

# Minnesota to Open Adult-Use Cannabis Licensing This Month

## Minnesota to Open Adult-Use Marijuana Licensing Window on February 18: What Prospective Operators Need to Know

Minnesota's adult-use marijuana market is set to officially open to prospective business owners later this month, with the state's Office of Cannabis Management (OCM) announcing that licensing applications will be accepted beginning February 18. The licensing window will remain open until March 14, 2025, allowing businesses the opportunity to secure a spot in the newly established cannabis industry. This marks a significant milestone in the state's progress toward legalizing recreational marijuana, with the first wave of businesses poised to begin operations later this year.

### Types of Licenses Available for Prospective Cannabis Operators

Minnesota's new cannabis market offers a diverse array of licenses to operators hoping to enter the market. The OCM will accept applications for the following 10 types of licenses, each catering to a different aspect of the cannabis supply chain:

Adult-Use and Medical Cannabis Combination Businesses

Cultivator

Delivery Service

Manufacturer

Mezzobusiness

Microbusiness

Retailer

Testing Facility

Transporter

Wholesaler

These licenses are essential to creating a fully functional cannabis industry, from cultivation and manufacturing to retail sales and distribution. Each license type offers unique opportunities and requirements, depending on the specific role in the industry.

## **Understanding the Mezzobusiness License: Key Details for Operators**

Among the available licenses, the mezzobusiness license stands out due to its flexibility and the specific advantages it offers. Under Minnesota law, a mezzobusiness license allows operators to:

Grow up to 15,000 square feet of cannabis canopy indoors and up to 1 acre outdoors.

Operate up to three retail locations.

Transport cannabis products between facilities.

Sell authorized cannabis products to other businesses.

This license type is designed for businesses that wish to have a more extensive role in the cannabis market, combining cultivation, retail, and distribution under a single license. The mezzobusiness license provides operators with the ability to scale operations while maintaining regulatory compliance.

## **State Acknowledges Uncertainty as License Application Window Opens**

Eric Taubel, the interim director of the Office of Cannabis Management, addressed the potential anxieties that some prospective operators may feel about the uncertainties surrounding Minnesota's adult-use cannabis market. Despite delays and concerns about the launch, Taubel emphasized the importance of starting the licensing process.

"Prospective business owners are eager to get started, and applying for a license sets them on a path to launching their business," Taubel said. "Getting licenses out the door and into the hands of qualified applicants is our priority as we approach the launch of Minnesota's adult-use cannabis industry."

This statement underscores the state's commitment to expediting the licensing process and providing clarity to those eager to begin operating in the new market.

## **Capped License Types and Lottery System: What Applicants Need to Know**

While many of the license types will be available without limit, there are some that are capped by statute. These include:

Cultivator (25 licenses available)

Manufacturer (12 licenses available)

Mezzobusiness (50 licenses available)

Retailer (75 licenses available)

For these capped licenses, the OCM will conduct a series of lottery drawings to determine the recipients. This lottery system ensures a fair and transparent process, particularly for those interested in high-demand licenses such as cultivation and retail.

Of particular note, half of the capped licenses will be allocated to verified social equity applicants. These applicants will participate in the first half of the lotteries, a step aimed at fostering inclusivity and fairness within the industry by providing opportunities to individuals who have been disproportionately impacted by past cannabis prohibition.

## **Uncapped License Types: A Rolling Review Process for Additional Opportunities**

The remaining license types—adult-use and medical cannabis combination businesses, delivery service, microbusiness, testing facility, transporter, and wholesaler—will be reviewed on a rolling basis, with no cap on the number of licenses that can be issued. This allows more flexibility for businesses interested in entering these segments of the cannabis market.

Additionally, applicants who qualified for the uncapped license types through the preapproval process will now move forward to the next steps, which include providing a labor peace agreement, undergoing a background check, ensuring compliance with local zoning regulations, and passing facility inspections. These applicants will be notified with further instructions and, upon completing these requirements, could receive their licenses as soon as this spring.

## **License Caps to Remain in Effect Until July 1, 2026**

The caps on certain license types will remain in effect until July 1, 2026. After that date, the OCM will assess the performance of the cannabis market and determine whether to adjust the number of available licenses. This flexible approach allows the state to respond to changes in market demand and ensure that the industry operates in a balanced and sustainable way.

## **Minnesota's Cannabis Industry Poised for Growth**

With licensing set to open and the first businesses soon to launch, Minnesota's adult-use cannabis market is preparing for an exciting period of growth and development. The state's approach to licensing, including the lottery system and focus on social equity, sets a strong foundation for a diverse and fair cannabis market.

As the cannabis industry in Minnesota unfolds, operators will need to stay informed about regulatory updates and best practices to ensure their success. For those who successfully navigate the application process, the rewards will include entering a thriving and evolving market with a clear path to business ownership in the emerging cannabis industry.

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