businesses or hemp businesses under Minnesota Statutes, chapter 342;
- (2) worker training procedures as described under part 9810.1102;
- (3) worker safety procedures as described under part 9810.1102;
- (4) the creation and entry of accurate data in the statewide monitoring system pursuant to parts 9810.1300 to 9810.1302 and Minnesota Statutes, section 342.24, subdivision 5;
- (5) as described in part 9810.1104, the safe and sanitary storage of cannabis plants, cannabis flower, and cannabis products, including maintaining the cleanliness of any building or equipment that the business uses to store or display cannabis plants, cannabis flower, and cannabis products;
- (6) as required under part 9810.1200, the proper segregation and disposal of a regulated product that:
 - (a) is damaged;
 - (b) has a broken seal;
 - (c) has been contaminated;
 - (d) has not been sold by the expiration date on the label; or
 - (e) is the subject of a recall under part 9810.1101;
- (7) the proper designation of authorized personnel for specified duties of the cannabis business or hemp business and the procedure for issuing necessary worker identification for restricted-access areas.
- (8) the proper designation of authorized personnel who have the authority to access, enter, and update private and nonpublic consumer data;

(9) the procedure for responding to a data security breach, consistent with Minnesota Statutes, sections 325E.61 and 325E.64;

(10) Intentionally omitted; and

(11) the procedure for reporting all potential substances that the business uses during cultivating, manufacturing, and packaging processes to a testing facility licensed under Minnesota Statutes, chapter 342, for batch safety testing.

B. Standard operating procedures must be available on-site to all personnel and to the office upon request.

Subp. 3. Record keeping.

A. Financial records must be maintained according to this item.

(1) Intentionally omitted.

(2) A cannabis business must maintain accurate and comprehensive financial records prepared in accordance with generally accepted accounting principles to document income and expenses, including:

(a) cash logs;

(b) sale records;

(c) purchase of inventory;

(d) invoices;

(e) receipts;

(f) deposit slips;

(g) cancelled checks;

(h) employee compensation records;

(i) security records; and

(j) vendor and business-to-business contact information.

B. [Intentionally omitted.]

C. [Intentionally omitted.]

Subp. 4. **Dwelling prohibitions.** A cannabis business must not conduct an activity authorized by the office in a dwelling. A cannabis business must conduct an activity approved by the office in an area of the premises that personnel may access without passing through a dwelling space. This subpart does not apply to an activity that an individual is specifically authorized to conduct under Minnesota Statutes, section 342.09.

Subp. 5. [Intentionally omitted.]

Subp. 6. **General facilities required.** Any physical location or site where employees routinely conduct activities authorized by the office must:

- A. have at least one toilet facility located on the premises in a completely enclosed room with a tight-fitting and self-closing door. Unless a toilet facility is being cleaned or maintained, the toilet room door must be kept closed; and
- B. comply with chapter 5205; Minnesota Statutes, chapter 182; Code of Federal Regulations, title 29, part 1910; and all Minnesota state building and fire codes and federal and applicable state environmental and workplace safety requirements and policies.

Subp. 7. **Weighing and measuring equipment.** A cannabis business that owns or operates weighing or measuring equipment for the purpose of entering data in the statewide monitoring system must comply with chapter 7601. A cannabis business must develop and use written procedures to ensure the consistent and accurate use of weighing and measuring equipment for mandatory controls and the accurate entry of weights and measurements into the statewide monitoring system. A cannabis business must maintain weighing and measuring equipment in a sanitary manner that does not contaminate any products.

9810.1101 PRODUCT RECALL.

Subpart 1. **Factors for recall.** The office must require license holder to recall any regulated product if the office has evidence that the regulated product:

- A. contains a contaminant level exceeding the acceptance criteria established by the office for foreign material, heavy metals, microbiological contaminants, mycotoxins, pesticide residues, or residual solvents;
- B. contains an undeclared allergen, as defined in the Minnesota Food Law, Minnesota Statutes, chapter 31;
- C. is otherwise unfit for human use, consumption, or application;
- D. was not cultivated or manufactured by a licensed cannabis or hemp business as required by Minnesota Statutes, chapter 342;
- E. has packaging that fails to disclose a known allergen contained in the product;

F. has packaging that does not comply with the labeling requirements in Minnesota Statutes, section 342.63; or

G. otherwise poses a risk to public health or safety.

Subp. 2. Mandatory recall process. Upon the office's request, a license holder must perform a traceback and trace-forward investigation to identify all affected businesses, markets, and consumers and must respond to all information requests made by the office related to the recall within 24 hours of the office's request. The office may take control of a product recall process at any time.

A. If the office determines that a recall is necessary under subpart 1, the office must:

(1) issue the license holder a notice of recall with the specific product subject to the recall and the basis for the recall under subpart 1; and

(2) post the notice of recall on the office's website.

B. If the office requires that a license holder recall a regulated product, the business must, within one day of receiving notice from the office:

(1) notify any other business impacted by the recall;

(2) notify all individuals who may have purchased the recalled product and reimburse individuals for any returned product; and

(3) ensure that all products subject to the recall are destroyed in accordance with this chapter and record the destruction in the cannabis business's seed-to-sale tracking system.

C. A license holder must notify the office of the license holder's compliance with item B, subitems (1) to (3), within three days of receiving the notice of recall.

Subp. 3. Voluntary recall process. A license holder may initiate a product recall when the license holder has information that a regulated product is mislabeled, defective, or unsafe for consumption. A license holder initiating a recall must:

A. provide notice of the recall to the office, including a description of the recalled product and the basis for the recall. Upon receipt, the office must post the notice on the office's website with information that the license holder initiated the product recall; and

B. comply with subpart 2, item B.

9810.1102 CANNABIS AND HEMP WORKERS.

[Intentionally omitted.]

9810.1103 PRODUCT SAMPLES.

Subpart 1. **Samples.** A cannabis business must record in the statewide monitoring system any sample or regulated product, except lower-potency hemp edibles, that the business provides to an individual. A cannabis business must not provide a sample or regulated product to a person who is under 21 years of age.

Subp. 2. Product samples to cannabis businesses.

A. When providing a sample to a retailer or wholesaler, a cannabis business must:

- (1) hold a valid license issued by the office;
- (2) provide the sample to a retailer or wholesaler solely for the purpose of business-to-business marketing;
- (3) ensure that the sample was tested according to part 9810.3100; and
- (4) ensure that the sample is contained in product packaging in compliance with parts 9810.1400 to 9810.1403 and Minnesota Statutes, section 342.63.

B. [Intentionally omitted.]

C. [Intentionally omitted.]

Subp. 3. [Intentionally omitted.]

Subp. 4. [Intentionally omitted.]

9810.1104 PRODUCT STORAGE.

Subpart 1. **Product storage.** A cannabis business must develop procedures for storing regulated products in a controlled environment. The storage procedures must ensure that regulated products are free from contamination. A cannabis business must ensure that all cannabis or hemp workers employed by the business follow the business's storage procedures and maintain a record of the cannabis or hemp workers' compliance with storage procedures. A cannabis business must ensure that the business's storage procedures and records are readily available for inspection by the office upon request. A cannabis business's storage procedures must include the following requirements.

- A. A cannabis business must ensure that product storage areas are used only for the storage of regulated products. A cannabis business must store regulated products in a manner that ensures that there is no mixing between batch numbers or different types

of regulated products.

- B. A cannabis business must maintain and have available for inspection records that describe the date and time of each occasion when a product storage area was accessed by an individual, the name of the individual, and the regulated products that were added or removed from the storage area.

Subp. 2. **Storage area specifications.** A cannabis business must store regulated products at least six inches above the ground of any storage area. A storage area must be clean, well ventilated, and free from condensation, sewage, dust, dirt, pests, chemicals, and other contaminants.

Subp. 3. **Secure access.** A cannabis business must keep a storage area locked with access restricted only to authorized personnel. A cannabis business must post signage that indicates "Restricted Access. Authorized Personnel Only" at the entrance of a storage area.

Subp. 4. **Cleaning.** While cleaning a storage area, a cannabis business may remove a regulated product from the storage area to prevent the contamination of regulated products. When regulated products are removed for cleaning, a cannabis business may store regulated products temporarily outside of the storage area in a manner that prevents contamination or mixing of batch numbers or different product types.

