

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 2840

(SENATE AUTHORS: PAPPAS, Hayden and Dziedzic)

DATE	D-PG	OFFICIAL STATUS
04/24/2019		Introduction and first reading Referred to Judiciary and Public Safety Finance and Policy

1.1A bill for an act

1.2relating to cannabis; allowing individuals 21 years of age or older to consume and

1.3possess cannabis and cannabis-infused products; providing regulation of cannabis

1.4for commercial purposes; authorizing rulemaking; authorizing fees; providing

1.5penalties; taxing certain cannabis sales; providing expungement of certain crimes;

1.6modifying the Clean Indoor Air Act; amending Minnesota Statutes 2018, sections

1.7144.413, subdivision 4, by adding subdivisions; 144.414, subdivisions 2, 3;

1.8144.4165; 152.01, subdivision 5a; 152.02, subdivision 2; 152.021, subdivisions

1.91, 2; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivisions

1.101, 2; 152.025, subdivision 1; 152.096, subdivision 1; 290.0132, by adding a

1.11subdivision; 290.0134, by adding a subdivision; 297A.61, subdivisions 3, 4, by

1.12adding subdivisions; 297A.62, subdivision 1, by adding a subdivision; 297A.94;

1.13297A.99, subdivision 1; proposing coding for new law in Minnesota Statutes,

1.14chapters 295; 297A; 609A; proposing coding for new law as Minnesota Statutes,

1.15chapter 340B; repealing Minnesota Statutes 2018, sections 144.414, subdivision

1.165; 152.01, subdivision 16; 152.027, subdivisions 3, 4.

1.17BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.18ARTICLE 1

1.19FULL LEGALIZATION ACT

1.20Section 1. **[340B.01] DEFINITIONS; MINNESOTA CANNABIS.**

1.21Subdivision 1. **Scope.** The terms defined in this section apply to this chapter.

1.22Subd. 2. **Department.** "Department" means the Department of Commerce.

1.23Subd. 3. **Cannabinoid profile.** "Cannabinoid profile" means a list or chart of the chemical

1.24constituents found in a sample testing of a cannabis plant that is processed into usable

1.25cannabis or is used as an ingredient in a cannabis-infused product.

1.26Subd. 4. **Cannabis.** "Cannabis" means all parts of the plant of the genus cannabis whether

1.27growing or not, the seeds of the plant, the resin extracted from any part of the plant, and

every compound, salt, derivative, mixture, or preparation of the plant, the plant's seeds, or the plant's resin, including cannabis concentrate that is cultivated, manufactured, distributed, or sold by a licensed cannabis establishment. Cannabis does not include industrial hemp; medical cannabis, as defined in section 152.22, subdivision 6; the fiber produced from the stalks, oil, or cake made from the seeds of the plant; the sterilized seed of the plant that is incapable of germination; or the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other cannabis-infused products.

Subd. 5. **Cannabis accessories.** "Cannabis accessories" means any equipment, products, or materials of any kind that are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis into the human body.

Subd. 6. **Cannabis establishment.** "Cannabis establishment" means a cannabis cultivator, a cannabis testing facility, a cannabis processor, or a retail cannabis store.

Subd. 7. **Cannabis-infused products.** "Cannabis-infused product" means a product that contains cannabis or cannabis extracts and is intended for human use, including but not limited to an edible product, ointment, or tincture. A cannabis-infused product does not include usable cannabis.

Subd. 8. **Cannabis processor.** "Cannabis processor" means a person who processes cannabis into usable cannabis; packages and labels usable cannabis and viable cannabis seeds; manufactures, prepares, packages, and labels cannabis-infused products; or sells cannabis seeds, usable cannabis, and cannabis-infused products to other cannabis processors and to retail cannabis stores, but not to consumers.

Subd. 9. **Cannabis cultivator.** "Cannabis cultivator" means a person who cultivates and sells cannabis at wholesale to cannabis processors and other cannabis cultivators, but not to consumers.

Subd. 10. **Cannabis testing facility.** "Cannabis testing facility" means an entity licensed to analyze and certify the safety and potency of cannabis.

Subd. 11. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 12. **Consumer.** "Consumer" means a person 21 years of age or older who purchases cannabis seeds, usable cannabis, or cannabis-infused products for personal use by persons 21 years of age or older, but not for resale to others.

3.1 Subd. 13. **Local government.** "Local government" means a home rule charter or statutory
3.2 city or town.

3.3 Subd. 14. **Lot.** "Lot" means a definite quantity of cannabis or usable cannabis identified
3.4 by a lot number, each portion or package of which is consistent with the factors that appear
3.5 in the labeling.

3.6 Subd. 15. **Lot number.** "Lot number" means a number that specifies the person who
3.7 holds a valid license under this chapter and the harvesting or processing date for each lot.

3.8 Subd. 16. **Medical cannabis manufacturer.** "Medical cannabis manufacturer" has the
3.9 meaning given in section 152.22, subdivision 7.

3.10 Subd. 17. **Premises.** "Premises" means the premises specified on an application for
3.11 licensure under this chapter, which are owned or in possession of the licensee and within
3.12 which the licensee is authorized to cultivate, manufacture, process, distribute, sell, or test
3.13 cannabis, usable cannabis, or cannabis-infused products according to this chapter.

3.14 Subd. 18. **Retail cannabis store.** "Retail cannabis store" means a person licensed to:

3.15 (1) purchase cannabis seeds, usable cannabis, and cannabis-infused products from a
3.16 cannabis processor; and

3.17 (2) sell cannabis seeds, usable cannabis, and cannabis-infused products to consumers.

3.18 Subd. 19. **Unreasonably impracticable.** "Unreasonably impracticable" means that the
3.19 measures necessary to comply with the rules adopted under this chapter require such a high
3.20 investment of risk, money, time, or any other resource or asset that the operation of a cannabis
3.21 establishment is not worth carrying out in practice by a reasonably prudent businessperson.

3.22 Subd. 20. **Usable cannabis.** "Usable cannabis" means dried cannabis flowers. Usable
3.23 cannabis does not include cannabis-infused products.

3.24 **Sec. 2. [340B.02] DUTIES OF THE COMMISSIONER OF COMMERCE.**

3.25 Subdivision 1. **Duties.** The commissioner shall perform the following functions related
3.26 to the regulation of cannabis, cannabis products, cannabis accessories, and cannabis
3.27 establishments:

3.28 (1) issue licenses for cannabis establishments according to this chapter;

3.29 (2) suspend, fine, restrict, or revoke the license of a cannabis establishment that is in
3.30 violation of this chapter or rules adopted under the authority of this chapter;

4.1 (3) impose any penalty authorized by this chapter or rules adopted under the authority
4.2 of this chapter;

4.3 (4) adopt rules to implement this chapter according to section 340B.03;

4.4 (5) impose any penalty authorized by this chapter or rules adopted under this chapter;

4.5 (6) assess fees according to this chapter; and

4.6 (7) administer and enforce this chapter and rules adopted under this chapter.

4.7 Subd. 2. **Interagency agreements.** The commissioner may enter into any interagency
4.8 agreements with other state agencies for technical services or other assistance related to the
4.9 regulatory, enforcement, or inspection duties in this chapter or the rules adopted under the
4.10 authority of this chapter.

4.11 Subd. 3. **Conflicts of interest.** The commissioner or any person employed by the
4.12 commissioner shall not have a direct or indirect financial interest in any cannabis
4.13 establishment.

4.14 Sec. 3. **[340B.03] ADMINISTRATION AND ENFORCEMENT; RULEMAKING.**

4.15 Subdivision 1. **Scope.** No later than January 1, 2021, the commissioner shall adopt rules
4.16 necessary to implement this chapter. The rules shall not prohibit the operation of cannabis
4.17 establishments, either expressly or through rules that make their operation unreasonably
4.18 impracticable. The rules adopted under this chapter must provide for retail cannabis stores
4.19 to begin the sale of cannabis, cannabis-infused products, and cannabis accessories by January
4.20 1, 2022.

4.21 Subd. 2. **Rules.** The rules adopted by the commissioner must address the following:

4.22 (1) procedures for the issuance, renewal, suspension, and revocation of a license to
4.23 operate a cannabis establishment, including procedures for impact zone and microbusiness
4.24 licenses;

4.25 (2) qualifications for licensure that are directly and demonstrably related to the operation
4.26 of a cannabis establishment;

4.27 (3) requirements to prevent the sale or diversion of cannabis, usable cannabis, and
4.28 cannabis-infused products to persons under the age of 21 years including restrictions on
4.29 advertisements directed toward persons under the age of 21 years;

4.30 (4) labeling requirements for cannabis seeds, usable cannabis, and cannabis-infused
4.31 products;

5.1 (5) health and safety regulations and standards for the production and processing of
5.2 cannabis, usable cannabis, and cannabis-infused products;

5.3 (6) the nature, form, and capacity of all containers to be used by cannabis establishments
5.4 to contain cannabis, cannabis seeds, usable cannabis, and cannabis-infused products, and
5.5 their labeling requirements;

5.6 (7) classes of cannabis, cannabis seeds, usable cannabis, and cannabis-infused products
5.7 according to grade, condition, cannabinoid profile, or other qualitative measurements deemed
5.8 appropriate by the commissioner in consultation with the commissioner of agriculture,
5.9 academic experts, cannabis processors, and cannabis producers;

5.10 (8) a standardized cannabis serving size amount for edible cannabis-infused products;

5.11 (9) additional safety standards for cannabis-infused products including but not limited
5.12 to safety requirements related to contaminants and potency;

5.13 (10) accreditation requirements for cannabis testing facilities, in consultation with the
5.14 commissioner of agriculture;

5.15 (11) procedures for identifying, seizing, confiscating, destroying, and donating cannabis,
5.16 usable cannabis, and cannabis-infused products, that do not conform to the standards required
5.17 by this chapter or the rules adopted pursuant to this chapter;

5.18 (12) a method of determining lots and lot numbers for purposes of testing cannabis;

5.19 (13) civil penalties for the failure to comply with the rules adopted under this chapter;
5.20 and

5.21 (14) any other requirement or procedure necessary to carry out the administration of this
5.22 chapter.

5.23 Subd. 3. **Enforcement.** The commissioner shall administer and enforce this chapter and
5.24 any rules adopted under the authority of this chapter.

5.25 Subd. 4. **Commissioner's discretion.** If minor violations of this chapter or rules adopted
5.26 under this chapter occur or the commissioner believes the public interest is best served by
5.27 a suitable notice of warning in writing, this section does not require the commissioner to:

5.28 (1) report the violation for prosecution;

5.29 (2) institute seizure proceedings; or

5.30 (3) issue a withdrawal from distribution, stop-sale, or other order.

6.1 Subd. 5. **Civil actions.** Civil judicial enforcement actions may be brought by the attorney
6.2 general in the name of the state on behalf of the commissioner. A county attorney may bring
6.3 a civil judicial enforcement action upon the request of the commissioner and agreement by
6.4 the attorney general.

6.5 Subd. 6. **Injunction.** The commissioner may apply to a court with jurisdiction for a
6.6 temporary or permanent injunction to prevent, restrain, or enjoin violations of this chapter.

6.7 Subd. 7. **Criminal actions.** For a criminal action, the county attorney from the county
6.8 where the criminal violation occurred is responsible for prosecuting a violation of this
6.9 chapter. If the county attorney refuses to prosecute, the attorney general, by request of the
6.10 commissioner, may prosecute.

6.11 Sec. 4. **[340B.04] GENERAL PROVISIONS.**

6.12 Subdivision 1. **Scope.** This chapter sets forth the exclusive means by which the
6.13 cultivation, manufacture, sale, distribution, dispensing, and testing of cannabis, usable
6.14 cannabis, and cannabis-infused products may occur in this state. It is unlawful to produce,
6.15 process, cultivate, manufacture, distribute, or sell cannabis, usable cannabis, or
6.16 cannabis-infused products except in compliance with the terms, conditions, limitations, and
6.17 restrictions under this chapter or the rules adopted under this chapter.

6.18 Subd. 2. **Rights of employers.** Nothing in this chapter is intended to require an employer
6.19 to permit or accommodate the use, consumption, possession, transfer, display, transportation,
6.20 sale, or cultivation of cannabis in the workplace or to permit an employee to work while
6.21 under the influence of cannabis.

6.22 Subd. 3. **Rights of employees and prospective employees.** Notwithstanding any law
6.23 to the contrary, an employer may not discipline or discriminate against an employee or
6.24 prospective employee because the employee or prospective employee has metabolites of
6.25 cannabis in the employee's or prospective employee's blood.

6.26 Subd. 4. **Rights of property owners.** Nothing in this chapter prohibits a person,
6.27 employer, school, hospital, detention facility, corporation, or any other entity that occupies,
6.28 owns, or controls a property from prohibiting or otherwise regulating the possession,
6.29 consumption, use, display, transfer, distribution, sale, transportation, or cultivation of
6.30 cannabis or cannabis-infused products on the person's or entity's property.

6.31 Subd. 5. **Rights of residential tenants.** A residential tenant who is 21 years of age or
6.32 older may possess or use cannabis seeds, usable cannabis, or cannabis-infused products, or

7.1 may possess and grow cannabis plants as authorized by this chapter, in a residential building
7.2 unless such acts are prohibited by a written lease.

7.3 Subd. 6. **Report.** By February 1 of each year beginning in 2021, the commissioner shall
7.4 submit a report to the legislative committees with jurisdiction over cannabis, public safety,
7.5 and taxes on the following:

7.6 (1) the progress the commissioner is making on processing cannabis establishment
7.7 licenses;

7.8 (2) an overview of the usable cannabis and cannabis-infused product market, including
7.9 but not limited to the actual and anticipated market demand and market supply;

7.10 (3) detailing the amounts of revenue generated by the sale of cannabis, cannabis seeds,
7.11 usable cannabis, cannabis-infused products, and cannabis accessories and the expenses
7.12 incurred by the commissioner and other state agencies related to the administration and
7.13 enforcement of laws related to this chapter;

7.14 (4) the number of persons who have filed an application with the commissioner to obtain
7.15 a license for a cannabis establishment;

7.16 (5) the commissioner's enforcement measures taken against persons licensed under this
7.17 chapter for violations of this chapter or the rules adopted under this chapter; and

7.18 (6) the progress the commissioner has made in meeting the equity goals related to impact
7.19 zones, minority-owned businesses, and microbusinesses.

7.20 Sec. 5. **[340B.05] SEIZURE AND CONFISCATION.**

7.21 (a) All cannabis, usable cannabis, and cannabis-infused products produced, processed,
7.22 manufactured, kept, stored, sold, distributed, or transported in violation of this chapter or
7.23 the rules adopted under this chapter is unlawful property and subject to seizure by the
7.24 commissioner or a law enforcement officer.

7.25 (b) Before issuing a seizure order, the commissioner may remedy violations under this
7.26 chapter pursuant to section 340B.17. Seizure orders are subject to the appeals process under
7.27 section 340B.19.

7.28 (c) If cannabis, usable cannabis, or cannabis-infused products have been seized by the
7.29 commissioner, the commissioner may transfer the cannabis, usable cannabis, or
7.30 cannabis-infused products to law enforcement for use in a criminal investigation.

(d) If the commissioner determines that the true owner of any seized cannabis, usable cannabis, or cannabis-infused products is not involved in the violation resulting in the seizure, the commissioner shall return the seized property to the true owner.

Sec. 6. **[340B.06] CANNABIS ESTABLISHMENTS; LICENSE.**

Subdivision 1. **License required.** (a) No person may operate a cannabis establishment in this state without first filing an application for and obtaining the proper license from the commissioner to perform the activities and operations authorized by this chapter.

(b) Every cannabis establishment license shall:

(1) be issued in the name of the applicant;

(2) specify the location of the cannabis establishment; and

(3) be used only by the holder of the license;

Subd. 2. **Eligibility.** (a) The commissioner may only issue a license to operate as a cannabis establishment to a person:

(1) who, immediately before the date of the person's cannabis establishment license application has been (i) a resident of this state continuously for at least 2 years, or (ii) domiciled for a total of 24 months in the immediately preceding 7 years;

(2) who is 21 years of age or older;

(3) who has not had a license issued under this chapter revoked within five years of the date of license application; and

(4) who has paid any fee associated with the license application.

