



Minnesota Adult-Use Cannabis Bill Summary

On May 30, 2023, Minnesota became the 23rd legalization state when Gov. Tim Walz (D) signed HF 100 into law. Most provisions took effect on August 1. Here are key features of the law.

Legalizing Possession and Cultivation with Limitations

- Adults who are 21 or older may:
 - Possess up to two ounces of cannabis, eight grams of concentrate, and infused products with up to 800 milligrams of THC.
 - Cultivate up to eight plants (four mature) and possess two pounds at home.
- Smoking and vaping in multifamily housing (including patios and balconies) is illegal and punishable by a \$250 fine. Neighbors may also sue for an injunction and damages.
- In most cases, using cannabis while in a motor vehicle or having an open container is a misdemeanor punishable by up to 90 days in jail and/or a fine of up to \$1,000. Cannabis usually must be stored in a trunk or the equivalent.
- The law generally prohibits those under 21 from using and possessing cannabis, but it does not impose a penalty. Any punishment appears to be up to local governments.
- Localities can levy fines for the public use of cannabis.

Criminal Justice Reforms and Non-Discrimination

- Reduces draconian penalties for sales and possessing larger amounts of cannabis.
- Automatically expunges simple possession and possession-in-a-vehicle convictions.
- Creates a Cannabis Expungement Board to determine if certain cannabis convictions are for legalized or downgraded conduct and — if so — if the sentence should be expunged and/or the person should be released or have their sentence reduced.
- Includes employment protections for cannabis consumers, with exceptions.
- Provides some limits on when a person's parole, supervised release, or conditional release cannot be revoked for cannabis.
 - Landlords may not prohibit their tenants' non-inhaled possession of cannabis.
- Restores state gun rights for the adult- and medical use of cannabis.
- Exempts cannabis convictions and positive test results for cannabis from bar on individuals with drug convictions and who test positive for drugs receiving general assistance, SSI, family welfare (MFIP), and TANF.

Cannabis Business Licensing and Regulation

- Creates an Office of Cannabis Management to regulate and license cannabis and hemp businesses, along with a 50+-member Cannabis Advisory Council.
- Licenses adult-use retailers, cultivators, wholesalers, manufacturers, microbusinesses, mezzobusinesses, event organizers, delivery services, transporters, and labs; plus medical cannabis licensees.
- Allows on-site use at areas run by microbusinesses, but not smoking or vaping.

- Regulators will determine the number of cannabis licenses of each type to issue.
- Issue cannabis licenses based on a scored application system.
- At least 20% of points are for social equity status (living in an area with disproportionate arrests or higher poverty for five years, or dishonorable discharge based on cannabis) or individuals directly impacted by prohibition.

In some cases, vertical integration (owning both a cultivation or manufacturing facility and retailer) is prohibited, but not for micro- or mezzo-businesses.

- Localities could not ban cannabis businesses, but they could set reasonable rules and can limit stores to one per 12,500 people.

Lower Potency Hemp Retailers and Manufacturers

- Transfers regulation and licensing of lower-potency hemp manufacturers and retailers to the Office of Cannabis Management. (This does not include cultivators)
- Defines lower-potency hemp edibles as edibles or beverages with up to 5 mg of THC per serving.
- Allows liquor stores to get lower-potency hemp edible retail licenses in 2025.
- Imposes much lower fees for lower-potency hemp licensing and does not apply the scored licensing process or social equity prioritization to them.
- Allows on-site consumption at retailers of THC-infused edibles and beverages.
- Allows vertical integration (owning both a hemp retailer and a manufacturer).

Taxes and Revenue

- Levies 10% gross receipt tax. The standard 6.875% sales tax also applies.
- 80% of revenue goes to the general fund; 20% to local government cannabis aid.
- Allocates funding to agencies including for substance abuse prevention.
- Establishes grant funds to help applicants with training and funding, and for substance abuse prevention and treatment.
- Allocates tens of millions per year for implementation and grant funds.

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