

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH SESSION

S.F. No. 1641

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DATE	D-PG	OFFICIAL STATUS
05/02/2013	3195	Introduction and first reading Referred to Health, Human Services and Housing
04/25/2014	8301a	Comm report: To pass as amended and re-refer to State and Local Government Joint rule 2.03, referred to Rules and Administration
04/28/2014	8486	Rules suspended Joint rule 2.03 Comm report: Adopt previous comm report
04/29/2014	8522a	Comm report: To pass as amended and re-refer to Judiciary
05/01/2014	8546a	Comm report: Amended, No recommendation, re-referred to Finance
05/05/2014	8725a	Comm report: To pass as amended
	8727	Second reading
05/06/2014	8745a	Special Order: Amended
	8759	Third reading Passed

A bill for an act

relating to health; permitting the medical use of cannabis; setting fees; authorizing rulemaking; providing criminal and civil penalties; establishing an advisory council; appropriating money; amending Minnesota Statutes 2012, sections 13.3806, by adding a subdivision; 256B.0625, subdivision 13d; proposing coding for new law in Minnesota Statutes, chapter 152.

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

Section 1. Minnesota Statutes 2012, section 13.3806, is amended by adding a subdivision to read:

Subd. 22. **Medical use of cannabis data.** Data collected by the commissioner of health relating to registrations for the medical use of cannabis are classified in section 152.33.

Sec. 2. [152.22] DEFINITIONS.

Subdivision 1. **Applicability.** For purposes of sections 152.22 to 152.45, the terms defined in this section have the meanings given them.

Subd. 2. **Allowable amount of cannabis.** "Allowable amount of cannabis" means:

(1) with respect to a qualifying patient, 2.5 ounces of usable cannabis; and

(2) with respect to a designated caregiver, for each patient assisted by the designated caregiver, 2.5 ounces of usable cannabis.

Subd. 3. **Alternative treatment center.** "Alternative treatment center" means an entity registered under section 152.25 that cultivates, acquires, manufactures, possesses, prepares, packs, stores, delivers, transfers, transports, sells, supplies, or dispenses cannabis, paraphernalia, or related supplies and educational materials to registered qualifying patients or registered designated caregivers.

2.1 Subd. 4. **Cannabis.** "Cannabis" means all parts of the plant of any species of
2.2 the genus Cannabis, including all agronomical varieties, whether growing or not; the
2.3 seeds thereof; the resin extracted from any part of such plant; and every compound,
2.4 manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin, but
2.5 shall not include the mature stalks of such plant; fiber from such stalks; oil or cake made
2.6 from the seeds of such plant; any other compound, manufacture, salt, derivative, mixture,
2.7 or preparation of such mature stalks (except the resin extracted therefrom); fiber, oil, or
2.8 cake; or the sterilized seed of such plant which is incapable of germination.

2.9 Subd. 5. **Cardholder.** "Cardholder" means a qualifying patient or a designated
2.10 caregiver who has been issued and possesses a valid registry identification card.

2.11 Subd. 6. **Commissioner.** "Commissioner" means the commissioner of health.

2.12 Subd. 7. **Debilitating medical condition.** "Debilitating medical condition" means:

2.13 (1) cancer, glaucoma, acquired immune deficiency syndrome, hepatitis C, Tourette's
2.14 syndrome, amyotrophic lateral sclerosis, post-traumatic stress disorder, or the treatment
2.15 of those conditions;

2.16 (2) a chronic or debilitating disease or medical condition or its treatment that
2.17 produces cachexia or wasting syndrome; severe, intractable pain, as defined in section
2.18 152.125, subdivision 1; severe nausea; seizures, including those characteristic of epilepsy;
2.19 severe and persistent muscle spasms, including those characteristic of multiple sclerosis;
2.20 and Crohn's disease;

2.21 (3) the condition of an HIV-positive patient when the patient's physician believes
2.22 the patient could benefit from consumption of cannabis; or

2.23 (4) any other medical condition or its treatment approved by the commissioner.

2.24 Subd. 8. **Designated caregiver.** "Designated caregiver" means a person who is at
2.25 least 21 years old, has not been convicted of a disqualifying felony offense, and has agreed
2.26 to assist no more than five qualifying patients with the medical use of cannabis.

2.27 Subd. 8a. **Disqualifying felony offense.** "Disqualifying felony offense" means a
2.28 violation of a state or federal controlled substance law that is classified as a felony under
2.29 Minnesota law, or would be classified as a felony under Minnesota law if committed in
2.30 Minnesota, regardless of the sentence imposed, unless the commissioner determines
2.31 that the person's conviction was for the medical use of cannabis or assisting with the
2.32 medical use of cannabis.

2.33 Subd. 9. **Enclosed, locked facility.** "Enclosed, locked facility" means a room,
2.34 building, or other enclosed area equipped with locks or other security devices that permit
2.35 access only by an agent of a medical cannabis organization.

3.1 Subd. 10. **Medical cannabis organization.** "Medical cannabis organization" means
3.2 an alternative treatment center or a safety compliance facility.

3.3 Subd. 11. **Medical use of cannabis.** "Medical use of cannabis" means
3.4 the acquisition, possession, use, administration, preparation, processing, testing,
3.5 compounding, converting, delivery, transfer, or transportation of cannabis or drug
3.6 paraphernalia, as defined in section 152.01, subdivision 18, relating to the consumption of
3.7 cannabis to alleviate a registered qualifying patient's debilitating condition or symptoms
3.8 associated with the medical condition.

3.9 Subd. 12. **Practitioner.** "Practitioner" means a Minnesota licensed doctor of
3.10 medicine or a Minnesota licensed doctor of osteopathy licensed to practice medicine,
3.11 except that if the qualifying patient's debilitating medical condition is post-traumatic stress
3.12 disorder, the practitioner must be a Minnesota licensed psychiatrist.

3.13 Subd. 13. **Qualifying patient.** "Qualifying patient" means a person who has been
3.14 diagnosed by a practitioner as having a debilitating medical condition.

3.15 Subd. 14. **Registration certificate.** "Registration certificate" means a document
3.16 issued by the commissioner that identifies an entity as an alternative treatment center
3.17 or a safety compliance facility.

3.18 Subd. 15. **Registry identification card.** "Registry identification card" means a
3.19 document issued by the commissioner that identifies a person as a registered qualifying
3.20 patient or registered designated caregiver.

3.21 Subd. 16. **Safety compliance facility.** "Safety compliance facility" means an entity
3.22 registered under section 152.25 to provide consumer protection services to the public
3.23 by means of laboratory sampling and testing for potency and contaminants or public
3.24 information and training services regarding:

3.25 (1) the safe and efficient packaging, labeling, and distribution of cannabis;

3.26 (2) security and inventory accountability procedures; or

3.27 (3) scientific and medical research findings related to cannabis.

