State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 773

01/25/2023 Authored by Edelson, Curran and Tabke
The bill was read for the first time and referred to the Committee on Health Finance and Policy

A bill for an act

relating to cannabis; providing for the regulation of the concentration and conversion of cannabinoids derived from hemp; providing for regulation of the transportation and testing of concentrated cannabinoids and artificially derived cannabinoids derived from hemp; providing for the licensing of edible cannabinoid product manufacturers and distributors; providing for regulation of the transportation, testing, and labeling of hemp-derived consumer products and edible cannabinoid products; providing for the regulation of the sale of hemp-derived consumer products and edible cannabinoid products; providing for enforcement of regulations; establishing guidelines for local licensing of certain retailers; establishing a gross receipts tax on edible cannabinoid products; establishing criminal penalties; authorizing exclusive liquor stores to sell certain products; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 13.3806, by adding a subdivision; 18K.02, subdivision 5, by adding subdivisions; 18K.03, by adding a subdivision; 18K.04, subdivisions 1, 4, by adding a subdivision; 18K.06; 34A.01, subdivision 4; 144.99, subdivision 1; 152.027, by adding a subdivision; 181.938, subdivision 2; 297A.99, by adding a subdivision; 340A.412, subdivision 14; proposing coding for new law in Minnesota Statutes, chapters 18K; 152; 295; repealing Minnesota Statutes 2022, section 151.72.

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

ARTICLE 1

AGRICULTURE POLICY

Section 1. Minnesota Statutes 2022, section 18K.02, is amended by adding a subdivision to read:

Subd. 3a. **Artificially derived cannabinoid.** "Artificially derived cannabinoid" means a cannabinoid extracted from hemp plants or hemp plant parts with a chemical makeup that is changed after extraction to create a different cannabinoid or other chemical compound by applying a catalyst other than heat or light. Artificially derived cannabinoid includes but is not limited to any tetrahydrocannabinol created from cannabidiol. Artificially derived

cannabinoid does not include a product containing cannabinoids as defined in section 152.50, subdivision 15.

Sec. 2. Minnesota Statutes 2022, section 18K.02, is amended by adding a subdivision to read:

Subd. 3b. **Concentrated cannabinoid.** "Concentrated cannabinoid" means a cannabinoid extracted from hemp plants or hemp plant parts that is either isolated from other substances and exists in a pure form or is present in a mixture in an amount greater than the percentage that naturally occurs in the hemp plant or hemp plant parts. Concentrated cannabinoid does not include a product containing cannabinoids as defined in section 152.50, subdivision 15.

Sec. 3. Minnesota Statutes 2022, section 18K.02, is amended by adding a subdivision to read:

Subd. 3c. **Conversion of cannabinoids or convert cannabinoids.** "Conversion of cannabinoids" or "convert cannabinoids" means the process of creating artificially derived cannabinoids.

Sec. 4. Minnesota Statutes 2022, section 18K.02, subdivision 5, is amended to read:

Subd. 5. **Processing.** "Processing" means rendering by refinement hemp plants or hemp plant parts from their natural or original state after harvest. Processing includes but is not limited to decortication, devitalization, chopping, crushing, extraction, conversion of cannabinoids, and packaging. Processing does not include typical farm operations such as sorting, grading, baling, and harvesting.

Sec. 5. Minnesota Statutes 2022, section 18K.03, is amended by adding a subdivision to read:

Subd. 3. **Possession of concentrated cannabinoids or artificially derived cannabinoids.** (a) Notwithstanding the provisions of chapter 152 or any other law to the contrary, a licensee may possess and transport concentrated cannabinoids or artificially derived cannabinoids provided that the licensee:

(1) is authorized to concentrate or convert cannabinoids;

(2) complies with an approved plan to secure, store, and dispose of concentrated cannabinoids or artificially derived cannabinoids;

(3) complies with section 18K.045 and any applicable rules regarding the transportation of concentrated cannabinoids or artificially derived cannabinoids; and

(4) complies with any additional requirements or rules adopted by the commissioner.

(b) Notwithstanding the provisions of chapter 152 or any other law to the contrary, an approved laboratory may possess concentrated cannabinoids or artificially derived cannabinoids during the period that the laboratory is approved by the commissioner to perform testing on concentrated cannabinoids or artificially derived cannabinoids and the laboratory maintains any required accreditation.

(c) A licensee or laboratory that possesses concentrated cannabinoids or artificially derived cannabinoids in violation of this subdivision may be subject to any applicable licensing penalty, criminal penalty, or both.

Sec. 6. Minnesota Statutes 2022, section 18K.04, subdivision 1, is amended to read:

Subdivision 1. **Requirement; issuance; presumption.** (a) A person must obtain a license from the commissioner before (1) growing industrial hemp for commercial or research purposes, and (2) before processing industrial hemp for commercial purposes.

(b) To obtain a license under paragraph (a), a person must apply to the commissioner in the form prescribed by the commissioner and must pay the annual registration and inspection fee established by the commissioner in accordance with section 16A.1285, subdivision 2.

(c) For a license to grow industrial hemp for commercial or research purposes, the license application must include the name and address of the applicant and the legal description of the land area or areas where industrial hemp will be grown by the applicant and any other information required under Code of Federal Regulations, title 7, part 990.

(d) For a license to process industrial hemp for commercial purposes, the license application must include the name and address of the applicant, the legal description of the processing location, whether the applicant intends to concentrate cannabinoids or convert cannabinoids into any other type of cannabinoid or other chemical compound, and any other information required by the commissioner.

(e) A licensee is responsible for compliance with the license requirements irrespective of the acts or omissions of an authorized representative acting on behalf of the licensee.

(f) When an applicant has paid the fee and completed the application process to the satisfaction of the commissioner, the commissioner must issue a license which is valid until December 31 of the year of application.

(g) A person licensed under paragraph (a) to grow industrial hemp is presumed to be growing industrial hemp for commercial or research purposes.

(h) The commissioner may issue an applicant a full license to grow and process industrial hemp, including an authorization to concentrate cannabinoids or convert cannabinoids, or may issue an applicant a partial license that permits only certain specified actions.

Sec. 7. Minnesota Statutes 2022, section 18K.04, is amended by adding a subdivision to read:

Subd. 1a. **Concentration or conversion of cannabinoids.** (a) An applicant or a licensee must notify the commissioner if the applicant or licensee intends to concentrate cannabinoids or convert extracted cannabinoids into any other type of cannabinoid or other chemical compound, including but not limited to the concentration of any tetrahydrocannabinol or conversion of cannabidiol into any tetrahydrocannabinol. A licensee may not concentrate or convert cannabinoids without the express permission of the commissioner.

(b) An applicant or a licensee seeking permission to convert cannabinoids must disclose:

(1) the method of conversion that will be used, including any specific catalysts that will be employed;

(2) the manner in which artificially derived cannabinoids will be secured and stored;

(3) the molecular nomenclature of all cannabinoids or other chemical compound that will be created;

(4) the amount of each cannabinoid or other chemical compound that the applicant or licensee expects to hold in storage at any time;

(5) a plan for the disposal and destruction of any waste products generated in the conversion process, including any tetrahydrocannabinol or other artificially derived cannabinoids that are contaminated or that will not be used for commercial or research purposes; and

(6) any other information required by the commissioner.

(c) An applicant or a licensee may identify information provided pursuant to paragraph (b), clause (1), as a trade secret.

(d) An applicant or licensee seeking permission to concentrate cannabinoids must disclose:

(1) the manner in which concentrated cannabinoids will be secured and stored;

(2) the amount of each cannabinoid that the licensee expects to hold in storage at any time; and

(3) any other information required by the commissioner.

(e) On a schedule and in the form and manner established by the commissioner, a licensee must notify the commissioner of:

(1) the amount of each cannabinoid or other chemical compound that the licensee concentrated or created during the reporting period;

(2) the amount of each concentrated cannabinoid or artificially derived cannabinoid being stored by the licensee; and

(3) the amount of concentrated cannabinoid or artificially derived cannabinoid, including any tetrahydrocannabinol, that the licensee disposed of or destroyed.

Sec. 8. Minnesota Statutes 2022, section 18K.04, subdivision 4, is amended to read:

Subd. 4. **Industrial hemp licensing data classification.** (a) In addition to data classified pursuant to section 13.41, the following data collected, created, or maintained by the commissioner under this chapter is classified as private data, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in section 13.02, subdivision 9:

(1) nondesignated addresses provided by licensees and applicants; ~~and~~

(2) data that identify the specific locations where licensees and applicants grow or process, or will grow or process, industrial hemp, including but not limited to legal descriptions, street addresses, geospatial locations, maps, and property boundaries and dimensions; and

(3) information provided pursuant to subdivision 1a that is identified as a trade secret, except that the commissioner is authorized to provide a list of all catalysts identified as being used to convert cannabinoids to approved independent laboratories in order to facilitate testing.

(b) The commissioner may disclose data classified as private data or nonpublic data under this subdivision if the commissioner determines that there is a substantive threat to human health or safety or to the environment, or to aid in the law enforcement process.

Sec. 9. **[18K.045] TRANSPORTATION.**

(a) A licensee or any other person transporting industrial hemp in a form other than as a concentrated cannabinoid or artificially derived cannabinoid must comply with rules adopted by the commissioner.

