

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 1179

(SENATE AUTHORS: KORAN, Abeler and Bigham)

DATE	D-PG	OFFICIAL STATUS
02/18/2021	458	Introduction and first reading Referred to Health and Human Services Finance and Policy
03/01/2021	629	Author added Abeler
03/04/2021	641a	Comm report: To pass as amended
	674	Second reading
03/17/2021	960	Author added Bigham

1.1 A bill for an act

1.2 relating to health; modifying operation of the medical cannabis program; amending

1.3 Minnesota Statutes 2020, sections 152.22, by adding a subdivision; 152.29,

1.4 subdivisions 1, 3, by adding subdivisions; 152.31.

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

1.6 Section 1. Minnesota Statutes 2020, section 152.22, is amended by adding a subdivision

1.7 to read:

1.8 Subd. 5c. **Hemp processor.** "Hemp processor" means a person or business licensed by

1.9 the commissioner of agriculture under chapter 18K to convert raw hemp into a product.

1.10 Sec. 2. Minnesota Statutes 2020, section 152.29, subdivision 1, is amended to read:

1.11 Subdivision 1. **Manufacturer; requirements.** (a) A manufacturer may operate eight

1.12 distribution facilities, which may include the manufacturer's single location for cultivation,

1.13 harvesting, manufacturing, packaging, and processing but is not required to include that

1.14 location. The commissioner shall designate the geographical service areas to be served by

1.15 each manufacturer based on geographical need throughout the state to improve patient

1.16 access. A manufacturer shall not have more than two distribution facilities in each

1.17 geographical service area assigned to the manufacturer by the commissioner. A manufacturer

1.18 shall operate only one location where all cultivation, harvesting, manufacturing, packaging,

1.19 and processing of medical cannabis shall be conducted. This location may be one of the

1.20 manufacturer's distribution facility sites. The additional distribution facilities may dispense

1.21 medical cannabis and medical cannabis products but may not contain any medical cannabis

1.22 in a form other than those forms allowed under section 152.22, subdivision 6, and the

1.23 manufacturer shall not conduct any cultivation, harvesting, manufacturing, packaging, or

2.1 processing at the other distribution facility sites. Any distribution facility operated by the
2.2 manufacturer is subject to all of the requirements applying to the manufacturer under sections
2.3 152.22 to 152.37, including, but not limited to, security and distribution requirements.

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

2.11 (c) A medical cannabis manufacturer shall contract with a laboratory approved by the
2.12 commissioner, subject to any additional requirements set by the commissioner, for purposes
2.13 of testing medical cannabis manufactured or hemp or hemp products acquired by the medical
2.14 cannabis manufacturer as to content, contamination, and consistency to verify the medical
2.15 cannabis meets the requirements of section 152.22, subdivision 6. The cost of laboratory
2.16 testing shall be paid by the manufacturer.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.27 (1) business operations;

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

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

3.32 (4) physical and electronic security alarm systems.

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

4.2 Subd. 3. **Manufacturer; distribution.** (a) A manufacturer shall require that employees
4.3 licensed as pharmacists pursuant to chapter 151 be the only employees to give final approval
4.4 for the distribution of medical cannabis to a patient. A manufacturer may transport medical
4.5 cannabis or medical cannabis products that have been cultivated, harvested, manufactured,
4.6 packaged, and processed by that manufacturer to another registered manufacturer for the
4.7 other manufacturer to distribute.

4.8 (b) A manufacturer may distribute medical cannabis products, whether or not the products
4.9 have been manufactured by that manufacturer.

4.10 (c) Prior to distribution of any medical cannabis, the manufacturer shall:

4.11 (1) verify that the manufacturer has received the registry verification from the
4.12 commissioner for that individual patient;

4.13 (2) verify that the person requesting the distribution of medical cannabis is the patient,
4.14 the patient's registered designated caregiver, or the patient's parent, legal guardian, or spouse
4.15 listed in the registry verification using the procedures described in section 152.11, subdivision
4.16 2d;

4.17 (3) assign a tracking number to any medical cannabis distributed from the manufacturer;

4.18 (4) ensure that any employee of the manufacturer licensed as a pharmacist pursuant to
4.19 chapter 151 has consulted with the patient to determine the proper dosage for the individual
4.20 patient after reviewing the ranges of chemical compositions of the medical cannabis and
4.21 the ranges of proper dosages reported by the commissioner. For purposes of this clause, a
4.22 consultation may be conducted remotely ~~using a~~ by secure videoconference, telephone, or
4.23 other remote means, so long as the employee providing the consultation is able to confirm
4.24 the identity of the patient, ~~the consultation occurs while the patient is at a distribution facility,~~
4.25 and the consultation adheres to patient privacy requirements that apply to health care services
4.26 delivered through telemedicine. A pharmacist consultation under this clause is not required
4.27 when a manufacturer is distributing medical cannabis to a patient according to a
4.28 patient-specific dosage plan established with that manufacturer and is not modifying the
4.29 dosage or product being distributed under that plan;