Subp. 5. **Cannabis waste storage.** A cannabis business must store cannabis waste, including products that failed testing, in a secure and separate location from saleable cannabis products until the business has disposed of or remediated the cannabis waste or failed products. For purposes of this subpart, a secure and separate location includes a container, closet, or room that is able to be locked or secured.

9810.1200 ENVIRONMENTAL STANDARDS AND DISPOSAL.

Subpart 1. [Intentionally omitted.]

Subp. 2. **Waste and disposal.** A cannabis business must determine the classification of all waste, including cannabis waste, of the business. A cannabis business must ensure that all waste is stored, secured, maintained, and disposed of in accordance with this chapter and all other applicable local, state, and federal laws and regulations.

Subp. 3. **Disposal of nonhazardous cannabis waste.** A cannabis business must render nonhazardous cannabis waste for disposal unusable and unrecognizable before allowing the nonhazardous cannabis waste to leave the premises of the business. A cannabis business must follow the requirements of part 7035.2836 when composting unusable and unrecognizable nonhazardous cannabis waste.

Subp. 4. **Disposal of hazardous cannabis waste.** A cannabis business must render hazardous cannabis waste nonretrievable before allowing the hazardous cannabis waste to leave the premises of the business. A cannabis business must follow the requirements of chapter 7045

when handling hazardous cannabis waste.

Subp. 5. Cannabis waste exceptions. The following materials are not considered cannabis waste and do not require treatment to render the materials unusable and unrecognizable or nonretrievable, provided that the cannabis does not contain any cannabis flower or leaves with any visible trichomes:

- A. root balls, soil, or growing media;
- B. stalks of cannabis plants; and
- C. leaves and branches removed from immature cannabis plants.

Subp. 6. [Intentionally omitted.]

Subp. 7. Cannabis waste records. A cannabis business must enter and maintain accurate and comprehensive waste-tracking records in the statewide monitoring system. A cannabis business must ensure that waste-tracking records describe all the operator's activity related to the disposal of cannabis waste and cannabis plant material.

9810.1300 TRACK AND TRACE; GENERAL REQUIREMENT.

Subpart 1. **Mandatory tracking.** Unless exempted by this chapter or Minnesota Statutes, chapter 342, a cannabis business must comply with all applicable requirements under parts 9810.1300 to 9810.1302 when purchasing, producing, selling, or possessing any regulated products.

Subp. 2. **Weights and measures.** A cannabis business that owns or operates weighing or measuring equipment for purposes of entering data in the statewide monitoring system must comply with chapter 7601.

9810.1301 TRACK AND TRACE; SYSTEM ADMINISTRATION.

Subpart 1. **Statewide monitoring system.** A cannabis business must use the office's statewide monitoring system, including software, tagging, and labeling tools, to fulfill the inventory and tracking requirements of this chapter. A cannabis business is solely responsible for all costs to purchase and use the statewide monitoring system.

Subp. 2. [Intentionally omitted.]

Subp. 3. [Intentionally omitted.]

Subp. 4. [Intentionally omitted.]

Subp. 5. [Intentionally omitted.]

Subp. 6. [Intentionally omitted.]

Subp. 7. **Administrative holds.** A cannabis business must comply with all administrative holds and any other restrictions on the sale or transfer of regulated products issued through the statewide monitoring system.

Subp. 8. [Intentionally omitted.]

Subp. 9. [Intentionally omitted.]

Subp. 10. [Intentionally omitted.]

9810.1302 TRACK AND TRACE; INVENTORY AND TRACKING REQUIREMENTS.

Subpart 1. **Inventory management.** A cannabis business must conduct inventory and tracking functions using the statewide monitoring system.

Subp. 2. **System inventory.** A cannabis business must use the statewide monitoring system to maintain an accurate inventory of all regulated products that the business has in the business's possession. The system inventory must include:

- A. the product category for each product in the business's possession;
- B. the quantity of each product in the business's possession, either by weight or units, as appropriate for the product category;
- C. the batch number assigned to each product in the statewide monitoring system;
- D. for all living cannabis plants:
 - (1) the plant's current growth phase; and
 - (2) for plants over eight inches in height, a unique identification number assigned to the plant; and
- E. the product's location in a facility.

Subp. 3. **Waste.** A cannabis business must report the production and disposal of all cannabis waste as described in part 9810.1200 in the statewide monitoring system.

Subp. 4. **Tagging.**

- A. All cannabis plants over eight inches in height or width must be physically tagged with a unique identifier recorded in the statewide monitoring system.
- B. All units packaged for transfer or sale, other than for final sale or delivery to a

customer, patient, or designated caregiver, must be physically tagged with a unique identifier recorded in the statewide monitoring system.

Subp. 5. Additional tracking requirements. In addition to system inventory maintenance requirements in subpart 2, a cannabis business must report the following actions, events, and information related to regulated products in the statewide monitoring system:

- A. the sale, distribution, transfer, or receipt of products. When reporting a sale in the statewide monitoring system, a business must include the actual price of the product and any discount amount;
- B. each application of a crop input to plants in the cannabis business's possession;
- C. a written description of any products removed from a cannabis business's inventory due to intentional or accidental destruction. The written description must provide the business's justification for intentionally destroying the products, if applicable;
- D. a written description of any products removed from a cannabis business's inventory as a result of sampling for routine inspection purposes. The description must include the date the sample was collected and the quantity of the sample collected;
- E. the theft or loss of any products. A cannabis business must report the theft or loss of a product to the office within eight hours of discovering the theft or loss. A cannabis business must also notify local law enforcement of the theft or loss immediately upon learning of the theft or loss;
- F. the justification for any adjustment to the weight or quantity of any products in the cannabis business's system inventory. A business must report the justification for an adjustment to weight or quantity in the statewide monitoring system at the time that the business makes the adjustment;
- G. notice of any products that the cannabis business removes from the business's system inventory for laboratory testing. If the business removes a product from the business's system inventory for testing, the business must record the product as a laboratory sample package and must only transfer the product to a licensed testing facility;
- H. notice of any products that the business removes from the business's inventory for an approved demonstration purpose, such as:
 - (1) a sample for an employee;
 - (2) a display sample that the business provides to a cannabis retailer; or
 - (3) a promotional sample that the business provides to a licensed cannabis business;and
- I. [Intentionally omitted.]

Subp. 6. System reconciliation.

- A. A cannabis business must update the system inventory and ensure the system inventory's accuracy at the end of each business day. A cannabis business must ensure that the business's inventory records are available to the office for inspection upon the request of the office.
- B. A cannabis business must develop and make available for inspection a written procedure and schedule for verifying the accuracy of the business's system inventory. A cannabis business must design and implement the procedure to ensure that the business's system inventory is accurate. A cannabis business must update and maintain records regarding the business's compliance with the procedure for verifying accuracy. A cannabis business must ensure that compliance records are available for inspection by the office upon request.
- C. A cannabis testing facility must report the results of any laboratory testing in the statewide monitoring system in the record of the batch tested. In the case of a failed test, a cannabis business must record any remediation steps that the business has taken to address the failure and the results of subsequent testing.

Subp. 7. [Intentionally omitted.]

Subp. 8. **Outages and manual reporting.** If the statewide monitoring system suffers an outage or failure or is otherwise unavailable, a cannabis business:

- A. may record and report all cannabis activity to the office in writing for three calendar days;
- B. after the statewide monitoring system has been unavailable for three calendar days, must cease to record and report all cannabis activity in writing to the office except as provided in item C;
- C. may continue reporting to the office in writing regarding cultivating cannabis plants during the entire time that the statewide monitoring system is unavailable; and
- D. must promptly enter the information from all written reporting under this subpart in the statewide monitoring system when the system becomes available, no later than 12 hours following the time that the statewide monitoring system becomes available.
- E. must not make any sales while the statewide monitoring system is suffering an outage, failure, or is otherwise unavailable.