(b) A licensee authorized to concentrate cannabinoids or convert cannabinoids may transport concentrated cannabinoids or artificially derived cannabinoids on public roadways provided that:

(1) all concentrated cannabinoids or artificially derived cannabinoids are packaged in tamper-evident containers that are not visible or recognizable from outside the transporting vehicle;

(2) the licensee has a shipping manifest in the licensee's possession that describes the contents of all tamper-evident containers, discloses all concentrated cannabinoids or artificially derived cannabinoids, and identifies all other items being transported;

(3) the transporting vehicle does not bear any markings to indicate that the vehicle contains industrial hemp, cannabinoids, or any other form of cannabis and does not bear the name or logo of the licensee;

(4) all departures, arrivals, and stops are appropriately documented;

(5) at least two designated employees staff any vehicle used to transport concentrated cannabinoids or artificially derived cannabinoids and at least one employee remains with the vehicle at all times that the vehicle is transporting concentrated cannabinoids or artificially derived cannabinoids;

(6) no person other than a designated employee enters a vehicle at any time that the vehicle is transporting concentrated cannabinoids or artificially derived cannabinoids except that a licensed manufacturer or approved laboratory receiving a shipment may assist in unloading concentrated cannabinoids or artificially derived cannabinoids from a vehicle; and

(7) the licensee complies with any other rules adopted by the commissioner regarding the transportation of concentrated cannabinoids or artificially derived cannabinoids.

(c) Notwithstanding section 221.025, transportation of concentrated cannabinoids or artificially derived cannabinoids by a person or entity other than a licensee may only be performed by a motor carrier of property that is registered with the commissioner of transportation. A motor carrier of property that is transporting concentrated cannabinoids or artificially derived cannabinoids must comply with the requirements of paragraph (b).

Sec. 10. **[18K.046] TESTING.**

(a) Testing of industrial hemp other than a concentrated cannabinoid or an artificially derived cannabinoid must comply with rules adopted by the commissioner.

(b) Testing of a concentrated cannabinoid or an artificially derived cannabinoid must comply with rules adopted by the commissioner and, at a minimum, must:

(1) identify contaminants, including residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, and mycotoxins; and

(2) provide a cannabinoid profile that identifies and quantifies the cannabinoids in a testing sample.

(c) The commissioner may require that testing is performed by an independent laboratory and shall establish a process for laboratory approval. At a minimum, a laboratory must operate formal management systems under the International Organization for Standardization to qualify for approval.

(d) A licensee must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign materials applied to industrial hemp or added to industrial hemp during any production or processing stages. Disclosure must be made to any entity performing testing or sampling and, upon request, to the commissioner. Disclosure must include all information known to the licensee regardless of whether the application or addition was made intentionally or accidentally or by the licensee or any other person or entity.

(e) A licensee must allow a sampling agent, the commissioner, or the commissioner's designee to collect regulatory samples of industrial hemp, including concentrated cannabinoids and artificially derived cannabinoids.

(f) The commissioner shall consult with the commissioner of health to determine the contaminants that must be identified in testing and to establish standards for allowable levels of contaminants in concentrated cannabinoids and artificially derived cannabinoids.

Sec. 11. **[18K.047] MONITORING SYSTEM.**

(a) The commissioner shall coordinate with the commissioner of health to identify an approved monitoring system for the integrated tracking, inventory, and verification of industrial hemp, including concentrated cannabinoids, as defined in section 18K.02, subdivision 3b; artificially derived cannabinoids, as defined in section 18K.02, subdivision 3a; and edible cannabinoid products, as defined in section 152.50, subdivision 7.

(b) A licensee must use the monitoring system to track all industrial hemp, including concentrated cannabinoids and artificially derived cannabinoids, and edible cannabinoid products in the licensee's possession, to the point of disposal, transfer, or sale. For the purposes of this section, a licensee possesses the industrial hemp, including concentrated cannabinoids and artificially derived cannabinoids, and edible cannabinoid products that the licensee cultivates from seed or immature plant, converts from any other cannabinoid, receives from another licensee, manufactures, or receives from an entity licensed to manufacture or distribute products containing cannabinoids derived from industrial hemp. This paragraph does not apply to products lawfully purchased by a licensee for personal use.

Sec. 12. Minnesota Statutes 2022, section 18K.06, is amended to read:

18K.06 RULEMAKING.

(a) The commissioner shall adopt rules governing the production, testing, processing, and licensing of industrial hemp. ~~Notwithstanding section 14.125, the commissioner's authority to adopt these rules expires June 30, 2022.~~

(b) Rules adopted under paragraph (a) must include, but not be limited to, provisions governing:

(1) the supervision and inspection of industrial hemp during its growth and harvest;

(2) the testing of industrial hemp to determine delta-9 tetrahydrocannabinol levels;

(3) the use of background check results required under section 18K.04 to approve or deny a license application; and

(4) any other provision or procedure necessary to carry out the purposes of this chapter.

(c) Rules issued under this section must be consistent with federal law regarding the production, distribution, and sale of industrial hemp.

(d) The commissioner may adopt rules governing artificially derived cannabinoids, including the methods of conversion and the storage, transportation, testing, monitoring, and disposal of artificially derived cannabinoids. Rules governing artificially derived cannabinoids for which notice is published in the State Register before July 1, 2024, may be adopted using the expedited rulemaking process in section 14.389.

ARTICLE 2

HEALTH POLICY

Section 1. **[152.50] DEFINITIONS.**

Subdivision 1. **Applicability.** For the purposes of sections 152.50 to 152.65, the terms defined in this section have the meanings given.

Subd. 2. **Artificially derived cannabinoid.** "Artificially derived cannabinoid" has the meaning given in section 18K.02, subdivision 3a.

Subd. 3. **Batch.** "Batch" means a specific quantity of a specific edible cannabinoid product that is manufactured by an edible cannabinoid product manufacturer at the same time and using the same methods, equipment, and ingredients. A batch is uniform and intended to meet specifications for identity, strength, purity, and composition, and is manufactured, numbered, and stored according to a single batch production record executed and documented during the same cycle of manufacture and produced by a continuous process.

Subd. 4. **Batch number.** "Batch number" means a unique numeric or alphanumeric identifier assigned to a batch of edible cannabinoid products by an edible cannabinoid product manufacturer.

Subd. 5. **Commissioner.** "Commissioner" means the commissioner of health.

Subd. 6. **Concentrated cannabinoid.** "Concentrated cannabinoid" means a cannabinoid extracted from hemp plants or hemp plant parts that is either isolated from other substances and exists in a pure form or is present in a mixture in an amount greater than the percentage that naturally occurs in the hemp plant or hemp plant parts. Concentrated cannabinoid does not include a product containing cannabinoids.

Subd. 7. **Edible cannabinoid product.** "Edible cannabinoid product" means any product that is:

(1) intended to be eaten or consumed as a beverage by humans;

(2) contains a cannabinoid in combination with food ingredients or is intended or generally expected to be added to food ingredients; and

(3) is not a drug or medical cannabis product.

Subd. 8. **Hemp-derived consumer product.** "Hemp-derived consumer product" means any product intended for human or animal consumption that is harvested from hemp plants or hemp plant parts or contains cannabinoids extracted from hemp plants or hemp plant

parts. Hemp-derived consumer product does not include edible cannabinoid products or products for which the United States Food and Drug Administration has issued generally recognized as safe notices.

Subd. 9. **Hemp plants or hemp plant parts.** "Hemp plants" or "hemp plant parts" means any part of the industrial hemp plant, whether growing or not, including the stalk, leaves, buds, and seeds, but does not include any derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers that are separated from the plant.

Subd. 10. **Industrial hemp.** "Industrial hemp" has the meaning given in section 18K.02, subdivision 3.

Subd. 11. **Label.** "Label" means a display of written, printed, or graphic matter upon the immediate container of any product that contains a cannabinoid.

Subd. 12. **Local unit of government.** "Local unit of government" means a home rule charter or statutory city, county, town, or other political subdivision.

Subd. 13. **Marijuana.** "Marijuana" has the meaning given in section 152.01, subdivision 9.

Subd. 14. **Matrix barcode.** "Matrix barcode" means a code that stores data in a two-dimensional array of geometrically shaped dark and light cells capable of being read by the camera of a smartphone or other mobile device.

Subd. 15. **Product containing cannabinoids.** "Product containing cannabinoids" means hemp-derived consumer products and edible cannabinoid products.

Sec. 2. **[152.51] DUTIES OF COMMISSIONER; INTERAGENCY COOPERATION.**

Subdivision 1. **Regulation of cannabinoid products; powers and duties.** (a) To promote the public safety and welfare, ensure that consumers have access to relevant information, and support responsible businesses, the commissioner shall make rules, establish policy, issue licenses, and take enforcement action to regulate the manufacturing, distribution, and sale of products containing cannabinoids.

(b) The commissioner shall exercise the following powers and duties:

(1) establish and regularly update standards for product testing, packaging, marketing, and labeling;

(2) approve cannabinoid product types and identify specific cannabinoids that products may contain;

(3) ensure that products are manufactured using methods and in facilities that meet appropriate health and safety standards;

(4) ensure that artificially derived cannabinoids are stored and disposed of in a secure manner;

(5) ensure that products identified as posing a risk to public health or safety can be identified and recalled;

(6) issue and renew licenses;

(7) prevent unauthorized access to products containing cannabinoids by individuals under 21 years of age;

(8) impose and collect civil and administrative penalties;

(9) publish such information as may be deemed necessary for the welfare of businesses that manufacture, distribute, or sell cannabinoid products; employees of those businesses; and the health and safety of the general public;

(10) remain informed regarding developments in laws, policies, and practices affecting industrial hemp, marijuana, and cannabinoid products;

(11) provide reports as required by law; and

(12) exercise other powers and authority and perform other duties required of or imposed upon the commissioner by law.