3.28 Subd. 17. **Smoking.** "Smoking" does not include the ingestion of cannabis through
3.29 vaporization.

3.30 Subd. 18. **Usable cannabis.** "Usable cannabis" means any cannabis that is not
3.31 growing and does not include the weight of any non-cannabis ingredients combined
3.32 with cannabis, including ingredients added to prepare a topical administration, food,
3.33 drink, or pill.

3.34 Subd. 19. **Written certification.** "Written certification" means a document signed
3.35 and dated by a licensed practitioner stating, that in the practitioner's professional opinion,
3.36 the patient is likely to receive therapeutic or palliative benefit from the use of cannabis to

4.1 treat or alleviate the patient's debilitating medical condition. The practitioner must: (1)
4.2 specify the qualifying patient's debilitating medical condition in the written certification;
4.3 and (2) sign and date the written certification only in the course of a practitioner-patient
4.4 relationship after the practitioner has completed a full physical examination of the
4.5 qualifying patient and a full assessment of the qualifying patient's medical history and
4.6 current medical condition.

4.7 **Sec. 3. [152.23] LIMITATIONS.**

4.8 (a) Sections 152.22 to 152.38 do not permit any person to engage in and do not
4.9 prevent the imposition of any civil, criminal, or other penalties for:

4.10 (1) undertaking any task under the influence of cannabis that would constitute
4.11 negligence or professional malpractice;

4.12 (2) possessing or engaging in the use of cannabis:

4.13 (i) on a school bus;

4.14 (ii) on the grounds of any preschool or primary or secondary school; or

4.15 (iii) in any correctional facility;

4.16 (3) smoking cannabis;

4.17 (4) vaporizing cannabis:

4.18 (i) on any form of public transportation;

4.19 (ii) where the vapor would be inhaled by a minor child; or

4.20 (iii) in a public place, including any indoor or outdoor area used by or open to the
4.21 general public or a place of employment as defined under section 144.413, subdivision
4.22 1b; and

4.23 (5) operating, navigating, or being in actual physical control of any motor vehicle,
4.24 aircraft, train, or motorboat, or working on transportation property, equipment, or facilities
4.25 while under the influence of cannabis.

4.26 (b) Nothing in sections 152.22 to 152.38 requires the medical assistance and
4.27 MinnesotaCare programs to reimburse an enrollee or a provider for costs associated with
4.28 the medical use of cannabis.

4.29 **Sec. 4. [152.24] RULEMAKING.**

4.30 The commissioner shall adopt rules that set forth the procedures and methods for
4.31 implementing sections 152.22 to 152.38, including:

4.32 (1) receiving petitions from the public and requesting guidance from the Medical
4.33 Cannabis Advisory Council to add debilitating medical conditions or treatments to the list

5.1 of debilitating medical conditions in section 152.22, subdivision 7, and requiring public
5.2 notice of a public hearing, and the opportunity to comment upon any petition;
5.3 (2) establishing the form and content of registration and renewal applications and
5.4 forms submitted under sections 152.22 to 152.38;
5.5 (3) establishing a system to numerically score competing alternative treatment center
5.6 applicants that must include analysis of:
5.7 (i) the suitability of the proposed location and its accessibility for patients;
5.8 (ii) the character, veracity, background, and relevant experience of principal officers
5.9 and board members; and
5.10 (iii) the business plan proposed by the applicant, including its ability to maintain
5.11 an adequate supply of cannabis, plans to ensure safety and security of patrons and the
5.12 community, procedures to be used to prevent diversion, and any plan for making cannabis
5.13 available to low-income registered qualifying patients;
5.14 (4) establishing a system to consider applications for and renewals of registry
5.15 identification cards;
5.16 (5) establishing standards, in consultation with law enforcement personnel, for
5.17 cannabis organizations to prevent diversion and theft without imposing an undue burden
5.18 or compromising the confidentiality of cardholders, including:
5.19 (i) receiving applications for and renewals of registration certificates;
5.20 (ii) oversight requirements;
5.21 (iii) record-keeping requirements;
5.22 (iv) security requirements, including requirements for protection of each location
5.23 by a fully operational security alarm system, facility access controls, perimeter intrusion
5.24 detection systems, personnel identification system, and a 24-hour surveillance system that
5.25 is accessible by law enforcement and to the commissioner;
5.26 (v) safety requirements;
5.27 (vi) requirements and procedures for the safe and accurate packaging and labeling
5.28 of cannabis, including a list of all active ingredients, and in compliance with the United
5.29 States Poison Prevention Packing Act regarding child resistant packaging and exemptions
5.30 for packaging for elderly patients; and
5.31 (vii) requirements for the safe production and testing of cannabis;
5.32 (6) requirements for the testing and labeling of cannabis sold by alternative treatment
5.33 centers, including a numerical indication of potency based on the ratio of THC and CBD
5.34 to the weight of a cannabis product intended for oral consumption;
5.35 (7) establishing procedures and criteria for suspending or revoking the registration
5.36 certificates or registry identification cards of medical cannabis organizations or

6.1 cardholders who violate the provisions of sections 152.22 to 152.38 or the rules adopted
 6.2 under this section;

6.3 (8) establishing reasonable restrictions relating to signage, marketing, display, and
 6.4 advertising of cannabis;

6.5 (9) accepting and investigating complaints;

6.6 (10) conducting criminal background checks on principal officers and board
 6.7 members of alternative treatment centers and safety compliance facilities; and

6.8 (11) establishing a cannabis inventory tracking system.

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

6.10 **Sec. 5. [152.245] ADDITIONS TO THE LIST OF DEBILITATING MEDICAL**
 6.11 **CONDITIONS.**

6.12 If the commissioner adds a debilitating disease or medical condition, or its treatment
 6.13 to the list of debilitating medical conditions in section 152.22, subdivision 7, the
 6.14 commissioner shall notify in a timely manner the chairs and ranking minority members of
 6.15 the legislative policy committees having jurisdiction over health and criminal justice of
 6.16 the addition and the reasons for its addition, including any written comments received by
 6.17 the commissioner from the public and any guidance received from the Medical Cannabis
 6.18 Advisory Council. The added disease or condition remains in effect unless the legislature
 6.19 by law provides otherwise.