9810.1400 PACKAGING AND LABELING REQUIREMENTS.

Subpart 1. **General requirements.** A business that is licensed or endorsed by the office to

manufacture or produce a regulated product must comply with all applicable packaging and labeling requirements under this chapter and Minnesota Statutes, chapter 342. All labels required under part 9810.1401, subparts 2 to 7, must comply with items A to E. A cannabis business must:

- A. ensure that all words on the packaging or label of regulated products are written in English. In addition to written English words on the label, a license holder may include an additional, accurate foreign language translation on the label that otherwise complies with this part;
- B. affix a label to the marketing layer of the package or container;
- C. place a label in an unobstructed and conspicuous manner so that a consumer can easily read the label. A business may affix multiple labels to the marketing layer if none of the information required by this part is obstructed;
- D. include the universal symbol under subpart 3 on a label and affix the label to the marketing layer; and
- E. for cannabis products and hemp-derived consumer products, include the batch number assigned to the product in the statewide monitoring system.

Subp. 2. Universally applicable packaging requirements. All packaging for a regulated product must comply with the following requirements:

- A. packaging must not contain or be coated with any perfluoroalkyl substance;
- B. packaging must not expose a product to any toxic or harmful substances;
- C. a product must not be packaged in a container that is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to an individual's health or safety; and
- D. packaging must be designed to maximize the shelf life of a product.

Subp. 3. Universally applicable labeling requirements.

- A. A cannabis business must include a universal symbol on each label affixed to the marketing layer of a regulated product. The universal symbol must:
 - (1) be no smaller than 0.5 inches by 0.5 inches and be printed legibly and conspicuously; and
 - (2) replicate the following International Intoxicating Cannabinoid Product Symbol (IICPS), American Society for Testing and Materials (ASTM) D8441 with the letters THC underneath the IICPS:



B. A cannabis business must include a warning symbol on each label. The warning symbol must:

- (1) be no smaller than 0.75 inches tall and 0.6 inches wide and must be printed legibly and conspicuously; and
- (2) replicate the following in form with a yellow background, black text, and a symbol with white text on a red background:



C. A cannabis business must include a warning statement on each label in no less than size 6 font. The warning statement must state: "Keep this product out of reach of children. This product may be unlawful outside the state of Minnesota."

9810.1401 PACKAGING AND LABELING REQUIREMENTS FOR RETAIL SALE.

Subpart 1. **Labeling requirements applicable to immature cannabis plants and cannabis seedlings.** Immature cannabis plants and seedlings sold to customers or patients must be labeled with:

- A. the name and license number of the cannabis business that cultivated the immature cannabis plants or seedlings;
- B. the weight or volume of the plant or seedlings sold, not including the weight or volume of the package or container;
- C. the average or projected cannabinoid profile based on the variety; and
- D. the statement: "This plant or seedling is not required to be and has not been tested for safety compliance under Minnesota Statutes, section 342.61."

Subp. 2. **Labeling requirements applicable to dried cannabis flower products.** In addition to the labeling requirements under parts 9810.1400, 9810.1402, and 9810.1403, and Minnesota Statutes, section 342.63, dried cannabis flower product labels must include:

- A. the product's cannabinoid profile;
- B. the product's strain or cultivar name, listed by scientific terms, if available;
- C. the date that the product is best if used by; and
- D. if the product includes cannabis concentrate, the information in subpart 4.

Subp. 3. Labeling requirements applicable to ingestible cannabis products and **lower-potency hemp edibles.** In addition to the labeling requirements under parts 9810.1400, 9810.1402, and 9810.1403, and Minnesota Statutes, section 342.63, ingestible cannabis product and lower-hemp edible product labels must include:

- A. the cannabinoid profile of the product;
- B. all other ingredients in the product, including excipients, listed in a separate section of the ingredient list in descending order of predominance by weight;
- C. the net weight or net volume of the product;
- D. the serving size of the product and number of servings per container;
- E. the THC content and CBD content per serving, expressed in milligrams per serving;
- F. the THC content and CBD content for the package in its entirety, expressed in

milligrams per package;

G. the expiration date when the product is no longer fit for consumption and when the product must be destroyed; and

H. major allergens in the product declared in common name consistent with the Minnesota Food Law.

Subp. 4. Labeling requirements applicable to cannabis concentrate products. In addition to the labeling requirements under parts 9810.1400, 9810.1402, and 9810.1403, and Minnesota Statutes, section 342.63, a cannabis concentrate product label must include the following information:

A. the name of the cannabis business that produced the product;

B. the date that the product was made;

C. the amount of cannabis concentrate per serving, as measured in grams;

D. the amount of cannabis concentrate per package, as measured in grams;

E. the method used to create the cannabis concentrate;

F. a list of ingredients in the product;

G. major allergens in the product declared in common name consistent with the Minnesota Food Law;

H. the expiration date when the concentrate product is no longer fit for consumption and when the product must be destroyed; and

I. the warning statement "Do Not Eat."

Subp. 5. [Intentionally omitted.]

Subp. 6. [Intentionally omitted.]

Subp. 7. [Intentionally omitted.]

Subp. 8. **Labeling requirements for products containing artificially derived cannabinoids.** In addition to the labeling requirements under parts 9810.1400, 9810.1402, and 9810.1403 and Minnesota Statutes, section 342.63, products that contain artificially derived cannabinoids must be labeled with the following statement: "Contains artificially derived cannabinoids. Not all safety hazards have been evaluated."

9810.1402 PACKAGING AND LABELING FOR MEDICAL PATIENTS.

[Intentionally omitted.]

9810.1403 PACKAGING AND LABELING PROHIBITIONS.

A product regulated under Minnesota Statutes, chapter 342, that is intended for sale in Minnesota must comply with Minnesota Statutes, section 342.62, and must not be labeled, packaged, or presented to a consumer in a manner that:

- A. obscures identifying information on the label or uses a false or deceptive label; or
- B. represents the product as organic unless the cannabis plants and all ingredients used in the product are produced, processed, and certified in a manner that is consistent with the national organic standards established by the United States Department of Agriculture in accordance with the Organic Foods Production Act of 1990, United States Code, title 7, section 6501 et seq.

9810.1500 SECURITY.

Subpart 1. [Intentionally omitted.]

Subp. 2. **Required security measures.**

- A. Security measures under this part must include:
 - (1) an alarm system;
 - (2) video surveillance;
 - (3) lighting;
 - (4) locks; and
 - (5) an immediate response protocol that must be initiated within 30 minutes after a security event occurs.
- B. A cannabis business may implement additional security features that do not violate local, state, and federal laws.
- C. Cannabis delivery and cannabis transport licensees are exempt from item A, subitem (2).

Subp. 3. [Intentionally omitted.]

Subp. 4. **People and resource protection.** A cannabis business must develop, document, implement, and maintain security measures to protect:

- A. business assets;
- B. facilities;
- C. regulated products;
- D. workers;
- E. visitors; and
- F. the community.

Subp. 5. **Theft and diversion.** A cannabis business must develop, document, implement, and maintain effective security measures to guard against:

- A. the theft of cannabis clones, cannabis plants, cannabis seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, hemp-derived consumer products, or currency; and
- B. the diversion of cannabis clones, cannabis plants, cannabis seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, hemp-derived consumer products, or currency.

Subp. 6. [Intentionally omitted.]

Subp. 7. **Unauthorized access.** A cannabis business must develop, document, implement, and maintain security measures to guard against unauthorized access to:

- A. the premises of the cannabis business;
- B. motor vehicles used in the transport or delivery of cannabis clones, cannabis plants, cannabis seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products;
- C. electronic business and customer records created and maintained by the cannabis business; and
- D. paper records created and maintained by the cannabis business.

Subp. 8. [Intentionally omitted.]

Subp. 9. [Intentionally omitted.]

Subp. 10. [Intentionally omitted.]

Subp. 11. [Intentionally omitted.]

Subp. 12. [Intentionally omitted.]

Subp. 13. [Intentionally omitted.]

Subp. 14. [Intentionally omitted.]

Subp. 15. **Outdoor cultivation areas.** A cannabis business must ensure that an outdoor cultivation area is enclosed by fencing and locked gates to prevent access to the area by unauthorized persons. A cannabis business must ensure that all fencing and gates are secure, are at least six feet high, and obscure or have a cover that obscures the fenced area from being readily viewed from outside the fenced area. A cannabis business must ensure that fencing around an outdoor cultivation area on the business's premises is commercial or security grade, is not agricultural or residential grade, and is designed to prevent access to the cultivation area by unauthorized persons.