Subd. 2. **Interagency agreements.** (a) The commissioner and the commissioner of agriculture shall enter into interagency agreements to ensure that edible cannabinoid products are handled, manufactured, and inspected in a manner that is consistent with the relevant food safety requirements in chapters 28A, 31, and 34A, and associated rules.

(b) The commissioner may cooperate and enter into agreements with the commissioners and directors of other state agencies and departments to promote the beneficial interests of the state.

Sec. 3. **[152.52] RULEMAKING.**

(a) The commissioner shall adopt rules governing the manufacture, distribution, and sale of products containing cannabinoids.

(b) Rules adopted under paragraph (a) must include but not be limited to provisions governing:

(1) the supervision and inspection of the manufacture, distribution, and retail sale of products containing cannabinoids;

(2) the secure storage and disposal of artificially derived cannabinoids;

(3) the testing of products containing cannabinoids;

(4) the use of background check results required to approve or deny a license application; and

(5) any other provision or procedure necessary to carry out the purposes of sections 152.50 to 152.65.

(c) Rules governing the manufacture, distribution, and sale of products containing cannabinoids for which notice is published in the State Register before July 1, 2024, may be adopted using the expedited rulemaking process in section 14.389.

Sec. 4. **[152.53] HEMP-DERIVED CONSUMER PRODUCTS.**

Subdivision 1. **Scope.** This section applies to the manufacture, marketing, distribution, and sale of hemp-derived consumer products.

Subd. 2. **Approved cannabinoids.** (a) Products manufactured, marketed, distributed, and sold under this section may contain cannabidiol, cannabigerol, or both. Except as provided in paragraph (c), products may not contain any other cannabinoid unless approved by the commissioner.

(b) The commissioner may approve any cannabinoid and authorize the cannabinoid's use in manufacturing, marketing, distribution, and sales under this section if the commissioner determines that the cannabinoid does not impair the human central nervous system; muscles; or audio, visual, or mental processes.

(c) Products manufactured, marketed, distributed, and sold under this section may contain cannabinoids other than cannabidiol, cannabigerol, or any other cannabinoid approved by the commissioner provided that the cannabinoids are naturally occurring in hemp plants or hemp plant parts and the total of all other cannabinoids present in a product does not exceed one milligram per package.

Subd. 3. **Approved products.** Products sold to consumers under this section may only be manufactured, marketed, distributed, intended, or generally expected to be used by applying the product externally to a part of the body of a human or animal.

Subd. 4. **Testing requirements.** (a) The commissioner shall establish the types of cannabinoids and contaminants for which testing must be completed and the acceptable

minimum standards of any contaminant for which testing is required. The commissioner must make testing requirement information available to the general public and any entity manufacturing, testing, marketing, distributing, or selling products that contain cannabinoids.

(b) A manufacturer of a product regulated under this section must submit representative samples of each batch of the product to an independent, approved laboratory in order to certify that the product complies with the standards in this section and established by the commissioner. Testing must be consistent with generally accepted industry standards for herbal and botanical substances, and, at a minimum, the testing must determine:

(1) if the product contains the amount or percentage of cannabinoids that is stated on the label of the product;

(2) the types and amounts of cannabinoids present in a product for which testing is required by the commissioner;

(3) if the product contains any cannabinoid, other than cannabidiol, cannabigerol, or a cannabinoid approved by the commissioner, in an amount that exceeds the standard established in subdivision 2, paragraph (c);

(4) if the product contains any contaminants for which testing is required by the commissioner, including residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, and mycotoxins in amounts that exceed the acceptable minimum standards established by the commissioner; and

(5) if the product contains any tetrahydrocannabinol and, if so, if the product contains more than a total of 0.3 percent by weight of all tetrahydrocannabinols.

(c) Upon the request of the commissioner, the manufacturer of the product must provide the commissioner with the results of the testing required in this section.

(d) A manufacturer must allow a sampling agent, the commissioner, or the commissioner's designee to collect regulatory samples of products regulated under this section.

(e) A product whose test results are inconsistent with the product's label or show that the product's contents do not meet the standards established in law or by the commissioner must not be sold to consumers, except that the commissioner may allow a product to be sold after being relabeled to be consistent with the test results if the product otherwise complies with this section.

(f) Testing of the industrial hemp from which the cannabinoid was derived, or possession of a certificate of analysis for such industrial hemp, does not meet the testing requirements of this section.

Subd. 5. **Labeling.** (a) A product regulated under this section must bear a label that contains, at a minimum:

(1) the name, address or location, contact phone number, and website of the manufacturer of the product;

(2) the name and address of the independent, accredited laboratory used by the manufacturer to test the product; and

(3) an accurate statement of the amount or percentage of cannabinoids for which testing is required by the commissioner found in each unit of the product meant to be consumed.

(b) The information in paragraph (a) may be provided on an outer package if the immediate container that holds the product is too small to contain all of the information.

(c) The information required in paragraph (a) may be provided through the use of a scannable barcode or matrix barcode that links to a page on the manufacturer's website if that page contains all of the information required by this subdivision.

(d) The label must also include a statement that the product does not claim to diagnose, treat, cure, or prevent any disease, does not claim that the product may be used to alter the structure or function of human or animal bodies, and has not been evaluated or approved by the United States Food and Drug Administration unless the product has been so approved. The labeling must not contain any statement, artwork, or design that is inconsistent with the required statement.

(e) The information required by this subdivision must be prominently and conspicuously placed on the label or displayed on the website in terms that can be easily read and understood by the consumer.

Subd. 6. **Prohibitions.** (a) A product sold to consumers under this section must not be manufactured, marketed, distributed, or intended:

(1) for external or internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals;

(2) to affect the structure or any function of the bodies of humans or other animals;

(3) to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product;

(4) to be consumed through chewing, drinking, or swallowing; or

(5) to be consumed through injection or application to a mucous membrane or nonintact skin.

(b) A product manufactured, marketed, distributed, or sold to consumers under this section must not:

(1) consist, in whole or in part, of any filthy, putrid, or decomposed substance;

(2) have been produced, prepared, packed, or held under unsanitary conditions where the product may have been rendered injurious to health, or where the product may have been contaminated with filth;

(3) be packaged in a container that is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents of the product injurious to health;

(4) contain any additives or excipients that have been found by the United States Food and Drug Administration to be unsafe for human or animal consumption;

(5) contain a cannabinoid or an amount or percentage of cannabinoids that is different than the information stated on the label;

(6) contain a cannabinoid, other than cannabidiol, cannabigerol, or a cannabinoid approved by the commissioner, in an amount that exceeds the standard established in subdivision 2, paragraph (c); or

(7) contain any contaminants for which testing is required by the commissioner in amounts that exceed the acceptable minimum standards established by the commissioner.

(c) No product containing any cannabinoid may be sold to any individual who is under 21 years of age.

Subd. 7. **Enforcement; penalties.** (a) The commissioner may enforce this section under the relevant provisions of sections 144.989 to 144.993.

(b) Notwithstanding section 144.99, subdivision 11, a person who commits any of the following acts regarding a product regulated under this section is guilty of a gross misdemeanor:

(1) knowingly altering or otherwise falsifying testing results;

(2) knowingly providing false information on a product label; or

(3) intentionally making a false material statement to the commissioner.

(c) Any person who sells a product regulated under this section to a person under 21 years of age, except a sale for no remuneration, is guilty of a misdemeanor. It is an affirmative defense to a charge under this paragraph if the defendant proves by a preponderance of the

evidence that the defendant reasonably and in good faith relied on proof of age as described in section 152.64, subdivision 5.

Sec. 5. **[152.54] LICENSING AND ENFORCEMENT; EDIBLE CANNABINOID PRODUCTS.**

Subdivision 1. **Licenses; types.** The commissioner shall issue the following types of licenses:

(1) edible cannabinoid product manufacturer licenses; and

(2) edible cannabinoid product distributor licenses.

Subd. 2. **Record of retail licensees.** The commissioner shall maintain a list of the name, address, trade name, license effective date, and license expiration date of any entity licensed by a local government to sell edible cannabinoid products. The commissioner shall update the record to reflect any license suspension, revocation, or cancellation.

Subd. 3. **Fees; renewal; transfer.** Licenses issued under sections 152.50 to 152.65 must be renewed annually. Licenses may not be transferred. The commissioner may impose an annual licensing fee that does not exceed $500.

Subd. 4. **Licensing disqualifications and requirements.** (a) The commissioner shall, by rule, establish a list of criminal offenses for which a conviction presumptively disqualifies a person from receiving or maintaining a license to manufacture or distribute edible cannabinoid products and may establish a time period after which a conviction may no longer be used to presumptively disqualify a person. The commissioner must not include a violation of chapter 152 involving the possession of marijuana or a conviction for a comparable offense in another jurisdiction on the list of presumptively disqualifying offenses.

(b) A person convicted of a presumptively disqualifying offense may submit information to demonstrate that the person does not pose a risk of harm to any person, will remain law abiding, and will comply with the provisions of sections 152.50 to 152.65. If the commissioner determines that the person has submitted sufficient information, the commissioner may set aside the presumptive disqualification.

