

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 5303

(SENATE AUTHORS: KLEIN)

DATE
04/04/2024

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Introduction and first reading
Referred to Commerce and Consumer Protection

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to state government; modifying appropriations to the Office of Cannabis
1.3 Management and the Department of Health; modifying cannabis provisions;
1.4 appropriating money; amending Minnesota Statutes 2023 Supplement, sections
1.5 144.197; 342.72; Laws 2023, chapter 63, article 9, sections 5; 10; 20.

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

1.7 **ARTICLE 1**
1.8 **APPROPRIATIONS**

1.9 Section 1. Laws 2023, chapter 63, article 9, section 5, is amended to read:

1.10	Sec. 5. OFFICE OF CANNABIS		17,953,000
1.11	MANAGEMENT	\$ 21,614,000 \$	<u>20,680,000</u>

1.12 The base for this appropriation is ~~\$35,587,000~~

1.13 \$36,909,000 in fiscal year 2026 and

1.14 ~~\$38,144,000~~ \$39,530,000 in fiscal year 2027.

1.15 \$1,000,000 the second year is for cannabis
1.16 industry community renewal grants under
1.17 Minnesota Statutes, section 342.70. Of these
1.18 amounts, up to three percent may be used for
1.19 administrative expenses. The base for this
1.20 appropriation is \$15,000,000 in fiscal year
1.21 2026 and each fiscal year thereafter.

1.22 \$1,000,000 each year is for transfer to the
1.23 CanGrow revolving loan account established

2.1 under Minnesota Statutes, section 342.73,
 2.2 subdivision 4. Of these amounts, up to three
 2.3 percent may be used for administrative
 2.4 expenses.

2.5 \$1,107,000 the second year is for temporary
 2.6 regulation under the Health Enforcement
 2.7 Consolidation Act of 1993 of edible products
 2.8 extracted from hemp. This is a onetime
 2.9 appropriation.

2.10 \$771,000 the second year is for testing
 2.11 products regulated under Minnesota Statutes,
 2.12 section 151.72, and chapter 342. The base for
 2.13 this appropriation is \$690,000 in fiscal year
 2.14 2026 and each year thereafter.

2.15 \$849,000 the second year is for the Office of
 2.16 Cannabis Management to operate a state
 2.17 reference laboratory. The base for this
 2.18 appropriation is \$632,000 in fiscal year 2026
 2.19 and \$696,000 in fiscal year 2027.

2.20 Sec. 2. Laws 2023, chapter 63, article 9, section 10, is amended to read:

2.21 **Sec. 10. HEALTH**

2.22			<u>20,252,000</u>
2.23	Subdivision 1. Total Appropriation	\$ 3,300,000 \$	<u>23,025,000</u>

2.24 The base for this appropriation is ~~\$19,064,000~~
 2.25 \$23,242,000 in fiscal year 2026 and each fiscal
 2.26 year thereafter \$23,178,000 in fiscal year
 2.27 2027.