Subp. 16. [Intentionally omitted.]

Subp. 17. **Transportation security requirements.**

A. This subpart applies to persons and businesses engaged in the transport or delivery of cannabis.

B. A cannabis business must ensure that each transport and delivery vehicle:

(1) is equipped with a storage compartment that complies with Minnesota Statutes, section 342.36, subdivision 3, or 342.42, subdivision 5, as applicable;

(2) is equipped with a global positioning system (GPS) device for identifying the geographic location of the vehicle at all times when the vehicle is in operation, regardless of whether the vehicle's engine is running, either permanently or temporarily affixed to the vehicle while the vehicle is in operation. GPS data identifying the geographic location of the vehicle must be saved and maintained for at least 30 days. A cannabis business must make GPS data of all cannabis transportation vehicles and cannabis delivery vehicles available for inspection by the office upon request;

(3) [Intentionally omitted.]

(4) [Intentionally omitted.]; and

(5) [Intentionally omitted.]

C. A cannabis worker must:

- (1) possess a cannabis business identification card and the worker's own valid nonprobationary driver's license appropriate for the type of delivery vehicle driven at all times while transporting or delivering cannabis and must present the identification card and valid driver's license to the office or law enforcement officials upon request;
- (2) not leave cannabis clones, cannabis plants, cannabis seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products in an unattended vehicle; and
- (3) not leave cannabis in a vehicle overnight or outside the operating hours of the cannabis business conducting the transportation or delivery of cannabis.

9810.2000 CULTIVATION.

Subpart 1. [Intentionally omitted.]

Subp. 2. [Intentionally omitted.]

Subp. 3. [Intentionally omitted.]

Subp. 4. **Canopy.** A cultivator's total canopy is determined as follows.

- A. For indoor cultivation, the canopy is measured by calculating the total square footage of each distinct cultivation area containing mature, flowering cannabis plants. Distinct cultivation areas include trays, tables, and shelves or may be demarcated by trellising, tiers, or other identifiable boundaries.
- B. For outdoor mixed-light facilities, outdoor mixed-light cultivation may occur in a greenhouse or hoophouse. The canopy acreage is the total area of the outdoor mixed-light facility containing mature, flowering cannabis plants minus any clearly demarcated walkways.
- C. The canopy acreage for cultivation occurring completely outdoors is the total area of the field containing mature, flowering cannabis plants minus any vehicle access roads and completely fallow areas where no cultivation is occurring.

Subp. 5. [Intentionally omitted.]

Subp. 6. [Intentionally omitted.]

Subp. 7. **Prohibited sales.** A cannabis cultivator must not sell any propagative cannabis material resulting from cannabis cultivation activities to a buyer if the cannabis cultivator knows or should reasonably know that the buyer would use the material to engage in activities prohibited by Minnesota Statutes, chapter 342, or applicable local or state law.

Subp. 8. **Cannabis cultivation premises; requirements.**

- A. A cannabis cultivator must ensure that growing, drying, processing, and storing cannabis plants and cannabis flower does not occur in dwellings unless the activity is specifically authorized under Minnesota Statutes, section 342.09. A cannabis cultivator must ensure that all activities approved by the office occur in an area of the cultivator's premises that can be accessed without passing through a dwelling.
- B. [Intentionally omitted.]
- C. [Intentionally omitted.]
- D. [Intentionally omitted.]
- E. [Intentionally omitted.]
- F. When selling cannabis directly to consumers on the premises where cultivation is authorized by the office, a cannabis cultivator must ensure that a wall or another barrier with proper security measures is in place to separate customer areas of the premises from limited-access areas, including any area where the cultivator collects, packages, and seals cannabis samples for mandatory testing for transport to a cannabis testing facility.

Subp. 9. **Sources of plants and seeds.**

- A. After December 1, 2025, a cannabis cultivator must obtain cannabis seeds, immature cannabis plants, cannabis mother plants, cannabis plants, and other cannabis plant sources intended for propagation from a source authorized by the office to sell those products.
- B. A cannabis cultivator must destroy or dispose of volunteer cannabis plants using a method under part 9810.1200.

Subp. 10. **Plant identification and reporting.** A cannabis cultivator must label each cannabis plant with the plant's batch number according to part 9810.1302.

Subp. 11. **Crop inputs.**

- A. A cannabis cultivator must ensure that crop inputs:

- (1) are handled and applied in a manner that prevents the contamination of cannabis plants with filth, residues, or other substances that would likely render products of the cannabis plant injurious to human health;
- (2) Intentionally omitted;
- (3) Intentionally omitted; and
- (4) are documented in the statewide monitoring system according to parts 9810.1300 to 9810.1302.

B. A cannabis cultivator must ensure that all crop inputs, rinsate, and containers are diluted, applied, stored, and disposed of according to label instructions and in compliance with all applicable laws and regulations.

Subp. 12. **Sanitary practices.** The following sanitary practices apply to all cannabis cultivation activities, including harvesting, drying, curing, and storage.

- A. A cannabis cultivator must conduct cultivation in a manner to limit the exposure of immature cannabis plants and cannabis plants to conditions that would likely render the products of the cannabis plants injurious to human health.
- B. A cannabis cultivator must handle a harvested cannabis plant product intended for human consumption at temperatures and in environmental conditions that protect the product from physical, chemical, and microbial contamination and deterioration of the product as it is described on the product's labeling.
- C. A cannabis cultivator must ensure that utensils and equipment, including storage containers, that come into direct contact with harvested product are cleanable, constructed of materials that will not transfer to the harvested product, and maintained in good condition to prevent contamination of the harvested product.
- D. A cannabis cultivator must store and handle packaging materials that come into direct contact with the harvested product in a manner to prevent contamination from the environment. A cannabis cultivator must:
 - (1) clean packing materials between uses if the materials are designed to be cleaned and used multiple times; or
 - (2) discard packing materials after a single use.

Subp. 13. **Record keeping.**

- A. A cannabis cultivator must keep and maintain records of the cultivator's cultivation activities in the statewide monitoring system according to parts 9810.1300 to 9810.1302. At a minimum, a cannabis cultivator must document:

- (1) the initiation of cultivation for each batch according to item C;
- (2) the application of crop inputs to the growing medium, plants, or plant material used in production according to item D;
- (3) a description of plant maintenance, including dates, that involves culling plant parts or plant disposal; and
- (4) the date that each plant batch is harvested.

B. A cannabis cultivator must include the following information in the cultivator's records:

- (1) the date that a worker conducted cultivation;
- (2) the name of the worker conducting cultivation or the name of the responsible worker when there is more than one worker conducting cultivation;
- (3) Intentionally omitted;
- (4) the batch number of the plants; and
- (5) a description of the area where the worker conducted cultivation.

C. A cannabis cultivator must include the following information in the cultivator's records for the initiation of cultivation:

- (1) a description of the source of immature cannabis plants or seeds; and
- (2) the volume as measured.

D. A cannabis cultivator must include the following information in the cultivator's records for crop inputs:

- (1) the weight and concentration of the crop input that was applied to the plant;
- (2) a copy of the label of the crop input applied to the plant; and
- (3) the vendor or other origin of the crop input.

Subp. 14. [Intentionally omitted.]

9810.2100 APPROVED PRODUCT CATEGORIES AND CANNABINOIDS.

Subpart 1. **Cannabis flower and cannabis products.** The following product categories, including products manufactured by changing the physical shape or texture of these products, are approved

for sale in Minnesota to both adult-use customers and medical registry participants.

A. The following product categories are approved dried cannabis flower products:

- (1) dried raw cannabis flower;
- (2) fresh cannabis flower; and
- (3) shake.

B. The following product categories are approved ingestible cannabis products:

- (1) edible products;
- (2) beverage products; and
- (3) cannabis-derived tinctures.

C. The following product categories are approved cannabis concentrates:

- (1) hash (hashish);
- (2) hash oils;
- (3) cured or live resin;
- (4) cured or live rosin;
- (5) kief;
- (6) full extract cannabis oil; and
- (7) distillate.

D. Cannabis combination products contain both dried cannabis flower products and cannabis concentrate products. The following product categories are approved cannabis combination products:

- (1) infused pre-rolls; and
- (2) infused dried raw cannabis flower.