(c) The commissioner shall, by rule, establish other requirements for license holders or applicants, including requirements that license holders or applicants must:

(1) be 21 years of age or older;

(2) have completed an application for licensure or application for renewal and have fully and truthfully complied with all information requests of the commissioner relating to license application and renewal;

(3) have paid the applicable application or licensing fee; and

(4) not be employed by the commissioner or any state agency with regulatory authority under sections 152.50 to 152.65 or the rules adopted pursuant to those sections.

Subd. 5. **Application contents, process, and fee.** (a) License applications must be made in the form and manner required by the commissioner and shall include all information required by the board.

(b) The applicant for a license must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees to the commissioner. Upon receipt of this information, the commissioner must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension. After receiving this information, the bureau must conduct a Minnesota criminal history records check of the license applicant. The bureau may exchange a license applicant's fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history record information. The bureau must return the results of the Minnesota and federal criminal history records checks to the commissioner to determine if the applicant is disqualified under subdivision 4.

(c) If the commissioner receives an application that fails to provide the required information, the commissioner shall issue a deficiency notice to the applicant. The applicant shall have ten business days from the date of the deficiency notice to submit the required information. Failure by an applicant to submit all required information will result in the application being rejected.

(d) Within 90 days of receiving a completed application, the commissioner shall issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons why the commissioner did not approve the application.

(e) The commissioner may charge a nonrefundable fee, not to exceed $200, to cover the costs associated with reviewing and processing applications.

Subd. 6. **Inspection and enforcement.** (a) The commissioner may enforce sections 152.50 to 152.65, including enforcement against a retailer licensed to sell edible cannabinoid products by a local unit of government, under the provisions of sections 144.989 to 144.993.

(b) The authority issuing a license to sell edible cannabinoid products may take the enforcement actions described in section 152.63, subdivision 7.

Subd. 7. **Not public data.** (a) The following data collected, created, or maintained by the commissioner is classified as nonpublic data, pursuant to section 13.02, subdivision 9, or private data on individuals, pursuant to section 13.02, subdivision 12:

(1) data submitted by an applicant for a cannabis business license, other than the applicant's name, designated address, and trade name;

(2) the identity of a complainant who has made a report concerning a license holder or an applicant that appears in inactive complaint data unless the complainant consents to the disclosure;

(3) the nature or content of unsubstantiated complaints when the information is not maintained in anticipation of legal action;

(4) inactive investigative data relating to violations of statutes or rules;

(5) the record of any disciplinary proceeding except as limited by paragraph (b);

(6) data identifying retail customers of a licensed retailer; and

(7) data identifying employees of a licensed manufacturer, distributor, or retailer of edible cannabinoid products.

(b) Minutes, application data on license holders except nondesignated addresses, orders for hearing, findings of fact, conclusions of law, and specifications of the final disciplinary action contained in the record of the disciplinary action are classified as public, pursuant to section 13.02, subdivision 15. If there is a public hearing concerning the disciplinary action, the entire record concerning the disciplinary proceeding is public data pursuant to section 13.02, subdivision 15. If the license holder and the commissioner agree to resolve a complaint without a hearing, the agreement and the specific reasons for the agreement are public data.

(c) The commissioner must not share data classified as nonpublic or private data on individuals under this subdivision or other data identifying an individual applicant or license holder with any federal agency, federal department, or federal entity unless specifically ordered to do so by a state or federal court.

(d) The commissioner must establish written procedures to ensure that only individuals authorized by law may enter, update, or access the data classified as nonpublic or private data on individuals in this subdivision. An authorized individual's ability to enter, update, or access data in the system must correspond to the official duties or training level of the

individual and to the statutory authorization granting access for that purpose. All queries and responses and all actions in which not public data are entered, updated, accessed, shared, or disseminated, must be recorded in a data audit trail. Data contained in the audit trail have the same classification as the underlying data tracked by the audit trail.

Sec. 6. **[152.55] POSSESSION OF CONCENTRATED CANNABINOIDS AND ARTIFICIALLY DERIVED CANNABINOIDS.**

(a) Notwithstanding any other provision of this chapter or any other law to the contrary, a licensee may possess concentrated cannabinoids and artificially derived cannabinoids provided the licensee:

(1) is authorized to manufacture products from concentrated cannabinoids and artificially derived cannabinoids;

(2) complies with an approved plan to secure, store, and dispose of concentrated cannabinoids and artificially derived cannabinoids; and

(3) complies with any additional requirements or rules adopted by the commissioner.

(b) Notwithstanding any other provision of this chapter or any other law to the contrary, an approved laboratory may possess concentrated cannabinoids and artificially derived cannabinoids during the period that the laboratory is approved by the commissioner to perform testing on edible cannabinoid products and the laboratory maintains any required accreditation.

(c) A licensee or laboratory that possesses concentrated cannabinoids or artificially derived cannabinoids in violation of this section may be subject to any applicable licensing penalty, criminal penalty, or both.

Sec. 7. **[152.56] STATEWIDE MONITORING SYSTEM.**

(a) The commissioner shall coordinate with the commissioner of agriculture to identify an approved monitoring system for the integrated tracking, inventory, and verification of industrial hemp, concentrated cannabinoids, artificially derived cannabinoids, and edible cannabinoid products.

(b) A licensee must use the monitoring system to track all industrial hemp, concentrated cannabinoids, artificially derived cannabinoids, and edible cannabinoid products in the licensee's possession to the point of disposal, transfer, or sale. For the purposes of this section, a licensee possesses the industrial hemp, concentrated cannabinoids, artificially derived cannabinoids, and edible cannabinoid products that the licensee cultivates from

seed or immature plant, concentrates, converts from any other cannabinoid, receives from an entity licensed to cultivate or process industrial hemp, manufactures, or receives from an entity licensed to manufacture or distribute products containing cannabinoids derived from industrial hemp. This paragraph does not apply to products lawfully purchased by a licensee for personal use.

Sec. 8. **[152.57] EDIBLE CANNABINOID PRODUCTS; CANNABINOID LIMITS; APPROVAL OF PRODUCTS.**

Subdivision 1. **Limits on tetrahydrocannabinol.** (a) No edible cannabinoid product may contain more than a total of 0.3 percent of all tetrahydrocannabinols, as measured by weight.

(b) An edible cannabinoid product that meets the requirement under paragraph (a) must not contain more than a total of five milligrams of all tetrahydrocannabinols in a single serving. A single package that consists of multiple servings may not contain more than a total of 50 milligrams of all tetrahydrocannabinols.

Subd. 2. **Limits on artificially derived cannabinoids.** An edible cannabinoid product may contain delta-8 tetrahydrocannabinol, delta-9 tetrahydrocannabinol, or both. No edible cannabinoid product may contain any other artificially derived cannabinoid, including but not limited to THC-O, THC-P, or HHC unless the commissioner authorizes the use of the artificially derived cannabinoid in edible cannabinoid products.

Subd. 3. **Approval of product types.** (a) No edible cannabinoid product may be sold unless the product complies with a category or type of product approved by the commissioner.

(b) The commissioner shall approve types or categories of edible cannabinoid products for retail sale.

(c) The commissioner shall not approve any edible cannabinoid product that:

(1) bears the likeness or contains characteristics of a real or fictional person, animal, or fruit;

(2) is modeled after a brand of products primarily consumed by or marketed to children;

(3) is designed to appeal to persons under age 21;

(4) is made by applying extracted, converted, or concentrated tetrahydrocannabinol to a finished food product that does not contain cannabinoids and is sold to consumers, including but not limited to a candy or snack food;

(5) is or appears to be a lollipop or ice cream;

(6) cannot be:

(i) packaged in a single serving container;

(ii) packaged in such a way that each serving is clearly indicated through the use of individual pieces that constitute a serving; or

(iii) prepared or packaged in such a way that an individual serving size is indicated through the use of scoring, individual wrapping, or other indicators that appear on the edible cannabinoid product; or

(7) contains an ingredient, other than an ingredient extracted or derived from hemp plants or hemp plant parts, that is not approved by the United States Food and Drug Administration for use in food.

(d) The commissioner shall not approve any product intended to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product.

Sec. 9. **[152.58] TESTING OF EDIBLE CANNABINOID PRODUCTS.**

Subdivision 1. **Standards established by the commissioner.** (a) The commissioner shall establish a process for independent laboratories and permit laboratories to apply for approval in the form and manner determined by the commissioner. At a minimum, a laboratory must operate formal management systems under the International Organization for Standardization and be able to enter information into the statewide monitoring system to qualify for approval. The commissioner shall identify approved independent laboratories on the commissioner's public-facing website.

(b) The commissioner, in consultation with the commissioner of agriculture, shall establish and regularly update requirements for the testing of edible cannabinoid products, including a list of:

(1) cannabinoids for which testing must be performed;

(2) contaminants, including residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, and mycotoxins, for which testing must be completed, and the acceptable minimum standards of any contaminant for which testing is required; and

(3) all catalysts identified as being used to manufacture artificially derived cannabinoids, indicating whether testing must be performed to determine the presence of a residual catalyst.

(c) The commissioner must make the lists established pursuant to paragraph (b), clauses (1) and (2), available to the general public and any entity manufacturing, testing, marketing, distributing, or selling products that contain cannabinoids. The commissioner must make the lists established pursuant to paragraph (b), clause (3), available to approved independent laboratories and laboratories operated by a state government agency, office, or department.

