

1.1 ..... moves to amend H.F. No. 600, the seventh engrossment, as follows:

1.2 Page 31, delete subdivision 2 and insert:

1.3 "Subd. 2. Powers of board. (a) In making inspections and investigations under this  
1.4 chapter the board shall have the power to administer oaths, certify as to official acts, take  
1.5 and cause to be taken depositions of witnesses, issue subpoenas, and compel the attendance  
1.6 of witnesses and production of papers, books, documents, records, and testimony. In case  
1.7 of failure of any person to comply with any subpoena lawfully issued, or on the refusal of  
1.8 any witness to produce evidence or to testify to any matter regarding which the person may  
1.9 be lawfully interrogated, the district court shall, upon application of the board, compel  
1.10 obedience proceedings for contempt, as in the case of disobedience of the requirements of  
1.11 a subpoena issued by the court or a refusal to testify therein.

1.12 (b) If the board finds probable cause to believe that any adult-use cannabis, adult-use  
1.13 cannabis product, medical cannabis, or medical cannabis product is being distributed in  
1.14 violation of this chapter or rules adopted under this chapter, the board shall affix to the  
1.15 adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis  
1.16 product a tag, withdrawal from distribution order, or other appropriate marking providing  
1.17 notice that the adult-use cannabis, adult-use cannabis product, medical cannabis, or medical  
1.18 cannabis product is, or is suspected of being, distributed in violation of this chapter, and  
1.19 has been detained or embargoed, and warning all persons not to remove or dispose of the  
1.20 adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis  
1.21 product by sale or otherwise until permission for removal or disposal is given by the board  
1.22 or the court. It is unlawful for a person to remove or dispose of detained or embargoed  
1.23 adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis  
1.24 product by sale or otherwise without the board's or a court's permission and each transaction  
1.25 is a separate violation of this section.

2.1 (c) If any adult-use cannabis, adult-use cannabis product, medical cannabis, or medical  
2.2 cannabis product has been found by the board to be in violation of this chapter, the board  
2.3 shall petition the district court in the county in which the adult-use cannabis, adult-use  
2.4 cannabis product, medical cannabis, or medical cannabis product is detained or embargoed  
2.5 for an order and decree for the condemnation of the adult-use cannabis, adult-use cannabis  
2.6 product, medical cannabis, or medical cannabis product. The board shall release the adult-use  
2.7 cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product when  
2.8 this chapter and rules adopted under this chapter have been complied with or the adult-use  
2.9 cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product is  
2.10 found not to be in violation of this chapter or rules adopted under this chapter.

2.11 (d) If the court finds that detained or embargoed adult-use cannabis, adult-use cannabis  
2.12 product, medical cannabis, or medical cannabis product is in violation of this chapter or  
2.13 rules adopted under this chapter, the following remedies are available:

2.14 (1) after entering a decree, the adult-use cannabis, adult-use cannabis product, medical  
2.15 cannabis, or medical cannabis product may be destroyed at the expense of the claimant  
2.16 under the supervision of the board, and all court costs, fees, storage, and other proper  
2.17 expenses must be assessed against the claimant of the adult-use cannabis, adult-use cannabis  
2.18 product, medical cannabis, or medical cannabis product or the claimant's agent; and

2.19 (2) if the violation can be corrected by proper labeling or processing of the adult-use  
2.20 cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product, the  
2.21 court, after entry of the decree and after costs, fees, and expenses have been paid, and a  
2.22 good and sufficient bond conditioned that the adult-use cannabis, adult-use cannabis product,  
2.23 medical cannabis, or medical cannabis product must be properly labeled or processed has  
2.24 been executed, may by order direct that the adult-use cannabis, adult-use cannabis product,  
2.25 medical cannabis, or medical cannabis product be delivered to the claimant for proper  
2.26 labeling or processing under the supervision of the board. The board's supervision expenses  
2.27 must be paid by the claimant. The adult-use cannabis, adult-use cannabis product, medical  
2.28 cannabis, or medical cannabis product must be returned to the claimant and the bond must  
2.29 be discharged on representation to the court by the board that the adult-use cannabis, adult-use  
2.30 cannabis product, medical cannabis, or medical cannabis product is no longer in violation  
2.31 and that the board's supervision expenses have been paid.