6.20 **Sec. 6. [152.25] REGISTRATION AND CERTIFICATION OF MEDICAL**
 6.21 **CANNABIS ORGANIZATIONS.**

6.22 Subdivision 1. **Registration.** Not later than 90 days after receiving an application
 6.23 for a medical cannabis organization, the commissioner shall register the prospective
 6.24 medical cannabis organization and issue a registration certificate and a random 20-digit
 6.25 alphanumeric identification number if all of the following conditions are satisfied:

6.26 (1) the prospective medical cannabis organization has submitted all of the following:

6.27 (i) the application fee for an alternative treatment center of \$15,000; if the
 6.28 application is not approved, \$14,000 will be refunded;

6.29 (ii) the application fee for a safety compliance facility of \$5,000; if the application
 6.30 is not approved, \$4,000 will be refunded;

6.31 (iii) an application, including:

6.32 (A) the legal name of the prospective medical cannabis organization;

7.1 (B) the physical address of the prospective medical cannabis organization that
7.2 indicates that it is not within 1,000 feet of a public or private school existing before the
7.3 date of the medical cannabis organization's application;

7.4 (C) the name, date of birth, and address of each principal officer and board member
7.5 of the proposed medical cannabis organization; and

7.6 (D) any additional information requested by the commissioner;

7.7 (iv) operating procedures consistent with rules for oversight of the proposed medical
7.8 cannabis organization, including procedures to ensure accurate record keeping and
7.9 adequate security measures; and

7.10 (v) if the county, home rule charter or statutory city, or town where the proposed
7.11 medical cannabis organization is located has enacted zoning restrictions, a sworn
7.12 statement certifying that the proposed medical cannabis organization is in compliance
7.13 with the restrictions;

7.14 (2) criminal background checks have been conducted on principal officers and board
7.15 members of the prospective medical cannabis organization;

7.16 (3) none of the principal officers or board members of the medical cannabis
7.17 organization has been convicted of a disqualifying felony offense or has served as a
7.18 principal officer or board member for a medical cannabis organization that has had its
7.19 registration certificate revoked;

7.20 (4) none of the principal officers or board members of the medical cannabis
7.21 organization is under 21 years of age; and

7.22 (5) if the proposed medical cannabis organization is an alternative treatment center
7.23 applicant, it is located in a county with more than 20,000 permanent residents and:

7.24 (i) the county does not already contain one alternative treatment center if it has a
7.25 population of 300,000 or fewer;

7.26 (ii) the county does not already contain two alternative treatment centers if the
7.27 county has a population of at least 300,000 and fewer than 1,000,000; and

7.28 (iii) the county does not already contain three alternative treatment centers if the
7.29 county has a population of at least 1,000,000.

7.30 Subd. 2. **Additional alternative treatment centers.** A county that is greater than
7.31 5,000 square miles may have two alternative treatment centers, regardless of population.

7.32 Subd. 3. **Commissioner discretion.** Subject to the limits specified in subdivisions 1
7.33 and 2, the commissioner may register alternative treatment centers at the commissioner's
7.34 discretion.

7.35 Subd. 4. **Competing applications.** When competing applications are submitted
7.36 for a proposed alternative treatment center within a single county, the commissioner shall

8.1 use the impartial and numerically scored competitive bidding process to determine which
8.2 application or applications among those competing will be approved.

8.3 Subd. 5. **Expiration.** All registration certificates expire one year after the date
8.4 of issue.

8.5 Subd. 6. **Renewal.** The commissioner shall issue a renewal registration certificate
8.6 within ten days of receipt of the prescribed renewal application and renewal fee equivalent
8.7 to the application fee required under subdivision 1 from a medical cannabis organization if
8.8 its registration certificate is not under suspension or has not been revoked.

8.9 Sec. 7. **[152.26] REGISTRY IDENTIFICATION CARDS.**

8.10 Subdivision 1. **Registration of qualifying patients and designated caregivers.** A
8.11 qualifying patient may apply to the commissioner for a registry identification card or for
8.12 the renewal of a registry identification card by submitting all of the following:

8.13 (1) written certification issued by a licensed practitioner within the 90 days
8.14 immediately preceding the date of application;

8.15 (2) the application fee of \$140, unless the patient receives Social Security disability
8.16 or Supplemental Security Insurance payments, or is enrolled in medical assistance and
8.17 then the fee is \$26; and

8.18 (3) an application, including:

8.19 (i) name, mailing address, and date of birth of the qualifying patient;

8.20 (ii) name, mailing address, and telephone number of the qualifying patient's
8.21 practitioner;

8.22 (iii) name, mailing address, and date of birth of the qualifying patient's designated
8.23 caregiver, if any;

8.24 (iv) a signed statement from the designated caregiver, if applicable, agreeing to be
8.25 the patient's designated caregiver and certifying that if the application is approved the
8.26 designated caregiver is not a registered designated caregiver for more than five registered
8.27 qualifying patients; and

8.28 (v) name of the qualifying patient's designated alternative treatment center.

8.29 The application fees in this subdivision are exempt from section 16A.1285,
8.30 subdivision 2.

8.31 Subd. 2. **Issuance.** (a) Except as provided in clause (2) and subdivision 4, the
8.32 commissioner shall:

8.33 (1) verify the information contained in an application or renewal submitted
8.34 according to sections 152.22 to 152.38 and approve or deny an application or renewal
8.35 within ten days of receiving a completed application or renewal; and

9.1 (2) issue a registry identification card to a qualifying patient and the patient's
9.2 designated caregiver, if applicable, within five days of approving the application or
9.3 renewal. A designated caregiver must have a registry identification card for each of the
9.4 caregiver's qualifying patients.

9.5 (b) The commissioner may not issue a registry identification card to a qualifying
9.6 patient who is under the age of 18 unless:

9.7 (1) the qualifying patient's practitioner has explained the potential risks and benefits
9.8 of the medical use of cannabis to the qualifying patient and to the parent, guardian, or
9.9 person having legal custody of the qualifying patient;

9.10 (2) at least two practitioners have issued a written certification within the 90 days
9.11 immediately preceding the date of application;

9.12 (3) the parent, guardian, or person having legal custody consents in writing to allow
9.13 the qualifying patient's medical use of cannabis; and

9.14 (4) a parent, guardian, or person having legal custody of the qualifying patient
9.15 consents in writing to:

9.16 (i) serve as the qualifying patient's designated caregiver; and

9.17 (ii) control the acquisition of cannabis, the dosage, and the frequency of the medical
9.18 use of the cannabis by the qualifying patient.

9.19 (c) The commissioner must maintain a public list of all registered alternative
9.20 treatment centers.

9.21 Subd. 3. **Contents of registry identification cards.** Registry identification cards for
9.22 qualifying patients and designated caregivers must contain all of the following:

9.23 (1) name and date of birth of the cardholder;

9.24 (2) a statement of whether the cardholder is a qualifying patient or a designated
9.25 caregiver;

9.26 (3) the date of issuance and expiration date of the registry identification card;

9.27 (4) a random 20-digit alphanumeric identification number that is unique to the
9.28 cardholder and contains at least four numbers and at least four letters;

9.29 (5) if the cardholder is a designated caregiver, the random identification number of
9.30 the registered qualifying patient the designated caregiver is assisting;

9.31 (6) a photograph taken in full-face view directly facing the camera of the cardholder;
9.32 and

9.33 (7) the name of the qualifying patient's designated alternative treatment center.

9.34 Subd. 4. **Denial of registry identification cards.** (a) The commissioner may deny
9.35 an application or renewal of a qualifying patient's registry identification card only if the
9.36 applicant:

10.1 (1) does not meet the requirements of section 152.22, subdivision 13;

10.2 (2) does not provide the information required;

10.3 (3) previously had a registry identification card revoked for violating sections
 10.4 152.22 to 152.38; or

10.5 (4) provides false information.