Subd. 2. **Testing by manufacturers and distributors.** (a) A licensed manufacturer, distributor, or retailer must not sell, offer for sale, or otherwise transfer edible cannabinoid products to another licensee or customer unless a representative sample of the batch of edible cannabinoid products has been tested according to this section and any relevant rules adopted by the commissioner, and has been found to meet the applicable testing standards.

(b) A licensed manufacturer of edible cannabinoid products shall make each batch available for testing by an approved independent laboratory pursuant to a schedule and in a manner established by the commissioner. A distributor of edible cannabinoid products manufactured by an entity that is not a licensed manufacturer may make each batch available for testing by an approved independent laboratory if the commissioner authorizes the testing after determining that the process used in the manufacture of the edible cannabinoid product will assure consistency within each batch.

(c) If a certification from an approved independent laboratory verifies that an edible cannabinoid product meets the applicable testing standards, a licensed manufacturer, distributor, or retailer may sell, offer for sale, or otherwise transfer the batch from which the sample was taken to another licensee or customer. If a sample does not meet the applicable testing standards, the batch from which the sample was taken shall be subject to procedures established by the commissioner for such batches, including destruction, remediation, or retesting.

(d) The licensed manufacturer or distributor on whose behalf testing was performed must retain the test results for at least five years after the date of testing. Upon request of the commissioner, the manufacturer or distributor must make the results available for inspection or provide a copy to the commissioner.

Subd. 3. **Confirmatory tests.** A licensed manufacturer, distributor, or retailer must allow a sampling agent, the commissioner, or the commissioner's designee to collect and test regulatory samples of edible cannabinoid products.

Sec. 10. **[152.59] SAFETY OF FOOD INGREDIENTS.**

The commissioner, in consultation with the commissioner of agriculture, shall establish rules and policies, perform inspections, and require or perform product testing to ensure that the food ingredients and processes used in manufacturing edible cannabinoid products comply with the requirements related to food safety that appear in chapters 28A, 31, and 34A, and associated rules.

Sec. 11. **[152.60] PACKAGING, LABELING, AND MARKETING OF EDIBLE CANNABINOID PRODUCTS.**

Subdivision 1. **Packaging.** (a) All edible cannabinoid products sold to customers must be packaged as required under this section and any relevant rules adopted by the commissioner.

(b) An edible cannabinoid product must be prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque or placed in packaging or a container that is child-resistant, tamper-evident, and opaque at the final point of sale to a customer. The requirement that packaging be child-resistant does not apply to an edible cannabinoid product that is intended to be consumed as a beverage and that contains no more than a total of 0.25 milligrams of all tetrahydrocannabinols.

(c) An edible cannabinoid product must not be packaged:

(1) in a way that resembles the trademarked, characteristic, or product-specialized packaging of any commercially available food product;

(2) bears the likeness or contains cartoon-like characteristics of a real or fictional person, animal, or fruit that is designed or likely to appeal to persons under 21 years of age; or

(3) in a container that includes a statement, artwork, or design that could reasonably mislead any person to believe that the package contains anything other than an edible cannabinoid product.

Subd. 2. **Labeling.** (a) All edible cannabinoid products sold to customers must be labeled as required under this section and any relevant rules adopted by the commissioner.

(b) An edible cannabinoid product sold to customers must bear a label that contains, at a minimum:

(1) the name, address or location, contact phone number, and website of the manufacturer of the product;

(2) the name and address of the approved independent laboratory used by the manufacturer to test the product;

(3) the batch number;

(4) the cannabinoid profile;

(5) the serving size;

(6) the total number of milligrams of all tetrahydrocannabinols in a single serving, and, if a package contains more than a single serving, the total number of milligrams of all tetrahydrocannabinols per package;

(7) a list of ingredients, including identification of any major food allergens declared by name;

(8) a statement that the product does not claim to diagnose, treat, cure, or prevent any disease, does not claim that the product may be used to alter the structure or function of human or animal bodies, and has not been evaluated or approved by the United States Food and Drug Administration unless the product has been so approved. The labeling must not contain any statement, artwork, or design that is inconsistent with the required statement; and

(9) the following statement: "Keep this product out of reach of children."

(c) The information in paragraph (b) may be provided on an outer package if the immediate container that holds the product is too small to contain all of the information.

(d) The information required in paragraph (b), clauses (1), (2), (3), and (4), may be provided through the use of a scannable barcode or matrix barcode that links to a page on a website maintained by the manufacturer or distributor if that page contains all of the information required by this subdivision.

(e) The information required by this subdivision must be prominently and conspicuously placed on the label or displayed on the website in terms that can be easily read and understood by the consumer.

Subd. 3. **Marketing.** (a) No licensee or other person shall publish or cause to be published an advertisement for an edible cannabinoid product in a manner that:

(1) contains false or misleading statements;

(2) contains unverified claims about the health or therapeutic benefits or effects of consuming edible cannabinoid products;

(3) promotes the overconsumption of edible cannabinoid products;

(4) depicts a person under 21 years of age consuming an edible cannabinoid product; or

(5) includes an image or phrase designed or likely to appeal to persons under 21 years of age or encourage consumption by persons under 21 years of age.

(b) No licensee or other person shall publish or cause to be published an advertisement for edible cannabinoid products in any print publication or on radio, television, or any other medium if 30 percent or more of the audience of that medium is reasonably expected to be individuals who are under 21 years of age, as determined by reliable, current audience composition data.

(c) No licensee or other person shall utilize unsolicited pop-up advertisements on the Internet or advertising directed toward location-based devices, including but not limited to cellular telephones, to advertise edible cannabinoid products unless:

(1) the advertising occurs via a mobile device application that is installed on the device by the device's owner and includes a permanent and easy to implement opt-out feature; and

(2) the owner of the device is 21 years of age or older.

Sec. 12. **[152.61] MANUFACTURE OF EDIBLE CANNABINOID PRODUCTS.**

Subdivision 1. **Authorized actions.** An edible cannabinoid product manufacturer license entitles the license holder to:

(1) purchase industrial hemp, concentrated cannabinoids, and artificially derived cannabinoids from a person or entity licensed to grow or process industrial hemp;

(2) manufacture edible cannabinoid products for public consumption;

(3) package and label edible cannabinoid products;

(4) sell or distribute edible cannabinoid products manufactured by the licensee to licensed distributors or retailers; and

(5) perform other actions approved by the commissioner.

Subd. 2. **Requirements.** (a) Manufacturing of edible cannabinoid products must take place:

(1) in an enclosed facility that:

(i) has appropriate locks or other restrictions to control access; and

(ii) meets the sanitary standards specified by the commissioner; and

(2) on equipment that is used exclusively for the manufacture of products containing cannabinoids.

(b) A licensed manufacturer must comply with all applicable testing, storage, packaging, labeling, and health and safety requirements described in sections 152.50 to 152.65.

(c) Upon the sale of any edible cannabinoid product to a licensed distributor or retailer, a licensed manufacturer must provide a label that meets the requirements of section 152.60, subdivision 2, or provide sufficient information for the distributor or retailer to properly label the edible cannabinoid product.

(d) A licensed manufacturer must record all transactions involving industrial hemp, artificially derived cannabinoids, and edible cannabinoid products in the statewide monitoring system.

Subd. 3. **Falsification of records; criminal penalty.** Notwithstanding section 144.99, subdivision 11, a person, including a licensed manufacturer, who intentionally alters or falsifies any information required to be included on the label of an edible cannabinoid product is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.

Sec. 13. **[152.62] DISTRIBUTION OF EDIBLE CANNABINOID PRODUCTS.**

Subdivision 1. **Authorized actions.** An edible cannabinoid product distributor license entitles the license holder to:

(1) purchase edible cannabinoid products from manufacturers;

(2) sell edible cannabinoid products that meet the requirements of sections 152.50 to 152.65 to licensed retailers; and

(3) perform other actions approved by the commissioner.

Subd. 2. **Requirements.** A licensed distributor must:

(1) ensure that edible cannabinoid products are stored in a manner that prevents any cross contamination;

(2) ensure that any edible cannabinoid products intended for distribution are stored in an enclosed facility with appropriate locks or other restrictions to control access;

(3) store edible cannabinoid products in clean and sanitary conditions, free from infestation by insects, rodents, or other pests; and

(4) maintain accurate records and ensure that appropriate labels remain affixed to edible cannabinoid products.

Subd. 3. **Distribution of products manufactured outside of the state.** (a) A licensed distributor may perform the actions described in subdivision 1 related to edible cannabinoid products manufactured outside of this state provided that:

(1) the manufacturer is licensed in another state and subject to regulations designed to protect the health and safety of consumers and those regulations are substantially similar to the regulations in this state; or

(2) the distributor establishes, to the satisfaction of the commissioner, that the manufacturer engages in practices that are substantially similar to the practices required for licensure of manufacturers in this state.

(b) A distributor must enter all relevant information regarding an edible cannabinoid product manufactured in another state into the statewide monitoring system before the product may be distributed to a licensed retailer. Relevant information includes information regarding the cultivation, processing, and testing of the industrial hemp used in the manufacture of the edible cannabinoid product. If information regarding the industrial hemp or edible cannabinoid product was submitted to a statewide monitoring system used in another state, the commissioner may require submission of any information provided to that statewide monitoring system and shall assist in the transfer of data from another state as needed and in compliance with any data classification established by either state.