E. Transdermal or topical cannabis products intended only for application to external parts of the body.

Subp. 2. **Lower-potency hemp edible products.** Lower-potency hemp edibles are defined in

Minnesota Statutes, section 342.01, subdivision 50. The following product categories are approved lower-potency hemp edible products:

- A. edible products;
- B. beverage products; and
- C. hemp-derived tinctures.

Subp. 3. **Hemp-derived consumer products.** The following are approved hemp-derived consumer products:

- A. dried raw hemp flower; and
- B. hemp-derived oils intended to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product.

Subp. 4. **Cannabinoids.**

- A. The following cannabinoids are approved for use in lower-potency hemp edibles: hemp-derived delta-9 tetrahydrocannabinol.
- B. The following cannabinoids are designated as nonintoxicating:
 - (1) cannabichromene (CBC);
 - (2) cannabidiol (CBD);
 - (3) cannabigerol (CBG); and
 - (4) cannabinol (CBN).

9810.2101 PRODUCTION AND POTENCY LIMITS.

Subpart 1. [Intentionally omitted.]

Subp. 2. **Potency limits.** Unless otherwise stated in law, a product must not exceed the potency limitations in items A to C.

- A. Cannabis concentrate products designed for vaporized delivery methods for sale in the adult-use market must not exceed 80 percent THC potency.
- B. Hemp-derived consumer products must not exceed 0.3 percent THC potency.
- C. Cannabis combination products must not exceed 50 percent total THC.

D. Transdermal or topical cannabis products must not exceed 1,000 mg of THC per package.

9810.2102 MANUFACTURING.

Subpart 1. [Intentionally omitted.]

Subp. 2. [Intentionally omitted.]

Subp. 3. [Intentionally omitted.]

Subp. 4. [Intentionally omitted.]

Subp. 5. **Prohibited sales.** A cannabis business must not sell any cannabinoid product resulting from cannabis manufacturing to a buyer if the cannabis business knows or should reasonably know that the buyer would be engaging in prohibited activities under Minnesota Statutes, chapter 342, or applicable local or state law with the obtained cannabinoid plant product.

Subp. 6. **Cannabis manufacturing premises requirements.**

A. Manufacturing must take place in a facility that meets the applicable requirements of Minnesota Statutes, section 342.26. A manufacturing facility must:

- (1) have adequate physical space for all manufacturing, including storage, in a fully enclosed and secured indoor facility according to part 9810.1104;
- (2) be supplied with electrical service, water service, sewer service or treatment, and other utilities necessary for operations approved by the office;
- (3) have ventilation and air-handling systems with temperature and humidity controls that are adequate for safe processing and sanitary operations;
- (4) be supplied with lighting fixtures that are adequate to perform manufacturing and sanitation functions in a safe and sanitary manner;
- (5) have floors, walls, and ceilings in the manufacturing area that are constructed with surfaces that can be easily cleaned and maintained in good repair to inhibit microbial growth; and
- (6) have hand-washing facilities located in all manufacturing areas where unpackaged product is handled.

B. If a cannabis business sells regulated products to consumers on the premises where manufacturing is authorized by the office, the cannabis business must ensure that a fence or other adequate security measure is in place to separate customer areas of the premises from limited-access areas, including any area where samples for mandatory

testing are collected, packaged, and sealed for transport to a cannabis testing facility.

- C. A facility that manufactures dried cannabis flower must follow additional requirements under part 9810.2203.
- D. A facility that manufactures ingestible and lower-potency hemp edibles must follow additional requirements under part 9810.2204.
- E. A facility that manufactures cannabis concentrate must follow additional requirements under part 9810.2205.

Subp. 7. [Intentionally omitted.]

Subp. 8. **Batch identification and reporting.** Each plant used in manufacturing must be labeled with a batch number according to part 9810.1302.

Subp. 9. **Manufacturing inputs and ingredients.**

- A. All products other than cannabis-derived ingredients and hemp-derived ingredients must be:
 - (1) safe for the intended purpose and use in the manufacturing process. Any solvent used in manufacturing must be safe for human consumption and approved for use in foods by the federal Food and Drug Administration;
 - (2) handled and used in a manner that prevents contamination with filth, residues, or other substances that would likely render products of the cannabis plant injurious to human health;
 - (3) in conformance with applicable sections of Minnesota Statutes, chapters 18B, 18C, and 18D, and other applicable laws; and
 - (4) stored in original containers with original labels intact or in working containers of diluted or prepared applications labeled with information required by Minnesota Statutes, chapters 18B, 18C, and 18D, and other applicable laws.
- B. All manufacturing inputs, ingredients, and containers must be used, stored, and disposed of according to label instructions and in compliance with all other applicable laws and regulations.

Subp. 10. **Sanitary practices.**

- A. A cannabis business must follow sanitary practices during all manufacturing, including receiving, storing, processing, handling, packaging, and labeling regulated products. At a minimum, a cannabis business's sanitary practices must:
 - (1) ensure that an individual who has a communicable disease or other illness does

not perform any tasks that might contaminate regulated products;

(2) ensure that hand-washing facilities in manufacturing areas are supplied with:

(a) hot and cold running water;

(b) effective hand-cleaning and sanitizing solutions; and

(c) sanitary drying functions, such as electronic drying devices, single-use towels, or a sanitary towel service;

(3) ensure that a worker who comes into direct contact with regulated products uses hygienic practices, including maintaining the cleanliness of the worker's outer garments and washing hands thoroughly in a hand-washing area before starting work and at any other time when the worker's hands may have become soiled or contaminated;

(4) control environmental conditions and ensure that workers use sanitary handling practices to protect products against physical, chemical, and microbial contamination and store products in a manner to prevent the growth of microorganisms;

(5) control environmental conditions to prevent the deterioration of products or contents that are described on the products' labeling;

(6) ensure that tools, utensils, and equipment, including storage containers, that come into direct contact with ingredients, in-process products, and finished products are cleanable and constructed from materials that will not transfer to ingredients or finished products; and

(7) ensure that all product-contact surfaces, utensils, and equipment are cleaned before being used to manufacture products and are maintained in a condition that prevents contamination of ingredients or regulated products.

B. Packaging materials that come into direct contact with ingredients, in-process products, or finished products must be:

(1) safe for use with the intended products;

(2) stored and handled in a manner to prevent contamination of materials from the environment; and

(3) cleaned between uses if designed for cleaning and multiple uses or discarded after single use.

C. A cannabis business must make efforts to prevent pests by:

- (1) using screening or other protection against the entry of pests; and
- (2) promptly disposing of waste to minimize odors and the potential for waste to attract, harbor, or become a breeding place for pests.

D. A cannabis business must store toxic cleaning compounds, sanitizing agents, and other potentially harmful chemicals in a separate location away from regulated products and in accordance with applicable local, state, and federal workplace safety requirements.

Subp. 11. Record keeping.

A. A cannabis business must keep records of each batch of manufactured products. A cannabis business must enter manufacturing and batch information in the statewide monitoring system as required by parts 9810.1400 to 9810.1402.

B. At a minimum, manufacturing records must include the following information for all manufacturing that the cannabis business conducts:

- (1) the date that a worker conducted manufacturing;
- (2) the name of the worker conducting manufacturing or the name of the responsible worker when more than one worker conducts manufacturing;
- (3) a description of manufacturing that was conducted;
- (4) process control measurements; and
- (5) the batch number of the products involved in manufacturing.

Subp. 12. [Intentionally omitted.]

9810.2203 DRIED CANNABIS FLOWER PRODUCT; MANUFACTURING REQUIREMENTS.

Subpart 1. **Authorized activity.** A manufacturer may manufacture dried cannabis flower products into saleable cannabis products.

Subp. 2. **Labeling.** A manufacturer may sell multiple uniform dried cannabis flower products to another cannabis business under a single label so long as the label reflects the number of units or weight of the product being sold.

Subp. 3. **Infused smokeable products.** A manufacturer with an endorsement to produce cannabis or hemp concentrate may manufacture dried cannabis flower products combined with cannabis concentrate, except an infused dry cannabis flower product must not be infused with any product other than a cannabis-derived product.