10.6 (b) The commissioner may deny an application or renewal of a designated
 10.7 caregiver's registry identification card only if the applicant:

10.8 (1) does not meet the requirements of section 152.22, subdivision 8;

10.9 (2) does not provide the information required;

10.10 (3) previously had a registry identification card revoked for violating sections
 10.11 152.22 to 152.38; or

10.12 (4) provides false information.

10.13 (c) The commissioner shall give written notice to the qualifying patient of the reason
 10.14 for denying a registry identification card to the qualifying patient or to the qualifying
 10.15 patient's designated caregiver.

10.16 (d) Denial of an application or renewal is considered a final decision of the
 10.17 commissioner and is subject to judicial review.

10.18 Subd. 5. **Expiration.** All registry identification cards expire one year after the
 10.19 date of issue.

10.20 Subd. 6. **Lost registry identification cards.** If a registry identification card is
 10.21 lost, the cardholder shall promptly notify the commissioner. Within five days of the
 10.22 notification, and upon payment of a \$25 fee, the commissioner shall issue a new registry
 10.23 identification card with a new random identification number to the cardholder and, if
 10.24 the cardholder is a registered qualifying patient, to the registered qualifying patient's
 10.25 registered designated caregiver, if applicable.

10.26 Sec. 8. **[152.27] NOTIFICATIONS.**

10.27 (a) A registered qualifying patient shall notify the commissioner within ten days
 10.28 of any change in the registered qualifying patient's name, mailing address, designated
 10.29 caregiver, or if the registered qualifying patient ceases to have a debilitating medical
 10.30 condition, or if the registered qualifying patient's registry identification card has been
 10.31 lost or stolen.

10.32 (b) A registered designated caregiver shall notify the commissioner within ten days
 10.33 of any name change or change in mailing address.

10.34 (c) A qualifying patient must notify the commissioner of any change in the
 10.35 qualifying patient's preferred designated alternative treatment center.

11.1 (d) If a cardholder notifies the commissioner of any changes listed in this section,
11.2 but remains eligible under sections 152.22 to 152.38, the commissioner shall issue the
11.3 cardholder a new registry identification card with new random 20-digit alphanumeric
11.4 identification numbers within ten days of receiving the updated information and a \$10
11.5 fee. If the person notifying the commissioner is a registered qualifying patient, the
11.6 commissioner shall also issue the patient's registered designated caregiver, if any, a new
11.7 registry identification card within ten days of receiving the updated information.

11.8 (e) A practitioner shall notify the commissioner when the practitioner no longer
11.9 believes that a registered qualifying patient for whom the practitioner has issued a written
11.10 certification:

11.11 (1) suffers from a debilitating medical condition; or

11.12 (2) will receive therapeutic or palliative benefit from the medical use of cannabis.

11.13 (f) When the registered qualifying patient's certifying practitioner notifies the
11.14 commissioner that either the registered qualifying patient has ceased to suffer from a
11.15 debilitating medical condition or that the practitioner no longer believes the patient would
11.16 receive therapeutic or palliative benefit from the medical use of cannabis, the card is
11.17 void upon notification to the qualifying patient by the commissioner, and the registered
11.18 qualifying patient has 15 days to dispose of any cannabis.

11.19 (g) When a registered qualifying patient ceases to be a registered qualifying patient
11.20 or changes the registered designated caregiver, the commissioner shall promptly notify the
11.21 designated caregiver that the caregiver's duties and rights under sections 152.22 to 152.38
11.22 for the qualifying patient expire three days after the commissioner sends notification.

11.23 (h) A medical cannabis organization shall notify the commissioner within one
11.24 business day of any theft or significant loss of cannabis.

11.25 (i) The commissioner shall notify all alternative treatment centers when a registry
11.26 identification card has been lost by either a qualifying patient or a designated caregiver, or
11.27 has been stolen. The notification must be given within five business days of the registry
11.28 identification card being reported to the commissioner as lost or stolen.

11.29 **Sec. 9. [152.28] MEDICAL CANNABIS ORGANIZATION REQUIREMENTS.**

11.30 (a) The operating documents of a medical cannabis organization must include
11.31 procedures for the oversight of the medical cannabis organization and procedures to
11.32 ensure accurate record keeping.

11.33 (b) A medical cannabis organization shall implement appropriate security measures
11.34 to deter and prevent the theft of cannabis and unauthorized entrance into areas containing
11.35 cannabis.

12.1 (c) All cultivation, harvesting, manufacturing, and packing of cannabis must take
 12.2 place in an enclosed, locked facility at a physical address provided to the commissioner
 12.3 during the registration process.

12.4 (d) A medical cannabis organization shall not share office space with or refer
 12.5 patients to a practitioner.

12.6 (e) A medical cannabis organization may not permit any person to consume cannabis
 12.7 on the property of a medical cannabis organization.

12.8 (f) Medical cannabis organizations are subject to reasonable inspection by the
 12.9 commissioner.

12.10 (g) A medical cannabis organization may not employ or otherwise allow any person
 12.11 who is under 21 years of age or who has been convicted of a disqualifying felony offense
 12.12 to be an agent of the medical cannabis organization. A medical cannabis organization shall
 12.13 request a criminal history background check on each agent before the agent may begin
 12.14 working with the medical cannabis organization.

12.15 (h) Before cannabis may be dispensed to a registered qualifying patient or a
 12.16 registered designated caregiver, a registered alternative treatment center agent must:

12.17 (1) verify that the registry identification card presented to the alternative treatment
 12.18 center is valid;

12.19 (2) verify that the person presenting the card is the person identified on the registry
 12.20 identification card presented to the alternative treatment center agent; and

12.21 (3) verify that the alternative treatment center where the card is being presented is
 12.22 the alternative treatment center designated by the qualifying patient.

12.23 (i) Information kept or maintained by a medical cannabis organization must identify
 12.24 cardholders by their registry identification numbers and must not contain names or other
 12.25 personally identifying information on cardholders.

12.26 **Sec. 10. [152.29] MEDICAL CANNABIS ORGANIZATION LOCATIONS.**

12.27 In addition to other zoning regulations applicable within a jurisdiction, a county,
 12.28 home rule charter or statutory city, or town may enact reasonable zoning regulations
 12.29 that limit the use of land for alternative treatment centers or safety compliance facilities
 12.30 to specified areas.

12.31 **Sec. 11. [152.30] NURSING FACILITIES.**

12.32 Nursing facilities licensed under chapter 144A, or boarding care homes licensed
 12.33 under section 144.50, may adopt reasonable restrictions on the medical use of cannabis by
 12.34 persons receiving services at the facility. The restrictions may include a provision that

13.1 the facility will not store or maintain the patient's supply of cannabis, that the facility is
13.2 not responsible for providing the cannabis for qualifying patients, and that cannabis be
13.3 consumed only in a place specified by the facility. Nothing contained in this section shall
13.4 require the facilities to adopt such restrictions, and no facility shall unreasonably limit a
13.5 qualifying patient's access to or medical use of cannabis.