Subd. 4. **Violations in other jurisdictions.** The commissioner may suspend, revoke, or cancel the license of a distributor who is prohibited from distributing edible cannabinoid products in any other jurisdiction, convicted of an offense involving the distribution of edible cannabinoid products in any other jurisdiction, or found liable for distributing any product that injured customers in any other jurisdiction. A licensee shall disclose to the commissioner all relevant information related to the licensee's actions in another jurisdiction. Failure to disclose relevant information may result in disciplinary action by the commissioner, including the suspension, revocation, or cancellation of a license.

Subd. 5. **Reliance on product label no defense.** Notwithstanding any law to the contrary, it is not a defense in any civil or criminal action that a licensed distributor relied on information on a product label or otherwise provided by a manufacturer who is not a licensed edible cannabinoid manufacturer.

Subd. 6. **Unlicensed distribution; distribution of noncompliant products; distribution to unlicensed retailers; criminal penalty.** Notwithstanding section 144.99, subdivision

11, a person, including a licensed distributor, who does any of the following is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both:

(1) distributes an edible cannabinoid product without first obtaining a license from the commissioner;

(2) distributes an edible cannabinoid product to a retailer that does not comply with the limits on the amount or types of cannabinoids a product can contain;

(3) distributes an edible cannabinoid product to a retailer that does not comply with the applicable testing, packaging, or labeling requirements; or

(4) distributes an edible cannabinoid product to a retailer who is not licensed to sell edible cannabinoid products.

Sec. 14. **[152.63] EDIBLE CANNABINOID PRODUCT RETAILER LICENSES; LOCAL UNITS OF GOVERNMENT.**

Subdivision 1. **Issuance by local unit of government.** (a) A city or town may issue annual edible cannabinoid product retailer licenses to persons within the city or town's jurisdiction. A county board may issue annual edible cannabinoid product retailer licenses to persons in an area of the county that is unorganized or unincorporated.

(b) Any ordinance adopted by a local unit of government and any license issued by a local unit of government must comply with the requirements and limits under this section.

Subd. 2. **Fees.** The annual license fee for an edible cannabinoid product retailer license is the fee set by the local unit of government issuing the license. The fee must be set at an amount equal to the median amount of the annual license fee that the local unit of government charges for an off-sale intoxicating liquor license and the annual license fee that the local unit of government charges for a license to sell cigarettes and tobacco. The license fee is intended to cover the costs of issuing the license, inspecting the licensee, and other directly related costs of enforcement.

Subd. 3. **Persons eligible; transfer of licenses.** (a) A local unit of government may issue an edible cannabinoid product retailer license to a person who:

(1) is at least 21 years of age;

(2) has completed an application for licensure or application for renewal and has fully and truthfully complied with all information requests relating to license application and renewal;

(3) has paid any applicable licensing fee;

(4) is not employed by the commissioner or any state agency with regulatory authority under sections 152.50 to 152.65 or the rules adopted pursuant to those sections; and

(5) is of good moral character and repute.

(b) In determining whether a person is of good moral character and repute, the local unit of government may rely on the list of disqualifying offenses established by the commissioner, but must not disqualify an application for a violation of chapter 152 involving the possession of marijuana or a conviction for a comparable offense in another jurisdiction.

(c) Licenses may not be transferred.

Subd. 4. **Background check.** (a) The chief of police is responsible for conducting a background check for an applicant prior to a city or town's issuance of an edible cannabinoid product retailer license. A county sheriff is responsible for conducting a background check for an applicant prior to the county's issuance of an edible cannabinoid product retailer license and for those cities and towns that do not have a police department.

(b) The applicant for a retail license must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees to the appropriate authority. Upon receipt of this information, the appropriate authority must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension. After receiving this information, the bureau must conduct a Minnesota criminal history records check of the license applicant. The bureau may exchange a license applicant's fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history record information. The bureau must return the results of the Minnesota and federal criminal history records checks to the commissioner to determine if the applicant is disqualified under subdivision 3.

Subd. 5. **Retail locations; restrictions on the time, place, and manner of operations.** A local unit of government may adopt reasonable restrictions on the time, place, and manner of the retail sale of edible cannabinoid products. A local unit of government may prohibit the sale of edible cannabinoid products within 500 feet of a school, day care, nursing home, or house of worship.

Subd. 6. **Notice to commissioner.** Within ten days of the issuance of an edible cannabinoid product retailer license, a local unit of government shall inform the commissioner of the licensee's name, address, trade name, and the effective date and expiration date of

the license. The local unit of government shall also inform the commissioner of a license cancellation, suspension, or revocation during the license period.

Subd. 7. **Enforcement by local unit of government.** On a finding that a license holder failed to comply with an applicable statute, rule, or ordinance relating to edible cannabinoid products, or failed to comply with a lawful license condition duly imposed by the authority issuing the license or agreed to by the license holder, the authority issuing a retail license under this section may revoke the license, suspend the license for up to 60 days, impose a civil penalty of up to $2,000 for each violation, or impose any combination of these sanctions. No suspension or revocation takes effect until the license holder has been given an opportunity for a hearing under sections 14.57 to 14.69 of the Administrative Procedure Act. This section does not require a city, town, or county to conduct the hearing before an employee of the Office of Administrative Hearings. Imposition of a penalty or suspension by the issuing authority does not preclude imposition of an additional penalty or suspension by the commissioner.

Sec. 15. **[152.64] EDIBLE CANNABINOID PRODUCT RETAILER OPERATIONS.**

Subdivision 1. **Authorized actions.** An edible cannabinoid product retailer license entitles the license holder to purchase edible cannabinoid products from a licensed manufacturer or licensed distributor, sell and deliver edible cannabinoid products to customers who are 21 years of age or older, and perform other actions approved by the commissioner and licensing authority.

Subd. 2. **Requirements.** A licensed retailer must:

(1) ensure that all edible cannabinoid products are stored in a manner that prohibits access by persons under 21 years of age;

(2) ensure that all edible cannabinoid products offered for sale comply with the applicable testing, packaging, and labeling requirements;

(3) ensure that all edible cannabinoid products offered for sale comply with the limits on the amount and types of cannabinoids that an edible cannabinoid product can contain;

(4) record all transactions involving edible cannabinoid products in the statewide monitoring system;

(5) comply with state and local building, fire, and zoning requirements or regulations; and

(6) ensure that the retail premises is maintained in clean and sanitary conditions, free from infestation by insects, rodents, or other pests.

Subd. 3. **Prohibitions.** A licensed retailer must not:

(1) sell an edible cannabinoid product to a person who is visibly intoxicated;

(2) operate a drive-through window;

(3) allow for the dispensing of edible cannabinoid products from vending machines;

(4) sell edible cannabinoid products if the retailer knows that the statewide monitoring system is not operational; or

(5) sell edible cannabinoid products to a customer without verifying that the customer is at least 21 years of age.

Subd. 4. **Signage.** At each location where edible cannabinoid products are sold, the licensee shall display a sign in plain view to provide public notice that selling any edible cannabinoid product to any person under 21 years of age is illegal and subject to penalties. The notice shall be placed in a conspicuous location in the licensed establishment and shall be readily visible to any person who is purchasing or attempting to purchase edible cannabinoid products. The sign shall provide notice that all persons responsible for selling edible cannabinoid products must verify the age of any customer who is under 30 years of age by means of photographic identification containing the bearer's date of birth.

Subd. 5. **Age verification.** (a) Prior to initiating a sale or delivery, an employee of a licensed retailer must verify that a customer is 21 years of age or older.

(b) Proof of age may be established only by one of the following:

(1) a valid driver's license or identification card issued by Minnesota, another state, or a province of Canada that includes the photograph and date of birth of the licensed person;

(2) a valid Tribal identification card as defined in section 171.072, paragraph (b);

(3) a valid passport issued by the United States;

(4) a valid instructional permit issued under section 171.05 to a person of legal age to purchase adult-use cannabis or adult-use cannabis products that includes a photograph and the date of birth of the person issued the permit; or

(5) in the case of a foreign national, a valid passport.

(c) A licensed retailer may seize a customer's form of identification listed under paragraph (b) if the licensed retailer has reasonable grounds to believe that the form of identification

has been altered or falsified or is being used to violate any law. A licensed retailer that seizes a form of identification as authorized under this paragraph must deliver it to a law enforcement agency within 24 hours of seizing it.

(d) The commissioner may authorize the use of age-verification software or other processes to permit the purchase of edible cannabinoid products from a licensed retailer's website.

Subd. 6. **Deliveries.** Only a licensed retailer may deliver edible cannabinoid products from the retailer's store to the residence of a purchaser or other location, provided that such delivery must be made only to a person who is 21 years of age or older. A licensed retailer may refuse to sell or deliver edible cannabinoid products to any person whom the retailer has reason to believe is ineligible to buy edible cannabinoid products or when the retailer believes that the person intends to deliver an edible cannabinoid product to an ineligible consumer. The licensed retailer must verify that the person receiving the delivery is the person who purchased the edible cannabinoid product and is 21 years of age or older.

Subd. 7. **Violations; criminal penalty.** Notwithstanding section 144.99, subdivision 11, a person, including a licensed retailer, who commits any of the following acts from the premises of a licensed retailer or another business that sells retail goods to customers is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both:

(1) the person sells an edible cannabinoid product knowing that the product does not comply with the limits on the amount or types of cannabinoids a product can contain;

(2) the person sells an edible cannabinoid product knowing that the product does not comply with the applicable testing, packaging, or labeling requirements; or

(3) the person sells an edible cannabinoid product to a person under 21 years of age, except that it is an affirmative defense to a charge under this clause if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in subdivision 5.