9810.2204 INGESTIBLE CANNABIS PRODUCT; MANUFACTURING REQUIREMENTS.

Subpart 1. [Intentionally omitted.]

Subp. 2. **Minnesota food laws.** A manufacturer must manufacture ingestible cannabis products and lower-potency hemp-derived edibles in accordance with Minnesota Food Law, including applicable sections of Code of Federal Regulations that are adopted by reference in Minnesota Statutes, section 31.101, except that a product is not adulterated solely due to the presence of cannabis or hemp ingredients.

Subp. 3. **Homogenous products.** An ingestible cannabis product or a lower-potency hemp edible manufacturer must use production methods that result in a finished product batch with consistent servings and consistent packages, prepared in a manner to ensure that each individual serving has a consistent amount of cannabinoid ingredients pursuant to part 9810.3100. At a minimum, a manufacturer must:

- A. develop stable product formulations that consider and address specific ingredients and the nature of the finished product;
- B. establish written procedures for preparing edible cannabis products or lower-potency hemp edibles specific to the manufacturing site; and
- C. maintain batch records that demonstrate the manufacturer's compliance with product formulations and the manufacturer's written procedures.

9810.2205 CANNABIS AND HEMP CONCENTRATE; MANUFACTURING REQUIREMENTS.

Subpart 1. **Facilities.** Cannabis or hemp extraction and concentration systems must be designed to effectively and consistently function, operate safely, and provide sanitary production conditions. A cannabis or hemp manufacturer must have the manufacturer's electrical, gas, fire suppression, and exhaust systems and storage and disposal plans for hazardous waste certified by an industrial hygienist or a professional engineer qualified to conduct the certification through education, experience, or professional credentialing.

- A. A certifying individual must include the individual's qualifications in writing as part of a facility's record of certification.
- B. The certification of a facility must include an assessment of:
 - (1) all electrical, gas, fire suppression, and exhaust systems in the facility; and
 - (2) the facility's plan for safe storage and disposal of hazardous substances, including any volatile chemicals.
- C. [Intentionally omitted.]

Subp. 2. **Inactive ingredients.** A cannabis business may use cannabis-derived ingredients to manufacture cannabis concentrate or hemp-derived concentrate. A cannabis business may use only non-cannabis-derived inactive ingredients listed in the federal Food and Drug Administration inactive ingredient database to manufacture cannabis concentrate or hemp-derived concentrate that is intended for use through a vaporizer delivery device or pressurized metered dose inhaler.

Subp. 3. **Prohibited ingredients.** When manufacturing cannabis concentrate, a manufacturer must ensure that:

- A. any concentrate used to create a solution for vaporization or inhalation is 100 percent naturally occurring plant-derived terpene oil;
- B. a product for inhalation does not contain artificial or synthetic compounds;
- C. a solution prepared for vaporization or inhalation does not contain:
 - (1) medium-chain triglycerides (MCT);
 - (2) polyethylene glycol (PEG);
 - (3) vegetable glycerin (VG);
 - (4) vitamin E acetate;
 - (5) diacetyl; or
 - (6) squalene.

Subp. 4. **Requirements for manufacturers of artificially derived cannabinoid products.** An artificially derived cannabinoid product must not contain any artificially derived cannabinoids other than delta-9 tetrahydrocannabinol, except that a product may include artificially derived cannabinoids created during the process of creating delta-9 tetrahydrocannabinol that is added to the product, if no artificially derived cannabinoid is added to the ingredient containing delta-9 tetrahydrocannabinol and the ratio of delta-9 tetrahydrocannabinol to all other artificially derived cannabinoids is no less than 20 to one. An artificially derived cannabinoid product may contain nonpsychoactive naturally occurring cannabinoids, such as cannabidiol, cannabigerol, cannabinol, or cannabichromene.

9810.2300 TRANSPORTATION.

Subpart 1. **Applicability.** A cannabis business holding a valid transporter license must establish a standard operating procedure to ensure compliance with this chapter and Minnesota Statutes, chapters 221 and 342. A cannabis business holding a valid transporter license must comply with all commercial vehicle requirements imposed by the Department of Public Safety, the Department of Commerce, and the Department of Revenue.

Subp. 2. **Covered products.** A cannabis transporter must comply with this part when transporting regulated products.

Subp. 3. **Shipping manifest.**

A. Before accepting regulated products from a cannabis business, a cannabis transporter must obtain a shipping manifest. A cannabis transporter must produce a shipping manifest using the statewide monitoring system. A shipping manifest must include:

- (1) the name, phone number, address, and license number of the cannabis transporter;
- (2) the name, phone number, address, and license number of the product shipper;
- (3) the name, phone number, address, and license number of the product recipient;
- (4) the type and quantity of all products being transported;
- (5) the name of each employee or contractor of the cannabis transporter who will participate in the transportation of the products;
- (6) the make, model, year, and license plate number of each cannabis delivery vehicle;
- (7) the planned route;
- (8) the date and time of the cannabis transporter's estimated departure; and
- (9) the date and time of the cannabis transporter's estimated arrival.

B. A copy of the shipping manifest must accompany the products until the products are delivered. The shipping manifest must be available for inspection by the office at any time during transportation. A cannabis transporter may provide the office with a shipping manifest in digital or physical form.

Subp. 4. **Motor vehicle registration.** Motor vehicles used for cannabis transport and regulated under this part must be registered in the state of Minnesota.

Subp. 5. **GPS tracking.** A cannabis delivery vehicle must be equipped with an active global positioning system or other similar satellite-based tracking system.

Subp. 6. **Product secured during transportation.**

A. During transportation, all regulated products must be stored in either a locked compartment of a cannabis delivery vehicle or a locked container inside a cannabis delivery vehicle.

B. The entire cargo bay, cargo area, or trunk of a cannabis transportation vehicle may be used for holding products if:

- (1) the cargo bay, cargo area, or trunk is protected by a locking mechanism with a lock or keypad separate from vehicle door locks;
- (2) the cargo bay, cargo area, or trunk is inaccessible from the driver and passenger areas of the cannabis delivery vehicle; and
- (3) products stored in the cargo bay, cargo area, or trunk are not visible from outside the cannabis delivery vehicle.

C. A cannabis transporter may use a container that is not integral to the cannabis delivery vehicle for holding regulated products if:

- (1) the container is locked;
- (2) the container is secured to prevent removal from the vehicle; and
- (3) products stored in the container are not visible from outside the cannabis delivery vehicle.

Subp. 7. **Identifying logos and business names.** A cannabis transportation vehicle or cannabis delivery vehicle must not contain images prohibited by Minnesota Statutes, section 342.36, and must comply with Minnesota Statutes, section 221.031, subdivision 6, and Code of Federal Regulations, title 49, section 390.21.

Subp. 8. [Intentionally omitted.]

Subp. 9. [Intentionally omitted.]

Subp. 10. **Inspection.** All vehicles used by a cannabis business for transporting regulated products must comply with all applicable laws, statutes, regulations, and rules for commercial vehicle inspection.

9810.2400 WHOLESALE.

Subp.1. [Intentionally omitted.]

Subp. 2. **Imported hemp-derived consumer products.** A cannabis wholesaler that imports a hemp-derived consumer product from outside the state of Minnesota must record the following information in the statewide monitoring system before distributing, selling, or transferring imported hemp-derived consumer products:

- A. the manufacturer's name, address, and contact information;

B. finished product-testing results showing that contaminant levels in the following categories do not exceed the acceptance criteria established by the office:

- (1) foreign material;
- (2) heavy metals;
- (3) microbiological contaminants;
- (4) mycotoxins;
- (5) pesticide residue; and
- (6) residual solvents; and

C. finished product-testing results demonstrating that the finished product was tested for all contaminants in item B unless the cannabis wholesaler demonstrates that:

- (1) the cannabis or hemp-derived ingredient used was previously tested and shown to meet the office's acceptance criteria; and
- (2) the manufacturer used a production process that complied with this chapter and Minnesota Statutes, chapter 342.

9810.2500 GENERAL RETAIL.

Subpart 1. **Applicability.** This part applies to retail sales of all regulated products.

Subp. 2. **Sanitary and clean conditions.** Retail areas must be kept in a clean and sanitary condition and must comply with the requirements specified in this subpart.