13.6 Sec. 12. **[152.31] VERIFICATION SYSTEM.**

13.7 The commissioner shall establish a secure telephone or Web-based verification
13.8 system. The verification system must allow law enforcement personnel and registered
13.9 medical cannabis organizations to enter a registry identification number and determine
13.10 whether the number corresponds with a current, valid registry identification card. The
13.11 system may disclose only whether the identification card is valid, the name of the
13.12 cardholder, whether the cardholder is a qualifying patient or a designated caregiver, the
13.13 name of the qualifying patient's designated alternative treatment center, and the registry
13.14 identification number of any affiliated registered qualifying patient.

13.15 Sec. 13. **[152.32] ANNUAL REPORT.**

13.16 The commissioner shall report annually to the legislature on the number of
13.17 applications for registry identification cards, the number of qualifying patients and
13.18 designated caregivers approved, the nature of the debilitating medical conditions of the
13.19 qualifying patients, the number of registry identification cards revoked, and the number of
13.20 practitioners providing written certification for qualifying patients. The commissioner
13.21 must not include identifying information on qualifying patients, designated caregivers, or
13.22 practitioners in the report.

13.23 Sec. 14. **[152.33] DATA PRACTICES.**

13.24 (a) Data in registration applications and supporting data submitted by qualifying
13.25 patients, designated caregivers, medical cannabis organizations, and practitioners, are
13.26 private data on individuals or nonpublic data as defined in section 13.02.

13.27 (b) Government data of the commissioner under sections 152.22 to 152.45 may not
13.28 be used for any purpose not provided for in those sections and may not be combined or
13.29 linked in any manner with any other list or database.

13.30 (c) Data classified under paragraph (a) may be disclosed as necessary for:

13.31 (1) the verification of registration certificates and registry identification cards
13.32 pursuant to section 152.31;

14.1 (2) notification to state or local law enforcement of suspected criminal violations of
 14.2 sections 152.22 to 152.38;

14.3 (3) notification to state or local law enforcement about falsified or fraudulent
 14.4 information submitted for purposes of obtaining or renewing a registry identification card;

14.5 (4) notification to the Board of Medical Practice or the Board of Nursing if there is
 14.6 reason to believe that a practitioner provided a written certification without completing a
 14.7 full assessment of the qualifying patient's medical history and current medical condition or
 14.8 if the commissioner has reason to believe the practitioner otherwise violated the standard
 14.9 of care for evaluating medical conditions;

14.10 (5) purposes of complying with chapter 13; and

14.11 (6) purposes of complying with a request from the legislative auditor or the state
 14.12 auditor in the performance of official duties.

14.13 (d) The commissioner may confirm the cardholder's status as a registered qualifying
 14.14 patient or a registered designated caregiver to a third party with the cardholder's informed
 14.15 consent.

14.16 Sec. 15. **[152.34] PROTECTIONS FOR THE MEDICAL USE OF CANNABIS.**

14.17 Subdivision 1. **Presumption.** (a) There is a presumption that a qualifying patient
 14.18 or designated caregiver is engaged in the authorized medical use of cannabis pursuant to
 14.19 sections 152.22 to 152.38. The presumption exists if the qualifying patient or designated
 14.20 caregiver:

14.21 (1) is in possession of a registry identification card; and

14.22 (2) is in possession of an amount of cannabis that does not exceed the allowable
 14.23 amount of cannabis.

14.24 (b) The presumption may be rebutted by evidence that conduct related to the medical
 14.25 use of cannabis was not for the purpose of treating or alleviating the qualifying patient's
 14.26 debilitating medical condition or symptoms associated with the qualifying patient's
 14.27 debilitating medical condition pursuant to sections 152.22 to 152.38.

14.28 Subd. 2. **Qualifying patient and designated caregiver.** A registered qualifying
 14.29 patient or registered designated caregiver who possesses a valid registry identification card
 14.30 is not subject to arrest, prosecution, or penalty in any manner, including any civil penalty,
 14.31 or denial of any right or privilege, or disciplinary action by a court or occupational or
 14.32 professional licensing board or bureau for:

14.33 (1) the registered qualifying patient's medical use of cannabis pursuant to sections
 14.34 152.22 to 152.38, if the registered qualifying patient does not possess more than the
 14.35 allowable amount of cannabis;

15.1 (2) the registered designated caregiver assisting a registered qualifying patient to
15.2 whom the caregiver is connected through the commissioner's registration process with
15.3 the registered qualifying patient's medical use of cannabis pursuant to sections 152.22 to
15.4 152.38, if the registered qualifying patient does not possess more than the allowable
15.5 amount of cannabis;

15.6 (3) reimbursement by a registered qualifying patient to the patient's registered
15.7 designated caregiver for direct costs incurred by the registered designated caregiver for
15.8 assisting with the registered qualifying patient's medical use of cannabis;

15.9 (4) transferring cannabis to a safety compliance facility for testing;

15.10 (5) compensating an alternative treatment center or a safety compliance facility
15.11 for goods or services provided; or

15.12 (6) offering or providing cannabis to a registered qualifying patient or a registered
15.13 designated caregiver for a registered qualifying patient's medical use.

15.14 Subd. 3. **Dismissal of charges.** If a qualifying patient or a designated caregiver who
15.15 is not in possession of a registry identification card is arrested for possession of an amount
15.16 of cannabis that does not exceed the allowable amount or is charged with this, the patient
15.17 or caregiver shall be released from custody and the charges dismissed upon production of
15.18 a valid registry identification card issued in the person's name.

15.19 Subd. 4. **Practitioner.** A practitioner may not be subject to arrest, prosecution,
15.20 or penalty in any manner, or denied any right or privilege, including civil penalty or
15.21 disciplinary action by the Board of Medical Practice or the Board of Nursing or by
15.22 another business, occupational, or professional licensing board or entity, based solely
15.23 on providing written certifications or for otherwise stating that, in the practitioner's
15.24 professional opinion, a patient is likely to receive therapeutic or palliative benefit from the
15.25 medical use of cannabis to treat or alleviate the patient's debilitating medical condition
15.26 or symptoms associated with the debilitating medical condition. Nothing in sections
15.27 152.22 to 152.38 prevents a professional licensing board from sanctioning a practitioner
15.28 for failing to properly evaluate a patient's medical condition or otherwise violating the
15.29 standard of care for evaluating medical conditions.

15.30 Subd. 5. **Legal counsel.** An attorney may not be subject to disciplinary action by the
15.31 Minnesota State Bar Association or other professional licensing association for providing
15.32 legal assistance to prospective or registered alternative treatment centers, prospective or
15.33 registered safety compliance facilities, or others related to activity that is no longer subject
15.34 to criminal penalties under state law pursuant to sections 152.22 to 152.38.

15.35 Subd. 6. **Arrest and prosecution prohibited.** No person may be subject to arrest,
15.36 prosecution, or penalty in any manner, or denied any right or privilege, including any

16.1 civil penalty or disciplinary action by a court or occupational or professional licensing
 16.2 board or bureau, for:

16.3 (1) providing or selling cannabis paraphernalia to a cardholder or to a medical
 16.4 cannabis organization upon presentation of a valid registry identification card or
 16.5 registration certificate; or

16.6 (2) being in the presence or vicinity of the medical use of cannabis authorized under
 16.7 sections 152.22 to 152.38.