Sec. 16. **[152.65] REPORT.**

By January 15 of each year, the commissioner shall submit a report to the legislative committees and divisions with jurisdiction over health policy and finance on the regulation of edible cannabinoid products. The report shall describe all actions taken by the commissioner in the previous year, identify all rules adopted by the commissioner regarding edible cannabinoid products, list the total number of manufacturing licenses and distributor

licenses issued by the board and the total number of retailer licenses issued by local units of government, summarize enforcement actions taken by the commissioner, and include proposed legislative changes, if any.

ARTICLE 3
TAXATION OF EDIBLE CANNABINOID PRODUCTS

Section 1. **[295.81] EDIBLE CANNABINOID PRODUCT GROSS RECEIPTS TAX.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of revenue.

(c) "Edible cannabinoid product" has the meaning given in section 152.50, subdivision 7.

(d) "Edible cannabinoid product retailer" means a retailer that sells edible cannabinoid products, including a:

(1) retailer maintaining a place of business in this state;

(2) marketplace provider maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (a);

(3) retailer not maintaining a place of business in this state; and

(4) marketplace provider not maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (b).

(e) "Gross receipts" means the total amount received, in money or by barter or exchange, for all sales at retail of edible cannabinoid products as measured by the sales price, but does not include:

(1) any taxes imposed directly on the consumer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser; and

(2) discounts, including cash, terms, or coupons, that are not reimbursed by a third party and that are allowed by the seller and taken by a purchaser on a sale.

(f) "On-site sale" means the sale of edible cannabinoid products for consumption on the premises of an establishment licensed under section 152.63, including establishments with an intoxicating liquor license.

(g) "Retail sale" has the meaning given in section 297A.61, subdivision 4.

Subd. 2. **Gross receipts tax imposed.** (a) A tax is imposed on each edible cannabinoid retailer equal to 2.5 percent of gross receipts from retail sales in Minnesota of edible cannabinoid products. The edible cannabinoid retailer may but is not required to collect the tax from the purchaser. If separately stated on the invoice, bill of sale, or similar document given to the purchaser, the tax is excluded from the sales price for purposes of the tax imposed under chapter 297A.

(b) If a product subject to the tax imposed by this section is bundled in a single transaction with a product or service that is not subject to the tax imposed by this section, the entire sales price of the transaction is subject to the tax imposed by this section.

(c) The tax imposed under this section is in addition to the tax imposed by chapter 297A on the sale or use of edible cannabinoid products.

Subd. 3. **Use tax imposed; credit for taxes paid.** (a) A person that receives edible cannabinoid products for use or storage in Minnesota, other than from an edible cannabinoid retailer that paid the tax under subdivision 2, is subject to tax at the rate imposed under subdivision 2. Liability for the tax is incurred when the person has possession of the edible cannabinoid product in Minnesota. The tax must be remitted to the commissioner in the same manner prescribed for taxes imposed under chapter 297A.

(b) A person that has paid taxes to another state or any subdivision thereof on the same transaction and is subject to tax under this section is entitled to a credit for the tax legally due and paid to another state or subdivision thereof to the extent of the lesser of (1) the tax actually paid to the other state or subdivision thereof, or (2) the amount of tax imposed by Minnesota on the transaction subject to tax in the other state or subdivision thereof.

Subd. 4. **Exemptions.** (a) The tax imposed under this section does not apply to sales of medical cannabis and medical cannabis products purchased by or for the patients enrolled in the registry program.

(b) The use tax imposed under subdivision 2, paragraph (b), does not apply to the possession, use, or storage of edible cannabinoid products if (1) the edible cannabinoid products have an aggregate cost in any calendar month to the customer of $100 or less, and (2) the edible cannabinoid products were carried into this state by the customer.

(c) Unless otherwise specified in this section, the exemptions applicable to taxes imposed under chapter 297A are not applicable to the taxes imposed under this section.

Subd. 5. **Tax collection required.** An edible cannabinoid retailer with nexus in Minnesota, who is not subject to tax under subdivision 2, is required to collect the tax

imposed under subdivision 3 from the purchaser of the edible cannabinoid product and give the purchaser a receipt for the tax paid. The tax collected must be remitted to the commissioner in the same manner prescribed for the taxes imposed under chapter 207A.

Subd. 6. **Taxes paid to another state or any subdivision thereof; credit.** An edible cannabinoid retailer that has paid taxes to another state or any subdivision thereof measured by gross receipts and is subject to tax under this section on the same gross receipts is entitled to a credit for the tax legally due and paid to another state or any subdivision thereof to the extent of the lesser of (1) the tax actually paid to the other state or any subdivision thereof, or (2) the amount of tax imposed by Minnesota on the gross receipts subject to tax in the other taxing state or any subdivision thereof.

Subd. 7. **Sourcing of sales.** The provisions of section 297A.668 apply to the taxes imposed by this section.

Subd. 8. **Administration.** Unless specifically provided otherwise, the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative provisions of chapters 270C and 289A that are applicable to taxes imposed under chapter 297A, except the requirement to file returns and remit taxes due electronically, apply to the tax imposed under this section.

Subd. 9. **Returns; payment of tax.** (a) An edible cannabinoid retailer must report the tax on a return prescribed by the commissioner and must remit the tax with the return. The return and the tax must be filed and paid using the filing cycle and due dates provided for taxes imposed under section 289A.20, subdivision 4, and chapter 297A.

(b) Interest must be paid on an overpayment refunded or credited to the taxpayer from the date of payment of the tax until the date that the refund is paid or credited. For purposes of this subdivision, the date of payment is the due date of the return or the date of actual payment of the tax, whichever is later.

Subd. 10. **Deposit of revenue.** The commissioner shall deposit all revenues, including penalties and interest, derived from the tax imposed by this section in the general fund.

EFFECTIVE DATE. This section is effective for gross receipts received after December 31, 2023.

Sec. 2. Minnesota Statutes 2022, section 297A.99, is amended by adding a subdivision to read:

Subd. 4a. **Edible cannabinoid product local tax prohibited.** A political subdivision of this state is prohibited from imposing a tax under this section solely on the sale of edible cannabinoid products.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 4
MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 13.3806, is amended by adding a subdivision to read:

Subd. 23. **Edible cannabinoid products data.** Data held by the commissioner of health in connection with the licensing of manufacturers, distributors, and retailers of edible cannabinoid products are classified under section 152.54, subdivision 7.

Sec. 2. Minnesota Statutes 2022, section 34A.01, subdivision 4, is amended to read:

Subd. 4. **Food.** "Food" means every ingredient used for, entering into the consumption of, or used or intended for use in the preparation of food, drink, confectionery, or condiment for humans or other animals, whether simple, mixed, or compound; and articles used as components of these ingredients, except that edible cannabinoid products, as defined in section ~~151.72, subdivision 1, paragraph (c)~~ 152.50, subdivision 7, are not food.

Sec. 3. Minnesota Statutes 2022, section 144.99, subdivision 1, is amended to read:

Subdivision 1. **Remedies available.** The provisions of chapters 103I and 157 and sections 115.71 to 115.77; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.1201 to 144.1204; 144.121; 144.1215; 144.1222; 144.35; 144.381 to 144.385; 144.411 to 144.417; 144.495; 144.71 to 144.74; 144.9501 to 144.9512; 144.97 to 144.98; 144.992; 152.22 to 152.37; 152.50 to 152.65; 326.70 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted or issued by the department or under any other law now in force or later enacted for the preservation of public health may, in addition to provisions in other statutes, be enforced under this section.

Sec. 4. Minnesota Statutes 2022, section 152.027, is amended by adding a subdivision to read:

Subd. 8. **Sale or possession of edible cannabinoid products.** (a) As used in this section, "edible cannabinoid product" has the meaning given in section 152.50, subdivision 7.

(b) A person under 21 years of age who unlawfully possesses any amount of an edible cannabinoid product is guilty of a petty misdemeanor.

(c) A person who unlawfully sells an edible cannabinoid product, except a sale for no remuneration to a person who is 21 years of age or older, is guilty of a misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2022, section 181.938, subdivision 2, is amended to read:

Subd. 2. **Prohibited practice.** (a) An employer may not refuse to hire a job applicant or discipline or discharge an employee because the applicant or employee engages in or has engaged in the use or enjoyment of lawful consumable products, if the use or enjoyment takes place off the premises of the employer during nonworking hours. For purposes of this section, "lawful consumable products" means products whose use or enjoyment is lawful and which are consumed during use or enjoyment, and includes food, alcoholic or nonalcoholic beverages, ~~and~~ tobacco, and edible cannabinoid products as defined in section 152.50, subdivision 7.

(b) An edible cannabinoid product is a lawful consumable product for the purpose of Minnesota law, regardless of whether federal or other state law considers cannabis use, possession, impairment, sale, or transfer to be unlawful. Nothing in this section shall be construed to limit an employer's ability to discipline or discharge an employee for cannabis use, possession, impairment, sale, or transfer during working hours, on work premises, or while operating an employer's vehicle, machinery, or equipment.