2.32 (e) If the board finds in any room, building, piece of equipment, vehicle of transportation,  
2.33 or other structure any adult-use cannabis, adult-use cannabis product, medical cannabis, or  
2.34 medical cannabis product that is unsound or contains any filthy, decomposed, or putrid  
2.35 substance, or that may be poisonous or deleterious to health or otherwise unsafe, the board

3.1 shall condemn or destroy the item or in any other manner render the item as unsalable, and  
 3.2 no one has any cause of action against the board on account of the board's action.

3.3 (f) The board may enter into an agreement with the commissioner of agriculture to  
 3.4 analyze and examine samples or other articles furnished by the board for the purpose of  
 3.5 determining whether the sample or article violates this chapter or rules adopted under this  
 3.6 chapter. A copy of the examination or analysis report for any such article, duly authenticated  
 3.7 under oath by the laboratory analyst making the determination or examination, shall be  
 3.8 prima facie evidence in all courts of the matters and facts contained in the report."

3.9 Page 74, line 22, after "patient" insert "if required" and delete "2" and insert "3"

3.10 Page 95, line 19, delete "or"

3.11 Page 95, after line 19, insert:

3.12 "(2) a resident for the last five years of one or more subareas, such as census tracts or  
 3.13 neighborhoods, that experienced a disproportionately large amount of cannabis enforcement  
 3.14 as determined by the study conducted by the board pursuant to section 342.02, paragraph  
 3.15 (b) and reported in the preliminary report, final report, or both; or"

3.16 Page 95, line 20, delete "(2)" and insert "(3)"

3.17 Page 102, before line 3, insert:

3.18 "Sec. .... Minnesota Statutes 2020, section 273.13, subdivision 24, is amended to read:

3.19 Subd. 24. **Class 3.** Commercial and industrial property and utility real and personal  
 3.20 property is class 3a.

3.21 (1) Except as otherwise provided, each parcel of commercial, industrial, or utility real  
 3.22 property has a classification rate of 1.5 percent of the first tier of market value, and 2.0  
 3.23 percent of the remaining market value. In the case of contiguous parcels of property owned  
 3.24 by the same person or entity, only the value equal to the first-tier value of the contiguous  
 3.25 parcels qualifies for the reduced classification rate, except that contiguous parcels owned  
 3.26 by the same person or entity shall be eligible for the first-tier value classification rate on  
 3.27 each separate business operated by the owner of the property, provided the business is  
 3.28 housed in a separate structure. For the purposes of this subdivision, the first tier means the  
 3.29 first \$150,000 of market value. Real property owned in fee by a utility for transmission line  
 3.30 right-of-way shall be classified at the classification rate for the higher tier.

3.31 For purposes of this subdivision, parcels are considered to be contiguous even if they  
 3.32 are separated from each other by a road, street, waterway, or other similar intervening type

4.1 of property. Connections between parcels that consist of power lines or pipelines do not  
 4.2 cause the parcels to be contiguous. Property owners who have contiguous parcels of property  
 4.3 that constitute separate businesses that may qualify for the first-tier classification rate shall  
 4.4 notify the assessor by July 1, for treatment beginning in the following taxes payable year.

4.5 (2) All personal property that is: (i) part of an electric generation, transmission, or  
 4.6 distribution system; or (ii) part of a pipeline system transporting or distributing water, gas,  
 4.7 crude oil, or petroleum products; and (iii) not described in clause (3), and all railroad  
 4.8 operating property has a classification rate as provided under clause (1) for the first tier of  
 4.9 market value and the remaining market value. In the case of multiple parcels in one county  
 4.10 that are owned by one person or entity, only one first tier amount is eligible for the reduced  
 4.11 rate.

4.12 (3) The entire market value of personal property that is: (i) tools, implements, and  
 4.13 machinery of an electric generation, transmission, or distribution system; (ii) tools,  
 4.14 implements, and machinery of a pipeline system transporting or distributing water, gas,  
 4.15 crude oil, or petroleum products; or (iii) the mains and pipes used in the distribution of  
 4.16 steam or hot or chilled water for heating or cooling buildings, has a classification rate as  
 4.17 provided under clause (1) for the remaining market value in excess of the first tier.

4.18 (4) Property used for raising, cultivating, processing, or storage of adult-use cannabis,  
 4.19 adult-use cannabis products, medical cannabis, or medical cannabis products for sale has a  
 4.20 classification rate as provided under clause (1) for the first tier of market value and the  
 4.21 remaining market value. As used in this paragraph, "adult-use cannabis" has the meaning  
 4.22 given in section 342.01, subdivision 2; "adult-use cannabis products" has the meaning given  
 4.23 in section 342.01, subdivision 4; "medical cannabis" has the meaning given in section  
 4.24 342.01, subdivision 31; and "medical cannabis products" has the meaning given in section  
 4.25 342.01, subdivision 34.