(b) At least 60 percent of all officers, directors, agents, and stockholders of any corporation applying for a license under this chapter must meet the requirements of paragraph (a).

Subd. 3. **Application; fee.** (a) An initial application for a license under this chapter must be made to the commissioner on a form the commissioner prescribes and must be accompanied by a \$500 fee. If an application is denied, the commissioner shall retain the application fee to cover the administrative costs related to reviewing the application.

(b) The application fee for impact zone applications under section 340B.122 and microbusiness applications under section 340B.123 is waived.

Subd. 4. **Period of license.** (a) Licenses issued under this chapter are valid for one year, except that to coordinate expiration dates, initial licenses may be issued for a shorter period.

(b) To renew a cannabis establishment license, a licensee must submit a renewal application as prescribed by the commissioner and pay the applicable fee under subdivision 8.

Subd. 5. **Separate license required; limitations.** (a) A separate license is required for each class of license and the license holder shall perform only the operations authorized by a license. A license issued under this chapter is not transferable from one person to another or from one premises to another. A separate license is required for each place in this state where the operations of a cannabis establishment occur.

(b) A person or entity may not hold more than (1) one cannabis cultivator license, (2) one cannabis processor license, and (3) five retail cannabis store licenses. A person or entity is prohibited from operating more than two retail cannabis stores in one city.

(c) A person or entity holding a cannabis testing facility license may not hold any other license authorized under this chapter.

Subd. 6. **Application process.** (a) Each application for an annual license to operate a cannabis establishment shall be submitted to the commissioner.

(b) The commissioner shall begin accepting applications on October 1, 2021.

(c) The commissioner shall issue an annual license to the applicant within 45 days after receipt of an application unless the commissioner finds the applicant is not in compliance with this chapter or the rules adopted under this chapter. Upon denial of an application for a license to operate a cannabis establishment, the commissioner shall notify the applicant in writing of the specific reason for denial. An applicant may appeal the commissioner's denial of the license in a contested case proceeding under chapter 14.

(d) The commissioner shall prioritize impact zone, minority-owned, and microbusiness license applications.

Subd. 7. **Inspection of premises.** For the purpose of considering any cannabis establishment license application or for the renewal of a cannabis establishment license, the commissioner may inspect the cannabis establishment premises and may inquire into all matters in connection with the construction and operation of a cannabis establishment premises.

Subd. 8. **Annual fees.** (a) The annual fees for licenses under this chapter are as follows:

(1) for a cannabis cultivator, \$.....;

(2) for a cannabis processor, \$.....;

10.1 (3) for a retail cannabis store, \$.....; and

10.2 (4) for a cannabis testing facility, \$.....

10.3 (b) The commissioner may structure fees to allow for a tiered licensing system based
10.4 on the size or gross sales of the cannabis establishment. Any fee structure adjustment is not
10.5 a rule and is not subject to the Administrative Procedure Act in chapter 14.

10.6 (c) The commissioner may annually adjust the fee amount in paragraph (a) in order to
10.7 cover the cost of administering the licensing program.

10.8 Subd. 9. **Employees.** A cannabis establishment is prohibited from employing any person
10.9 under 21 years of age.

10.10 Sec. 7. **[340B.07] RETAIL CANNABIS STORE; REQUIREMENTS.**

10.11 Subdivision 1. **License.** The commissioner shall only issue a retail cannabis store license
10.12 to a person selling usable cannabis, cannabis-infused products, or cannabis accessories
10.13 under the terms and conditions of this chapter. No person shall operate a retail cannabis
10.14 store without a license issued by the commissioner under the authority of this chapter.

10.15 Subd. 2. **Cannabis and cannabis-infused products; source and transactions.** A retail
10.16 cannabis store shall only transact with a cannabis processor licensed under this chapter for
10.17 the purchase of usable cannabis or cannabis-infused products. A transaction between a retail
10.18 cannabis store and a cannabis processor must occur on a cannabis processor's licensed
10.19 premises or a retail cannabis store's licensed premises.

10.20 Subd. 3. **Usable cannabis and cannabis-infused product tracking.** A retail cannabis
10.21 store must track all of its usable cannabis and cannabis-infused products from the point of
10.22 transfer from a cannabis processor to the point of sale.

10.23 Subd. 4. **Allowed sale.** A retail cannabis store shall only sell usable cannabis or
10.24 cannabis-infused products to a person who has a valid government-issued identification
10.25 card showing that the person is 21 years of age or older.

10.26 Subd. 5. **Identification verification.** Before initiating a sale under this chapter, the
10.27 employee of the retail cannabis store making the sale must verify that the purchaser has a
10.28 valid government-issued identification card showing the purchaser is 21 years of age or
10.29 older. If a person under the age of 21 presents a fraudulent proof of age, any action reasonably
10.30 relying on the fraudulent proof of age is not grounds for the revocation or suspension of
10.31 any license issued under this chapter.

11.1 Subd. 6. **Packaging; labels.** All usable cannabis and cannabis-infused products sold in
11.2 a retail cannabis store must be packaged and labeled as required by this chapter and any
11.3 rules adopted under this chapter.

11.4 Subd. 7. **Allowable sales.** A retail cannabis store must not sell products or services other
11.5 than cannabis seeds, usable cannabis, cannabis-infused products, and cannabis accessories.

11.6 Subd. 8. **Cannabis consumption on premises.** An employee of a retail cannabis store
11.7 must not consume, or allow to be consumed, any useable cannabis or cannabis-infused
11.8 product on the retail cannabis store's licensed premises.

11.9 Subd. 9. **Employee training.** Immediately after beginning employment with a retail
11.10 cannabis store, every employee of a retail cannabis store must receive training, as approved
11.11 by the commissioner, on the following:

11.12 (1) the proper handling of usable cannabis and cannabis-infused products;

11.13 (2) security protocol for retail cannabis stores;

11.14 (3) inventory accountability procedures; and

11.15 (4) procedures for verifying the age of consumers in order to prevent sales to persons
11.16 under 21 years of age.

11.17 Subd. 10. **Location restriction.** The commissioner shall not issue a license to a person
11.18 seeking to locate a retail cannabis store within 500 feet of the perimeter of the grounds of
11.19 any elementary or secondary school.

11.20 Sec. 8. **[340B.08] INDIVIDUAL PRIVACY OF CONSUMERS AT RETAIL**
11.21 **CANNABIS STORES.**

11.22 In order to ensure that individual privacy is protected:

11.23 (1) a consumer shall not be required to provide a retail cannabis store with personal
11.24 information other than government-issued identification to determine the consumer's age
11.25 in order to purchase cannabis or cannabis-infused products; and

11.26 (2) a retail cannabis store shall not be required to acquire and record personal information
11.27 about consumers other than information typically acquired in a financial transaction
11.28 conducted at an on-sale liquor establishment.

12.1 **Sec. 9. [340B.09] CANNABIS CULTIVATOR; REQUIREMENTS.**

12.2 Subdivision 1. **License.** The commissioner shall only issue a cannabis cultivator license
12.3 to a person who produces cannabis for sale at wholesale to cannabis processors and other
12.4 cannabis cultivators. A person shall not operate as a cannabis cultivator without a license
12.5 issued by the commissioner under the authority of this chapter.

12.6 Subd. 2. **Tracking of cannabis.** A cannabis cultivator shall track the cannabis that is
12.7 cultivated from seed or immature plant to wholesale purchase.

12.8 Subd. 3. **Authorized sales.** A cannabis cultivator shall only sell cannabis at wholesale
12.9 to cannabis processors or other cannabis producers.

12.10 **Sec. 10. [340B.10] CANNABIS PROCESSOR; REQUIREMENTS.**

12.11 Subdivision 1. **License.** The commissioner shall only issue a cannabis processor license
12.12 to a person who processes cannabis into usable cannabis or cannabis-infused products, and
12.13 who packages and labels usable cannabis and cannabis-infused products for sale at wholesale
12.14 to retail cannabis stores. A person must not process cannabis into usable cannabis for sale
12.15 or cannabis-infused products for sale or operate as a cannabis processor without a license
12.16 issued by the commissioner under the authority of this chapter.

12.17 Subd. 2. **Cannabis production; tracking.** A cannabis processor may produce its own
12.18 cannabis if it obtains a cannabis cultivator license. A cannabis processor may purchase
12.19 cannabis from a cannabis cultivator but must not purchase cannabis from any other person
12.20 or entity. A cannabis processor must track all of the cannabis that it processes from the point
12.21 the cannabis is either transferred from the cannabis cultivator's cannabis processor division
12.22 or from the point when the cannabis is delivered to the cannabis processor from a cannabis
12.23 cultivator to the point of transfer to a retail cannabis store.

12.24 Subd. 3. **Limitations.** A cannabis processor must not:

12.25 (1) add any cannabis to a food product if the manufacturer of the food product holds a
12.26 trademark to the food product's name, except that a cannabis processor may use a trademarked
12.27 food product if the cannabis processor uses the food product as a component or as part of
12.28 a recipe and if the cannabis processor does not state or advertise to the consumer that the
12.29 final cannabis-infused product contains a trademarked food product; and

12.30 (2) intentionally or knowingly label or package a cannabis-infused product in a manner
12.31 that would cause a reasonable consumer confusion as to whether the cannabis-infused
12.32 product is a trademarked food product.

13.1 Subd. 4. **Processed on licensed premises.** (a) Usable cannabis and cannabis-infused
13.2 products must be prepared on a licensed premises that is used exclusively for the processing,
13.3 manufacturing, or preparation of usable cannabis or cannabis-infused products intended for
13.4 sale and using equipment that is used exclusively for the processing, manufacturing, or
13.5 preparation of usable cannabis or cannabis-infused products.

13.6 (b) All licensed premises in which usable cannabis or cannabis-infused products are
13.7 processed, manufactured, or prepared must meet certain sanitary conditions. The
13.8 commissioner shall establish by rule sanitary conditions required for a cannabis processor
13.9 licensed premises.

13.10 Subd. 5. **Labeling; packaging.** (a) A cannabis processor must affix a label to all usable
13.11 cannabis and cannabis-infused products that the cannabis processor sells to a retail cannabis
13.12 store. The label shall specify the ingredients and the concentration of tetrahydrocannabinols
13.13 in the usable cannabis or the cannabis-infused product.

13.14 (b) Usable cannabis transferred from a cannabis processor to a retail cannabis store must
13.15 be packaged in plain, opaque, tamper proof, and child proof containers without depictions
13.16 of the product, cartoons, or images other than the retail cannabis store's logo.

13.17 (c) Cannabis-infused products processed by a cannabis processor must be clearly
13.18 distinguishable from commercially available products not containing cannabis.

13.19 Sec. 11. **[340B.11] CANNABIS TESTING FACILITIES.**

13.20 Subdivision 1. **License.** The commissioner shall only issue a cannabis testing facility
13.21 license to a person who performs testing and research on usable cannabis or cannabis-infused
13.22 products that are processed, produced, or offered for sale by an entity licensed under this
13.23 chapter. A person may not perform testing or research on usable cannabis or cannabis-infused
13.24 products for a cannabis cultivator, cannabis processor, or retail cannabis store without a
13.25 license issued by the commissioner under the authority of this chapter.

13.26 Subd. 2. **Rules.** The commissioner shall adopt rules related to acceptable testing and
13.27 research practices for cannabis testing facilities, including but not limited to testing and
13.28 research standards, quality control analysis, equipment certification and calibration, and
13.29 chemical identification.

13.30 Subd. 3. **Conflicts of interest.** A person who has an interest in a cannabis testing facility
13.31 shall not have any interest in a cannabis cultivator, cannabis processor, or retail cannabis
13.32 store.

14.1 Sec. 12. **[340B.12] CANNABIS TESTING.**

14.2 (a) On a schedule determined by the commissioner by rule, every cannabis cultivator
14.3 and cannabis processor shall submit representative samples of cannabis, usable cannabis,
14.4 and cannabis-infused products produced or processed by the cannabis cultivator or cannabis
14.5 processor to a cannabis testing facility in order to certify that the cannabis, usable cannabis,
14.6 or cannabis-infused products comply with the standards prescribed by the commissioner
14.7 by rule. At a minimum, the testing shall ensure that the cannabis, usable cannabis, or
14.8 cannabis-infused products do not contain contaminants that are injurious to health and to
14.9 ensure correct labeling. The testing must include analysis for residual solvents, poisons,
14.10 toxins, harmful chemicals, mold, fungus, pesticides, and other contaminants. The cannabis
14.11 testing facility shall destroy or return any part of the sample that remains after testing.

14.12 (b) Cannabis cultivators and cannabis processors must submit the results of the testing
14.13 required by this section to the commissioner in the manner prescribed by the commissioner
14.14 by rule.

14.15 (c) If a representative sample inspected and tested under this section does not meet the
14.16 standards prescribed by this section or by rules adopted by the commissioner, the
14.17 commissioner shall take necessary action to ensure that the entire lot from which the sample
14.18 was taken is destroyed. The commissioner shall adopt rules to determine lots and lot numbers
14.19 for purposes of this section.

14.20 (d) A cannabis cultivator or cannabis processor shall not sell cannabis, usable cannabis,
14.21 or cannabis-infused products that test positive for any contaminant listed under paragraph
14.22 (a) if the contaminants, or level of contaminants, are identified by a cannabis testing facility
14.23 as potentially unsafe to the consumer.

14.24 Sec. 13. **[340B.121] OFFICE OF EQUITABLE CANNABIS BUSINESS**
14.25 **DEVELOPMENT; ESTABLISHMENT; POWERS AND DUTIES.**

14.26 Subdivision 1. **Office established.** An Office of Equitable Cannabis Business
14.27 Development is established in the Department of Commerce. The office is under the
14.28 immediate supervision of a director. The director of the office shall be appointed by the
14.29 governor and shall serve in the unclassified service. The office may employ staff necessary
14.30 to carry out the office's duties under this section.

14.31 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
14.32 meanings given.

15.1 (b) "Minority-owned business" has the meaning given in section 116J.8737, paragraph
15.2 (l).

15.3 (c) "Impact zone" has the meaning given in section 340B.122.

15.4 Subd. 3. **General duties.** (a) The director shall establish and administer practices and
15.5 procedures for promoting participation in the operation of a cannabis establishment by
15.6 persons from impact zones or by minority-owned businesses that are considering licensure
15.7 as a cannabis establishment.

15.8 (b) The director shall conduct advertising, promotional campaigns, and disseminate
15.9 information to the public to increase awareness for participation in the operation of a cannabis
15.10 establishment by persons from impact zones and by minority-owned businesses, concerning
15.11 the qualifications and application processes for licensure as a cannabis establishment,
15.12 including available grant money under section 340B.26, subdivision 2. The director shall
15.13 sponsor seminars and informational programs, as well as provide information on its website,
15.14 directed toward persons from impact zones and prospective minority-owned businesses.
15.15 The seminars and informational programs must, at a minimum, contain practical information
15.16 on business management, marketing, licensure, and other matters that may be helpful in
15.17 operating a cannabis establishment.

15.18 Subd. 4. **Cannabis establishment promotion.** (a) The director shall develop, recommend,
15.19 and implement policies to promote the formulation and operation of a cannabis establishment
15.20 by persons from impact zones and minority-owned businesses. The director, in consultation
15.21 with the commissioner, shall make a good faith effort through the office's promotion efforts
15.22 to assist in meeting the annual goals set under section 340B.122 for impact-zone cannabis
15.23 establishments.

15.24 (b) The director shall periodically analyze the number of licenses and permits issued by
15.25 the commissioner and compare that analysis to the number of impact zone and
15.26 minority-owned businesses that submitted applications for licenses. The director shall make
15.27 good faith efforts to establish, maintain, and enhance the measures designed to promote the
15.28 formulation and operation of a cannabis establishment by persons from impact zones or by
15.29 minority-owned businesses and to coordinate and assist the commissioner to incorporate
15.30 these licensing measures into the application and review process for issuing licenses for
15.31 cannabis establishments.

15.32 Subd. 5. **Office recommendations.** (a) The director may review the commissioner's
15.33 policies and procedures for issuing cannabis establishment licenses to persons from impact
15.34 zones and minority-owned businesses and make recommendations to improve them.

