

Highlights and Implications of Minnesota's Newly Passed Cannabis Bill

On the final day of the 2024 legislative session, Minnesota lawmakers approved a comprehensive bill amending the state's year-old law legalizing recreational marijuana. Supported by the state Office of Cannabis Management (OCM), these updates are crucial as Minnesota prepares to launch its adult-use marijuana market next year. The bill now awaits the signature of Governor Tim Walz, who is expected to sign it.

Overview of the Bill

New Qualifications for Social Equity Licenses

The bill expands eligibility for social equity cannabis business licenses to include:

- **All Military Veterans:** Ensuring those who have served the country have access to new economic opportunities.
- **Emerging Farmers:** Those who have provided the majority of labor and management for a small farm for at least three years, with annual sales between \$5,000 and \$100,000.
- **Residents of High-Poverty Areas:** This includes areas where the poverty rate is 20% or greater, the median family income is less than 80% of the statewide median, at least 20% of households receive SNAP benefits, or areas with a high score on the CDC's Social Vulnerability Index.

A Head Start for Some Social Equity Applicants

A pre-approval process will be established for social equity applicants selected in an early lottery for business licenses later this summer. Pre-approved applicants will have a head start in setting up their businesses and must complete the licensing process within 18 months after rules are adopted, with a possible six-month extension.

Lotteries and Limits for Cannabis Business Licenses

The bill replaces the points-based system with a “qualified lottery” for awarding many cannabis business licenses. Applicants who meet minimum qualifications will be selected at random. The OCM will start accepting pre-approval applications for the social equity lottery by July 24 and stop by August 12. Additional lotteries for social equity and other licenses will follow.

Municipal Cannabis Stores

Cities can now open municipal cannabis stores without participating in the lottery process. These stores will not be subject to the OCM's license caps or local government retail license limits.

Hemp Changes

Businesses selling hemp-derived THC beverages for on-site consumption will no longer need to serve them in original packaging, allowing these beverages to be sold on tap at bars and restaurants. Required packaging information must be posted.

Changes to the Medical Cannabis Program

Expanded Treatment Options

Doctors can now recommend cannabis for any condition, not just those previously approved by the Office of Medical Cannabis.

Licensing Changes

The bill eliminates medical cannabis cultivator, processor, and retailer licenses. Instead, adult-use cannabis businesses can apply for a new medical cannabis endorsement to grow, process, or sell medical cannabis products.

Staffing Requirements

Retailers must employ at least one licensed pharmacist or a certified medical cannabis consultant to sell tax-exempt cannabis products to patients. Consultants will also provide treatment plan consultations.

Caregiver Provisions

Patients can designate a caregiver to grow up to eight plants on their behalf. Caregivers can only grow plants for one patient but may be designated to acquire or administer cannabis for up to six patients. Caregivers can also grow up to eight plants for personal use.

The newly approved cannabis bill represents a significant shift in Minnesota's approach to marijuana regulation, particularly in enhancing social equity and expanding the medical cannabis program. As the state prepares for the full rollout of its adult-use market, these changes aim to ensure broader access and support for both recreational and medical cannabis users.

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