4.26 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
 4.27 in 2023 and thereafter.

4.28 Sec. .... Minnesota Statutes 2020, section 275.025, subdivision 2, is amended to read:

4.29 Subd. 2. **Commercial-industrial tax capacity.** For the purposes of this section,  
 4.30 "commercial-industrial tax capacity" means the tax capacity of all taxable property classified  
 4.31 as class 3 or class 5(1) under section 273.13, excluding:

5.1 (1) the tax capacity attributable to the first \$100,000 of market value of each parcel of  
 5.2 commercial-industrial property as defined under section 273.13, subdivision 24, clauses (1)  
 5.3 ~~and~~, (2), and (4);

5.4 (2) electric generation attached machinery under class 3; and

5.5 (3) property described in section 473.625.

5.6 County commercial-industrial tax capacity amounts are not adjusted for the captured  
 5.7 net tax capacity of a tax increment financing district under section 469.177, subdivision 2,  
 5.8 the net tax capacity of transmission lines deducted from a local government's total net tax  
 5.9 capacity under section 273.425, or fiscal disparities contribution and distribution net tax  
 5.10 capacities under chapter 276A or 473F. For purposes of this subdivision, the procedures  
 5.11 for determining eligibility for tier 1 under section 273.13, subdivision 24, clauses (1) and  
 5.12 (2), shall apply in determining the portion of a property eligible to be considered within the  
 5.13 first \$100,000 of market value.

5.14 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
 5.15 in 2023 and thereafter."

5.16 Page 102, line 12 strike "medical cannabis manufacturers" and insert "cannabis licensees"

5.17 Page 102, line 21 strike "medical cannabis manufacturers" and insert "cannabis licensees"

5.18 Page 105, delete section 5 and insert:

5.19 "Sec. .... **[295.813] TAX RELIEF ACCOUNT.**

5.20 **Subdivision 1. Purpose.** The purpose of this account is to provide offsetting tax relief  
 5.21 through rate and fee reductions with a priority given to lower tax rates and fees of lower  
 5.22 and middle income taxpayers.

5.23 **Subd. 2. Account creation.** The tax relief account is hereby established in the special  
 5.24 revenue fund.

5.25 **Subd. 3. Certification of revenues.** (a) Based on the closing balance of the most recent  
 5.26 fiscal year, beginning in fiscal year 2023, if the commissioner of management and budget  
 5.27 determines that the amount of funds raised by the tax imposed under section 295.81 exceeds  
 5.28 the following net general fund expenditures related to the ongoing administration of  
 5.29 recreational, adult-use cannabis, the amount in excess must be transferred into the tax relief  
 5.30 account:

- 6.1 (1) the reduction in revenues resulting from the income and corporate tax deductions  
6.2 under sections 290.0132, subdivision 29 and 290.0134, subdivision 19 that are attributable  
6.3 to nonmedical cannabis businesses licensed under chapter 342;
- 6.4 (2) the appropriations to the Cannabis Management Board;
- 6.5 (3) the appropriations to the Department of Agriculture;
- 6.6 (4) the appropriations to the Cannabis Expungement Board;
- 6.7 (5) the appropriations to the Department of Commerce;
- 6.8 (6) the appropriations to the Department of Education;
- 6.9 (7) the appropriations to the Department of Employment and Economic Development;
- 6.10 (8) the appropriations to the Department of Health;
- 6.11 (9) the appropriations to the Department of Human Services;
- 6.12 (10) the appropriations to the Department of Labor and Industry;
- 6.13 (11) the appropriations to the Department of Natural Resources;
- 6.14 (12) the appropriations to the Office of Higher Education;
- 6.15 (13) the appropriations to the Minnesota Pollution Control Agency;
- 6.16 (14) the appropriations to the Department of Public Safety;
- 6.17 (15) the appropriations to the Department of Revenue;
- 6.18 (16) the appropriations to the supreme court; and
- 6.19 (17) \$9,000,000 in fiscal year 2024 and \$16,000,000 in fiscal year 2025 designated for  
6.20 transfer from the general fund to the substance use disorder treatment and prevention grant  
6.21 account.
- 6.22 (b) On or before August 30 each year, the commissioner of revenue must estimate the  
6.23 reduction in revenues from the income and corporate tax deductions under sections 290.0132,  
6.24 subdivision 29 and 290.0134, subdivision 19 that are attributable to nonmedical cannabis  
6.25 businesses licensed under chapter 342, for the previous fiscal year, and certify that amount  
6.26 to the commissioner of management and budget.
- 6.27 (c) By September 15 each year, the commissioner of management and budget must  
6.28 certify to the commissioner of revenue the amount available for transfer.
- 6.29 Subd. 4. **Transfer to tax relief account.** The amount certified under subdivision 3 is  
6.30 appropriated to the commissioner of revenue for transfer to the tax relief account.