(b) The director shall make recommendations to the commissioner on relevant policy and implementation matters concerning participation in the operation of a cannabis establishment by persons from impact zones and minority-owned businesses, as the director deems appropriate.

(c) The director shall prepare information regarding the office's activities pursuant to this section addressing participation in the operation of a cannabis establishment by persons from impact zones and minority-owned businesses to be incorporated by the commissioner in the commissioner's report to the legislature pursuant to section 340B.04, subdivision 6.

Sec. 14. **[340B.122] IMPACT ZONES; MINORITY-OWNED BUSINESSES.**

(a) In reviewing applications for cannabis establishment licensure, the commissioner shall give first priority to applicants who (1) are current residents of an impact zone; (2) present a plan to employ a select number of employees who reside in an impact zone, regardless of where the cannabis establishment is or is intended to be located; and (3) are a minority-owned business, as defined in section 116J.8737, paragraph (1).

(b) For purposes of this section, "impact zone" means a zip code area located within a city of the first class or a city of the second class for which:

(1) past unlawful cannabis enterprises contributed to higher concentrations of law enforcement activity; and

(2) the annual unemployment rate ranks consistently in the top 15 percent of all zip code areas in the state based upon average annual unemployment rates.

(c) The commissioner shall coordinate with the commissioner of employment and economic development to determine unemployment rates for purposes of paragraph (b).

(d) To the extent possible, the commissioner shall annually award at least ten percent of all cannabis establishment licenses to applicants who have resided in an impact zone for three or more consecutive years at the time of making the application or to minority-owned businesses, regardless of where the cannabis establishment is or is intended to be located.

(e) To the extent possible, the commissioner shall annually award at least ten percent of all cannabis establishment licenses to applicants who agree to employ at least ten employees who reside in an impact zone.

(f) Impact-zone and minority-owned business applicants and impact-zone-licensed cannabis establishments are eligible to receive business development grants under section 340B.26, subdivision 2. The commissioner, in consultation with the commissioner of

17.1 employment and economic development, shall adopt rules necessary to implement the grant
17.2 program under section 340B.26, subdivision 2.

17.3 Sec. 15. **[340B.123] MICROBUSINESSES.**

17.4 (a) In reviewing applications for cannabis establishment licensure, the commissioner
17.5 shall give second priority to microbusiness applicants.

17.6 (b) To the extent possible, the commissioner shall annually award at least ten percent
17.7 of all cannabis establishment licenses to microbusinesses.

17.8 (c) For purposes of this section, "microbusiness" means a cannabis establishment:

17.9 (1) where 100 percent of the ownership interest in the microbusiness is held by residents
17.10 of Minnesota who have resided in the state for at least the past two consecutive years;

17.11 (2) where at least 51 percent of the owners, directors, officers, or employees of the
17.12 microbusiness reside within the same city or town where the microbusiness is located or
17.13 will be located, or within a city or town bordering the city or town where the microbusiness
17.14 is located or will be located and that;

17.15 (3) has no more than ten employees;

17.16 (4) operates in a building of no more than 2,500 square feet and, in the case of a cannabis
17.17 cultivator, grows cannabis on an area no more than 2,500 square feet measured on a
17.18 horizontal plane;

17.19 (5) possesses no more than 1,000 cannabis plants each month;

17.20 (6) in the case of a cannabis processor, acquires and processes no more than 1,000 pounds
17.21 of cannabis in dried form each month; and

17.22 (7) in the case of a retail cannabis store, acquires for retail sale no more than 1,000
17.23 pounds of cannabis in dried form, or the equivalent amount in any other form, or any
17.24 combination thereof, each month.

17.25 (d) An owner, director, officer, or other person with a financial interest in a microbusiness
17.26 and who has decision-making authority for the microbusiness shall not hold any financial
17.27 interest in any other licensed cannabis establishment.

17.28 (e) Microbusiness applicants and microbusiness-licensed cannabis establishments are
17.29 eligible to receive business development grants under section 340B.26, subdivision 2. The
17.30 commissioner, in consultation with the commissioner of employment and economic

18.1 development, shall adopt rules necessary to implement the grant program under section
18.2 340B.26, subdivision 2.

18.3 Sec. 16. **[340B.13] SEED-TO-SALE TRACKING SYSTEM.**

18.4 The commissioner shall develop and maintain a seed-to-sale tracking system that tracks
18.5 cannabis produced by a cannabis cultivator from either the seed or immature plant stage,
18.6 to the processing stage, and until the cannabis is sold to a consumer as usable cannabis or
18.7 a cannabis-infused product at a retail cannabis store to ensure that no cannabis grown or
18.8 processed by a cannabis establishment is sold or otherwise transferred except by a retail
18.9 cannabis store.

18.10 Sec. 17. **[340B.14] RECORDS; AUDITS.**

18.11 (a) Each cannabis establishment must keep a complete set of all records necessary to
18.12 fully show the business transactions of the cannabis establishment. The records shall be
18.13 kept on the premises described in the cannabis establishment's license and in a manner that
18.14 ensures permanency and accessibility for inspection at reasonable hours by the commissioner
18.15 or the commissioner's designee. The commissioner shall prescribe reasonable and uniform
18.16 methods of keeping records and shall provide necessary forms to cannabis establishments.
18.17 The commissioner may require a cannabis establishment to furnish any information the
18.18 commissioner considers necessary for the proper administration and enforcement of this
18.19 chapter and may require an audit be made of the books and records on any occasion that
18.20 the commissioner considers necessary. Any accounting required by the commissioner shall
18.21 be completed by an auditor selected by the commissioner at the expense of the cannabis
18.22 establishment.

18.23 (b) Each cannabis establishment premises, including any place where a cannabis
18.24 establishment grows, stores, cultivates, dispenses, or processes cannabis is subject to
18.25 inspection or investigation by the commissioner or the commissioner's designee during
18.26 regular business hours and at other times of apparent activity. For examination of any
18.27 inventory or books and records required to be kept by the cannabis establishment, access
18.28 shall be required during business hours. Where any part of a cannabis establishment's
18.29 premises consists of a locked area, upon demand by the commissioner or the commissioner's
18.30 designee, the locked area shall be made available without delay to the commissioner.

18.31 (c) Each cannabis establishment shall retain all books and records necessary to show
18.32 fully the cannabis establishment's business transactions for a period of the current tax year
18.33 and the three immediately prior tax years.

19.1 **Sec. 18. [340B.15] LABELING REQUIREMENTS.**

19.2 A cannabis processor must affix a label to all usable cannabis and cannabis-infused
19.3 products that the cannabis processor sells to retail cannabis stores. The label must:

19.4 (1) include the lot number of the useable cannabis or cannabis-infused product;

19.5 (2) specify the cannabinoid profile of the usable cannabis or cannabis-infused product;

19.6 (3) include the license number of the cannabis cultivator that grew or produced the
19.7 cannabis;

19.8 (4) include the license number of the cannabis processor that processed the cannabis
19.9 into usable cannabis or a cannabis-infused product;

19.10 (5) include a statement that cannabis must not be legally consumed by persons under
19.11 the age of 18;

19.12 (6) include, for cannabis-infused products, the cannabinoid profile per serving and the
19.13 number of servings per package of the cannabis-infused product;

19.14 (7) include a list of ingredients for cannabis-infused products;

19.15 (8) include a universal symbol indicating the package contains cannabis; and

19.16 (9) any other labeling requirement adopted by rule under the authority of this chapter.

19.17 **Sec. 19. [340B.16] LOCAL GOVERNMENT REGULATIONS.**

19.18 Subdivision 1. **Cannabis lounges.** (a) For purposes of this section, a "cannabis lounge"
19.19 means an establishment that operates to allow persons 21 years of age or older to consume
19.20 usable cannabis and cannabis-infused products on the establishment's premises.

19.21 (b) A cannabis lounge may only operate within the jurisdiction of a local government
19.22 that has adopted an ordinance or resolution authorizing and regulating cannabis lounges.

19.23 (c) A cannabis lounge is subject to the following limitations:

19.24 (1) all employees of a cannabis lounge must be 21 years of age or older; and

19.25 (2) a cannabis lounge owner shall not sell cannabis, usable cannabis, or cannabis-infused
19.26 products on the premises of a cannabis lounge unless the cannabis lounge is also licensed
19.27 as a retail cannabis store under section 340B.07.

19.28 (d) A local government may provide for additional limitations or requirements on the
19.29 location and operation of a cannabis lounge.

20.1 Subd. 2. **Local regulations.** (a) A local government may adopt ordinances or resolutions
20.2 governing the time, place, and manner of cannabis establishments or cannabis lounges
20.3 within the jurisdiction of the local government, including reasonable zoning rules that limit
20.4 the use of land for operation of a cannabis establishment or a cannabis lounge. The local
20.5 government may establish civil penalties for violations of the ordinances or resolutions
20.6 governing the time, place, or manner of the operation of cannabis establishments or cannabis
20.7 lounges.

20.8 (b) Any ordinance or resolution relating to cannabis establishments adopted by a local
20.9 government must not be more restrictive than similar ordinances or resolutions adopted by
20.10 the local government that apply to liquor stores or tobacco product shops.

20.11 Subd. 3. **Open and public use.** The governing body of a local government may adopt
20.12 an ordinance or resolution providing locations or circumstances in which the consumption
20.13 of usable cannabis or cannabis-infused products is allowed on property owned, leased, or
20.14 controlled by the local government.

20.15 Subd. 4. **Cultivation for personal use.** A local government is prohibited from enacting
20.16 or enforcing an ordinance or resolution that prohibits or limits the production or cultivation
20.17 of cannabis outdoors on private residential property by a person who is producing cannabis
20.18 within the legal limits for personal use under section 340B.20.

20.19 Sec. 20. **[340B.17] ADMINISTRATIVE ACTIONS.**

20.20 Subdivision 1. **Administrative remedies.** The commissioner may seek to remedy
20.21 violations by written warning, administrative meeting, cease and desist, stop-use, stop-sale,
20.22 removal, correction order, or an order, seizure, stipulation, or agreement, if the commissioner
20.23 determines that the remedy is in the public interest.

20.24 Subd. 2. **Revocation and suspension.** The commissioner may, after written notice and
20.25 hearing, revoke, suspend, or refuse to grant or renew a license if a person violates this
20.26 chapter or has a history within the last three years of violation of this chapter.

20.27 Subd. 3. **Cancellation of license.** The commissioner may cancel or revoke a license, or
20.28 refuse to grant a license under this chapter if the licensee or applicant has used fraudulent
20.29 or deceptive practices in the evasion or attempted evasion of a provision of this chapter.

20.30 Subd. 4. **Service of order or notice.** If a person is not available for service of an order,
20.31 the commissioner may attach the order to the facility, site, or premises regulated under this
20.32 chapter or associated rules and notify the licensee.

21.1 Sec. 21. **[340B.18] CIVIL PENALTIES.**

21.2 Subdivision 1. **General penalty.** Except as otherwise provided, a person who violates
21.3 this chapter or an order, standard, stipulation, agreement, or schedule of compliance of the
21.4 commissioner is subject to a civil penalty of up to \$100 per day of the violation as determined
21.5 by the court.

21.6 Subd. 2. **Recovery of penalties by civil action.** The civil penalties and payments provided
21.7 for in this chapter may be recovered by a civil action brought by the county attorney or the
21.8 attorney general in the name of the state.

21.9 Sec. 22. **[340B.19] APPEALS OF COMMISSIONER'S ORDER.**

21.10 Subdivision 1. **Notice of appeal.** (a) After service of an order, a person has 45 days from
21.11 receipt of the order to notify the commissioner in writing that the person intends to contest
21.12 the order.

21.13 (b) If the person fails to notify the commissioner that the person intends to contest the
21.14 order, the order is a final order of the commissioner and not subject to further judicial or
21.15 administrative review.

21.16 Subd. 2. **Administrative review.** If a person notifies the commissioner that the person
21.17 intends to contest an order issued under this section, the state Office of Administrative
21.18 Hearings must conduct a hearing in accordance with the applicable provisions of chapter
21.19 14 for hearings in contested cases.

21.20 Subd. 3. **Judicial review.** Judicial review of a final decision in a contested case is
21.21 available as provided in chapter 14.

21.22 Sec. 23. **[340B.20] PERSONAL POSSESSION.**

21.23 (a) It is not unlawful and it shall not be the basis for seizure or forfeiture of assets for a
21.24 person who is 21 years of age or older:

21.25 (1) to possess in the person's private dwelling 24 ounces or less of cannabis, cannabis
21.26 seeds, usable cannabis, or cannabis-infused products;

21.27 (2) to possess in public eight ounces or less of cannabis, cannabis seeds, usable cannabis,
21.28 or cannabis-infused products;

21.29 (3) to possess, display, or transport cannabis accessories;

21.30 (4) to purchase cannabis seeds, usable cannabis, or cannabis-infused products from a
21.31 retail cannabis store;

22.1 (5) to possess, grow, process, or transport no more than 24 cannabis plants, with 12 or
22.2 fewer being mature, flowering plants, provided that the cannabis produced by the plants is
22.3 not made available for sale;

22.4 (6) to transfer four ounces or less of usable cannabis without remuneration to a person
22.5 who is 21 years of age or older;

22.6 (7) to consume usable cannabis or cannabis-infused products, provided that nothing in
22.7 this section permits consumption that is conducted openly and publicly, except as otherwise
22.8 provided by law; and

22.9 (8) to assist another person who is 21 years of age or older in any of the acts described
22.10 under clauses (1) to (7).

22.11 (b) Nothing in this section permits a person to engage in, and does not prevent the
22.12 imposition of any civil, criminal, or other penalties for operating, navigating, or being in
22.13 actual physical control of any motor vehicle, aircraft, train, or motorboat, or working on
22.14 transportation property, equipment, or facilities while under the influence of cannabis, usable
22.15 cannabis, or a cannabis-infused product.

22.16 Sec. 24. **[340B.21] UNLAWFUL ACTS.**

22.17 Subdivision 1. **Unlawful sales and possession; level I.** It is unlawful to sell or possess
22.18 without a license issued pursuant to this chapter one or more mixtures of a total weight of
22.19 15 kilograms or more containing cannabis or tetrahydrocannabinols, including
22.20 cannabis-infused products with an equivalent amount of cannabis, or 500 or more cannabis
22.21 plants.

22.22 Subd. 2. **Penalty; level I.** A person convicted under subdivision 1 may be sentenced to
22.23 imprisonment for not more than 90 days or to payment of a fine of not more than \$..... or
22.24 both.

22.25 Subd. 3. **Unlawful sales and possession; level II.** It is unlawful to sell or possess without
22.26 a license issued pursuant to this chapter one or more mixtures of a total weight of five
22.27 kilograms or more containing cannabis or tetrahydrocannabinols, including cannabis-infused
22.28 products with an equivalent amount of cannabis, or 250 or more cannabis plants.

22.29 Subd. 4. **Penalty; level II.** A person convicted under subdivision 3 may be sentenced
22.30 to imprisonment for not more than 90 days or to payment of a fine of not more than \$.....,
22.31 or both.

23.1 Subd. 5. **Unlawful sales and possession; level III.** It is a petty misdemeanor to possess
23.2 without a license issued pursuant to this chapter one or more mixtures of a total weight of
23.3 24 ounces or more containing cannabis or tetrahydrocannabinols, including cannabis-infused
23.4 products with an equivalent amount of cannabis, or 24 or more cannabis plants.

23.5 Subd. 6. **Other violations.** Where no other penalty is specified, a person is guilty of a
23.6 misdemeanor if the person violates this chapter, a rule adopted under this chapter, or an
23.7 order, standard, stipulation, agreement, or schedule of compliance of the commissioner.

23.8 Sec. 25. **[340B.22] CONSUMPTION OF CANNABIS OR CANNABIS-INFUSED**
23.9 **PRODUCT IN MOTOR VEHICLE.**

23.10 A person is guilty of a misdemeanor if the person consumes cannabis, usable cannabis,
23.11 or a cannabis-infused product in a motor vehicle when the motor vehicle is upon a street or
23.12 highway.