16.8 Subd. 7. **Alternative treatment center.** (a) An alternative treatment center or an
 16.9 alternative treatment center's agent is not subject to prosecution, search, or inspection,
 16.10 except by the commissioner pursuant to section 152.28, paragraph (f); seizure; or penalty
 16.11 in any manner; and may not be denied any right or privilege, including civil penalty or
 16.12 disciplinary action by a court or business licensing board or entity; for acting pursuant to
 16.13 sections 152.22 to 152.38, and rules authorized by sections 152.22 to 152.38 to:

16.14 (1) possess, plant, propagate, cultivate, grow, harvest, produce, process,
 16.15 manufacture, compound, convert, prepare, pack, repack, or store cannabis;

16.16 (2) possess, produce, store, or transport cannabis paraphernalia;

16.17 (3) purchase or obtain cannabis seeds from a cardholder or an entity that is registered
 16.18 to distribute cannabis under the laws of another state;

16.19 (4) deliver, transfer, or transport cannabis, cannabis paraphernalia, or related supplies
 16.20 and educational materials to or from other medical cannabis organizations;

16.21 (5) compensate a safety compliance facility for services or goods provided;

16.22 (6) purchase or otherwise acquire cannabis from another registered alternative
 16.23 treatment center; or

16.24 (7) dispense, supply, or sell, or deliver cannabis, cannabis paraphernalia, or
 16.25 related supplies and educational materials to registered qualifying patients, to registered
 16.26 designated caregivers on behalf of registered qualifying patients, or to other alternative
 16.27 treatment centers.

16.28 (b) The immunity provided in paragraph (a) does not apply to activities that are
 16.29 not permitted under sections 152.22 to 152.38, and rules authorized by sections 152.22
 16.30 to 152.38.

16.31 Subd. 8. **Safety compliance facility.** (a) A safety compliance facility or a safety
 16.32 compliance facility agent is not subject to prosecution, search, or inspection, except by the
 16.33 commissioner pursuant to section 152.28, paragraph (g); seizure; or penalty in any manner;
 16.34 and may not be denied any right or privilege, including civil penalty or disciplinary action
 16.35 by a court or business licensing board or entity; for acting pursuant to sections 152.22 to
 16.36 152.38 and rules authorized by sections 152.22 to 152.38, to provide the following services:

- 17.1 (1) acquiring, possessing, or transporting cannabis obtained from registry
17.2 identification cardholders or medical cannabis organizations;
17.3 (2) returning the cannabis to the registry identification cardholder or medical
17.4 cannabis organization from whom it was obtained;
17.5 (3) producing or selling educational materials related to cannabis;
17.6 (4) producing, possessing, selling, or transporting cannabis paraphernalia and
17.7 equipment or materials other than cannabis to medical cannabis organizations or to
17.8 cardholders, including lab equipment and packaging materials;
17.9 (5) testing cannabis, including for potency, pesticides, mold, or contaminants;
17.10 (6) providing training to cardholders; or
17.11 (7) receiving compensation for services or goods other than cannabis provided
17.12 under sections 152.22 to 152.38.

17.13 (b) The immunity provided in paragraph (a) does not apply to activities that are
17.14 not permitted under sections 152.22 to 152.38, and rules authorized by sections 152.22
17.15 to 152.38.

17.16 Subd. 9. **Property rights.** Any interest in or right to property that is lawfully
17.17 possessed, owned, or used in connection with the medical use of cannabis as authorized in
17.18 sections 152.22 to 152.38, or acts incidental to such use, is not forfeited under sections
17.19 609.531 to 609.5318.

17.20 Subd. 10. **Discrimination prohibited.** (a) No school or landlord may refuse to
17.21 enroll or lease to and may not otherwise penalize a person solely for the person's status
17.22 as a cardholder, unless failing to do so would violate federal law or regulations or cause
17.23 the school or landlord to lose a monetary or licensing-related benefit under federal law
17.24 or regulations.

17.25 (b) For the purposes of medical care, including organ transplants, a registered
17.26 qualifying patient's medical use of cannabis according to sections 152.22 to 152.38 is
17.27 considered the equivalent of the authorized use of any other medication used at the
17.28 discretion of a physician and does not constitute the use of an illicit substance or otherwise
17.29 disqualify a qualifying patient from needed medical care.

17.30 (c) Unless a failure to do so would violate federal law or regulations or cause an
17.31 employer to lose a monetary or licensing-related benefit under federal law or regulations,
17.32 an employer may not discriminate against a person in hiring, termination, or any term or
17.33 condition of employment, or otherwise penalize a person, if the discrimination is based
17.34 upon either of the following:

17.35 (1) the person's status as a registered qualifying patient or a registered designated
17.36 caregiver; or

18.1 (2) a registered qualifying patient's positive drug test for cannabis components
18.2 or metabolites, unless the patient used, possessed, or was impaired by cannabis on the
18.3 premises of the place of employment or during the hours of employment.

18.4 (d) A person shall not be denied custody of or visitation rights or parenting time
18.5 with a minor solely for the person's status as a registered qualifying patient or a registered
18.6 designated caregiver, and there shall be no presumption of neglect or child endangerment
18.7 for conduct allowed under sections 152.22 to 152.38, unless the person's behavior is
18.8 such that it creates an unreasonable danger to the safety of the minor as established by
18.9 clear and convincing evidence.

18.10 Subd. 11. **Card as probable cause.** Possession of or application for a registry
18.11 identification card by a person entitled to possess or apply for the card does not constitute
18.12 probable cause or reasonable suspicion, nor shall it be used to support a search of the
18.13 person or property of the person possessing or applying for the registry identification
18.14 card, or otherwise subject the person or property of the person to inspection by any
18.15 governmental agency.

18.16 Sec. 16. **[152.36] SUSPENSION AND REVOCATION.**

18.17 Subdivision 1. **Suspension or revocation of registration certificate.** The
18.18 commissioner may by motion or on complaint, after investigation and opportunity
18.19 for a public hearing at which the medical cannabis organization has been afforded an
18.20 opportunity to be heard, suspend or revoke a registration certificate for multiple negligent
18.21 violations or for a serious and knowing violation by the registrant or any of its agents of
18.22 sections 152.22 to 152.38, or any rules adopted pursuant to section 152.24.

18.23 Subd. 2. **Notice.** The commissioner shall provide notice of suspension, revocation,
18.24 fine, or other sanction, as well as the required notice of the hearing, by mailing the same
18.25 in writing to the registered organization at the address on the registration certificate. A
18.26 suspension shall not be longer than six months.

18.27 Subd. 3. **Suspensions.** An alternative medical center may continue to cultivate and
18.28 possess cannabis during a suspension, but it may not dispense, transfer, or sell cannabis.

