

1565.1300 DENIALS AND VIOLATIONS.**Subpart 1. Disqualifying convictions.**

A. The commissioner must deny an application for a license if the applicant or a key participant has been convicted of any felony related to the possession, production, sale, or distribution of a controlled substance in any form within ten years of the date of the application.

B. If an individual, as described in part 1565.0300, subpart 3, has any felony related to the possession, production, sale, or distribution of a controlled substance on the individual's criminal history report, the individual is ineligible to produce hemp or participate in the hemp program under this chapter for ten years following the date of the conviction.

Subp. 2. Seizure and destruction of hemp. When the commissioner revokes a license or registration, any hemp in possession of the revoked party must be destroyed by the revoked party. If the hemp is not destroyed, it is subject to seizure and destruction by the commissioner or law enforcement. The revoked party is responsible for the cost of the seizure and destruction of the hemp.

Subp. 3. Negligent violations.

A. A producer is subject to corrective action under subpart 4 for negligently:

- (1) failing to provide an accurate legal description of land where hemp is produced;
- (2) producing hemp without a license; or
- (3) producing cannabis (marijuana) exceeding the acceptable hemp THC level.

B. A hemp producer is not negligent under this subpart if the producer makes reasonable efforts to grow hemp and the cannabis does not have a delta-9 tetrahydrocannabinol concentration exceeding the level defined in Code of Federal Regulations, title 7, part 990.6(b)(3).

Subp. 4. Corrective actions for negligent violations.

A. For each negligent violation, the commissioner must issue a Notice of Violation and require a corrective action plan for the producer. The producer must comply with the corrective action plan to cure the negligent violation. Corrective action plans must be in place for a minimum of two years from the date of the corrective action plan's approval. The producer is subject to and must cooperate with additional inspections to ensure compliance with the corrective action plan.

B. Corrective action plans must, at a minimum, include:

- (1) the date by which the producer is required to correct each negligent violation;
- (2) steps to correct each negligent violation; and
- (3) a description of the procedures to demonstrate compliance.

C. A producer that negligently violates this part must not, as a result of the violation, be subject to any criminal enforcement by any federal, state, or local government.

D. If a subsequent violation occurs while a corrective action plan is in place, a new corrective action plan must be submitted with a heightened level of quality control, staff training, and quantifiable action measures.

E. The commissioner must revoke the license of a producer that has three negligent violations in a five-year period. The negligent producer is also ineligible to produce hemp for a period of five years beginning on the date of the third violation. Producers shall not receive more than one negligent violation per growing season.

Subp. 5. Other violations.

A. If the commissioner determines that a licensee has violated the terms of the license or of this part with a culpable mental state greater than negligence, the commissioner must immediately report the violation to the United States Department of Agriculture, the United States Attorney General, and the chief law enforcement officer of the state.

B. When the terms of item A have been met, subparts 3 and 4 do not apply to the violation.

Statutory Authority: *MS s 18K.06; L 2019 1Sp1 art 2 s 20*

History: *46 SR 150*

NOTE: This temporary exempt rule is effective for two years and expires August 16, 2023.

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