23.13 Sec. 26. **[340B.23] PERSONS UNDER 21; ILLEGAL ACTS.**

23.14 Subdivision 1. **Consumption.** It is a petty misdemeanor for any person under the age
23.15 of 21 to consume in any manner cannabis, usable cannabis, or a cannabis-infused product.

23.16 Subd. 2. **Purchasing.** It is a petty misdemeanor for any person:

23.17 (1) to sell, barter, furnish, or give cannabis, cannabis seeds, usable cannabis, or a
23.18 cannabis-infused product to a person under the age of 21;

23.19 (2) under the age of 21 to purchase or attempt to purchase any cannabis, cannabis seeds,
23.20 usable cannabis, or cannabis-infused products; and

23.21 (3) to induce a person over the age of 21 to purchase or procure cannabis, cannabis seeds,
23.22 usable cannabis, or cannabis-infused products, or to lend or knowingly permit the use of
23.23 the person's driver's license, driver's permit, Minnesota identification card, or other form of
23.24 identification by a person under the age of 21 for the purpose of purchasing or attempting
23.25 to purchase cannabis, cannabis seeds, usable cannabis, or cannabis-infused products.

23.26 Subd. 3. **Possession.** It is a petty misdemeanor for a person under the age of 21 to possess
23.27 cannabis, cannabis seeds, usable cannabis, or cannabis-infused products.

23.28 Subd. 4. **Entering licensed premises.** It is a petty misdemeanor for a person under the
23.29 age of 21 to enter a cannabis establishment.

24.1 Subd. 5. **Misrepresentation of age.** It is a petty misdemeanor for a person under the
24.2 age of 21 to claim to be 21 years of age or older for the purpose of purchasing cannabis,
24.3 cannabis seeds, usable cannabis, or cannabis-infused products.

24.4 Subd. 6. **Proof of age defense; seizure of false identification** (a) Proof of age for
24.5 purchasing or consuming cannabis, usable cannabis, or cannabis-infused products may be
24.6 established only by a government-issued identification card that includes the photograph
24.7 and date of birth of the person.

24.8 (b) In a prosecution under subdivision 2, clause (1), it is a defense for the defendant to
24.9 prove by a preponderance of the evidence that the defendant reasonably and in good faith
24.10 relied upon representations of proof of age authorized in paragraph (a) in selling, bartering,
24.11 furnishing, or gifting the cannabis, cannabis seeds, usable cannabis, or cannabis-infused
24.12 product.

24.13 (c) A retail cannabis store may seize a form of identification listed under paragraph (a)
24.14 if the retail cannabis store has reasonable grounds to believe that the form of identification
24.15 has been altered or falsified or is being used to violate any law. A retail cannabis store that
24.16 seizes a form of identification as authorized under this paragraph must deliver it to a law
24.17 enforcement agency within 24 hours of seizing it.

24.18 Sec. 27. **[340B.24] CONSUMPTION IN PUBLIC.**

24.19 (a) A person is guilty of a petty misdemeanor if the person consumes cannabis, usable
24.20 cannabis, or a cannabis-infused product in a public place, except as otherwise provided by
24.21 law or by a local ordinance.

24.22 (b) For purposes of this section, "public place" means property owned, leased, or
24.23 controlled by a governmental unit or private property that is regularly and frequently open
24.24 to or made available for use by the public in sufficient numbers to give clear notice of the
24.25 property's current dedication to public use. Public place does not include a person's private
24.26 dwelling, the place of business owned or managed by a person, or private land possessed
24.27 by a person.

24.28 Sec. 28. **[340B.25] CONTRACTS.**

24.29 A contract related to the operation of a cannabis establishment is enforceable. No contract
24.30 entered into by a cannabis establishment or an employee or agent of a cannabis establishment,
24.31 or by an entity that allows property to be used by a cannabis establishment or an employee
24.32 or agent of a cannabis establishment, shall be unenforceable or void on the basis that

25.1 cultivating, obtaining, manufacturing, distributing, dispensing, transporting, selling,
25.2 possessing, or consuming cannabis is prohibited under federal law.

25.3 Sec. 29. **[340B.26] CANNABIS ACCOUNT.**

25.4 Subdivision 1. **Creation of account.** There is created in the state treasury a cannabis
25.5 account in the special revenue fund for deposit of revenue from the following:

25.6 (1) all revenues from the gross revenues cannabis tax collected under section 295.65;

25.7 (2) all revenue collected from the retail sales of cannabis seeds, usable cannabis,
25.8 cannabis-infused products, and cannabis accessories under chapter 297A; and

25.9 (3) all fees and penalties collected under this chapter.

25.10 Subd. 2. **Cannabis account money; use.** (a) The amount necessary to administer cannabis
25.11 taxes under chapters 295 and 297A are annually appropriated from the cannabis account in
25.12 the special revenue fund to the commissioner of revenue.

25.13 (b) The amount necessary to administer this chapter is annually appropriated from the
25.14 cannabis account in the special revenue fund to the commissioner.

25.15 (c) \$15,000,000 each fiscal year is appropriated from the cannabis account to the
25.16 commissioner to repair the damages done to communities caused by the drug war by
25.17 promoting cannabis business development in low-income communities and communities
25.18 of color that have been disproportionately targeted for marijuana enforcement. To promote
25.19 such business development, the commissioner must, at a minimum, award grants to:

25.20 (1) impact-zone and minority-owned business applicants or impact-zone licensed persons
25.21 as described in section 340B.122; and

25.22 (2) microbusiness applicants or licensed microbusinesses as described in section
25.23 340B.122.

25.24 (d) The following amounts are annually appropriated from the cannabis account in each
25.25 fiscal year to the Board of Regents of the University of Minnesota:

25.26 (1) \$1,000,000 is for the Department of Plant and Microbial Biology Department to
25.27 study the genetics, ecology, evolution, and molecular biology of cannabis;

25.28 (2) \$1,000,000 is for the Department of Agronomy and Plant Genetics to develop cannabis
25.29 genetic materials that increase the efficiency, reliability, and profitability of cannabis
25.30 production and utilization within Minnesota; and

(3) \$1,000,000 is for the Department of Medicine Research for research into the chemistry and medical application of cannabis-related compounds.

(e) Of the funds remaining in the cannabis account after the appropriation required in paragraphs (a) to (d), the remaining amount shall be appropriated annually as follows:

(1) 50 percent shall be annually appropriated to the commissioner of education for additional funding for early childhood education and kindergarten through grade 12; and

(2) 50 percent shall be annually appropriated to the commissioner of health for the creation, implementation, operation, and management of a responsible substance use and chemical dependency education and public health program that contains the following:

(i) a public health hotline that provides referrals to substance abuse treatment providers, utilizes evidence-based or research-based public health approaches to minimizing any harms associated with substance abuse; and

(ii) a grant program for local health departments or other local community agencies that supports development and implementation of safe and evidence-based cannabis consumption education, substance abuse education, support for communities experiencing the collateral consequences related to contact with the justice system, and coordinated intervention strategies for substance abuse prevention and reduction.

EFFECTIVE DATE. The appropriations required under this section are effective for fiscal year 2022 and thereafter.

Sec. 30. **APPROPRIATION.**

\$..... in fiscal year 2020 and \$..... in fiscal year 2021 are appropriated from the general fund to the commissioner of commerce to implement Minnesota Statutes, chapter 340B.

ARTICLE 2

CANNABIS TAXATION

Section 1. Minnesota Statutes 2018, section 290.0132, is amended by adding a subdivision to read:

Subd. 27. **Disallowed section 280E expenses; cannabis manufacturers and cannabis establishments.** The amount of expenses disallowed for federal income tax purposes under section 280E of the Internal Revenue Code as amended through March 31, 2018, is a subtraction. The subtraction applies to:

27.1 (1) a medical cannabis manufacturer, as defined under section 152.22, subdivision 7,
27.2 related to the business of medical cannabis under sections 152.21 to 152.37; and

27.3 (2) a cannabis establishment, as defined under section 340B.01, subdivision 5, related
27.4 to the business of operating as a cannabis establishment.

27.5 Sec. 2. Minnesota Statutes 2018, section 290.0134, is amended by adding a subdivision
27.6 to read:

27.7 Subd. 17. **Disallowed section 280E expenses; cannabis manufacturers and cannabis**
27.8 **establishments.** The amount of expenses disallowed for federal income tax purposes under
27.9 section 280E of the Internal Revenue Code as amended through March 31, 2018, is a
27.10 subtraction. The subtraction applies to:

27.11 (1) a medical cannabis manufacturer, as defined under section 152.22, subdivision 7,
27.12 related to the business of medical cannabis under sections 152.21 to 152.37; and

27.13 (2) a cannabis establishment, as defined under section 340B.01, subdivision 5, related
27.14 to the business of operating as a cannabis establishment.

27.15 Sec. 3. **[295.65] GROSS REVENUES CANNABIS TAX.**

27.16 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the
27.17 meanings given:

27.18 (1) "cannabis" has the meaning given in section 340B.01, subdivision 4;

27.19 (2) "cannabis-infused products" has the meaning given in section 340B.01, subdivision
27.20 7;

27.21 (3) "cannabis processor" has the meaning given in section 340B.01, subdivision 8;

27.22 (4) "commissioner" means the commissioner of revenue;

27.23 (5) "gross revenues" means the total amount received by a cannabis processor in money
27.24 or otherwise for the sale of cannabis seeds, usable cannabis, and cannabis-infused products
27.25 to retail cannabis stores;

27.26 (6) "retail cannabis store" has the meaning given in section 340B.01, subdivision 18;
27.27 and

27.28 (7) "usable cannabis" has the meaning given in section 340B.01, subdivision 20.

27.29 Subd. 2. **Cannabis tax.** A tax is imposed on each cannabis processor equal to 15 percent
27.30 of a cannabis processor's gross revenues.

28.1 Subd. 3. **Estimated tax.** (a) Each cannabis processor must make estimated payments of
28.2 the gross revenue tax required by this section for the calendar year in quarterly installments
28.3 to the commissioner by April 15, July 15, October 15, and January 15 of the following
28.4 calendar year.

28.5 (b) Estimated tax payments are not required if: (1) the tax for the current calendar year
28.6 is \$500 or less; or (2) the tax for the previous calendar year is \$500 or less.

28.7 Subd. 4. **Electronic payments.** A cannabis processor with an aggregate tax liability of
28.8 \$10,000 or more in a fiscal year ending June 30 must remit all liabilities by electronic means
28.9 in all subsequent calendar years.

28.10 Subd. 5. **Annual return.** A cannabis processor must file an annual return reconciling
28.11 the estimated payments by March 15 of the following calendar year.

28.12 Subd. 6. **Administration.** The audit, assessment, refund, penalty, interest, enforcement,
28.13 collection remedies, appeal, and administrative provisions of chapters 270C and 289A apply
28.14 to the taxes imposed under this section.

28.15 Subd. 7. **Interest on overpayments.** Interest must be paid on an overpayment refunded
28.16 or credited to the taxpayer from the date of payment of the tax until the date the refund is
28.17 paid or credited. For purposes of this subdivision, the date of payment is the due date of the
28.18 return or the date of actual payment of the tax, whichever is later.

28.19 Subd. 8. **Deposit of revenues.** The commissioner shall deposit all revenues, including
28.20 penalties and interest, derived from the tax imposed by this section in the cannabis account
28.21 under section 340B.26.

28.22 Sec. 4. Minnesota Statutes 2018, section 297A.61, subdivision 3, is amended to read:

28.23 Subd. 3. **Sale and purchase.** (a) "Sale" and "purchase" include, but are not limited to,
28.24 each of the transactions listed in this subdivision. In applying the provisions of this chapter,
28.25 the terms "tangible personal property" and "retail sale" include the taxable services listed
28.26 in paragraph (g), clause (6), items (i) to (vi) and (viii), and the provision of these taxable
28.27 services, unless specifically provided otherwise. Services performed by an employee for
28.28 an employer are not taxable. Services performed by a partnership or association for another
28.29 partnership or association are not taxable if one of the entities owns or controls more than
28.30 80 percent of the voting power of the equity interest in the other entity. Services performed
28.31 between members of an affiliated group of corporations are not taxable. For purposes of
28.32 the preceding sentence, "affiliated group of corporations" means those entities that would

29.1 be classified as members of an affiliated group as defined under United States Code, title
29.2 26, section 1504, disregarding the exclusions in section 1504(b).

29.3 (b) Sale and purchase include:

29.4 (1) any transfer of title or possession, or both, of tangible personal property, whether
29.5 absolutely or conditionally, for a consideration in money or by exchange or barter; and

29.6 (2) the leasing of or the granting of a license to use or consume, for a consideration in
29.7 money or by exchange or barter, tangible personal property, other than a manufactured
29.8 home used for residential purposes for a continuous period of 30 days or more.

29.9 (c) Sale and purchase include the production, fabrication, printing, or processing of
29.10 tangible personal property for a consideration for consumers who furnish either directly or
29.11 indirectly the materials used in the production, fabrication, printing, or processing.

29.12 (d) Sale and purchase include the preparing for a consideration of food. Notwithstanding
29.13 section 297A.67, subdivision 2, taxable food includes, but is not limited to, the following:

29.14 (1) prepared food sold by the retailer;

29.15 (2) soft drinks;

29.16 (3) candy; and

29.17 (4) dietary supplements.

29.18 (e) A sale and a purchase includes the furnishing for a consideration of electricity, gas,
29.19 water, or steam for use or consumption within this state.

29.20 (f) A sale and a purchase includes the transfer for a consideration of prewritten computer
29.21 software whether delivered electronically, by load and leave, or otherwise.

29.22 (g) A sale and a purchase includes the furnishing for a consideration of the following
29.23 services:

29.24 (1) the privilege of admission to places of amusement, recreational areas, ~~or~~ athletic
29.25 events, or cannabis lounges as defined in section 340B.16 and the making available of
29.26 amusement devices, tanning facilities, reducing salons, steam baths, health clubs, and spas
29.27 or athletic facilities;

29.28 (2) lodging and related services by a hotel, rooming house, resort, campground, motel,
29.29 or trailer camp, including furnishing the guest of the facility with access to telecommunication
29.30 services, and the granting of any similar license to use real property in a specific facility,
29.31 other than the renting or leasing of it for a continuous period of 30 days or more under an

30.1 enforceable written agreement that may not be terminated without prior notice and including
30.2 accommodations intermediary services provided in connection with other services provided
30.3 under this clause;

30.4 (3) nonresidential parking services, whether on a contractual, hourly, or other periodic
30.5 basis, except for parking at a meter;

30.6 (4) the granting of membership in a club, association, or other organization if:

30.7 (i) the club, association, or other organization makes available for the use of its members
30.8 sports and athletic facilities, without regard to whether a separate charge is assessed for use
30.9 of the facilities; and

30.10 (ii) use of the sports and athletic facility is not made available to the general public on
30.11 the same basis as it is made available to members.

30.12 Granting of membership means both onetime initiation fees and periodic membership dues.
30.13 Sports and athletic facilities include golf courses; tennis, racquetball, handball, and squash
30.14 courts; basketball and volleyball facilities; running tracks; exercise equipment; swimming
30.15 pools; and other similar athletic or sports facilities;

30.16 (5) delivery of aggregate materials by a third party, excluding delivery of aggregate
30.17 material used in road construction; and delivery of concrete block by a third party if the
30.18 delivery would be subject to the sales tax if provided by the seller of the concrete block.
30.19 For purposes of this clause, "road construction" means construction of:

30.20 (i) public roads;

30.21 (ii) cartways; and

30.22 (iii) private roads in townships located outside of the seven-county metropolitan area
30.23 up to the point of the emergency response location sign; and

30.24 (6) services as provided in this clause:

30.25 (i) laundry and dry cleaning services including cleaning, pressing, repairing, altering,
30.26 and storing clothes, linen services and supply, cleaning and blocking hats, and carpet,
30.27 drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not
30.28 include services provided by coin operated facilities operated by the customer;

30.29 (ii) motor vehicle washing, waxing, and cleaning services, including services provided
30.30 by coin operated facilities operated by the customer, and rustproofing, undercoating, and
30.31 towing of motor vehicles;

31.1 (iii) building and residential cleaning, maintenance, and disinfecting services and pest
31.2 control and exterminating services;

31.3 (iv) detective, security, burglar, fire alarm, and armored car services; but not including
31.4 services performed within the jurisdiction they serve by off-duty licensed peace officers as
31.5 defined in section 626.84, subdivision 1, or services provided by a nonprofit organization
31.6 or any organization at the direction of a county for monitoring and electronic surveillance
31.7 of persons placed on in-home detention pursuant to court order or under the direction of the
31.8 Minnesota Department of Corrections;

31.9 (v) pet grooming services;

31.10 (vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting
31.11 and maintenance; tree, bush, and shrub pruning, bracing, spraying, and surgery; indoor plant
31.12 care; tree, bush, shrub, and stump removal, except when performed as part of a land clearing
31.13 contract as defined in section 297A.68, subdivision 40; and tree trimming for public utility
31.14 lines. Services performed under a construction contract for the installation of shrubbery,
31.15 plants, sod, trees, bushes, and similar items are not taxable;

31.16 (vii) massages, except when provided by a licensed health care facility or professional
31.17 or upon written referral from a licensed health care facility or professional for treatment of
31.18 illness, injury, or disease; and

31.19 (viii) the furnishing of lodging, board, and care services for animals in kennels and other
31.20 similar arrangements, but excluding veterinary and horse boarding services.

