

HF1615 - 1A - Cannabis Provisions Modifications

Chief Author: **Zack Stephenson**
 Committee: **Commerce Finance And Policy**
 Date Completed: **4/3/2025 3:21:07 PM**
 Lead Agency: **Office of Cannabis Management**
 Other Agencies:
 Health Dept Medical Practice Board
 Nursing Board Pharmacy Board

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue	X	
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium		Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028
Office of Cannabis Management					
General Fund	-	(246)	-	(240)	(240)
State Total					
General Fund	-	(246)	-	(240)	(240)
Total	-	(246)	-	(240)	(240)
Biennial Total			(246)		(480)

Full Time Equivalent Positions (FTE)		Biennium		Biennium	
		FY2025	FY2026	FY2027	FY2028
Office of Cannabis Management					
General Fund	-	-	-	-	-
Total	-	-	-	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Karl Palm **Date:** 4/3/2025 3:21:07 PM
Phone: 651-296-6055 **Email:** karl.palm@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Office of Cannabis Management						
General Fund	-	(246)	-	(240)	(240)	
Total	-	(246)	-	(240)	(240)	
Biennial Total			(246)		(480)	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Office of Cannabis Management						
General Fund						
Expenditures	-	15	-	-	-	-
Absorbed Costs	-	(15)	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Office of Cannabis Management						
General Fund	-	246	-	240	240	
Total	-	246	-	240	240	
Biennial Total			246		480	

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Chief Author: **Zack Stephenson**
 Committee: **Commerce Finance And Policy**
 Date Completed: **4/3/2025 3:21:07 PM**
 Agency: **Office of Cannabis Management**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue	X	
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Dollars in Thousands					
General Fund	-	(246)	-	(240)	(240)
Total	-	(246)	-	(240)	(240)
Biennial Total			(246)		(480)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Karl Palm **Date:** 4/3/2025 2:02:38 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	(246)	-	(240)	(240)	
Total	-	(246)	-	(240)	(240)	
Biennial Total			(246)		(480)	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund						
Expenditures	-	15	-	-	-	
Absorbed Costs	-	(15)	-	-	-	
Total	-	-	-	-	-	
Biennial Total			-			
2 - Revenues, Transfers In*						
General Fund	-	246	-	240	240	
Total	-	246	-	240	240	
Biennial Total			246		480	

Bill Description

The bill makes several modifications to the medical and adult use cannabis statutes, Minnesota Statutes 152 and 342. This includes modifications to the existing lower-potency hemp edible retailer license and creates a new license, lower-potency hemp edible wholesaler, in Minnesota Statutes chapter 342. These licenses are managed by the Office of Cannabis Management.

Assumptions

Most of the provisions in the bill will not have a fiscal operational impact on the Office of Cannabis Management. The changes to the lower-potency hemp edible retailer license and the creation of the lower-potency hemp edible wholesaler license will require modifications to the licensing IT system which will have a cost for the Office to implement. The Office recently closed the application window for adult use licenses and in that period received 47 cannabis wholesaler applications. The Office anticipates about half the interest in the lower-potency hemp wholesaler license and therefore is using 24 as the estimated number of licensees. Strong data on interest in this license is not available. The cost to the Office for managing the additional lower-potency hemp edible wholesaler licenses will be negligible as 24 is a very small number of licenses relative to the total number of licensees.

Expenditure and/or Revenue Formula

Costs for modifications to the licensing IT system were estimated at \$15,000 by MNIT. This can be absorbed by the Office. The additional revenue from the additional estimated 24 lower-potency hemp edible wholesaler licenses would be $(\$10,000 \times 24) + (\$250 \times 24) = \$246,000$. The initial license fee covers the first two years of operation and then renewal fees will be \$10,000/year each or \$240,000/year total.

Long-Term Fiscal Considerations

The cost for changes to the IT system are one time and as mentioned the cost to manage the additional licensees is negligible long-term. Beginning in FY28, the annual renewal from the additional licensees will be \$240,000/year, based on estimates/assumptions on how many licenses will be distributed.

Local Fiscal Impact

References/Sources

Agency Contact: Chris Elvrum

Agency Fiscal Note Coordinator Signature: Chris Elvrum

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Date: 4/3/2025 10:34:30 AM

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HF1615 - 1A - Cannabis Provisions Modifications

Chief Author: **Zack Stephenson**
 Committee: **Commerce Finance And Policy**
 Date Completed: **4/3/2025 3:21:07 PM**
 Agency: **Health Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Shannon Zila **Date:** 4/3/2025 2:56:29 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

The bill moves responsibility for medical cannabis from MDH to the Office of Cannabis Management (OCM). It describes the responsibilities of OCM, duties of health care practitioners, and requirements for manufacturers. The bill also covers data practices, financial exams, the tribal medical cannabis program, hemp business regulations, licenses, packaging requirements, etc.