2.28 The amounts that may be spent for each
 2.29 purpose are specified in the following
 2.30 subdivisions.

3.1	Subd. 2. <u>Youth Prevention and Education</u>		5,000,000
3.2	<u>Program</u>	-0-	<u>4,363,000</u>
3.3	For <u>administration and grants</u> under Minnesota		
3.4	Statutes, section 144.197, subdivision 1. <u>Of</u>		
3.5	<u>the amount appropriated, \$2,863,000 is for</u>		
3.6	<u>program operations and administration and</u>		
3.7	<u>\$1,500,000 is for grants. The base for this</u>		
3.8	<u>appropriation is \$4,534,000 in fiscal year 2026</u>		
3.9	<u>and \$4,470,000 in fiscal year 2027.</u>		
3.10	Subd. 3. <u>Prevention and Education Grants for</u>		2,000,000
3.11	<u>Pregnant or Breastfeeding Individuals</u>	-0-	<u>1,788,000</u>
3.12	For grants under <u>a coordinated prevention and</u>		
3.13	<u>education program for pregnant and</u>		
3.14	<u>breastfeeding individuals under Minnesota</u>		
3.15	Statutes, section 144.197, subdivision 2. <u>The</u>		
3.16	<u>base for this appropriation is \$1,834,000 in</u>		
3.17	<u>fiscal year 2026 and each year thereafter.</u>		
3.18	Subd. 4. <u>Local and Tribal Health Departments</u>	-0-	10,000,000
3.19	For <u>administration and grants</u> under Minnesota		
3.20	Statutes, section 144.197, subdivision 4. <u>Of</u>		
3.21	<u>the amount appropriated, \$1,094,000 is for</u>		
3.22	<u>administration and \$8,906,000 is for grants.</u>		
3.23	Subd. 5. <u>Cannabis Data Collection and Biennial</u>		
3.24	<u>Reports</u>	493,000	493,000
3.25	For reports under Minnesota Statutes, section		
3.26	144.196.		
3.27	Subd. 6. <u>Administration for Expungement</u>		
3.28	<u>Orders</u>	71,000	71,000
3.29	For administration related to orders issued by		
3.30	the Cannabis Expungement Board. The base		
3.31	for this appropriation is \$71,000 in fiscal year		
3.32	2026, \$71,000 in fiscal year 2027, \$71,000 in		
3.33	fiscal year 2028, \$71,000 in fiscal year 2029,		
3.34	and \$0 in fiscal year 2030.		

4.1	Subd. 7. Grants to the Minnesota Poison Control		
4.2	System	910,000	810,000

4.3 For administration and grants under Minnesota
 4.4 Statutes, section 145.93. Of the amount
 4.5 appropriated in fiscal year 2025, \$15,000 is
 4.6 for administration and \$795,000 is for grants.

4.7	Subd. 8. Temporary Regulation of Edible		
4.8	Products Extracted from Hemp	1,107,000	1,107,000 <u>-0-</u>

4.9 For temporary regulation under the health
 4.10 enforcement consolidation act of edible
 4.11 products extracted from hemp. The
 4.12 commissioner may transfer encumbrances and
 4.13 unobligated amounts to the Office of Cannabis
 4.14 Management for this purpose. This is a
 4.15 onetime appropriation.

4.16	Subd. 9. Testing:	719,000	771,000 <u>-0-</u>
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4.17 For testing of edible cannabinoid products.
 4.18 ~~The base for this appropriation is \$690,000 in~~
 4.19 ~~fiscal year 2026 and each fiscal year thereafter.~~
 4.20 The commissioner may transfer encumbrances
 4.21 and unobligated amounts to the Office of
 4.22 Cannabis Management for this purpose.

4.23	Subd. 10. Substance Use Treatment, Recovery,		
4.24	<u>and Prevention</u>	<u>-0-</u>	<u>5,500,000</u>

4.25 For the purposes outlined in Minnesota
 4.26 Statutes, section 342.72. The base for this
 4.27 appropriation is \$5,500,000 in fiscal year 2026
 4.28 and each fiscal year thereafter.

4.29 Sec. 3. Laws 2023, chapter 63, article 9, section 20, is amended to read:

4.30 **Sec. 20. TRANSFERS.**

4.31 (a) \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are transferred
 4.32 from the general fund to the dual training account in the special revenue fund under
 4.33 Minnesota Statutes, section 136A.246, subdivision 10, for grants to employers in the legal

5.1 cannabis industry. The base for this transfer is \$1,000,000 in fiscal year 2026 and each fiscal
 5.2 year thereafter. The commissioner may use up to six percent of the amount transferred for
 5.3 administrative costs. The commissioner shall give priority to applications from employers
 5.4 who are, or who are training employees who are, eligible to be social equity applicants
 5.5 under Minnesota Statutes, section 342.17. After June 30, 2025, any unencumbered balance
 5.6 from this transfer may be used for grants to any eligible employer under Minnesota Statutes,
 5.7 section 136A.246.