31.21 (h) A sale and a purchase includes the furnishing for a consideration of tangible personal
31.22 property or taxable services by the United States or any of its agencies or instrumentalities,
31.23 or the state of Minnesota, its agencies, instrumentalities, or political subdivisions.

31.24 (i) A sale and a purchase includes the furnishing for a consideration of
31.25 telecommunications services, ancillary services associated with telecommunication services,
31.26 and pay television services. Telecommunication services include, but are not limited to, the
31.27 following services, as defined in section 297A.669: air-to-ground radiotelephone service,
31.28 mobile telecommunication service, postpaid calling service, prepaid calling service, prepaid
31.29 wireless calling service, and private communication services. The services in this paragraph
31.30 are taxed to the extent allowed under federal law.

31.31 (j) A sale and a purchase includes the furnishing for a consideration of installation if the
31.32 installation charges would be subject to the sales tax if the installation were provided by
31.33 the seller of the item being installed.

(k) A sale and a purchase includes the rental of a vehicle by a motor vehicle dealer to a customer when (1) the vehicle is rented by the customer for a consideration, or (2) the motor vehicle dealer is reimbursed pursuant to a service contract as defined in section 59B.02, subdivision 11.

(l) A sale and a purchase includes furnishing for a consideration of specified digital products or other digital products or granting the right for a consideration to use specified digital products or other digital products on a temporary or permanent basis and regardless of whether the purchaser is required to make continued payments for such right. Wherever the term "tangible personal property" is used in this chapter, other than in subdivisions 10 and 38, the provisions also apply to specified digital products, or other digital products, unless specifically provided otherwise or the context indicates otherwise.

(m) The sale of the privilege of admission under section 297A.61, subdivision 3, paragraph (g), clause (1), to a place of amusement, recreational area, or athletic event includes all charges included in the privilege of admission's sales price, without deduction for amenities that may be provided, unless the amenities are separately stated and the purchaser of the privilege of admission is entitled to add or decline the amenities, and the amenities are not otherwise taxable.

Sec. 5. Minnesota Statutes 2018, section 297A.61, subdivision 4, is amended to read:

Subd. 4. **Retail sale.** (a) A "retail sale" means:

(1) any sale, lease, or rental of tangible personal property for any purpose, other than resale, sublease, or subrent of items by the purchaser in the normal course of business as defined in subdivision 21; and

(2) any sale of a service enumerated in subdivision 3, for any purpose other than resale by the purchaser in the normal course of business as defined in subdivision 21.

(b) A sale of property used by the owner only by leasing it to others or by holding it in an effort to lease it, and put to no use by the owner other than resale after the lease or effort to lease, is a sale of property for resale.

(c) A sale of master computer software that is purchased and used to make copies for sale or lease is a sale of property for resale.

(d) A sale of building materials, supplies, and equipment to owners, contractors, subcontractors, or builders for the erection of buildings or the alteration, repair, or improvement of real property is a retail sale in whatever quantity sold, whether the sale is for purposes of resale in the form of real property or otherwise.

33.1 (e) A sale of carpeting, linoleum, or similar floor covering to a person who provides for
33.2 installation of the floor covering is a retail sale and not a sale for resale since a sale of floor
33.3 covering which includes installation is a contract for the improvement of real property.

33.4 (f) A sale of shrubbery, plants, sod, trees, and similar items to a person who provides
33.5 for installation of the items is a retail sale and not a sale for resale since a sale of shrubbery,
33.6 plants, sod, trees, and similar items that includes installation is a contract for the improvement
33.7 of real property.

33.8 (g) A sale of tangible personal property that is awarded as prizes is a retail sale and is
33.9 not considered a sale of property for resale.

33.10 (h) A sale of tangible personal property utilized or employed in the furnishing or
33.11 providing of services under subdivision 3, paragraph (g), clause (1), including, but not
33.12 limited to, property given as promotional items, is a retail sale and is not considered a sale
33.13 of property for resale.

33.14 (i) A sale of tangible personal property used in conducting lawful gambling under chapter
33.15 349 or the State Lottery under chapter 349A, including, but not limited to, property given
33.16 as promotional items, is a retail sale and is not considered a sale of property for resale.

33.17 (j) a sale of machines, equipment, or devices that are used to furnish, provide, or dispense
33.18 goods or services, including, but not limited to, coin-operated devices, is a retail sale and
33.19 is not considered a sale of property for resale.

33.20 (k) In the case of a lease, a retail sale occurs (1) when an obligation to make a lease
33.21 payment becomes due under the terms of the agreement or the trade practices of the lessor
33.22 or (2) in the case of a lease of a motor vehicle, as defined in section 297B.01, subdivision
33.23 11, but excluding vehicles with a manufacturer's gross vehicle weight rating greater than
33.24 10,000 pounds and rentals of vehicles for not more than 28 days, at the time the lease is
33.25 executed.

33.26 (l) In the case of a conditional sales contract, a retail sale occurs upon the transfer of
33.27 title or possession of the tangible personal property.

33.28 (m) A sale of a bundled transaction in which one or more of the products included in
33.29 the bundle is a taxable product is a retail sale, except that if one of the products is a
33.30 telecommunication service, ancillary service, Internet access, or audio or video programming
33.31 service, and the seller has maintained books and records identifying through reasonable and
33.32 verifiable standards the portions of the price that are attributable to the distinct and separately

34.1 identifiable products, then the products are not considered part of a bundled transaction.

34.2 For purposes of this paragraph:

34.3 (1) the books and records maintained by the seller must be maintained in the regular
34.4 course of business, and do not include books and records created and maintained by the
34.5 seller primarily for tax purposes;

34.6 (2) books and records maintained in the regular course of business include, but are not
34.7 limited to, financial statements, general ledgers, invoicing and billing systems and reports,
34.8 and reports for regulatory tariffs and other regulatory matters; and

34.9 (3) books and records are maintained primarily for tax purposes when the books and
34.10 records identify taxable and nontaxable portions of the price, but the seller maintains other
34.11 books and records that identify different prices attributable to the distinct products included
34.12 in the same bundled transaction.

34.13 (n) A sale of motor vehicle repair paint and materials by a motor vehicle repair or body
34.14 shop business is a retail sale and the sales tax is imposed on the gross receipts from the retail
34.15 sale of the paint and materials. The motor vehicle repair or body shop that purchases motor
34.16 vehicle repair paint and motor vehicle repair materials for resale must either:

34.17 (1) separately state each item of paint and each item of materials, and the sales price of
34.18 each, on the invoice to the purchaser; or

34.19 (2) in order to calculate the sales price of the paint and materials, use a method which
34.20 estimates the amount and monetary value of the paint and materials used in the repair of
34.21 the motor vehicle by multiplying the number of labor hours by a rate of consideration for
34.22 the paint and materials used in the repair of the motor vehicle following industry standard
34.23 practices that fairly calculate the gross receipts from the retail sale of the motor vehicle
34.24 repair paint and motor vehicle repair materials. An industry standard practice fairly calculates
34.25 the gross receipts if the sales price of the paint and materials used or consumed in the repair
34.26 of a motor vehicle equals or exceeds the purchase price paid by the motor vehicle repair or
34.27 body shop business. Under this clause, the invoice must either separately state the "paint
34.28 and materials" as a single taxable item, or separately state "paint" as a taxable item and
34.29 "materials" as a taxable item. This clause does not apply to wholesale transactions at an
34.30 auto auction facility.

34.31 (o) A sale of specified digital products or other digital products to an end user with or
34.32 without rights of permanent use and regardless of whether rights of use are conditioned
34.33 upon payment by the purchaser is a retail sale. When a digital code has been purchased that

relates to specified digital products or other digital products, the subsequent receipt of or access to the related specified digital products or other digital products is not a retail sale.

(p) A payment made to a cooperative electric association or public utility as a contribution in aid of construction is a contract for improvement to real property and is not a retail sale.

(q) A sale of cannabis seeds, usable cannabis, cannabis-infused products, or cannabis accessories by a retail cannabis store is a retail sale and is not considered a sale of property for resale.

Sec. 6. Minnesota Statutes 2018, section 297A.61, is amended by adding a subdivision to read:

Subd. 59. **Cannabis.** "Cannabis" has the meaning given in section 340B.01, subdivision 4.

Sec. 7. Minnesota Statutes 2018, section 297A.61, is amended by adding a subdivision to read:

Subd. 60. **Cannabis accessories.** "Cannabis accessories" has the meaning given in section 340B.01, subdivision 5.

Sec. 8. Minnesota Statutes 2018, section 297A.61, is amended by adding a subdivision to read:

Subd. 61. **Cannabis-infused products.** "Cannabis-infused products" has the meaning given in section 340B.01, subdivision 7.

Sec. 9. Minnesota Statutes 2018, section 297A.61, is amended by adding a subdivision to read:

Subd. 62. **Usable cannabis.** "Usable cannabis" has the meaning given in section 340B.01, subdivision 20.

Sec. 10. Minnesota Statutes 2018, section 297A.62, subdivision 1, is amended to read:

Subdivision 1. **Generally.** Except as otherwise provided in subdivision 3 or 3a or in this chapter, a sales tax of 6.5 percent is imposed on the gross receipts from retail sales as defined in section 297A.61, subdivision 4, made in this state or to a destination in this state by a person who is required to have or voluntarily obtains a permit under section 297A.83, subdivision 1.

Sec. 11. Minnesota Statutes 2018, section 297A.62, is amended by adding a subdivision to read:

Subd. 3a. **Cannabis rate.** A sales tax of 10 percent is imposed on the gross receipts from the retail sales of cannabis seeds, usable cannabis, cannabis-infused products, cannabis accessories, and the privilege of admission to a cannabis lounge made in this state.

Sec. 12. Minnesota Statutes 2018, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

(g) Starting after July 1, 2017, the commissioner shall deposit an amount of the remittances monthly into the state treasury and credit them to the highway user tax distribution fund as a portion of the estimated amount of taxes collected from the sale and purchase of motor vehicle repair parts in that month. For the remittances between July 1, 2017, and June 30, 2019, the monthly deposit amount is \$2,628,000. For remittances in each subsequent fiscal year, the monthly deposit amount is \$12,137,000. For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use.

(h) 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(i) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

(j) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

(1) 25 percent to the volunteer fire assistance grant account established under section 88.068;

(2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and

(3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

(k) The commissioner shall deposit the revenues, including interest and penalties, collected from the taxes derived from the sales of cannabis seeds, usable cannabis,

39.1 cannabis-infused products, cannabis accessories, and the privilege of admission to a cannabis
39.2 lounge in the state treasury and deposit them in the cannabis account under section 340B.26.

39.3 ~~(k)~~ (l) The revenues deposited under paragraphs (a) to ~~(j)~~ (k) do not include the revenues,
39.4 including interest and penalties, generated by the sales tax imposed under section 297A.62,
39.5 subdivision 1a, which must be deposited as provided under the Minnesota Constitution,
39.6 article XI, section 15.

39.7 Sec. 13. Minnesota Statutes 2018, section 297A.99, subdivision 1, is amended to read:

39.8 Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose
39.9 a general sales tax (1) under section 297A.992, (2) under section 297A.993, (3) under section
39.10 297A.9935, (4) if permitted by special law, or ~~(4)~~ (5) if the political subdivision enacted
39.11 and imposed the tax before January 1, 1982, and its predecessor provision.

39.12 (b) This section governs the imposition of a general sales tax by the political subdivision.
39.13 The provisions of this section preempt the provisions of any special law:

39.14 (1) enacted before June 2, 1997, or

39.15 (2) enacted on or after June 2, 1997, that does not explicitly exempt the special law
39.16 provision from this section's rules by reference.

39.17 (c) This section does not apply to or preempt a sales tax on motor vehicles or a special
39.18 excise tax on motor vehicles.

39.19 (d) A political subdivision may not advertise or expend funds for the promotion of a
39.20 referendum to support imposing a local option sales tax.

39.21 (e) Notwithstanding paragraph (d), a political subdivision may expend funds to:

39.22 (1) conduct the referendum;

39.23 (2) disseminate information included in the resolution adopted under subdivision 2;

39.24 (3) provide notice of, and conduct public forums at which proponents and opponents on
39.25 the merits of the referendum are given equal time to express their opinions on the merits of
39.26 the referendum;

39.27 (4) provide facts and data on the impact of the proposed sales tax on consumer purchases;
39.28 and

39.29 (5) provide facts and data related to the programs and projects to be funded with the
39.30 sales tax.

Sec. 14. [297A.9935] LOCAL CANNABIS TAX.

Subdivision 1. **Authorization.** Notwithstanding section 477A.016 or any other law, a statutory or home rule charter city may by ordinance, and a town may by the affirmative vote of the governing board of the town at the annual town meeting, or at a special town meeting, impose a tax of up to three percent on the gross receipts from the retail sale of cannabis seeds, usable cannabis, cannabis-infused products, cannabis accessories, or the privilege of admission to a cannabis lounge.

Subd. 2. **Joint powers agreement.** Any statutory or home rule charter city, town, or county when the county board is acting as a town board with respect to an unorganized territory, may enter into a joint exercise of powers agreement pursuant to section 471.59 for the purpose of imposing the tax and disposing of its proceeds pursuant to this section.

Subd. 3. **Collection.** The statutory or home rule charter city may agree with the commissioner of revenue that a tax imposed pursuant to this section shall be collected by the commissioner together with the tax imposed by chapter 297A, and subject to the same interest, penalties, and other rules and that its proceeds, less the cost of collection, shall be remitted to the city.

Sec. 15. **EFFECTIVE DATE.**

This article is effective for sales and purchases made after December 31, 2021.

ARTICLE 3

CLEAN INDOOR AIR ACT

Section 1. Minnesota Statutes 2018, section 144.413, subdivision 4, is amended to read:

Subd. 4. **Smoking.** "Smoking" means inhaling or exhaling smoke from any lighted cigar, cigarette, or pipe; any lighted cannabis; or any other lighted tobacco product, cannabis product, or plant product. Smoking also includes: (1) carrying a lighted cigar, cigarette, or pipe; any lighted cannabis; or any other lighted tobacco product, cannabis product, or plant product intended for inhalation; and (2) inhaling or exhaling vapor from or any other use of an electronic delivery device or an electronic cannabis delivery device.

Sec. 2. Minnesota Statutes 2018, section 144.413, is amended by adding a subdivision to read:

Subd. 6. **Cannabis.** "Cannabis" has the meaning given in section 340B.01, subdivision 4.

41.1 Sec. 3. Minnesota Statutes 2018, section 144.413, is amended by adding a subdivision to
41.2 read:

41.3 Subd. 7. **Cannabis-infused product.** "Cannabis-infused product" has the meaning given
41.4 in section 340B.01, subdivision 7.

41.5 Sec. 4. Minnesota Statutes 2018, section 144.413, is amended by adding a subdivision to
41.6 read:

41.7 Subd. 8. **Electronic cannabis delivery device.** "Electronic cannabis delivery device"
41.8 means any product containing or delivering cannabis or cannabis derivatives that can be
41.9 used by a person to simulate smoking in the delivery of cannabis or cannabis derivatives
41.10 through inhalation of vapor from the product. Electronic cannabis delivery device includes
41.11 any component part of a product, whether or not marketed or sold separately.