Sec. 6. Minnesota Statutes 2022, section 340A.412, subdivision 14, is amended to read:

Subd. 14. **Exclusive liquor stores.** (a) Except as otherwise provided in this subdivision, an exclusive liquor store may sell only the following items:

(1) alcoholic beverages;

(2) tobacco products;

(3) ice;

(4) beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor;

(5) soft drinks;

(6) liqueur-filled candies;

(7) food products that contain more than one-half of one percent alcohol by volume;

(8) cork extraction devices;

(9) books and videos on the use of alcoholic beverages;

(10) magazines and other publications published primarily for information and education on alcoholic beverages;

(11) multiple-use bags designed to carry purchased items;

(12) devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers;

(13) home brewing equipment;

(14) clothing marked with the specific name, brand, or identifying logo of the exclusive liquor store, and bearing no other name, brand, or identifying logo;

(15) citrus fruit; ~~and~~

(16) glassware; and

(17) edible cannabinoid products as defined in section 152.50, subdivision 7.

(b) An exclusive liquor store that has an on-sale, or combination on-sale and off-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.

(c) An exclusive liquor store may offer live or recorded entertainment.

Sec. 7. **REPEALER.**

Minnesota Statutes 2022, section 151.72, is repealed.

ARTICLE 5

APPROPRIATIONS

Section 1. **DEPARTMENT OF HEALTH; APPROPRIATION.**

$..... in fiscal year 2024 and $..... in fiscal year 2025 are appropriated from the general fund to the commissioner of health to perform the duties related to regulating edible cannabinoid products described in Minnesota Statutes, sections 152.50 to 152.65.

Sec. 2. **DEPARTMENT OF AGRICULTURE; APPROPRIATION.**

$..... in fiscal year 2024 and $..... in fiscal year 2025 are appropriated from the general fund to the commissioner of agriculture for the regulation of concentrated cannabinoids and artificially derived cannabinoids as described in Minnesota Statutes, chapter 18K.

151.72 SALE OF CERTAIN CANNABINOID PRODUCTS.

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Certified hemp" means hemp plants that have been tested and found to meet the requirements of chapter 18K and the rules adopted thereunder.

(c) "Edible cannabinoid product" means any product that is intended to be eaten or consumed as a beverage by humans, contains a cannabinoid in combination with food ingredients, and is not a drug.

(d) "Hemp" has the meaning given to "industrial hemp" in section 18K.02, subdivision 3.

(e) "Label" has the meaning given in section 151.01, subdivision 18.

(f) "Labeling" means all labels and other written, printed, or graphic matter that are:

(1) affixed to the immediate container in which a product regulated under this section is sold;

(2) provided, in any manner, with the immediate container, including but not limited to outer containers, wrappers, package inserts, brochures, or pamphlets; or

(3) provided on that portion of a manufacturer's website that is linked by a scannable barcode or matrix barcode.

(g) "Matrix barcode" means a code that stores data in a two-dimensional array of geometrically shaped dark and light cells capable of being read by the camera on a smartphone or other mobile device.

(h) "Nonintoxicating cannabinoid" means substances extracted from certified hemp plants that do not produce intoxicating effects when consumed by any route of administration.

Subd. 2. **Scope.** (a) This section applies to the sale of any product that contains cannabinoids extracted from hemp and that is an edible cannabinoid product or is intended for human or animal consumption by any route of administration.

(b) This section does not apply to any product dispensed by a registered medical cannabis manufacturer pursuant to sections 152.22 to 152.37.

(c) The board must have no authority over food products, as defined in section 34A.01, subdivision 4, that do not contain cannabinoids extracted or derived from hemp.

Subd. 3. **Sale of cannabinoids derived from hemp.** (a) Notwithstanding any other section of this chapter, a product containing nonintoxicating cannabinoids, including an edible cannabinoid product, may be sold for human or animal consumption only if all of the requirements of this section are met, provided that a product sold for human or animal consumption does not contain more than 0.3 percent of any tetrahydrocannabinol and an edible cannabinoid product does not contain an amount of any tetrahydrocannabinol that exceeds the limits established in subdivision 5a, paragraph (f).

(b) No other substance extracted or otherwise derived from hemp may be sold for human consumption if the substance is intended:

(1) for external or internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals; or

(2) to affect the structure or any function of the bodies of humans or other animals.

(c) No product containing any cannabinoid or tetrahydrocannabinol extracted or otherwise derived from hemp may be sold to any individual who is under the age of 21.

(d) Products that meet the requirements of this section are not controlled substances under section 152.02.

Subd. 4. **Testing requirements.** (a) A manufacturer of a product regulated under this section must submit representative samples of the product to an independent, accredited laboratory in order to certify that the product complies with the standards adopted by the board. Testing must be consistent with generally accepted industry standards for herbal and botanical substances, and, at a minimum, the testing must confirm that the product:

(1) contains the amount or percentage of cannabinoids that is stated on the label of the product;

(2) does not contain more than trace amounts of any mold, residual solvents, pesticides, fertilizers, or heavy metals; and

(3) does not contain more than 0.3 percent of any tetrahydrocannabinol.

(b) Upon the request of the board, the manufacturer of the product must provide the board with the results of the testing required in this section.

(c) Testing of the hemp from which the nonintoxicating cannabinoid was derived, or possession of a certificate of analysis for such hemp, does not meet the testing requirements of this section.

Subd. 5. **Labeling requirements.** (a) A product regulated under this section must bear a label that contains, at a minimum:

(1) the name, location, contact phone number, and website of the manufacturer of the product;

(2) the name and address of the independent, accredited laboratory used by the manufacturer to test the product; and

(3) an accurate statement of the amount or percentage of cannabinoids found in each unit of the product meant to be consumed.

(b) The information in paragraph (a) may be provided on an outer package if the immediate container that holds the product is too small to contain all of the information.

(c) The information required in paragraph (a) may be provided through the use of a scannable barcode or matrix barcode that links to a page on the manufacturer's website if that page contains all of the information required by this subdivision.

(d) The label must also include a statement stating that the product does not claim to diagnose, treat, cure, or prevent any disease and has not been evaluated or approved by the United States Food and Drug Administration (FDA) unless the product has been so approved.

(e) The information required by this subdivision must be prominently and conspicuously placed on the label or displayed on the website in terms that can be easily read and understood by the consumer.

(f) The labeling must not contain any claim that the product may be used or is effective for the prevention, treatment, or cure of a disease or that it may be used to alter the structure or function of human or animal bodies, unless the claim has been approved by the FDA.

Subd. 5a. **Additional requirements for edible cannabinoid products.** (a) In addition to the testing and labeling requirements under subdivisions 4 and 5, an edible cannabinoid must meet the requirements of this subdivision.

(b) An edible cannabinoid product must not:

(1) bear the likeness or contain cartoon-like characteristics of a real or fictional person, animal, or fruit that appeals to children;

(2) be modeled after a brand of products primarily consumed by or marketed to children;

(3) be made by applying an extracted or concentrated hemp-derived cannabinoid to a commercially available candy or snack food item;

(4) contain an ingredient, other than a hemp-derived cannabinoid, that is not approved by the United States Food and Drug Administration for use in food;

(5) be packaged in a way that resembles the trademarked, characteristic, or product-specialized packaging of any commercially available food product; or

(6) be packaged in a container that includes a statement, artwork, or design that could reasonably mislead any person to believe that the package contains anything other than an edible cannabinoid product.

(c) An edible cannabinoid product must be prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque or placed in packaging or a container that is child-resistant, tamper-evident, and opaque at the final point of sale to a customer. The requirement that packaging be child-resistant does not apply to an edible cannabinoid product that is intended to be consumed as a beverage and which contains no more than a trace amount of any tetrahydrocannabinol.

(d) If an edible cannabinoid product is intended for more than a single use or contains multiple servings, each serving must be indicated by scoring, wrapping, or other indicators designating the individual serving size.

(e) A label containing at least the following information must be affixed to the packaging or container of all edible cannabinoid products sold to consumers:

(1) the serving size;

(2) the cannabinoid profile per serving and in total;

(3) a list of ingredients, including identification of any major food allergens declared by name; and

(4) the following statement: "Keep this product out of reach of children."

(f) An edible cannabinoid product must not contain more than five milligrams of any tetrahydrocannabinol in a single serving, or more than a total of 50 milligrams of any tetrahydrocannabinol per package.

Subd. 6. **Enforcement.** (a) A product regulated under this section, including an edible cannabinoid product, shall be considered an adulterated drug if:

(1) it consists, in whole or in part, of any filthy, putrid, or decomposed substance;

(2) it has been produced, prepared, packed, or held under unsanitary conditions where it may have been rendered injurious to health, or where it may have been contaminated with filth;

(3) its container is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health;

(4) it contains any food additives, color additives, or excipients that have been found by the FDA to be unsafe for human or animal consumption;

(5) it contains an amount or percentage of nonintoxicating cannabinoids that is different than the amount or percentage stated on the label;

(6) it contains more than 0.3 percent of any tetrahydrocannabinol or, if the product is an edible cannabinoid product, an amount of tetrahydrocannabinol that exceeds the limits established in subdivision 5a, paragraph (f); or

(7) it contains more than trace amounts of mold, residual solvents, pesticides, fertilizers, or heavy metals.

(b) A product regulated under this section shall be considered a misbranded drug if the product's labeling is false or misleading in any manner or in violation of the requirements of this section.

(c) The board's authority to issue cease and desist orders under section 151.06; to embargo adulterated and misbranded drugs under section 151.38; and to seek injunctive relief under section 214.11, extends to any violation of this section.