- A. Retail areas must have ventilation and filtration for odor control as required by state and local law.
- B. Handling edibles and beverages must be performed pursuant to chapter 4626 and any other relevant local, state, and federal law.
- C. A retailer must develop, document, implement, and maintain the procedures in this item for handling regulated products.
 - (1) A retailer must maintain accurate records documenting compliance with the handling procedures in this subpart.
 - (2) A retailer must ensure that the retailer's records are available for inspection by the office upon request.

Subp. 3. **Fraudulent identification.** A retailer must develop, document, implement, and maintain procedures for retaining fraudulent identification documents as required under Minnesota Statutes, section 342.27, subdivision 4. A retailer must ensure that the records are available for inspection by the office upon request.

Subp. 4. [Intentionally omitted.]

Subp. 5. [Intentionally omitted.]

9810.2501 ADULT-USE CANNABIS RETAIL.

Subpart 1. Retail area.

- A. A retailer must establish an area for conducting retail sales that is open to individuals who are 21 years or older or registered in the medical cannabis patient registry.
- B. A retail area must include a point-of-sale system that is validated and integrated with the statewide monitoring system.
- C. Each point of ingress to a retail area must have conspicuous signage with the following statement: "No persons under 21 allowed."

Subp. 2. Age verification.

- A. A retailer must confirm that an individual in the retail area is 21 years of age or older, enrolled in the medical cannabis patient registry, or a registered caregiver for a patient enrolled in the medical cannabis patient registry.
- B. A retailer must confirm an individual's age or enrollment in the medical cannabis patient registry when selling any regulated product.
- C. Retailers must confirm an individual's age using a form of identification required by Minnesota Statutes, section 342.27, subdivision 4, paragraph (b).

Subp. 3. Restricted-access areas.

- A. A retailer must control access to restricted-access areas. A retailer must ensure that only authorized personnel or members of the office have access to restricted-access areas.
- B. A retailer must maintain an entry log that records the entry of an individual to a restricted-access area that includes:
 - the individual's name;
 - (2) the date of the individual's entry;

(3) the time of the individual's entry; and

(4) the time of the individual's exit.

C. A retailer must mark all entries to restricted-access areas with conspicuous signage that states: "WARNING: RESTRICTED AREA, AUTHORIZED PERSONNEL ONLY."

Subp. 4. Display samples.

A. Displays may include up to one sample of each product that the retailer offers for sale.

B. A retailer must use methods to prevent theft and access to a display sample.

C. A retailer must treat a display sample as a contaminated product.

D. A retailer must destroy a display sample no later than 90 days after the product is designated as a display sample.

E. A retailer must use measures to prevent a sample from being consumed by a customer if the retailer offers the sample for the customer to smell.

Subp. 5. Preorders.

A. A cannabis business with a retail endorsement may accept orders and payment for regulated products on the Internet, using a mobile app, or by telephone.

B. A cannabis retailer that uses online and telephone sales must:

(1) require all submitted orders to include the customer's name, address, phone number, email address, and date of birth; and

(2) before providing the ordered product to the customer in a store, verify:

(a) the customer's name on the form of identification provided under Minnesota Statutes, section 342.27, subdivision 4, paragraph (b); and

(b) that the customer is 21 years of age or older using a form of identification required by Minnesota Statutes, section 342.27, subdivision 4, paragraph (b).

C. A retailer may accept payment from a customer using any legal method of payment, gift card prepayments, or prepayment accounts established with the retailer, except that a customer must not make a payment for a regulated product with an electronic benefits transfer services card.

D. A retailer must collect only the information necessary to complete a transaction. A retailer must only use collected information for the purpose of completing the transaction. A retailer must establish a standard operating procedure for data security and privacy that applies to the cannabis retailer and any third party with whom the cannabis retailer contracts for the purpose of offering online sales.

Subp. 6. **Transaction limits.** In a single transaction, a cannabis retailer must not sell more regulated products to a customer than the customer is able to legally transport.

9810.2502 MEDICAL CANNABIS RETAIL.

[Intentionally omitted.]

9810.2503 RETAIL SALES OF LOWER-POTENCY HEMP EDIBLES.

Subpart 1. **General requirements.**

A. This part applies to the retail sale of lower-potency hemp edibles by a lower-potency hemp edible retailer. A retailer regulated by Minnesota Statutes, chapter 342, must:

- (1) ensure that all products sold comply with the requirements for packaging and labeling under parts 9810.1400 to 9810.1403;
- (2) ensure that all displays of lower-potency hemp edibles comply with part 9810.2501, subpart 4, and Minnesota Statutes, section 342.46, subdivision 4, except that lower-potency hemp edibles that are intended for consumption as a beverage may be stored in a refrigerator or similar cooling unit; and
- (3) verify the age of the customer, as required by Minnesota Statutes, section 342.27, subdivision 4, before any sale.

B. A retailer may sell beverages in multipack units such as cases if the label on the packaging describes the number of individual units contained inside the packaging, describes the potency and number of servings per unit, and complies with part 9810.1400, subparts 2 and 3.

Subp. 2. **Inspections.** All lower-potency hemp edible retailers must comply with regulatory inspections and requests for records by the office.

Subp. 3. [Intentionally omitted.]

9810.2600 DELIVERY.

Subpart 1. **General requirements.** A cannabis business holding a valid cannabis delivery license must establish a standard operating procedure to ensure that the business complies with

part 9810.1100 and Minnesota Statutes, chapters 221 and 342. A cannabis business holding a valid delivery license must comply with all commercial vehicle requirements imposed by the Department of Public Safety, the Department of Commerce, and the Department of Revenue.

Subp. 2. **Delivery limits.** A delivery driver may not transport more than \$5,000 worth of regulated products on a single delivery route.

Subp. 3. **Operational requirements for delivery businesses.**

A. Drivers of delivery vehicles must possess a valid Minnesota driver's license.

B. Any vehicle used by a cannabis delivery license holder must:

- (1) be in working condition, with no defects that prevent the vehicle from being operated in a manner that complies with all applicable traffic and safety laws;
- (2) have a security system to prevent the theft of cannabinoid products; and
- (3) carry the amount of insurance required by the Department of Transportation, Department of Commerce, or applicable federal regulations.

C. Drivers of delivery vehicles may only make deliveries of regulated products on behalf of a cannabis business with a retail license or an endorsement to a customer who has paid for the product before the delivery.

D. For each delivery of regulated products, a driver must have a shipping manifest that includes:

- (1) the customer's name;
- (2) the address of the customer receiving the delivery;
- (3) the form of identification that the customer provided to the driver;
- (4) the identification number on the government-issued form of identification provided by the customer to the driver;
- (5) the name of the delivery driver;
- (6) the vehicle's time of departure from the cannabis business where the sale was initiated;
- (7) the time of the delivery of the cannabinoid product to the customer; and
- (8) a description of the delivered cannabinoid product, including the type of product, amount, and weight.

E. A driver must deliver a cannabinoid product to a customer in person. A delivery driver must verify that a cannabinoid product was received by the customer whose name is on the order. Before taking physical possession of a delivered cannabinoid product, a customer must:

- (1) provide the driver with government-issued photo identification; and
- (2) sign the shipping manifest or delivery record.

F. A delivery driver must not deliver a cannabinoid product to a customer if:

- (1) the delivery driver is unable to verify the identity of the receiving customer;
- (2) the customer does not sign the shipping manifest or delivery record;
- (3) the cannabis business has not received payment for the product before the delivery; or
- (4) the customer is a patient or designated caregiver and has not provided evidence of the patient's registry enrollment to the cannabis business before the delivery.

G. A delivery driver must immediately report a failed delivery to the cannabis business originating the sale. The delivery driver must ensure that all undeliverable products are returned to the retailer and provide details of the failed delivery to the cannabis business, including:

- (1) the time that the driver attempted to complete the delivery; and
- (2) the reason that the driver was unable to complete the delivery.

H. A cannabis business must enter the details of each delivery of a regulated product to a customer in the statewide monitoring system.

Subp. 4. **Other regulated products in vehicle.** During the delivery of a regulated product to a customer, a delivery driver must not have any other regulated product that was not ordered by a customer in the delivery vehicle.