41.12 Sec. 5. Minnesota Statutes 2018, section 144.413, is amended by adding a subdivision to
41.13 read:

41.14 Subd. 9. **Electronic delivery device.** "Electronic delivery device" has the meaning given
41.15 in section 609.685, subdivision 1.

41.16 Sec. 6. Minnesota Statutes 2018, section 144.414, subdivision 2, is amended to read:

41.17 Subd. 2. **Day care premises.** (a) Smoking is prohibited in a day care center licensed
41.18 under Minnesota Rules, parts 9503.0005 to 9503.0170, or in a family home or in a group
41.19 family day care provider home licensed under Minnesota Rules, parts 9502.0300 to
41.20 9502.0445, during its hours of operation. The proprietor of a family home or group family
41.21 day care provider must disclose to parents or guardians of children cared for on the premises
41.22 if the proprietor permits smoking outside of its hours of operation. Disclosure must include
41.23 posting on the premises a conspicuous written notice and orally informing parents or
41.24 guardians.

41.25 ~~(b) For purposes of this subdivision, the definition of smoking includes the use of~~
41.26 ~~electronic cigarettes, including the inhaling and exhaling of vapor from any electronic~~
41.27 ~~delivery device as defined in section 609.685, subdivision 1.~~

41.28 Sec. 7. Minnesota Statutes 2018, section 144.414, subdivision 3, is amended to read:

41.29 Subd. 3. **Health care facilities and clinics.** (a) Smoking is prohibited in any area of a
41.30 hospital, health care clinic, doctor's office, licensed residential facility for children, or other
41.31 health care-related facility, except that a patient or resident in a nursing home, boarding

care facility, or licensed residential facility for adults may smoke in a designated separate, enclosed room maintained in accordance with applicable state and federal laws.

(b) Except as provided in section 246.0141, smoking by patients in a locked psychiatric unit may be allowed in a separated well-ventilated area in the unit under a policy established by the administrator of the program that allows the treating physician to approve smoking if, in the opinion of the treating physician, the benefits to be gained in obtaining patient cooperation with treatment outweigh the negative impacts of smoking.

~~(c) For purposes of this subdivision, the definition of smoking includes the use of electronic cigarettes, including the inhaling and exhaling of vapor from any electronic delivery device as defined in section 609.685, subdivision 1.~~

Sec. 8. Minnesota Statutes 2018, section 144.4165, is amended to read:

144.4165 TOBACCO PRODUCTS, CANNABIS, CANNABIS PRODUCTS, ELECTRONIC DELIVERY DEVICES, AND ELECTRONIC CANNABIS DELIVERY DEVICES PROHIBITED IN PUBLIC SCHOOLS.

Subdivision 1. Tobacco products; electronic delivery devices. No person shall at any time smoke, chew, or otherwise ingest tobacco or a tobacco product, or inhale or exhale vapor from an electronic delivery device ~~as defined in section 609.685, subdivision 1,~~ in a public school, as defined in section 120A.05, subdivisions 9, 11, and 13, and no person under the age of 18 shall possess any of these items. This prohibition extends to all facilities, whether owned, rented, or leased, and all vehicles that a school district owns, leases, rents, contracts for, or controls. Nothing in this section shall prohibit the lighting of tobacco by an adult as a part of a traditional Indian spiritual or cultural ceremony. For purposes of this section, an Indian is a person who is a member of an Indian tribe as defined in section 260.755 subdivision 12.

Subd. 2. Cannabis, cannabis products, electronic cannabis delivery devices. ~~Except as permitted under section 152.345, no person shall at any time engage in any of the following in a public school, as defined in section 120A.05, subdivisions 9, 11, and 13:~~

(1) smoke, ingest, consume, or otherwise use cannabis or a cannabis-infused product;

(2) inhale or exhale vapor from an electronic cannabis delivery device; or

(3) possess any of the items listed in clause (1) or (2).

43.1 Sec. 9. **REPEALER.**

43.2 Minnesota Statutes 2018, section 144.414, subdivision 5, is repealed.

43.3 **ARTICLE 4**

43.4 **CONTROLLED SUBSTANCE ACT CONFORMING CHANGES AND**
43.5 **EXPUNGEMENT**

43.6 Section 1. Minnesota Statutes 2018, section 152.01, subdivision 5a, is amended to read:

43.7 Subd. 5a. **Hallucinogen.** "Hallucinogen" means any hallucinogen listed in section 152.02,
43.8 subdivision 2, paragraph (d), or Minnesota Rules, part 6800.4210, item C, ~~except marijuana~~
43.9 ~~and Tetrahydrocannabinols.~~

43.10 Sec. 2. Minnesota Statutes 2018, section 152.02, subdivision 2, is amended to read:

43.11 Subd. 2. **Schedule I.** (a) Schedule I consists of the substances listed in this subdivision.

43.12 (b) Opiates. Unless specifically excepted or unless listed in another schedule, any of the
43.13 following substances, including their analogs, isomers, esters, ethers, salts, and salts of
43.14 isomers, esters, and ethers, whenever the existence of the analogs, isomers, esters, ethers,
43.15 and salts is possible:

43.16 (1) acetylmethadol;

43.17 (2) allylprodine;

43.18 (3) alphacetylmethadol (except levo-alphacetylmethadol, also known as levomethadyl
43.19 acetate);

43.20 (4) alphameprodine;

43.21 (5) alphasmethadol;

43.22 (6) alpha-methylfentanyl benzethidine;

43.23 (7) betacetylmethadol;

43.24 (8) betameprodine;

43.25 (9) betamethadol;

43.26 (10) betaprodine;

43.27 (11) clonitazene;

43.28 (12) dextromoramide;

43.29 (13) diampromide;

- 44.1 (14) diethylambutene;
- 44.2 (15) difenoxin;
- 44.3 (16) dimenoxadol;
- 44.4 (17) dimepheptanol;
- 44.5 (18) dimethylambutene;
- 44.6 (19) dioxaphetyl butyrate;
- 44.7 (20) dipipanone;
- 44.8 (21) ethylmethylthiambutene;
- 44.9 (22) etonitazene;
- 44.10 (23) etoxeridine;
- 44.11 (24) furethidine;
- 44.12 (25) hydroxypethidine;
- 44.13 (26) ketobemidone;
- 44.14 (27) levomoramide;
- 44.15 (28) levophenacylmorphane;
- 44.16 (29) 3-methylfentanyl;
- 44.17 (30) acetyl-alpha-methylfentanyl;
- 44.18 (31) alpha-methylthiofentanyl;
- 44.19 (32) benzylfentanyl beta-hydroxyfentanyl;
- 44.20 (33) beta-hydroxy-3-methylfentanyl;
- 44.21 (34) 3-methylthiofentanyl;
- 44.22 (35) thenylfentanyl;
- 44.23 (36) thiofentanyl;
- 44.24 (37) para-fluorofentanyl;
- 44.25 (38) morpheridine;
- 44.26 (39) 1-methyl-4-phenyl-4-propionoxypiperidine;
- 44.27 (40) noracymethadol;

- 45.1 (41) norlevorphanol;
- 45.2 (42) normethadone;
- 45.3 (43) norpipanone;
- 45.4 (44) 1-(2-phenylethyl)-4-phenyl-4-acetoxypiperidine (PEPAP);
- 45.5 (45) phenadoxone;
- 45.6 (46) phenampromide;
- 45.7 (47) phenomorphan;
- 45.8 (48) phenoperidine;
- 45.9 (49) piritramide;
- 45.10 (50) proheptazine;
- 45.11 (51) properidine;
- 45.12 (52) propiram;
- 45.13 (53) racemoramide;
- 45.14 (54) tilidine;
- 45.15 (55) trimeperidine;
- 45.16 (56) N-(1-Phenethylpiperidin-4-yl)-N-phenylacetamide (acetyl fentanyl);
- 45.17 (57) 3,4-dichloro-N-[(1R,2R)-2-(dimethylamino)cyclohexyl]-N-
- 45.18 methylbenzamide(U47700);
- 45.19 (58) N-phenyl-N-[1-(2-phenylethyl)piperidin-4-yl]furan-2-carboxamide(furanylfentanyl);
- 45.20 and
- 45.21 (59) 4-(4-bromophenyl)-4-dimethylamino-1-phenethylcyclohexanol (bromadol).
- 45.22 (c) Opium derivatives. Any of the following substances, their analogs, salts, isomers,
- 45.23 and salts of isomers, unless specifically excepted or unless listed in another schedule,
- 45.24 whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:
- 45.25 (1) acetorphine;
- 45.26 (2) acetyldihydrocodeine;
- 45.27 (3) benzylmorphine;
- 45.28 (4) codeine methylbromide;

- 46.1 (5) codeine-n-oxide;
- 46.2 (6) cyprenorphine;
- 46.3 (7) desomorphine;
- 46.4 (8) dihydromorphine;
- 46.5 (9) drotebanol;
- 46.6 (10) etorphine;
- 46.7 (11) heroin;
- 46.8 (12) hydromorphenol;
- 46.9 (13) methyl-desorphine;
- 46.10 (14) methyldihydromorphine;
- 46.11 (15) morphine methylbromide;
- 46.12 (16) morphine methylsulfonate;
- 46.13 (17) morphine-n-oxide;
- 46.14 (18) myrophine;
- 46.15 (19) nicocodeine;
- 46.16 (20) nicomorphine;
- 46.17 (21) normorphine;
- 46.18 (22) pholcodine; and
- 46.19 (23) thebacon.

46.20 (d) Hallucinogens. Any material, compound, mixture or preparation which contains any
46.21 quantity of the following substances, their analogs, salts, isomers (whether optical, positional,
46.22 or geometric), and salts of isomers, unless specifically excepted or unless listed in another
46.23 schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is
46.24 possible:

- 46.25 (1) methylenedioxy amphetamine;
- 46.26 (2) methylenedioxymethamphetamine;
- 46.27 (3) methylenedioxy-N-ethylamphetamine (MDEA);
- 46.28 (4) n-hydroxy-methylenedioxyamphetamine;

- 47.1 (5) 4-bromo-2,5-dimethoxyamphetamine (DOB);
- 47.2 (6) 2,5-dimethoxyamphetamine (2,5-DMA);
- 47.3 (7) 4-methoxyamphetamine;
- 47.4 (8) 5-methoxy-3, 4-methylenedioxyamphetamine;
- 47.5 (9) alpha-ethyltryptamine;
- 47.6 (10) bufotenine;
- 47.7 (11) diethyltryptamine;
- 47.8 (12) dimethyltryptamine;
- 47.9 (13) 3,4,5-trimethoxyamphetamine;
- 47.10 (14) 4-methyl-2, 5-dimethoxyamphetamine (DOM);
- 47.11 (15) ibogaine;
- 47.12 (16) lysergic acid diethylamide (LSD);
- 47.13 (17) mescaline;
- 47.14 (18) parahexyl;
- 47.15 (19) N-ethyl-3-piperidyl benzilate;
- 47.16 (20) N-methyl-3-piperidyl benzilate;
- 47.17 (21) psilocybin;
- 47.18 (22) psilocyn;
- 47.19 (23) tenocyclidine (TPCP or TCP);
- 47.20 (24) N-ethyl-1-phenyl-cyclohexylamine (PCE);
- 47.21 (25) 1-(1-phenylcyclohexyl) pyrrolidine (PCPy);
- 47.22 (26) 1-[1-(2-thienyl)cyclohexyl]-pyrrolidine (TCPy);
- 47.23 (27) 4-chloro-2,5-dimethoxyamphetamine (DOC);
- 47.24 (28) 4-ethyl-2,5-dimethoxyamphetamine (DOET);
- 47.25 (29) 4-iodo-2,5-dimethoxyamphetamine (DOI);
- 47.26 (30) 4-bromo-2,5-dimethoxyphenethylamine (2C-B);
- 47.27 (31) 4-chloro-2,5-dimethoxyphenethylamine (2C-C);

- 48.1 (32) 4-methyl-2,5-dimethoxyphenethylamine (2C-D);
- 48.2 (33) 4-ethyl-2,5-dimethoxyphenethylamine (2C-E);
- 48.3 (34) 4-iodo-2,5-dimethoxyphenethylamine (2C-I);
- 48.4 (35) 4-propyl-2,5-dimethoxyphenethylamine (2C-P);
- 48.5 (36) 4-isopropylthio-2,5-dimethoxyphenethylamine (2C-T-4);
- 48.6 (37) 4-propylthio-2,5-dimethoxyphenethylamine (2C-T-7);
- 48.7 (38) 2-(8-bromo-2,3,6,7-tetrahydrofuro [2,3-f][1]benzofuran-4-yl)ethanamine
- 48.8 (2-CB-FLY);
- 48.9 (39) bromo-benzodifuranyl-isopropylamine (Bromo-DragonFLY);
- 48.10 (40) alpha-methyltryptamine (AMT);
- 48.11 (41) N,N-diisopropyltryptamine (DiPT);
- 48.12 (42) 4-acetoxy-N,N-dimethyltryptamine (4-AcO-DMT);
- 48.13 (43) 4-acetoxy-N,N-diethyltryptamine (4-AcO-DET);
- 48.14 (44) 4-hydroxy-N-methyl-N-propyltryptamine (4-HO-MPT);
- 48.15 (45) 4-hydroxy-N,N-dipropyltryptamine (4-HO-DPT);
- 48.16 (46) 4-hydroxy-N,N-diallyltryptamine (4-HO-DALT);
- 48.17 (47) 4-hydroxy-N,N-diisopropyltryptamine (4-HO-DiPT);
- 48.18 (48) 5-methoxy-N,N-diisopropyltryptamine (5-MeO-DiPT);
- 48.19 (49) 5-methoxy- α -methyltryptamine (5-MeO-AMT);
- 48.20 (50) 5-methoxy-N,N-dimethyltryptamine (5-MeO-DMT);
- 48.21 (51) 5-methylthio-N,N-dimethyltryptamine (5-MeS-DMT);
- 48.22 (52) 5-methoxy-N-methyl-N-isopropyltryptamine (5-MeO-MiPT);
- 48.23 (53) 5-methoxy- α -ethyltryptamine (5-MeO-AET);
- 48.24 (54) 5-methoxy-N,N-dipropyltryptamine (5-MeO-DPT);
- 48.25 (55) 5-methoxy-N,N-diethyltryptamine (5-MeO-DET);
- 48.26 (56) 5-methoxy-N,N-diallyltryptamine (5-MeO-DALT);
- 48.27 (57) methoxetamine (MXE);

