

# CANNABIS LEGALIZATION SUMMARY

The Minnesota Legislature passed the adult-use cannabis bill this session, legalizing the use, possession, and sale of cannabis in Minnesota. The possession and personal growing of cannabis will become legal August 1, 2023, and retail, agricultural, and manufacturing cannabis businesses will likely become licensed in early 2025.

## Personal Adult-Use Cannabis

- An individual 21 years or older may use, possess, or transport cannabis paraphernalia and products.
- An individual 21 years or older may use cannabis products in a private residence (unless prohibited by the owner) and at a business or event licensed to permit on-site consumption.
- The use of cannabis is prohibited in a motor vehicle and at any location where smoking is prohibited.
- An individual may not operate a motor vehicle under the influence of cannabis or hemp products.
- An individual may not give cannabis or hemp products to an individual under the age of 21.

## Local Governments Can:

- ✓ Prohibit the operation of all cannabis businesses and operations within 1,000 feet of a school, or 500 feet of a daycare, residential treatment facility, or a children's attraction within a public park.
- ✓ Adopt reasonable hours on the time, place, and manner of the operation of all cannabis businesses and operations.
- ✓ By ordinance, limit the number of licensed cannabis retailers, cannabis mezzo businesses, and cannabis microbusinesses to no fewer than one registration for every 12,500 residents.

## Office of Cannabis Management

The Office of Cannabis Management (OCM) is being created to oversee the legalization and market of medical cannabis, adult-use cannabis, and hemp products. The OCM will establish legal limits on the use, possession, and transportation of cannabis and hemp products, and establish the cannabis industry community renewal grant program.

The OCM must promote the public health and welfare of Minnesota, protect public safety, eliminate the illicit cannabis market, meet market demands for cannabis and hemp products, and prioritize growth and recovery in communities that have experienced a disproportionate, negative impact from cannabis prohibition. The Cannabis Advisory Council will be created to review the national cannabis policy, examine the effectiveness of state cannabis policy, review developments in the cannabis and hemp industries, take public testimony, and make recommendations to the OCM.

**Local government will have three representatives on the council, one representative from the Association of Minnesota Counties (AMC), the League of Minnesota Cities (LMC), and the Local Public Health Association of Minnesota (LPHA).**

# Cannabis and Hemp Business General Operations

- All cannabis and hemp businesses must use the statewide monitoring system.
- Businesses can only sell products approved by the OCM.
- All cannabis and hemp businesses must maintain and follow a security plan.
- Individuals 21 and younger cannot enter or work at a cannabis facility, nor purchase cannabis products.
- A local unit of government must conduct compliance checks of every cannabis and hemp business with a retail issued registration.

## Local Control

A local unit of government must certify whether a proposed cannabis business complies with local zoning ordinances within 30 days of receiving a copy of an application for a cannabis business license from the office. The OCM is required to establish an expedited process to review and respond to complaints made by a local unit of government about a cannabis business.

Before making retail sales, a cannabis microbusiness, mezzo business, retailer, medical cannabis retailer, medical cannabis combination business, or lower-potency hemp retailer, must register with the city, town, or county in which the retail establishment is located. A local unit of government may impose an initial retail registration fee of no more than \$500 and may also impose a retail registration renewal fee.

## Cannabis Revenue

Cannabis will be taxed by the state at 10% with an amount set by the OCM going to local governments. The amount will be split equally between counties and cities. 20% of the amount to go to counties must be distributed equally among all counties and 80% must be distributed proportionately to each county according to the number of cannabis businesses located in the county compared to the number of cannabis businesses in all counties as of the most recent certification. \$10 million dollars will go to local public health departments annually for prevention and education efforts. Imposing a local cannabis tax is prohibited. ■

## Potential County Actions:

- ✓ Update human resources policies on employee drug testing and documentation of working while inebriated.
- ✓ Add training for law enforcement on road safety to identify inebriated driving and using the pilot roadside testing system.
- ✓ Conduct a study for the purpose of considering adoption of reasonable restrictions on the time, place, and manner of the operation of a cannabis business. Issuing a study allows local governments to adopt an interim ordinance to regulate, restrict, or prohibit the operation of a cannabis business within the jurisdiction or a portion thereof until January 1, 2025.
- ✓ Adopt local ordinances pertaining to:
  - *Establishing a petty misdemeanor offense for public use of cannabis;*
  - *Regulating cannabis businesses water and energy use and solid waste and odor management;*
  - *Defining hours of operation for cannabis retail businesses and number of retail stores based on population; and*
  - *Regulating home growth of personal cannabis plants.*
- ✓ Prepare for the record expungement process. The Bureau of Criminal Apprehension will identify individuals qualified for expungement. The bureau will inform arresting or citing law enforcement agency or prosecutorial office with records affected by the grant of expungement.
- ✓ Develop policy for reviewing event license requests.

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