18.29 Subd. 4. **Diversion by medical cannabis organization.** The commissioner shall
18.30 immediately revoke the registration certificate of a medical cannabis organization that
18.31 violates section 152.37, subdivision 2, and its board members and principal officers may not
18.32 serve as board members or principal officers for any other medical cannabis organization.

18.33 Subd. 5. **Diversion by cardholder.** The commissioner shall immediately revoke the
18.34 registry identification card of any cardholder who transfers cannabis to a person who is not

19.1 allowed to possess cannabis for medical purposes under sections 152.22 to 152.38, and the
19.2 cardholder is disqualified from further participation under sections 152.22 to 152.38.

19.3 Subd. 6. **Revocation of registry identification card.** The commissioner may
19.4 revoke the registry identification card of any registered qualifying patient or registered
19.5 designated caregiver who knowingly commits a serious violation of this chapter.

19.6 Subd. 7. **Judicial review.** Revocation is a final decision of the commissioner,
19.7 subject to judicial review.

19.8 Sec. 17. **[152.37] VIOLATIONS.**

19.9 Subdivision 1. **Failure to provide required notice; civil penalty.** A registered
19.10 qualifying patient, designated caregiver, or registered organization that willfully fails to
19.11 provide a notice required by section 152.27 is guilty of a petty misdemeanor, punishable
19.12 by a fine of no more than \$150.

19.13 Subd. 2. **Intentional diversion; criminal penalty.** In addition to any other
19.14 applicable penalty in law, a medical cannabis organization or an agent of a medical
19.15 cannabis organization who intentionally transfers cannabis to a person other than a
19.16 qualifying patient, a designated caregiver, or a medical cannabis organization or its
19.17 agent is guilty of a felony punishable by imprisonment for not more than two years or
19.18 by payment of a fine of not more than \$3,000, or both. A person convicted under this
19.19 subdivision may not continue to be affiliated with the medical cannabis organization and
19.20 is disqualified from further participation under sections 152.22 to 152.38.

19.21 Subd. 3. **Diversion by cardholder; criminal penalty.** In addition to any other
19.22 applicable penalty in law, a registered qualifying patient or registered designated caregiver
19.23 who intentionally sells or otherwise transfers cannabis to a person other than a qualifying
19.24 patient or a designated caregiver is guilty of a felony punishable by imprisonment for not
19.25 more than two years or by payment of a fine of not more than \$3,000, or both.

19.26 Subd. 4. **Transfer of registry identification card; criminal penalty.** In addition to
19.27 any other applicable penalty in law, a qualifying patient or designated caregiver who sells,
19.28 transfers, loans, or otherwise gives another person the qualifying patient's or designated
19.29 caregiver's registry identification card, or a person who without authority uses another's
19.30 card, is guilty of a felony and may be sentenced to imprisonment for not more than two
19.31 years, or payment of a fine of not more than \$3,000, or both.

19.32 Subd. 5. **False statement; criminal penalty.** A person who intentionally makes a
19.33 false statement to a law enforcement official about any fact or circumstance relating to
19.34 the medical use of cannabis to avoid arrest or prosecution is guilty of a misdemeanor
19.35 punishable by imprisonment for not more than 90 days or by payment of a fine of not

20.1 more than \$1,000, or both. The penalty is in addition to any other penalties that may
20.2 apply for making a false statement or for the possession, cultivation, or sale of cannabis
20.3 not protected by sections 152.22 to 152.38. If a person convicted of violating this section
20.4 is a qualifying patient or a designated caregiver, the person is disqualified from further
20.5 participation under sections 152.22 to 152.38.

20.6 Subd. 6. **Submission of false records; criminal penalty.** A person who knowingly
20.7 submits false records or documentation required by the commissioner to certify a medical
20.8 cannabis organization under sections 152.22 to 152.38 is guilty of a felony and may
20.9 be sentenced to imprisonment for not more than two years, or payment of a fine of not
20.10 more than \$3,000, or both.

20.11 Subd. 7. **Violation by practitioner; criminal penalty.** A practitioner who
20.12 knowingly refers patients to a medical cannabis organization or to a designated caregiver,
20.13 who advertises in a medical cannabis organization, or who issues written certifications
20.14 while holding a financial interest in a medical cannabis organization is guilty of a
20.15 misdemeanor and may be sentenced to imprisonment for not more than 90 days, or
20.16 payment of a fine of not more than \$1,000, or both.

20.17 Subd. 8. **Breach of confidentiality; criminal penalty.** It is a misdemeanor for any
20.18 person, including the commissioner or another state agency or local government, to breach
20.19 the confidentiality of information obtained pursuant to sections 152.22 to 152.38.

20.20 Subd. 9. **Other violations; civil penalty.** A medical cannabis organization shall
20.21 be fined up to \$1,000 for any violation of sections 152.22 to 152.38, or the regulations
20.22 issued pursuant to them, where no penalty has been specified. This penalty is in addition
20.23 to any other applicable penalties in law.

20.24 Subd. 10. **Unauthorized use of cannabis; civil penalty.** A registered qualifying
20.25 patient who smokes cannabis is subject to a civil penalty punishable by a fine of no more
20.26 than \$200.

20.27 Sec. 18. **[152.38] IMPLEMENTATION.**

20.28 The commissioner must begin issuing registry identification cards and registration
20.29 certificates under sections 152.22 to 152.37 by July 1, 2015.

20.30 Sec. 19. **[152.39] FEES.**

20.31 (a) The fees in sections 152.22 to 152.38 are deposited in the state government
20.32 special revenue fund for use by the commissioner to administer sections 152.22 to 152.38.

21.1 (b) The total fees collected must generate revenues sufficient to implement and
 21.2 administer sections 152.22 to 152.38, except fee revenue may be offset or supplemented
 21.3 by private donations.

21.4 (c) The total amount of revenue from registration certificate application and renewal
 21.5 fees must be sufficient to implement and administer the provisions of sections 152.22 to
 21.6 152.38 relating to medical cannabis organizations, including the verification system,
 21.7 except fee revenue may be offset or supplemented by private donations.

21.8 (d) The commissioner may establish a sliding scale of patient application and
 21.9 renewal fees based upon a qualifying patient's household income.

21.10 (e) The commissioner may accept private donations to reduce application and
 21.11 renewal fees.

21.12 **Sec. 20. [152.40] MEDICAL CANNABIS ADVISORY COUNCIL.**

21.13 Subdivision 1. **Membership.** The Medical Cannabis Advisory Council consists
 21.14 of the following nine members:

21.15 (1) four health care practitioners with experience in treating patients with debilitating
 21.16 medical conditions, appointed by the commissioner of health;

21.17 (2) a representative of patients with debilitating medical conditions, appointed by
 21.18 the commissioner of health;

21.19 (3) the commissioner of public safety or a designee;

21.20 (4) the commissioner of health or a designee;

21.21 (5) the commissioner of human services or a designee; and

21.22 (6) a chemist or other scientist with professional expertise in evaluating the
 21.23 properties and qualities of cannabis, appointed by the commissioner of health.