- 49.1 (58) 5-iodo-2-aminoindane (5-IAI);
- 49.2 (59) 5,6-methylenedioxy-2-aminoindane (MDAI);
- 49.3 (60) 2-(4-bromo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25B-NBOMe);
- 49.4 (61) 2-(4-chloro-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25C-NBOMe);
- 49.5 (62) 2-(4-iodo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25I-NBOMe);
- 49.6 (63) 2-(2,5-Dimethoxyphenyl)ethanamine (2C-H);
- 49.7 (64) 2-(4-Ethylthio-2,5-dimethoxyphenyl)ethanamine (2C-T-2);
- 49.8 (65) N,N-Dipropyltryptamine (DPT);
- 49.9 (66) 3-[1-(Piperidin-1-yl)cyclohexyl]phenol (3-HO-PCP);
- 49.10 (67) N-ethyl-1-(3-methoxyphenyl)cyclohexanamine (3-MeO-PCE);
- 49.11 (68) 4-[1-(3-methoxyphenyl)cyclohexyl]morpholine (3-MeO-PCMo);
- 49.12 (69) 1-[1-(4-methoxyphenyl)cyclohexyl]-piperidine (methoxydine, 4-MeO-PCP);
- 49.13 (70) 2-(2-Chlorophenyl)-2-(ethylamino)cyclohexan-1-one (N-Ethyl-norketamine,
- 49.14 ethketamine, NENK);
- 49.15 (71) methylenedioxy-N,N-dimethylamphetamine (MDDMA);
- 49.16 (72) 3-(2-Ethyl(methyl)aminoethyl)-1H-indol-4-yl (4-AcO-MET); and
- 49.17 (73) 2-Phenyl-2-(methylamino)cyclohexanone (deschloroketamine).
- 49.18 (e) Peyote. All parts of the plant presently classified botanically as *Lophophora williamsii*
- 49.19 Lemaire, whether growing or not, the seeds thereof, any extract from any part of the plant,
- 49.20 and every compound, manufacture, salts, derivative, mixture, or preparation of the plant,
- 49.21 its seeds or extracts. The listing of peyote as a controlled substance in Schedule I does not
- 49.22 apply to the nondrug use of peyote in bona fide religious ceremonies of the American Indian
- 49.23 Church, and members of the American Indian Church are exempt from registration. Any
- 49.24 person who manufactures peyote for or distributes peyote to the American Indian Church,
- 49.25 however, is required to obtain federal registration annually and to comply with all other
- 49.26 requirements of law.
- 49.27 (f) Central nervous system depressants. Unless specifically excepted or unless listed in
- 49.28 another schedule, any material compound, mixture, or preparation which contains any
- 49.29 quantity of the following substances, their analogs, salts, isomers, and salts of isomers
- 49.30 whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- 50.1 (1) mecloqualone;
- 50.2 (2) methaqualone;
- 50.3 (3) gamma-hydroxybutyric acid (GHB), including its esters and ethers;
- 50.4 (4) flunitrazepam; and
- 50.5 (5) 2-(2-Methoxyphenyl)-2-(methylamino)cyclohexanone (2-MeO-2-deschloroketamine,
- 50.6 methoxyketamine).
- 50.7 (g) Stimulants. Unless specifically excepted or unless listed in another schedule, any
- 50.8 material compound, mixture, or preparation which contains any quantity of the following
- 50.9 substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the
- 50.10 analogs, salts, isomers, and salts of isomers is possible:
- 50.11 (1) aminorex;
- 50.12 (2) cathinone;
- 50.13 (3) fenethylamine;
- 50.14 (4) methcathinone;
- 50.15 (5) methylaminorex;
- 50.16 (6) N,N-dimethylamphetamine;
- 50.17 (7) N-benzylpiperazine (BZP);
- 50.18 (8) methylmethcathinone (mephedrone);
- 50.19 (9) 3,4-methylenedioxy-N-methylcathinone (methyldone);
- 50.20 (10) methoxymethcathinone (methedrone);
- 50.21 (11) methylenedioxypyrovalerone (MDPV);
- 50.22 (12) 3-fluoro-N-methylcathinone (3-FMC);
- 50.23 (13) methylethcathinone (MEC);
- 50.24 (14) 1-benzofuran-6-ylpropan-2-amine (6-APB);
- 50.25 (15) dimethylmethcathinone (DMMC);
- 50.26 (16) fluoroamphetamine;
- 50.27 (17) fluoromethamphetamine;
- 50.28 (18) α -methylaminobutyrophenone (MABP or buphedrone);

- 51.1 (19) 1-(1,3-benzodioxol-5-yl)-2-(methylamino)butan-1-one (butylone);
- 51.2 (20) 2-(methylamino)-1-(4-methylphenyl)butan-1-one (4-MEMABP or BZ-6378);
- 51.3 (21) 1-(naphthalen-2-yl)-2-(pyrrolidin-1-yl) pentan-1-one (naphthylpyrovalerone or
- 51.4 naphyrone);
- 51.5 (22) (alpha-pyrrolidinopentiophenone (alpha-PVP);
- 51.6 (23) (RS)-1-(4-methylphenyl)-2-(1-pyrrolidinyl)-1-hexanone (4-Me-PHP or MPHP);
- 51.7 (24) 2-(1-pyrrolidinyl)-hexanophenone (Alpha-PHP);
- 51.8 (25) 4-methyl-N-ethylcathinone (4-MEC);
- 51.9 (26) 4-methyl-alpha-pyrrolidinopropiophenone (4-MePPP);
- 51.10 (27) 2-(methylamino)-1-phenylpentan-1-one (pentedrone);
- 51.11 (28) 1-(1,3-benzodioxol-5-yl)-2-(methylamino)pentan-1-one (pentylone);
- 51.12 (29) 4-fluoro-N-methylcathinone (4-FMC);
- 51.13 (30) 3,4-methylenedioxy-N-ethylcathinone (ethylone);
- 51.14 (31) alpha-pyrrolidinobutiophenone (α -PBP);
- 51.15 (32) 5-(2-Aminopropyl)-2,3-dihydrobenzofuran (5-APDB);
- 51.16 (33) 1-phenyl-2-(1-pyrrolidinyl)-1-heptanone (PV8);
- 51.17 (34) 6-(2-Aminopropyl)-2,3-dihydrobenzofuran (6-APDB);
- 51.18 (35) 4-methyl-alpha-ethylaminopentiophenone (4-MEAPP);
- 51.19 (36) 4'-chloro-alpha-pyrrolidinopropiophenone (4'-chloro-PPP);
- 51.20 (37) 1-(1,3-Benzodioxol-5-yl)-2-(dimethylamino)butan-1-one (dibutylone, bk-DMBDB);
- 51.21 (38) 1-(3-chlorophenyl) piperazine (meta-chlorophenylpiperazine or mCPP); and
- 51.22 (39) any other substance, except bupropion or compounds listed under a different
- 51.23 schedule, that is structurally derived from 2-aminopropan-1-one by substitution at the
- 51.24 1-position with either phenyl, naphthyl, or thiophene ring systems, whether or not the
- 51.25 compound is further modified in any of the following ways:
- 51.26 (i) by substitution in the ring system to any extent with alkyl, alkylenedioxy, alkoxy,
- 51.27 haloalkyl, hydroxyl, or halide substituents, whether or not further substituted in the ring
- 51.28 system by one or more other univalent substituents;
- 51.29 (ii) by substitution at the 3-position with an acyclic alkyl substituent;

52.1 (iii) by substitution at the 2-amino nitrogen atom with alkyl, dialkyl, benzyl, or
52.2 methoxybenzyl groups; or

52.3 (iv) by inclusion of the 2-amino nitrogen atom in a cyclic structure.

52.4 (h) ~~Marijuana, tetrahydrocannabinols, and~~ Synthetic cannabinoids. Unless specifically
52.5 excepted or unless listed in another schedule, any ~~natural or~~ synthetic material, compound,
52.6 mixture, or preparation that contains any quantity of the following substances, their analogs,
52.7 isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence
52.8 of the isomers, esters, ethers, or salts is possible:

52.9 (1) ~~marijuana;~~

52.10 ~~(2) tetrahydrocannabinols naturally contained in a plant of the genus Cannabis,~~ synthetic
52.11 equivalents of the substances contained in the cannabis plant or in the resinous extractives
52.12 of the plant, or synthetic substances with similar chemical structure and pharmacological
52.13 activity to those substances contained in the plant or resinous extract, including, but not
52.14 limited to, 1 cis or trans tetrahydrocannabinol, 6 cis or trans tetrahydrocannabinol, and 3,4
52.15 cis or trans tetrahydrocannabinol;

52.16 ~~(3)~~ (2) synthetic cannabinoids, including the following substances:

52.17 (i) Naphthoylindoles, which are any compounds containing a 3-(1-naphthoyl)indole
52.18 structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl,
52.19 alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidiny)methyl or
52.20 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any
52.21 extent and whether or not substituted in the naphthyl ring to any extent. Examples of
52.22 naphthoylindoles include, but are not limited to:

52.23 (A) 1-Pentyl-3-(1-naphthoyl)indole (JWH-018 and AM-678);

52.24 (B) 1-Butyl-3-(1-naphthoyl)indole (JWH-073);

52.25 (C) 1-Pentyl-3-(4-methoxy-1-naphthoyl)indole (JWH-081);

52.26 (D) 1-[2-(4-morpholinyl)ethyl]-3-(1-naphthoyl)indole (JWH-200);

52.27 (E) 1-Propyl-2-methyl-3-(1-naphthoyl)indole (JWH-015);

52.28 (F) 1-Hexyl-3-(1-naphthoyl)indole (JWH-019);

52.29 (G) 1-Pentyl-3-(4-methyl-1-naphthoyl)indole (JWH-122);

52.30 (H) 1-Pentyl-3-(4-ethyl-1-naphthoyl)indole (JWH-210);

52.31 (I) 1-Pentyl-3-(4-chloro-1-naphthoyl)indole (JWH-398);

53.1 (J) 1-(5-fluoropentyl)-3-(1-naphthoyl)indole (AM-2201).

53.2 (ii) Naphthylmethylindeles, which are any compounds containing a
53.3 1H-indol-3-yl-(1-naphthyl)methane structure with substitution at the nitrogen atom of the
53.4 indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl,
53.5 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further
53.6 substituted in the indole ring to any extent and whether or not substituted in the naphthyl
53.7 ring to any extent. Examples of naphthylmethylindeles include, but are not limited to:

53.8 (A) 1-Pentyl-1H-indol-3-yl-(1-naphthyl)methane (JWH-175);

53.9 (B) 1-Pentyl-1H-indol-3-yl-(4-methyl-1-naphthyl)methane (JWH-184).

53.10 (iii) Naphthoylpyrroles, which are any compounds containing a 3-(1-naphthoyl)pyrrole
53.11 structure with substitution at the nitrogen atom of the pyrrole ring by an alkyl, haloalkyl,
53.12 alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or
53.13 2-(4-morpholinyl)ethyl group whether or not further substituted in the pyrrole ring to any
53.14 extent, whether or not substituted in the naphthyl ring to any extent. Examples of
53.15 naphthoylpyrroles include, but are not limited to,
53.16 (5-(2-fluorophenyl)-1-pentylpyrrol-3-yl)-naphthalen-1-ylmethanone (JWH-307).

53.17 (iv) Naphthylmethylindenes, which are any compounds containing a naphthylideneindene
53.18 structure with substitution at the 3-position of the indene ring by an alkyl, haloalkyl, alkenyl,
53.19 cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or
53.20 2-(4-morpholinyl)ethyl group whether or not further substituted in the indene ring to any
53.21 extent, whether or not substituted in the naphthyl ring to any extent. Examples of
53.22 naphthylemethylindenes include, but are not limited to,
53.23 E-1-[1-(1-naphthalenylmethylene)-1H-inden-3-yl]pentane (JWH-176).

53.24 (v) Phenylacetylindeles, which are any compounds containing a 3-phenylacetylindole
53.25 structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl,
53.26 alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or
53.27 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any
53.28 extent, whether or not substituted in the phenyl ring to any extent. Examples of
53.29 phenylacetylindeles include, but are not limited to:

53.30 (A) 1-(2-cyclohexylethyl)-3-(2-methoxyphenylacetyl)indole (RCS-8);

53.31 (B) 1-pentyl-3-(2-methoxyphenylacetyl)indole (JWH-250);

53.32 (C) 1-pentyl-3-(2-methylphenylacetyl)indole (JWH-251);

53.33 (D) 1-pentyl-3-(2-chlorophenylacetyl)indole (JWH-203).

54.1 (vi) Cyclohexylphenols, which are compounds containing a
54.2 2-(3-hydroxycyclohexyl)phenol structure with substitution at the 5-position of the phenolic
54.3 ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl,
54.4 1-(N-methyl-2-piperidiny)methyl or 2-(4-morpholinyl)ethyl group whether or not substituted
54.5 in the cyclohexyl ring to any extent. Examples of cyclohexylphenols include, but are not
54.6 limited to:

54.7 (A) 5-(1,1-dimethylheptyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (CP 47,497);

54.8 (B) 5-(1,1-dimethyloctyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol
54.9 (Cannabicyclohexanol or CP 47,497 C8 homologue);

54.10 (C) 5-(1,1-dimethylheptyl)-2-[(1R,2R)-5-hydroxy-2-(3-hydroxypropyl)cyclohexyl]
54.11 -phenol (CP 55,940).

54.12 (vii) Benzoylindoles, which are any compounds containing a 3-(benzoyl)indole structure
54.13 with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl,
54.14 cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidiny)methyl or
54.15 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any
54.16 extent and whether or not substituted in the phenyl ring to any extent. Examples of
54.17 benzoylindoles include, but are not limited to:

54.18 (A) 1-Pentyl-3-(4-methoxybenzoyl)indole (RCS-4);

54.19 (B) 1-(5-fluoropentyl)-3-(2-iodobenzoyl)indole (AM-694);

54.20 (C) (4-methoxyphenyl-[2-methyl-1-(2-(4-morpholinyl)ethyl)indol-3-yl]methanone (WIN
54.21 48,098 or Pravadoline).

54.22 (viii) Others specifically named:

54.23 (A) (6aR,10aR)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)
54.24 -6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (HU-210);

54.25 (B) (6aS,10aS)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)
54.26 -6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (Dexanabinol or HU-211);

54.27 (C) 2,3-dihydro-5-methyl-3-(4-morpholinylmethyl)pyrrolo[1,2,3-de]
54.28 -1,4-benzoxazin-6-yl-1-naphthalenylmethanone (WIN 55,212-2);

54.29 (D) (1-pentylindol-3-yl)-(2,2,3,3-tetramethylcyclopropyl)methanone (UR-144);

54.30 (E) (1-(5-fluoropentyl)-1H-indol-3-yl)(2,2,3,3-tetramethylcyclopropyl)methanone
54.31 (XLR-11);

- 55.1 (F) 1-pentyl-N-tricyclo[3.3.1.1^{3,7}]dec-1-yl-1H-indazole-3-carboxamide
55.2 (AKB-48(APINACA));
- 55.3 (G) N-((3s,5s,7s)-adamantan-1-yl)-1-(5-fluoropentyl)-1H-indazole-3-carboxamide
55.4 (5-Fluoro-AKB-48);
- 55.5 (H) 1-pentyl-8-quinolinyl ester-1H-indole-3-carboxylic acid (PB-22);
- 55.6 (I) 8-quinolinyl ester-1-(5-fluoropentyl)-1H-indole-3-carboxylic acid (5-Fluoro PB-22);
- 55.7 (J) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-pentyl-1H-indazole-3-carboxamide
55.8 (AB-PINACA);
- 55.9 (K) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-[(4-fluorophenyl)methyl]-
55.10 1H-indazole-3-carboxamide (AB-FUBINACA);
- 55.11 (L) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-(cyclohexylmethyl)-1H-
55.12 indazole-3-carboxamide(AB-CHMINACA);
- 55.13 (M) (S)-methyl 2-(1-(5-fluoropentyl)-1H-indazole-3-carboxamido)-3-methylbutanoate
55.14 (5-fluoro-AMB);
- 55.15 (N) [1-(5-fluoropentyl)-1H-indazol-3-yl](naphthalen-1-yl) methanone (THJ-2201);
- 55.16 (O) (1-(5-fluoropentyl)-1H-benzo[d]imidazol-2-yl)(naphthalen-1-yl)methanone
55.17 (FUBIMINA);
- 55.18 (P) (7-methoxy-1-(2-morpholinoethyl)-N-((1S,2S,4R)-1,3,3-trimethylbicyclo
55.19 [2.2.1]heptan-2-yl)-1H-indole-3-carboxamide (MN-25 or UR-12);
- 55.20 (Q) (S)-N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(5-fluoropentyl)
55.21 -1H-indole-3-carboxamide (5-fluoro-ABICA);
- 55.22 (R) N-(1-amino-3-phenyl-1-oxopropan-2-yl)-1-(5-fluoropentyl)
55.23 -1H-indole-3-carboxamide;
- 55.24 (S) N-(1-amino-3-phenyl-1-oxopropan-2-yl)-1-(5-fluoropentyl)
55.25 -1H-indazole-3-carboxamide;
- 55.26 (T) methyl 2-(1-(cyclohexylmethyl)-1H-indole-3-carboxamido)-3,3-dimethylbutanoate;
- 55.27 (U) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1(cyclohexylmethyl)-1
55.28 H-indazole-3-carboxamide (MAB-CHMINACA);
- 55.29 (V) N-(1-Amino-3,3-dimethyl-1-oxo-2-butanyl)-1-pentyl-1H-indazole-3-carboxamide
55.30 (ADB-PINACA);

(W) methyl (1-(4-fluorobenzyl)-1H-indazole-3-carbonyl)-L-valinate (FUB-AMB);

(X) N-[(1S)-2-amino-2-oxo-1-(phenylmethyl)ethyl]-1-(cyclohexylmethyl)-1H-Indazole-3-carboxamide. (APP-CHMINACA);

(Y) quinolin-8-yl 1-(4-fluorobenzyl)-1H-indole-3-carboxylate (FUB-PB-22); and

(Z) methyl N-[1-(cyclohexylmethyl)-1H-indole-3-carbonyl]valinate (MMB-CHMICA).

