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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 3875

03/03/2022 Authored by Edelson
The bill was read for the first time and referred to the Committee on Health Finance and Policy

1.1 A bill for an act
1.2 relating to health; allowing third-party testing laboratory staff to transport medical
1.3 cannabis to a testing laboratory; amending Minnesota Statutes 2020, section 152.29,
1.4 subdivision 3a; Minnesota Statutes 2021 Supplement, section 152.29, subdivision
1.5 1.

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

1.7 Section 1. Minnesota Statutes 2021 Supplement, section 152.29, subdivision 1, is amended
1.8 to read:

1.9 Subdivision 1. **Manufacturer; requirements.** (a) A manufacturer may operate eight
1.10 distribution facilities, which may include the manufacturer's single location for cultivation,
1.11 harvesting, manufacturing, packaging, and processing but is not required to include that
1.12 location. The commissioner shall designate the geographical service areas to be served by
1.13 each manufacturer based on geographical need throughout the state to improve patient
1.14 access. A manufacturer shall not have more than two distribution facilities in each
1.15 geographical service area assigned to the manufacturer by the commissioner. A manufacturer
1.16 shall operate only one location where all cultivation, harvesting, manufacturing, packaging,
1.17 and processing of medical cannabis shall be conducted. This location may be one of the
1.18 manufacturer's distribution facility sites. The additional distribution facilities may dispense
1.19 medical cannabis and medical cannabis products but may not contain any medical cannabis
1.20 in a form other than those forms allowed under section 152.22, subdivision 6, and the
1.21 manufacturer shall not conduct any cultivation, harvesting, manufacturing, packaging, or
1.22 processing at the other distribution facility sites. Any distribution facility operated by the
1.23 manufacturer is subject to all of the requirements applying to the manufacturer under sections
1.24 152.22 to 152.37, including, but not limited to, security and distribution requirements.

2.1 (b) A manufacturer may acquire hemp grown in this state from a hemp grower, and may
2.2 acquire hemp products produced by a hemp processor. A manufacturer may manufacture
2.3 or process hemp and hemp products into an allowable form of medical cannabis under
2.4 section 152.22, subdivision 6. Hemp and hemp products acquired by a manufacturer under
2.5 this paragraph are subject to the same quality control program, security and testing
2.6 requirements, and other requirements that apply to medical cannabis under sections 152.22
2.7 to 152.37 and Minnesota Rules, chapter 4770.

2.8 (c) A medical cannabis manufacturer shall contract with a laboratory approved by the
2.9 commissioner, subject to any additional requirements set by the commissioner, for purposes
2.10 of testing medical cannabis manufactured or hemp or hemp products acquired by the medical
2.11 cannabis manufacturer as to content, contamination, and consistency to verify the medical
2.12 cannabis meets the requirements of section 152.22, subdivision 6. The laboratory must
2.13 collect, or contract with a third-party that is not a manufacturer to collect, from the
2.14 manufacturer's production facility the medical cannabis samples it will test. The cost of
2.15 laboratory sample collections and testing shall be paid by the manufacturer.

2.16 (d) The operating documents of a manufacturer must include:

2.17 (1) procedures for the oversight of the manufacturer and procedures to ensure accurate
2.18 record keeping;

2.19 (2) procedures for the implementation of appropriate security measures to deter and
2.20 prevent the theft of medical cannabis and unauthorized entrance into areas containing medical
2.21 cannabis; and

2.22 (3) procedures for the delivery and transportation of hemp between hemp growers and
2.23 manufacturers and for the delivery and transportation of hemp products between hemp
2.24 processors and manufacturers.

2.25 (e) A manufacturer shall implement security requirements, including requirements for
2.26 the delivery and transportation of hemp and hemp products, protection of each location by
2.27 a fully operational security alarm system, facility access controls, perimeter intrusion
2.28 detection systems, and a personnel identification system.

2.29 (f) A manufacturer shall not share office space with, refer patients to a health care
2.30 practitioner, or have any financial relationship with a health care practitioner.

2.31 (g) A manufacturer shall not permit any person to consume medical cannabis on the
2.32 property of the manufacturer.

2.33 (h) A manufacturer is subject to reasonable inspection by the commissioner.

3.1 (i) For purposes of sections 152.22 to 152.37, a medical cannabis manufacturer is not
3.2 subject to the Board of Pharmacy licensure or regulatory requirements under chapter 151.

3.3 (j) A medical cannabis manufacturer may not employ any person who is under 21 years
3.4 of age or who has been convicted of a disqualifying felony offense. An employee of a
3.5 medical cannabis manufacturer must submit a completed criminal history records check
3.6 consent form, a full set of classifiable fingerprints, and the required fees for submission to
3.7 the Bureau of Criminal Apprehension before an employee may begin working with the
3.8 manufacturer. The bureau must conduct a Minnesota criminal history records check and
3.9 the superintendent is authorized to exchange the fingerprints with the Federal Bureau of
3.10 Investigation to obtain the applicant's national criminal history record information. The
3.11 bureau shall return the results of the Minnesota and federal criminal history records checks
3.12 to the commissioner.

3.13 (k) A manufacturer may not operate in any location, whether for distribution or
3.14 cultivation, harvesting, manufacturing, packaging, or processing, within 1,000 feet of a
3.15 public or private school existing before the date of the manufacturer's registration with the
3.16 commissioner.

3.17 (l) A manufacturer shall comply with reasonable restrictions set by the commissioner
3.18 relating to signage, marketing, display, and advertising of medical cannabis.

3.19 (m) Before a manufacturer acquires hemp from a hemp grower or hemp products from
3.20 a hemp processor, the manufacturer must verify that the hemp grower or hemp processor
3.21 has a valid license issued by the commissioner of agriculture under chapter 18K.

3.22 (n) Until a state-centralized, seed-to-sale system is implemented that can track a specific
3.23 medical cannabis plant from cultivation through testing and point of sale, the commissioner
3.24 shall conduct at least one unannounced inspection per year of each manufacturer that includes
3.25 inspection of:

3.26 (1) business operations;

3.27 (2) physical locations of the manufacturer's manufacturing facility and distribution
3.28 facilities;

3.29 (3) financial information and inventory documentation, including laboratory testing
3.30 results; and

3.31 (4) physical and electronic security alarm systems.

4.1 Sec. 2. Minnesota Statutes 2020, section 152.29, subdivision 3a, is amended to read:

4.2 Subd. 3a. **Transportation of medical cannabis; staffing.** (a) A medical cannabis
4.3 manufacturer may staff a transport motor vehicle with only one employee if the medical
4.4 cannabis manufacturer is transporting medical cannabis to ~~either a certified laboratory for~~
4.5 ~~the purpose of testing or~~ a facility for the purpose of disposal. If the medical cannabis
4.6 manufacturer is transporting medical cannabis for any other purpose or destination, the
4.7 transport motor vehicle must be staffed with a minimum of two employees as required by
4.8 rules adopted by the commissioner. A third-party testing laboratory may staff a transport
4.9 motor vehicle with one or more employees when transporting medical cannabis from a
4.10 manufacturer's production facility to the testing laboratory for the purpose of testing samples.

4.11 (b) Notwithstanding paragraph (a), a medical cannabis manufacturer that is only
4.12 transporting hemp for any purpose may staff the transport motor vehicle with only one
4.13 employee.