21.24 Subd. 2. **Duties.** The advisory council shall:

21.25 (1) make recommendations to the commissioner and the legislature on implementing
 21.26 sections 152.22 to 152.39;

21.27 (2) assist the commissioner in reviewing petitions to add medical conditions,
 21.28 symptoms, or treatments to the list of debilitating medical conditions;

21.29 (3) provide recommendations on rules to be adopted;

21.30 (4) investigate and make recommendations related to the effectiveness of alternative
 21.31 treatment centers, individually and collectively, in serving the needs of qualifying patients;

21.32 (5) investigate and make recommendations related to the sufficiency of the
 21.33 regulatory and security safeguards adopted; and

21.34 (6) investigate and make recommendations related to best practices in other states
 21.35 that allow for the medical use of cannabis.

22.1 Subd. 3. **Governance.** The council shall be governed by section 15.059.

22.2 Subd. 4. **Chair; meetings.** The commissioner of health or the commissioner's
 22.3 designee shall serve as chair of the council and must convene meetings at least quarterly.
 22.4 A quorum is not required for council action.

22.5 Subd. 5. **Reports.** The council must report to the commissioner of health on an
 22.6 ongoing basis on the actions of the council, and must consult with the commissioner in the
 22.7 preparation of the report to the legislature under section 152.45.

22.8 Subd. 6. **Staffing.** The commissioner of health must provide staffing and
 22.9 administrative support to the council as needed for the council to fulfill its duties.

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

22.11 Sec. 21. **[152.45] ASSESSMENT OF THE MEDICINAL USE OF CANNABIS.**

22.12 (a) The commissioner of health, in consultation with the Medical Cannabis Advisory
 22.13 Council, shall assess the impacts of the use of cannabis for medical purposes in Minnesota.
 22.14 The assessment must address issues and concerns identified by community representatives
 22.15 with particular emphasis on:

22.16 (1) program design and implementation, including verification procedures and
 22.17 provisions to prevent diversion;

22.18 (2) patient experiences;

22.19 (3) impact on the health care provider community;

22.20 (4) impact on substance abuse;

22.21 (5) access to and quality of product;

22.22 (6) law enforcement activities and concerns;

22.23 (7) public awareness and perception; and

22.24 (8) any unintended consequences.

22.25 (b) The commissioner of health shall submit a biennial assessment report on the
 22.26 issues identified in paragraph (a), and any other issue identified by the commissioner or the
 22.27 advisory council to the chairs and ranking minority members of the legislative committees
 22.28 and divisions with jurisdiction over health and human services, judiciary, and civil law
 22.29 with the first report due February 15, 2015, and every other February 15th thereafter.

22.30 (c) As part of the report submitted on February 15, 2015, the commissioner of
 22.31 health shall include (1) an assessment of experiences of other states with current medical
 22.32 cannabis programs; (2) a review of existing medical research and literature on the
 22.33 necessary amounts of product and the effectiveness of different delivery systems; and (3)
 22.34 development of a method to track practitioners who are providing written certifications

23.1 to registered qualifying patients, and the debilitating medical conditions that have been
 23.2 certified by these practitioners.

23.3 (d) Each January 15, beginning January 15, 2015, and ending January 15, 2019,
 23.4 the commissioner of public safety shall report on the costs incurred by the Department
 23.5 of Public Safety and other law enforcement entities on implementing sections 152.22 to
 23.6 152.40, and the commissioner of health shall report on the costs incurred by the Department
 23.7 of Health in implementing sections 152.22 to 152.40. The reports must compare actual
 23.8 costs to the estimated costs of implementing these sections and must be submitted to the
 23.9 chairs and ranking minority members of the legislative committees and divisions with
 23.10 jurisdiction over health and human services and criminal justice policy and funding.

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

23.12 Sec. 22. Minnesota Statutes 2012, section 256B.0625, subdivision 13d, is amended to
 23.13 read:

23.14 Subd. 13d. **Drug formulary.** (a) The commissioner shall establish a drug
 23.15 formulary. Its establishment and publication shall not be subject to the requirements of the
 23.16 Administrative Procedure Act, but the Formulary Committee shall review and comment
 23.17 on the formulary contents.

23.18 (b) The formulary shall not include:

23.19 (1) drugs, active pharmaceutical ingredients, or products for which there is no
 23.20 federal funding;

23.21 (2) over-the-counter drugs, except as provided in subdivision 13;

23.22 (3) drugs or active pharmaceutical ingredients used for weight loss, except that
 23.23 medically necessary lipase inhibitors may be covered for a recipient with type II diabetes;

23.24 (4) drugs or active pharmaceutical ingredients when used for the treatment of
 23.25 impotence or erectile dysfunction;

23.26 (5) drugs or active pharmaceutical ingredients for which medical value has not
 23.27 been established; and

23.28 (6) drugs from manufacturers who have not signed a rebate agreement with the
 23.29 Department of Health and Human Services pursuant to section 1927 of title XIX of the
 23.30 Social Security Act; and

23.31 (7) cannabis as defined in section 152.22.

23.32 (c) If a single-source drug used by at least two percent of the fee-for-service
 23.33 medical assistance recipients is removed from the formulary due to the failure of the
 23.34 manufacturer to sign a rebate agreement with the Department of Health and Human
 23.35 Services, the commissioner shall notify prescribing practitioners within 30 days of

24.1 receiving notification from the Centers for Medicare and Medicaid Services (CMS) that a
24.2 rebate agreement was not signed.

24.3 Sec. 23. **ADVISORY COUNCIL INITIAL APPOINTMENTS; INITIAL**
24.4 **MEETING.**

24.5 The commissioner of health shall make initial appointments to the Medical Cannabis
24.6 Advisory Council established in Minnesota Statutes, section 152.40, by July 15, 2014, and
24.7 shall convene the first meeting of the council by August 1, 2014.

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

24.9 Sec. 24. **APPROPRIATIONS.**

24.10 (a) \$3,516,000 in fiscal year 2015 is appropriated from the state government special
24.11 revenue fund to the commissioner of health to implement Minnesota Statutes, sections
24.12 152.22 to 152.45. The base for this appropriation is \$2,897,000 in fiscal year 2016 and
24.13 \$2,357,000 in fiscal year 2017.

24.14 (b) \$117,000 in fiscal year 2015 is appropriated from the state government special
24.15 revenue fund to the commissioner of health to conduct the assessment of the medicinal
24.16 use of cannabis as described in section 21. The base for this appropriation is \$124,000
24.17 in fiscal years 2016 and 2017. The commissioner of health shall execute an interagency
24.18 agreement to transfer \$609,000 in fiscal year 2015 to the commissioner of public safety
24.19 for enforcement activities related to Minnesota Statutes, sections 152.22 to 152.45. The
24.20 base for this purpose is \$609,000 in fiscal years 2016 and 2017.

24.21 Sec. 25. **EFFECTIVE DATE.**

24.22 Sections 1 to 3, 5 to 19, and 22 are effective July 1, 2014.