Assumptions

We did not identify a fiscal impact for IPMH based on the assumption that the work will be done by OCM. Additionally, the Poison Center currently sends MDH a data feed, which is already in the process of being modernized through a syndromic surveillance project. The modernization will be completed by June 2025.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Brendan Wright

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Date: 4/3/2025 1:00:31 PM

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HF1615 - 1A - Cannabis Provisions Modifications

Chief Author: **Zack Stephenson**
 Committee: **Commerce Finance And Policy**
 Date Completed: **4/3/2025 3:21:07 PM**
 Agency: **Medical Practice Board**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Dollars in Thousands					
Total	-	-	-	-	-
Biennial Total			-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Steve McDaniel **Date:** 4/2/2025 6:32:25 PM
Phone: 651-284-6437 **Email:** steve.mcdaniel@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

The bill brings several modifications to Cannabis provisions. Article 1 changes the definition of a health care practitioner, in part, from “a Minnesota licensed doctor of medicine, a physician assistant” to “a Minnesota-licensed doctor of medicine, a Minnesota-licensed physician assistant acting within the scope of authorized practice”.

Assumptions

The bill does not have a fiscal impact on the Board of Medical Practice as it is adding to the definition of health care practitioner language that it applies to a health care practitioner acting within the scope of authorized practice. As indicated in previous fiscal notes, licensees of the Board are not subject to civil penalties or disciplinary action by the Board solely for participating in the medical cannabis registry program or in a Tribal medical cannabis registry program. Licensees of the Board who violate the law are not protected from civil penalties or disciplinary action.

Expenditure and/or Revenue Formula**Long-Term Fiscal Considerations****Local Fiscal Impact****References/Sources**

Agency Contact: Elizabeth Huntley (612-548-2168)

Agency Fiscal Note Coordinator Signature: Elizabeth Huntley

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Date: 4/2/2025 3:15:35 PM

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HF1615 - 1A - Cannabis Provisions Modifications

Chief Author: **Zack Stephenson**
 Committee: **Commerce Finance And Policy**
 Date Completed: **4/3/2025 3:21:07 PM**
 Agency: **Nursing Board**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Dollars in Thousands					
Total	-	-	-	-	-
Biennial Total			-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Steve McDaniel **Date:** 4/2/2025 8:43:36 AM
Phone: 651-284-6437 **Email:** steve.mcdaniel@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

Medical Cannabis Article Modifications. Article 1 changes the definition of a health care practitioner, in part, from Minnesota licensed advanced practice registered nurse, to "a Minnesota-licensed advanced practice registered nurse who has an active license in good standing."

Assumptions

The bill does not have a fiscal impact on the Board of Nursing as it is adding to the definition of advanced practice registered nurse (APRN) language that it applies to an APRN who has an active license in good standing. As indicated in previous fiscal notes, licensees of the Board are not subject to civil penalties or disciplinary action by the Board solely for participating in the medical cannabis registry program or in a Tribal medical cannabis registry program. Licensees of the Board who violate the law are not protected from civil penalties or disciplinary action.

Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations

N/A

Local Fiscal Impact

N/A

References/Sources

Agency Contact: Caren Gaytko (612-317-3025)

Agency Fiscal Note Coordinator Signature: Caren Gaytko

Phone: 612-317-3025

Date: 4/1/2025 6:52:02 PM

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HF1615 - 1A - Cannabis Provisions Modifications

Chief Author: **Zack Stephenson**
 Committee: **Commerce Finance And Policy**
 Date Completed: **4/3/2025 3:21:07 PM**
 Agency: **Pharmacy Board**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Steve McDaniel **Date:** 4/1/2025 2:19:01 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

The bill addresses beverages containing cannabinoids derived from hemp and addresses definitions and portions of 151.72 to include beverages under low dose tetrahydro cannabinol (THC) products and further defines serving size and quantity limits in this category of edible cannabinoid products. Additional Bill amendments also remove references to the “commissioner” and transition those items to the “office” meaning the (OCM) Office of Cannabis Management. The bill incorporates authority for Tribal Cannabis Boards, addresses home cultivation, creates duties for a ‘medical cannabis consultant certificate’ as an alternate to a licensed pharmacist, recognizes other cannabis registrations in other jurisdictions, addresses registrant protections, and addresses certain licensure requirements.

Assumptions

The Board of Pharmacy does not regulate or administer Chapter 151.72, which is administered by the Office of Cannabis Management and therefor would not affect the board’s operations. Portions of Chapter 152 which are altered would not affect the board’s operations. Cannabis manufacturers are not required to be registered by the board, and thus affect the board’s operations. While pharmacists are allowed to distribute cannabis when employed by a valid dispensary they are not solely licensed for this authority and so this will not affect the board’s operations. The board does not anticipate any financial impact from this current version of the bill.

Expenditure and/or Revenue Formula**Long-Term Fiscal Considerations****Local Fiscal Impact****References/Sources**

Agency Contact: Katrina Howard 651-201-2825

Agency Fiscal Note Coordinator Signature: Jill Phillips

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Date: 4/1/2025 1:47:10 PM

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