



Commerce Finance and Policy Committee: HF4757

Charlene Briner | Interim OCM Director

The goal of our legislative recommendations is to strengthen the underlying foundation of Chapter 342 and to build upon the intent of last year's legislation as developed together by legislators and advocates.

Goals of Legislative Recommendations

1. Strengthen our work to ensure a timely and successful cannabis market launch
2. Create a framework to regulate cannabis effectively over the long term
3. Prioritize public health and safety
4. Strengthen social equity provisions that are foundational to Minnesota's cannabis law
5. Expand protections for medical cannabis patients and their caregivers and support continuity in access
6. Incorporate learnings from other states, particularly as it relates to legal decisions that have adversely impacted market launch

Development of Recommendations

To inform these recommendations, OCM has utilized feedback from:

- Public surveys
- Dozens of engagement opportunities
- National research
- Legislators, advocates, and industry experts

Legislative Recommendations

1. Improve the Application and Licensing Process
2. Streamline the Supply Chain
3. Strengthen Social Equity Provisions
4. Support Market Launch with Early Temporary Licenses
5. Accelerate Transition of Hemp-Derived Enforcement
6. Expand Protections for Medical Patients
7. Technical Revisions



Improve Application and Licensing Process



Expedites licensing process and prevent bottlenecks and delays

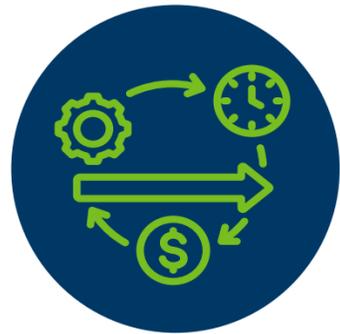


Reduces financial risk for applicants



Prevents phantom businesses

Streamline the Supply Chain



Consolidates adult-use and medical supply chains



Establishes medical retail endorsement



Contains costs for adult-use consumers, patients, and operators

Strengthen Social Equity Provisions



Vetted license selection process



New license classification



Improved flexibility in ownership and financial opportunities

Support Market Launch with Temporary Licenses



Creates early mover opportunities for social equity applicants



Allows applicants head start on rigorous application process



Summer 2024 launch of application process for vetted lottery

Accelerate Transition of Hemp-Derived Enforcement



Transitions hemp-derived enforcement authority to OCM on July 1, 2024



Creates continuity for current business owners in the hemp-derived cannabinoid industry



Builds continuity for transition of Office of Medical Cannabis

Updates to Medical Cannabis Program and Expansion of Protections



Enhances protections for patients, caregivers, and persons in the medical cannabis registry program



Establishes Certified Medical Cannabis Consultant



Eliminates undue burden for caregivers

Technical Revisions



Protects consumer safety and clarifies authority



Ensures access to research in coordination with higher education



Aligns OCM authority with other state regulatory agencies

Thank You!

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OCM 2024 Legislative Proposals Summary

The Office of Cannabis Management (OCM), established in 2023 following the enactment of HF 100, is charged with developing and implementing the operational and regulatory systems to oversee the cannabis industry in Minnesota as provided in Minnesota Statutes Chapter 342.

Focused on the successful launch of an effective, safe, equitable, and sustained cannabis market, OCM has identified opportunities to build upon the structure outlined in Chapter 342 by strengthening the social equity provisions, improving the application and licensing process, streamlining the supply chain, and ensuring continuity and protections for medical cannabis patients. Together, the proposals will:

Strengthen social equity



The changes strengthen the existing social equity priorities of Chapter 342, including changing ownership requirements from 100% to 65% to allow more opportunities for social equity licensees, addressing undue burden of transfer limitations for social equity licensees, and replacing the points-based application scoring system with a new social equity license classification and lottery-based model to embed equity into the selection process.

Support market launch with temporary licenses

The proposal creates temporary licenses for social equity applicants to allow for early mover advantage, giving lottery-selected applicants the clarity they need to establish business operations and be prepared for market launch upon the promulgation of rules.



Improve the application and licensing process



The proposal reduces the risk of bottlenecks and delays by clarifying existing language for both the application process and enforcement authority. The change also removes the requirement for applicants to secure property at the time of application to temper undue financial burden.

Streamline the supply chain

The changes consolidate medical and adult-use cannabis into a single supply chain from the point of cultivation. Eliminating the currently separated supply chains will help lower costs for both medical patients and adult-use consumers, streamline the licensing process, and prevent unnecessary future disruption to the industry as seen in other states where the supply chains merge post market launch.



OCM 2024 Legislative Proposals Summary

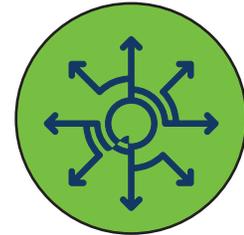


Accelerate Office of Medical Cannabis and hemp-derived enforcement transition

The changes move the oversight and enforcement authority of the hemp-derived cannabinoid industry to OCM's purview beginning July 1, 2024, and will ensure continuity of the hemp-derived industry by establishing a conversion process for current registered businesses to enter the licensing system in 2025. The early move of the hemp-derived cannabinoid enforcement functions will help build the foundation of the enforcement teams at the Office of Cannabis Management. Additionally, the proposal moves the integration of Office of Medical Cannabis to OCM from March 1, 2025, to when adult-use administrative rules are promulgated to ensure continuity for access for medical cannabis patients.

Expand protections for medical cannabis patients

The proposal expands protections for patients and caregivers participating in the medical cannabis registry program, modifies patient supply limits, eliminates undue financial burden for registered designated caregivers by removing background check requirements, and modifies the requirements for professionals to consult with and assist in dispensing products to patients.



Technical revisions

Additional revisions clarify definitions, establish authority for OCM to issue product recalls, regulate and inspect all entities participating in the cannabis and hemp industries, designate appointment authority, and modify the background check process.