(i) A controlled substance analog, to the extent that it is implicitly or explicitly intended for human consumption.

Sec. 3. Minnesota Statutes 2018, section 152.021, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the first degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 17 grams or more containing cocaine or methamphetamine;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves two aggravating factors;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing heroin;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing a narcotic drug other than cocaine, heroin, or methamphetamine; or

(5) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 200 or more dosage units; ~~or.~~

~~(6) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols.~~

57.1 Sec. 4. Minnesota Statutes 2018, section 152.021, subdivision 2, is amended to read:

57.2 Subd. 2. **Possession crimes.** ~~(a)~~ A person is guilty of a controlled substance crime in
57.3 the first degree if:

57.4 (1) the person unlawfully possesses one or more mixtures of a total weight of 50 grams
57.5 or more containing cocaine or methamphetamine;

57.6 (2) the person unlawfully possesses one or more mixtures of a total weight of 25 grams
57.7 or more containing cocaine or methamphetamine and:

57.8 (i) the person or an accomplice possesses on their person or within immediate reach, or
57.9 uses, whether by brandishing, displaying, threatening with, or otherwise employing, a
57.10 firearm; or

57.11 (ii) the offense involves two aggravating factors;

57.12 (3) the person unlawfully possesses one or more mixtures of a total weight of 25 grams
57.13 or more containing heroin;

57.14 (4) the person unlawfully possesses one or more mixtures of a total weight of 500 grams
57.15 or more containing a narcotic drug other than cocaine, heroin, or methamphetamine; or

57.16 (5) the person unlawfully possesses one or more mixtures of a total weight of 500 grams
57.17 or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled
57.18 substance is packaged in dosage units, equaling 500 or more dosage units; or.

57.19 ~~(6) the person unlawfully possesses one or more mixtures of a total weight of 50~~
57.20 ~~kilograms or more containing marijuana or Tetrahydrocannabinols, or possesses 500 or~~
57.21 ~~more marijuana plants.~~

57.22 ~~(b) For the purposes of this subdivision, the weight of fluid used in a water pipe may~~
57.23 ~~not be considered in measuring the weight of a mixture except in cases where the mixture~~
57.24 ~~contains four or more fluid ounces of fluid.~~

57.25 Sec. 5. Minnesota Statutes 2018, section 152.022, subdivision 1, is amended to read:

57.26 Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the
57.27 second degree if:

57.28 (1) on one or more occasions within a 90-day period the person unlawfully sells one or
57.29 more mixtures of a total weight of ten grams or more containing a narcotic drug other than
57.30 heroin;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves three aggravating factors;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more containing heroin;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units;

~~(5) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols;~~

~~(6)~~ the person unlawfully sells any amount of a Schedule I or II narcotic drug to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or

~~(7)~~ (6) the person unlawfully sells any of the following in a school zone, a park zone, a public housing zone, or a drug treatment facility:

(i) any amount of a Schedule I or II narcotic drug, lysergic acid diethylamide (LSD), 3,4-methylenedioxy amphetamine, or 3,4-methylenedioxymethamphetamine; or

(ii) one or more mixtures containing methamphetamine or amphetamine; or

~~(iii) one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols.~~

Sec. 6. Minnesota Statutes 2018, section 152.022, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the second degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing cocaine or methamphetamine;

59.1 (2) the person unlawfully possesses one or more mixtures of a total weight of ten grams
59.2 or more containing cocaine or methamphetamine and:

59.3 (i) the person or an accomplice possesses on their person or within immediate reach, or
59.4 uses, whether by brandishing, displaying, threatening with, or otherwise employing, a
59.5 firearm; or

59.6 (ii) the offense involves three aggravating factors;

59.7 (3) the person unlawfully possesses one or more mixtures of a total weight of six grams
59.8 or more containing heroin;

59.9 (4) the person unlawfully possesses one or more mixtures of a total weight of 50 grams
59.10 or more containing a narcotic drug other than cocaine, heroin, or methamphetamine; or

59.11 (5) the person unlawfully possesses one or more mixtures of a total weight of 50 grams
59.12 or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled
59.13 substance is packaged in dosage units, equaling 100 or more dosage units; or.

59.14 ~~(6) the person unlawfully possesses one or more mixtures of a total weight of 25~~
59.15 ~~kilograms or more containing marijuana or Tetrahydrocannabinols, or possesses 100 or~~
59.16 ~~more marijuana plants.~~

59.17 (b) For the purposes of this subdivision, the weight of fluid used in a water pipe may
59.18 not be considered in measuring the weight of a mixture except in cases where the mixture
59.19 contains four or more fluid ounces of fluid.

59.20 Sec. 7. Minnesota Statutes 2018, section 152.023, subdivision 1, is amended to read:

59.21 Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the third
59.22 degree if:

59.23 (1) the person unlawfully sells one or more mixtures containing a narcotic drug;

59.24 (2) on one or more occasions within a 90-day period the person unlawfully sells one or
59.25 more mixtures containing phencyclidine or hallucinogen, it is packaged in dosage units,
59.26 and equals ten or more dosage units;

59.27 (3) the person unlawfully sells one or more mixtures containing a controlled substance
59.28 classified in Schedule I, II, or III, except a Schedule I or II narcotic drug, to a person under
59.29 the age of 18; or

(4) the person conspires with or employs a person under the age of 18 to unlawfully sell one or more mixtures containing a controlled substance listed in Schedule I, II, or III, except a Schedule I or II narcotic drug; or.

~~(5) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols.~~

Sec. 8. Minnesota Statutes 2018, section 152.023, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the third degree if:

(1) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than heroin;

(2) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of a total weight of three grams or more containing heroin;

(3) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully possesses any amount of a schedule I or II narcotic drug or five or more dosage units of lysergic acid diethylamide (LSD), 3,4-methylenedioxy amphetamine, or 3,4-methylenedioxymethamphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility; or

~~(5) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols; or~~

~~(6)~~ (5) the person unlawfully possesses one or more mixtures containing methamphetamine or amphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility.

(b) For the purposes of this subdivision, the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid.

61.1 Sec. 9. Minnesota Statutes 2018, section 152.024, subdivision 1, is amended to read:

61.2 Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the fourth
61.3 degree if:

61.4 (1) the person unlawfully sells one or more mixtures containing a controlled substance
61.5 classified in Schedule I, II, or III, ~~except marijuana or Tetrahydrocannabinols;~~

61.6 (2) the person unlawfully sells one or more mixtures containing a controlled substance
61.7 classified in Schedule IV or V to a person under the age of 18; or

61.8 (3) the person conspires with or employs a person under the age of 18 to unlawfully sell
61.9 a controlled substance classified in Schedule IV or V; ~~or.~~

61.10 ~~(4) the person unlawfully sells any amount of marijuana or Tetrahydrocannabinols in a~~
61.11 ~~school zone, a park zone, a public housing zone, or a drug treatment facility, except a small~~
61.12 ~~amount for no remuneration.~~

61.13 Sec. 10. Minnesota Statutes 2018, section 152.024, subdivision 2, is amended to read:

61.14 Subd. 2. **Possession crimes.** A person is guilty of controlled substance crime in the
61.15 fourth degree if:

61.16 (1) the person unlawfully possesses one or more mixtures containing phencyclidine or
61.17 hallucinogen, it is packaged in dosage units, and equals ten or more dosage units; or

61.18 (2) the person unlawfully possesses one or more mixtures containing a controlled
61.19 substance classified in Schedule I, II, or III, ~~except marijuana or Tetrahydrocannabinols,~~
61.20 with the intent to sell it.

61.21 Sec. 11. Minnesota Statutes 2018, section 152.025, subdivision 1, is amended to read:

61.22 Subdivision 1. **Sale crimes.** A person is guilty of a controlled substance crime in the
61.23 fifth degree and upon conviction may be sentenced as provided in subdivision 4 if:

61.24 ~~(1) the person unlawfully sells one or more mixtures containing marijuana or~~
61.25 ~~tetrahydrocannabinols, except a small amount of marijuana for no remuneration; or~~

61.26 ~~(2) the person unlawfully sells one or more mixtures containing a controlled substance~~
61.27 ~~classified in Schedule IV.~~

61.28 Sec. 12. Minnesota Statutes 2018, section 152.096, subdivision 1, is amended to read:

61.29 Subdivision 1. **Prohibited acts; penalties.** Any person who conspires to commit any
61.30 act prohibited by this chapter, ~~except possession or distribution for no remuneration of a~~

62.1 ~~small amount of marijuana as defined in section 152.01, subdivision 16,~~ is guilty of a felony
62.2 and upon conviction may be imprisoned, fined, or both, up to the maximum amount
62.3 authorized by law for the act the person conspired to commit.

62.4 Sec. 13. **[609A.05] EXPUNGEMENT OF CERTAIN MARIJUANA OFFENSES.**

62.5 Subdivision 1. **Eligibility.** Notwithstanding any law to the contrary, a court shall issue
62.6 an order of expungement sealing all records relating to an arrest, indictment, information,
62.7 trial, or verdict for any person found guilty of an act committed before August 1, 2020, in
62.8 violation of a section or provision or a predecessor section or provision of chapter 152 that
62.9 is repealed by this act.

62.10 Subd. 2. **Attorney general to identify eligible individuals.** On or before January 15,
62.11 2020, the attorney general shall consult with the Bureau of Criminal Apprehension and the
62.12 judicial branch and identify past convictions that qualify for expungement pursuant to
62.13 subdivision 1. The attorney general shall notify the prosecutorial office that had jurisdiction
62.14 over the offense of all cases that qualify for expungement, and shall make a reasonable and
62.15 good faith effort to notify any individual whose offense qualifies for expungement.

62.16 Subd. 3. **Prosecutorial rights and responsibilities.** (a) Upon receipt of the notice
62.17 described in subdivision 2, the prosecutorial office that had jurisdiction over the offense
62.18 shall have 30 days to review the case to determine whether it meets the requirements of
62.19 subdivision 1, send notice of that decision to the court, and make a reasonable and good
62.20 faith effort to send notice of that decision to the individual whose offense was identified by
62.21 the attorney general.

62.22 (b) Notice sent under this section shall include the name of the individual who committed
62.23 the offense, the date of the offense, and the court case number.

62.24 Subd. 4. **Hearing on petition to expunge.** (a) An individual who received notice pursuant
62.25 to subdivision 3 stating that the offense committed by the individual is not eligible for
62.26 expungement, who received notice pursuant to subdivision 2 and did not receive notice
62.27 pursuant to subdivision 3 within 60 days, or who did not receive notice pursuant to this
62.28 section on or before March 1, 2020, may file a petition seeking expungement under this
62.29 section. The filing fee under section 357.021, subdivision 2, clause (1), shall be waived.

62.30 (b) The petition for expungement shall be signed under oath by the petitioner and shall
62.31 state the following:

62.32 (1) the petitioner's full name and all other legal names or aliases by which the petitioner
62.33 has been known at any time;

63.1 (2) the petitioner's date of birth; and

63.2 (3) the date of the offense and the court case number of the offense for which
63.3 expungement is sought.

63.4 (c) The petitioner shall serve by mail the petition for expungement on the prosecutorial
63.5 office that had jurisdiction over the offense for which expungement is sought.

63.6 (d) Unless the prosecutorial office that had jurisdiction over the offense notifies the court
63.7 that the offense is eligible for expungement, a hearing on the petition shall be held within
63.8 a reasonable time after service of the petition.

63.9 (e) At a hearing on a petition filed under this section, the court shall determine whether
63.10 the offense meets the requirements of subdivision 1.

63.11 (f) Nothing in this section prevents an individual from filing a petition for expungement
63.12 pursuant to any other law.

63.13 Subd. 5. **Order of expungement.** (a) Upon receiving notice that an offense qualifies
63.14 for expungement from the prosecutorial office that had jurisdiction over the offense, or after
63.15 determining that an offense qualifies for expungement following a hearing, the court shall
63.16 issue an order sealing all records relating to an arrest, indictment, information, trial, or
63.17 verdict.

63.18 (b) The court administrator shall send a copy of an expungement order to each agency
63.19 and jurisdiction whose records are affected by the terms of the order and send a letter to the
63.20 person whose offense has been expunged identifying each agency that received the order.

63.21 (c) Data on the person whose offense has been expunged in a letter sent under this
63.22 subdivision are private data on individuals as defined in section 13.02.

63.23 (d) The effect of an order for expungement under this section is to restore the person,
63.24 in the contemplation of the law, to the status the person occupied before the arrest, indictment,
63.25 information, trial, or verdict. The person shall not be held guilty of perjury or otherwise of
63.26 giving a false statement if the person fails to acknowledge the arrest, indictment, information,
63.27 trial, or verdict in response to an inquiry made for any purpose.

63.28 Sec. 14. **REPEALER.**

63.29 Minnesota Statutes 2018, sections 152.01, subdivision 16; and 152.027, subdivisions 3
63.30 and 4, are repealed.

- 64.1 Sec. 15. **EFFECTIVE DATE.**
- 64.2 This article is effective January 1, 2021.

144.414 PROHIBITIONS.

Subd. 5. **Electronic cigarettes.** (a) The use of electronic cigarettes, including the inhaling or exhaling of vapor from any electronic delivery device, as defined in section 609.685, subdivision 1, is prohibited in the following locations:

(1) any building owned or operated by the state, home rule charter or statutory city, county, township, school district, or other political subdivision;

(2) any facility owned by Minnesota State Colleges and Universities and the University of Minnesota;

(3) any facility licensed by the commissioner of human services; or

(4) any facility licensed by the commissioner of health, but only if the facility is also subject to federal licensing requirements.

(b) Nothing in this subdivision shall prohibit political subdivisions or businesses from adopting more stringent prohibitions on the use of electronic cigarettes or electronic delivery devices.

152.01 DEFINITIONS.

Subd. 16. **Small amount.** "Small amount" as applied to marijuana means 42.5 grams or less. This provision shall not apply to the resinous form of marijuana. The weight of fluid used in a water pipe may not be considered in determining a small amount except in cases where the marijuana is mixed with four or more fluid ounces of fluid.

152.027 OTHER CONTROLLED SUBSTANCE OFFENSES.

Subd. 3. **Possession of marijuana in a motor vehicle.** A person is guilty of a misdemeanor if the person is the owner of a private motor vehicle, or is the driver of the motor vehicle if the owner is not present, and possesses on the person, or knowingly keeps or allows to be kept within the area of the vehicle normally occupied by the driver or passengers, more than 1.4 grams of marijuana. This area of the vehicle does not include the trunk of the motor vehicle if the vehicle is equipped with a trunk, or another area of the vehicle not normally occupied by the driver or passengers if the vehicle is not equipped with a trunk. A utility or glove compartment is deemed to be within the area occupied by the driver and passengers.

Subd. 4. **Possession or sale of small amounts of marijuana.** (a) A person who unlawfully sells a small amount of marijuana for no remuneration, or who unlawfully possesses a small amount of marijuana is guilty of a petty misdemeanor and shall be required to participate in a drug education program unless the court enters a written finding that a drug education program is inappropriate. The program must be approved by an area mental health board with a curriculum approved by the state alcohol and drug abuse authority.

(b) A person convicted of an unlawful sale under paragraph (a) who is subsequently convicted of an unlawful sale under paragraph (a) within two years is guilty of a misdemeanor and shall be required to participate in a chemical dependency evaluation and treatment if so indicated by the evaluation.

(c) A person who is convicted of a petty misdemeanor under paragraph (a) who willfully and intentionally fails to comply with the sentence imposed, is guilty of a misdemeanor. Compliance with the terms of the sentence imposed before conviction under this paragraph is an absolute defense.