5.8 ~~(b) \$5,500,000 in fiscal year 2024 and \$5,500,000 in fiscal year 2025 are transferred~~
 5.9 ~~from the general fund to the substance use treatment, recovery, and prevention grant account~~
 5.10 ~~established under Minnesota Statutes, section 342.72. The base for this transfer is \$5,500,000~~
 5.11 ~~in fiscal year 2026 and each fiscal year thereafter.~~

5.12 ARTICLE 2

5.13 STATUTORY CHANGES

5.14 Section 1. Minnesota Statutes 2023 Supplement, section 144.197, is amended to read:

5.15 **144.197 CANNABIS AND SUBSTANCE MISUSE PREVENTION AND**
 5.16 **EDUCATION PROGRAMS.**

5.17 Subdivision 1. **Youth prevention and education program.** The commissioner of health,
 5.18 in consultation with the commissioners of human services and education and in collaboration
 5.19 with local health departments and Tribal health departments, shall conduct a long-term,
 5.20 coordinated ~~education~~ program to raise public awareness about ~~and address the top three~~
 5.21 substance misuse prevention, treatment options, and recovery options. The program must
 5.22 address adverse health effects, ~~as determined by the commissioner~~, associated with the use
 5.23 of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived
 5.24 consumer products by persons under age 25. In conducting this education program, the
 5.25 commissioner shall engage and consult with youth around the state on program content and
 5.26 on methods to effectively disseminate program information to youth around the state.

5.27 Subd. 2. **Prevention and education program for pregnant and breastfeeding**
 5.28 **individuals; and individuals who may become pregnant.** The commissioner of health,
 5.29 in consultation with the commissioners of human services and education, shall conduct a
 5.30 long-term, coordinated prevention program to educate focused on preventing substance use
 5.31 for pregnant individuals, breastfeeding individuals, and individuals who may become
 5.32 pregnant and raising public awareness of the risks of substance use while pregnant or
 5.33 breastfeeding. The program must include education on the adverse health effects of prenatal
 5.34 exposure to cannabis flower, cannabis products, lower-potency hemp edibles, or

6.1 hemp-derived consumer products and on the adverse health effects experienced by infants
6.2 and children who are exposed to cannabis flower, cannabis products, lower-potency hemp
6.3 edibles, or hemp-derived consumer products in breast milk, from secondhand smoke, or by
6.4 ingesting cannabinoid products. This prevention and education program must also educate
6.5 individuals on what constitutes a substance use disorder, signs of a substance use disorder,
6.6 and treatment options for persons with a substance use disorder. This prevention and
6.7 education program must also provide resources, including training resources, technical
6.8 assistance, or educational materials for local public health home visiting programs, Tribal
6.9 home visiting programs, and child welfare workers.

6.10 ~~Subd. 3. **Home visiting programs.** The commissioner of health shall provide training,~~
6.11 ~~technical assistance, and education materials to local public health home visiting programs~~
6.12 ~~and Tribal home visiting programs and child welfare workers regarding the safe and unsafe~~
6.13 ~~use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived~~
6.14 ~~consumer products in homes with infants and young children. Training, technical assistance,~~
6.15 ~~and education materials shall address substance use, the signs of a substance use disorder,~~
6.16 ~~treatment options for persons with a substance use disorder, the dangers of driving under~~
6.17 ~~the influence of cannabis flower, cannabis products, lower-potency hemp edibles, or~~
6.18 ~~hemp-derived consumer products, how to safely consume cannabis flower, cannabis products,~~
6.19 ~~lower-potency hemp edibles, or hemp-derived consumer products in homes with infants~~
6.20 ~~and young children, and how to prevent infants and young children from being exposed to~~
6.21 ~~cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer~~
6.22 ~~products by ingesting cannabinoid products or through secondhand smoke.~~

6.23 **Subd. 4. Local and Tribal health departments.** The commissioner of health shall
6.24 distribute grants to local health departments and Tribal health departments for these
6.25 departments to create ~~and disseminate educational materials on cannabis flower, cannabis~~
6.26 ~~products, lower-potency hemp edibles, and hemp-derived consumer products and to provide~~
6.27 ~~safe use and prevention training, education, technical assistance, and community engagement~~
6.28 ~~regarding cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived~~
6.29 ~~consumer products.~~ programs focusing on substance misuse prevention, treatment, and
6.30 recovery. The programs may be created for the uses described in Minnesota Statutes, section
6.31 342.72, and specific cannabis-related initiatives.