7.1 **EFFECTIVE DATE.** This section is effective January 1, 2022."

7.2 Page 190, line 25, delete "\$8,822,000" and insert "\$8,882,000"

7.3 Page 190, line 27, delete "\$21,674,000" and insert "\$22,274,000"

7.4 Page 190, line 28, delete "\$29,668,000" and insert "\$30,672,000"

7.5 Page 191, after line 3, insert:

7.6 "(d) Of the base established in paragraph (a), \$600,000 in fiscal year 2024 and \$1,004,000  
7.7 in fiscal year 2025 are for the administration of substance use disorder treatment and  
7.8 prevention grants."

7.9 Page 191, after line 18, insert:

7.10 "Subd. 5. **Department of Corrections.** An appropriation to the commissioner of  
7.11 corrections for correctional institutions is reduced by \$177,000 in fiscal year 2022 and  
7.12 \$345,000 in fiscal year 2023. The base for this appropriation is reduced by \$407,000 in  
7.13 fiscal year 2024 and \$458,000 in fiscal year 2025."

7.14 Page 191, line 19, delete "\$59,000" and insert "\$36,000"

7.15 Page 192, line 1, delete "\$6,949,000" and insert "\$6,235,000" and delete "\$5,452,000"  
7.16 and insert "\$6,231,000"

7.17 Page 192, line 3, delete "\$8,298,000" and insert "\$9,077,000"

7.18 Page 192, line 4, delete "\$8,353,000" and insert "\$9,132,000"

7.19 Page 192, delete lines 5 and 6

7.20 Reletter the paragraphs in sequence

7.21 Page 192, line 26, delete "\$838,000" and insert "\$1,232,000"

7.22 Page 193, line 11, after the period, insert "This is a onetime appropriation."

7.23 Page 193, after line 18, insert:

7.24 "Subd. ... **Pollution Control Agency.** (a) \$518,000 in fiscal year 2022 and \$495,000 in  
7.25 fiscal year 2023 are appropriated from the general fund to the commissioner of the Pollution  
7.26 Control Agency for the purposes of this act. The base for this appropriation is \$64,000 in  
7.27 fiscal year 2024 and \$0 in fiscal year 2025 and beyond.

7.28 (b) Of the amount appropriated under paragraph (a), \$390,000 in fiscal year 2022 and  
7.29 \$431,000 in fiscal year 2023 are for rulemaking. The base for this appropriation is \$0 in  
7.30 fiscal year 2024 and beyond.

8.1 (c) Of the amount appropriated under paragraph (a), \$64,000 in fiscal year 2022 is for  
8.2 wastewater staff. This is a onetime appropriation.

8.3 (d) Of the amount appropriated under paragraph (a), \$64,000 in fiscal year 2022 and  
8.4 \$64,000 in fiscal year 2023 are for small business assistance staff. The base for this  
8.5 appropriation is \$64,000 in fiscal year 2024 and \$0 in fiscal year 2025 and beyond."

8.6 Renumber the subdivisions in sequence

8.7 Page 194, after line 18, insert:

8.8 "Sec. 2. **BUDGET RESERVE REDUCTION AND TRANSFER.**

8.9 (a) On July 1, 2021, the balance of the budget reserve account established in Minnesota  
8.10 Statutes, section 16A.152, subdivision 1a, is reduced by \$23,235,000. This reduction is in  
8.11 addition to the reductions authorized in Laws 2019, First Special Session chapter 6, article  
8.12 11, section 17, and 2021 House File 991, article 13, section 25.

8.13 (b) On July 1, 2023, the commissioner of management and budget shall transfer  
8.14 \$23,235,000 from the general fund to the budget reserve account established in Minnesota  
8.15 Statutes, section 16A.152, subdivision 1a."

8.16 Renumber the sections in sequence and correct the internal references

8.17 Amend the title accordingly