



## Summary of Minnesota's 2023 Cannabis Legalization & Regulation Bills

H.F. 100 and S.F. 73 would allow adults who are 21 or older to possess, purchase, and grow cannabis. The bills include expungement and resentencing and promote a cannabis industry focused on small businesses and social equity.

### Legalizing Adult-Use, Possession, and Cultivation

Adults who are 21 or older could:

- Possess up to two ounces of cannabis, eight grams of concentrate, and edibles with up to 800 milligrams of THC
- Cultivate up to eight plants (four mature) and possess five pounds at home
- Localities could levy fines for the public use of cannabis.

### Criminal Justice Reforms and Non-Discrimination

- Reduces draconian penalties for possessing larger amounts of cannabis. Downgrades sale of up to two ounces to a petty misdemeanor, carrying a fine only.
- Creates a Cannabis Expungement Board to determine if cannabis possession convictions should be vacated, charges should be dismissed, and records should be expunged, or if the person should be resentenced to a lesser offense.
- Includes some protections against employment discrimination for cannabis.

### Cannabis and Hemp Business Licensing and Regulation

- Creates an Office of Cannabis Management to regulate and license cannabis and hemp businesses, along with a 31-member Cannabis Advisory Council.
- Licenses bulk and craft cultivators, wholesalers, product manufacturers, microbusinesses, events, delivery, transporters, labs, lower potency retailers, and medical cannabis cultivators, processors, and retailers.
- Allows on-site use at areas run by microbusinesses, but not smoking or vaping.
- Regulators will determine the number of licenses of each type to issue.
- Issue licenses based on a scored application system. Requires property upfront.
- At least 20% of points would include social equity status (living in an area with disproportionate arrests or higher poverty for five years, or dishonorable discharge based on cannabis). Individuals could also explain prohibition's impact on them. In most cases, vertical integration (owning both a cultivation or manufacturing facility and retailer) is prohibited, but not for microbusinesses.
- Liquor stores could get lower potency edible retail licenses.
- Adds rules, licensing, and a 21+ age for lower potency edibles and beverages.
- Localities could not ban cannabis businesses, but they could set reasonable rules.

## **Taxes and Revenue**

- Levies 8% gross receipt tax. The standard 6.5% sales tax appears to also apply.
- Allocates funding to agencies including for substance abuse prevention.
- Establishes grant funds to help applicants with training and funding, including CanRenew, Substance Use Disorder Treatment and Prevention grants, CanGrow, Can StartUp, CanNavigate, and CanTrain.