9810.2700 EVENTS.

Subpart 1. Duration.

A. A cannabis event must not last more than four days. The first day that the cannabis event is open to the public is the first day of the event. Every calendar day after the first day is an additional day.

B. [Intentionally omitted.]

C. [Intentionally omitted.]

Subp. 2. Secure storage area.

A. A retailer must store all cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold at a cannabis event in a secure storage area as required under part 9810.1500 and Minnesota Statutes, section 342.40.

B. A retailer must store all products for retail sale in a limited-access area that restricts access to persons at least 21 years of age.

C. A retailer must ensure that all cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that are not on display, pursuant Minnesota Statutes, section 342.40, subdivision 7, are contained in a locked storage container that has a separate key or combination pad only accessible to authorized personnel of the retailer.

Subp. 3. On-site consumption areas. A cannabis event organizer licensed to permit on-site consumption by event attendees must ensure that:

A. only individuals 21 years of age or older have access to the consumption area, pursuant to Minnesota Statutes, section 342.40, subdivision 4; and

B. commercial-grade fencing surrounds the entire perimeter of the consumption area.

Subp. 4. Promotional items.

A. A retailer must not give cannabis flower or cannabis products to an event attendee for no remuneration or to another cannabis business.

B. A vendor or an event organizer license holder may provide cannabis paraphernalia and merchandise to an event attendee for no remuneration.

Subp. 5. [Intentionally omitted.]

Subp. 6. Retail sales and record keeping. A retailer at a cannabis event must update the record of sales within 24 hours of a sale in the statewide monitoring system.

9810.3000 TESTING FACILITY STANDARDS.

[Intentionally omitted.]

9810.3100 PRODUCT TESTING AND PRODUCT SAMPLING PROTOCOLS.

Subpart 1. **Office authority.** To ensure public health and safety, the office may, at any time, require immediate testing of a regulated product suspected to be a potential human health hazard or threat to public safety.

Subp. 2. **Prohibited actions.** A person must not offer any regulated product in the product's final packaging for wholesale distribution or retail sale if the product:

A. has not undergone testing required by this chapter and Minnesota Statutes, chapter 342; or

B. does not meet the acceptance criteria established by the office for the regulated product.

Subp. 3. [Intentionally omitted.]

Subp. 4. [Intentionally omitted.]

Subp. 5. **Mandatory testing.**

A. A testing facility must test a batch of regulated products to verify:

(1) the potency and stability of the cannabinoids in the products for accurate labeling;
and

(2) the homogeneity of the cannabinoids in each serving in the batch to meet the acceptance criteria established by the office and for accurate labeling.

B. If a testing facility finds any of the following contaminants in a batch of regulated products, the batch does not meet the acceptance criteria established by the office:

(1) foreign material;

(2) heavy metals;

(3) microbiological contaminants;

(4) mycotoxins;

(5) pesticide residue; or

(6) residual solvents.

C. A cannabis-derived ingredient testing report or hemp-derived ingredient testing report meets the testing requirement in this subpart if:

(1) the production process of the cannabis consumer product does not introduce a

contaminant or increase the potential for introducing a contaminant into the regulated product; or

(2) handling the product has not altered the stability, potency, or homogeneity of the regulated product.

D. A product offered for sale is not required to be tested for a contaminant when the contaminant is not hazardous and the cannabis business provides supporting written documentation to the office that the contaminant is not hazardous.

E. A testing facility must test a batch for stability and homogeneity after the batch has been packaged as a regulated product. A testing facility may test a batch for contaminants and potency before the batch has been packaged as a regulated product.

F. A testing facility must test a batch of a regulated product for stability, except that the first batch of a regulated product may have a six-month expiration date.

G. A testing facility must maintain a testing report produced by the facility for at least three years from the date of the report. A testing facility must make all testing reports available for inspection by the office upon request.

Subp. 6. [Intentionally omitted.]

Subp. 7. **Sample collection methods.**

A. [Intentionally omitted.]

B. A cannabis or hemp business must design methods of sample collection that maintain the integrity of the sample. A cannabis or hemp business must:

(1) ensure that sample containers, collection tools, and supplies do not alter the accuracy of the sample analysis;

(2) clean sample containers, collection tools, and supplies and handle sample containers, collection tools, and supplies in a manner to prevent contaminants from being introduced into the sample;

(3) perform sample collection in a manner visible to mandatory recording devices;

(4) open, fill, and reseal a sample container in a manner designed to prevent the contamination of the container's contents and contamination of other samples;

(5) use sterile equipment, utensils, and aseptic sampling techniques for the sample analysis;

(6) identify collected samples with the product's name, the product batch number, the

date on which the sample was taken, and the identity of the person who collected the sample; and

- (7) seal sample containers immediately after collecting the sample in a manner to indicate when tampering has occurred or when the integrity of the sample has been compromised.

Subp. 8. **Responsibilities of license holder.** A license holder is responsible for ensuring that:

- A. workers responsible for sample collection have been properly trained on sampling procedures;
- B. all mandatory testing is completed by a testing facility licensed by the office;
- C. the identity and integrity of all samples collected are maintained from the time of sample collection until the testing facility or the licensed transporter receives the sample; and
- D. the license holder makes complete and accurate disclosures to the testing facility of all cultivation and production methods required in Minnesota Statutes, section 342.61, subdivision 4, or other information necessary for the accurate laboratory analysis and reporting of testing results.

Subp. 9. **Remediation.**

- A. A license holder must ensure that batches of regulated products that fail to meet acceptance criteria established by the office for contaminant categories or homogeneity are:
 - (1) disposed of according to part 9810.1200; or
 - (2) remediated according to a plan approved by the office under this subpart.
- B. [Intentionally omitted.]
- C. [Intentionally omitted.]
- D. A license holder must identify and quarantine any product awaiting remediation or disposal to prevent the product's use. A license holder must not use any method of disposal or remediation that is not described in the license holder's remediation plan approved by the office.
- E. A license holder must ensure that all remediated material meets the office's acceptance criteria, standards, and specifications as part of the approved remediation plan.
- F. [Intentionally omitted.]

Subp. 10. **Mandatory notifications.**

A. A license holder whose product fails to meet mandatory testing criteria must notify the office of all noncompliant testing reports and include the following information in the notice:

- (1) the mandatory testing criteria that was not met;
- (2) the production status of the batch represented; and
- (3) the license holder's decision to dispose of the batch or remediate the batch under subpart 9.

B. A license holder must notify the office of all testing results of regulated products, including batches that have completed production processes and batches that have not completed production processes.

Subp. 11. **Research and development.** Cannabis flower and cannabis product batches are exempt from the requirements of this part if:

- A. a cannabis microbusiness licensed under Minnesota Statutes, section 342.28, subdivision 1a, produces the cannabis flower or cannabis product batches solely for the purposes of research and development; and
- B. the cannabis flower or cannabis product batches are not consumed by humans.

9810.4000 MEDICAL CANNABIS PATIENT REGISTRY; PATIENT ENROLLMENT.

[Intentionally omitted.]

9810.4001 MEDICAL PATIENT REGISTRY; CAREGIVER ENROLLMENT.

[Intentionally omitted.]

9810.4003 MEDICAL CANNABIS PATIENT REGISTRY; HEALTH CARE PRACTITIONER QUALIFICATIONS AND DUTIES.

[Intentionally omitted.]

9810.4100 MEDICAL CANNABIS CONSULTANT PROGRAM.

[Intentionally omitted.]

9810.4200 MEDICAL CANNABIS COMBINATION BUSINESS.

[Intentionally omitted.]

9810.5000LOCAL GOVERNMENTS.

[Intentionally omitted.]

To Whom It May Concern:

This letter, incorporated into the Compact between the State of Minnesota and the Lower Sioux Indian Community, dated March 9, 2026 (“Compact”), may be presented in lieu of a State issued license to satisfy any local unit of government’s requirement that a cannabis retailer be licensed by the State of Minnesota. A cannabis business licensed by the Tribal Regulatory Agency and operated by a Tribal Enterprise, consistent with the Compact is authorized to operate off Tribally Regulated Land in the same manner as a cannabis business licensed by the Office of Cannabis Management.

Please direct any questions to the office of cannabis management.

Sincerely,



Eric Taubel
Director