

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

S.F. No. 4798

(SENATE AUTHORS: HOFFMAN)

DATE
03/11/2024

D-PG

Introduction and first reading
Referred to Commerce and Consumer Protection

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to cannabis; modifying medical cannabis combination business provisions;
1.3 amending Minnesota Statutes 2023 Supplement, section 342.515.

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

1.5 Section 1. Minnesota Statutes 2023 Supplement, section 342.515, is amended to read:

1.6 **342.515 MEDICAL CANNABIS COMBINATION BUSINESSES.**

1.7 Subdivision 1. **Authorized actions.** A medical cannabis combination business license
1.8 entitles the license holder to perform any or all of the following within the limits established
1.9 by this section:

1.10 (1) grow cannabis plants from seed or immature plant to mature plant and harvest
1.11 adult-use cannabis flower and medical cannabis flower from a mature plant;

1.12 (2) make cannabis concentrate;

1.13 (3) make hemp concentrate, including hemp concentrate with a delta-9
1.14 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

1.15 (4) manufacture artificially derived cannabinoids;

1.16 (5) manufacture medical cannabinoid products;

1.17 (6) manufacture adult-use cannabis products, lower-potency hemp edibles, and
1.18 hemp-derived consumer products for public consumption;

1.19 (7) purchase immature cannabis plants and seedlings and cannabis flower from a cannabis
1.20 microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler,
1.21 a medical cannabis cultivator, or another medical cannabis combination business;

2.1 (8) purchase hemp plant parts and propagules from an industrial hemp grower licensed
2.2 under chapter 18K;

2.3 (9) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids
2.4 from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a
2.5 cannabis wholesaler, a medical cannabis processor, or another medical cannabis combination
2.6 business;

2.7 (10) purchase hemp concentrate from an industrial hemp processor licensed under chapter
2.8 18K;

2.9 (11) manufacture, package, and label medical cannabis and medical cannabinoid products
2.10 for sale to medical cannabis processors, medical cannabis retailers, other medical cannabis
2.11 combination businesses, and patients enrolled in the registry program, registered designated
2.12 caregivers, and parents, legal guardians, and spouses of an enrolled patient;

2.13 (12) transport and deliver medical cannabis and medical cannabinoid products to medical
2.14 cannabis processors, medical cannabis retailers, other medical cannabis combination
2.15 businesses, patients enrolled in the registry program, registered designated caregivers, and
2.16 parents, legal guardians, and spouses of an enrolled patient;

2.17 ~~(12)~~ (13) manufacture, package, and label adult-use cannabis flower, adult-use cannabis
2.18 products, lower-potency hemp edibles, and hemp-derived consumer products for sale to
2.19 customers and other cannabis businesses;

2.20 ~~(13)~~ (14) sell medical cannabis flower and medical cannabinoid products to cannabis
2.21 processors, medical cannabis retailers, other medical cannabis combination businesses, and
2.22 patients enrolled in the registry program, registered designated caregivers, and parents, legal
2.23 guardians, and spouses of an enrolled patient;

2.24 ~~(14)~~ (15) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use
2.25 cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and
2.26 other products authorized by law to other cannabis businesses and to customers; ~~and~~

2.27 (16) transport and deliver immature cannabis plants and seedlings, adult-use cannabis
2.28 flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer
2.29 products, and other products authorized by law to other cannabis businesses and to customers;
2.30 and

2.31 ~~(15)~~ (17) perform other actions approved by the office.

2.32 Subd. 2. **Cultivation; size limitations.** (a) A medical cannabis combination business
2.33 may cultivate cannabis ~~to be sold as medical cannabis flower or used in medical cannabinoid~~

3.1 ~~products~~ in an area of up to ~~60,000~~ 90,000 square feet of plant canopy. A medical cannabis
 3.2 combination business may cultivate cannabis and manufacture cannabis at more than one
 3.3 location, but the aggregate total area of plant canopy in all locations must count toward the
 3.4 business's canopy limit.

3.5 ~~(b) A medical cannabis combination business may cultivate cannabis to be sold as~~
 3.6 ~~adult-use cannabis flower or used in adult-use cannabis products in an area authorized by~~
 3.7 ~~the office as described in paragraph (c).~~

3.8 ~~(c) The office shall authorize a medical cannabis combination business to cultivate~~
 3.9 ~~cannabis for sale in the adult-use market in an area of plant canopy that is equal to one-half~~
 3.10 ~~of the area the business used to cultivate cannabis sold in the medical market in the preceding~~
 3.11 ~~year. The office shall establish an annual verification and authorization procedure. (b) The~~
 3.12 office may increase the area of plant canopy in which a medical cannabis combination
 3.13 business is authorized to cultivate cannabis ~~for sale in the adult-use market between~~
 3.14 ~~authorization periods~~ if the business demonstrates a significant increase in the sale of medical
 3.15 cannabis and medical cannabis products legitimate need for the additional plant canopy to
 3.16 satisfy demand in either the medical cannabis or adult-use cannabis market.

3.17 Subd. 3. **Manufacturing; size limitations.** The office may establish limits on cannabis
 3.18 manufacturing that are consistent with the area of plant canopy a business is authorized to
 3.19 cultivate.

3.20 Subd. 4. **Retail locations.** A medical cannabis combination business may operate up to
 3.21 one retail location in each congressional district. A medical cannabis combination business
 3.22 must offer medical cannabis flower, medical cannabinoid products, or both at every retail
 3.23 location.

3.24 Subd. 5. **Failure to participate; suspension or revocation of license.** A medical cannabis
 3.25 combination business shall provide a reliable and ongoing supply of medical cannabis to
 3.26 the registry program through cultivation by the manufacturer or the purchase of cannabis
 3.27 flower and medical cannabinoid products. The office may suspend or revoke a medical
 3.28 cannabis combination business license if the office determines that the business is no longer
 3.29 actively participating in the medical cannabis market. The office may, by rule, establish
 3.30 minimum requirements related to cannabis cultivation, manufacturing of medical cannabinoid
 3.31 products, retail sales of medical cannabis flower and medical cannabinoid products, and
 3.32 other relevant criteria to demonstrate active participation in the medical cannabis market.

4.1 Subd. 6. **Operations.** A medical cannabis combination business must comply with the
4.2 relevant requirements of sections 342.25, 342.26, 342.27, 342.35, 342.41, 342.42, and
4.3 342.51, subdivisions 2 to 5.