4.30 (5) properly package medical cannabis in compliance with the United States Poison
4.31 Prevention Packing Act regarding child-resistant packaging and exemptions for packaging
4.32 for elderly patients, and label distributed medical cannabis with a list of all active ingredients
4.33 and individually identifying information, including:

- 5.1 (i) the patient's name and date of birth;
- 5.2 (ii) the name and date of birth of the patient's registered designated caregiver or, if listed
5.3 on the registry verification, the name of the patient's parent or legal guardian, if applicable;
- 5.4 (iii) the patient's registry identification number;
- 5.5 (iv) the chemical composition of the medical cannabis; and
- 5.6 (v) the dosage; and
- 5.7 (6) ensure that the medical cannabis distributed contains a maximum of a 90-day supply
5.8 of the dosage determined for that patient.
- 5.9 (d) A manufacturer shall require any employee of the manufacturer who is transporting
5.10 medical cannabis or medical cannabis products to a distribution facility or to another
5.11 registered manufacturer to carry identification showing that the person is an employee of
5.12 the manufacturer.

5.13 Sec. 4. Minnesota Statutes 2020, section 152.29, is amended by adding a subdivision to
5.14 read:

5.15 Subd. 3b. **Distribution to recipient in a motor vehicle.** A manufacturer may distribute
5.16 medical cannabis to a patient, registered designated caregiver, or parent, legal guardian, or
5.17 spouse of a patient who is at the distribution facility but remains in a motor vehicle, provided:

5.18 (1) distribution facility staff receive payment and distribute medical cannabis in a
5.19 designated zone that is as close as feasible to the front door of the distribution facility;

5.20 (2) the manufacturer ensures that the receipt of payment and distribution of medical
5.21 cannabis are visually recorded by a closed-circuit television surveillance camera at the
5.22 distribution facility and provides any other necessary security safeguards;

5.23 (3) the manufacturer does not store medical cannabis outside a restricted access area at
5.24 the distribution facility, and distribution facility staff transport medical cannabis from a
5.25 restricted access area at the distribution facility to the designated zone for distribution only
5.26 after confirming that the patient, designated caregiver, or parent, guardian, or spouse has
5.27 arrived in the designated zone;

5.28 (4) the payment and distribution of medical cannabis take place only after a pharmacist
5.29 consultation takes place, if required under subdivision 3, paragraph (c), clause (4);

6.1 (5) immediately following distribution of medical cannabis, distribution facility staff
6.2 enter the transaction in the state medical cannabis registry information technology database;
6.3 and

6.4 (6) immediately following distribution of medical cannabis, distribution facility staff
6.5 take the payment received into the distribution facility.

6.6 Sec. 5. Minnesota Statutes 2020, section 152.29, is amended by adding a subdivision to
6.7 read:

6.8 Subd. 3c. **Disposal of medical cannabis plant root balls.** Notwithstanding Minnesota
6.9 Rules, part 4770.1200, subpart 2, item C, a manufacturer is not required to grind root balls
6.10 of medical cannabis plants or incorporate them with a greater quantity of nonconsumable
6.11 solid waste before transporting root balls to another location for disposal. For purposes of
6.12 this subdivision, "root ball" means a compact mass of roots formed by a plant and any
6.13 attached growing medium.

6.14 Sec. 6. Minnesota Statutes 2020, section 152.31, is amended to read:

6.15 **152.31 DATA PRACTICES.**

6.16 (a) Government data in patient files maintained by the commissioner and the health care
6.17 practitioner, and data submitted to or by a medical cannabis manufacturer, are private data
6.18 on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in
6.19 section 13.02, subdivision 9, but may be used for purposes of complying with chapter 13
6.20 and complying with a request from the legislative auditor or the state auditor in the
6.21 performance of official duties. The provisions of section 13.05, subdivision 11, apply to a
6.22 registration agreement entered between the commissioner and a medical cannabis
6.23 manufacturer under section 152.25.

6.24 (b) Not public data maintained by the commissioner may not be used for any purpose
6.25 not provided for in sections 152.22 to 152.37, and may not be combined or linked in any
6.26 manner with any other list, dataset, or database.

6.27 (c) The commissioner may execute data sharing arrangements with the commissioner
6.28 of agriculture to verify licensing, inspection, and compliance information related to hemp
6.29 growers and hemp processors under chapter 18K.