7.1 Sec. 2. Minnesota Statutes 2023 Supplement, section 342.72, is amended to read:

7.2 **342.72 SUBSTANCE USE TREATMENT, RECOVERY, AND PREVENTION**
 7.3 **GRANTS.**

7.4 Subdivision 1. **Account established; appropriation.** A substance use treatment, recovery,
 7.5 and prevention grant ~~account~~ is created ~~in the special revenue fund~~. Money ~~in the account,~~
 7.6 ~~including interest earned,~~ is appropriated to the office commissioner of health for the purposes
 7.7 specified in this section. ~~Of the amount transferred from the general fund to the account,~~
 7.8 ~~the office may use up to five percent for administrative expenses.~~

7.9 ~~Subd. 2. **Acceptance of gifts and grants.** Notwithstanding sections 16A.013 to 16A.016,~~
 7.10 ~~the office may accept money contributed by individuals and may apply for grants from~~
 7.11 ~~charitable foundations to be used for the purposes identified in this section. The money~~
 7.12 ~~accepted under this section must be deposited in the substance use treatment, recovery, and~~
 7.13 ~~prevention grant account created under subdivision 1.~~

7.14 Subd. 3. **Disposition of money; grants.** (a) Money in the substance use treatment,
 7.15 recovery, and prevention grant account must be distributed as follows:

7.16 (1) at least 75 percent of the money is for grants for substance use disorder and mental
 7.17 health recovery and prevention programs. Funds must be used for recovery and prevention
 7.18 activities and supplies that assist individuals and families to initiate, stabilize, and maintain
 7.19 long-term recovery from substance use disorders and co-occurring mental health conditions.
 7.20 Recovery and prevention activities may include prevention education, school-linked
 7.21 behavioral health, school-based peer programs, peer supports, self-care and wellness,
 7.22 culturally specific healing, community public awareness, mutual aid networks, telephone
 7.23 recovery checkups, mental health warmlines, harm reduction, recovery community
 7.24 organization development, first episode psychosis programs, and recovery housing; and

7.25 (2) up to 25 percent of the money is for substance use disorder treatment programs as
 7.26 defined in chapter 245G and may be used to implement, strengthen, or expand supportive
 7.27 services and activities that are not covered by medical assistance under chapter 256B,
 7.28 MinnesotaCare under chapter 256L, or the behavioral health fund under chapter 254B.
 7.29 Services and activities may include adoption or expansion of evidence-based practices;
 7.30 competency-based training; continuing education; culturally specific and culturally responsive
 7.31 services; sober recreational activities; developing referral relationships; family preservation
 7.32 and healing; and start-up or capacity funding for programs that specialize in adolescent,
 7.33 culturally specific, culturally responsive, disability-specific, co-occurring disorder, or family
 7.34 treatment services.

8.1 (b) The ~~office~~ commissioner of health shall consult with the Governor's Advisory Council
8.2 on Opioids, Substance Use, and Addiction; the commissioner of human services; and ~~the~~
8.3 ~~commissioner of health~~ the Office of Cannabis Management to develop an appropriate
8.4 application process, establish grant requirements, determine what organizations are eligible
8.5 to receive grants, and establish reporting requirements for grant recipients.

8.6 Subd. 4. **Reports to the legislature.** By January 15, ~~2024~~ 2025, and each January 15
8.7 thereafter, the ~~office~~ commissioner of health must submit a report to the chairs and ranking
8.8 minority members of the committees of the house of representatives and the senate having
8.9 jurisdiction over health and human services policy and finance that details grants awarded
8.10 from the substance use treatment, recovery, and prevention grant account, including the
8.11 total amount awarded, total number of recipients, and geographic distribution of those
8.12 recipients.