



May 11, 2023

Senator Port, Representative Stephenson and Members of the Conference Committee for HF 100:

Thank you all for all the incredible work on HF 100/ SF 73. I am the owner of a small Minnesota business Legacy Glassworks- a high end glass pipe gallery and low potency edible dispensary with locations in downtown Duluth and in Uptown Minneapolis. I am also co- chair of LynLake Business Association. I started my business in 2009 with \$200 and over the last fourteen years have been fortunate to work closely with hundreds of small Minnesota businesses, local artists and farmers.

I am concerned that multi-state national cannabis operators will swiftly move in and dominate the new Minnesota cannabis marketplace with unlimited capital. I know the authors care deeply about supporting small Minnesota businesses and creating a craft cannabis marketplace. One of the best ways to ensure this goal is by supporting the House language in 42.19 -(a) A license holder or applicant must meet each of the following requirements, if applicable, to hold or receive a cannabis license issued under this chapter:(4) reside in the state; (6) if the applicant or license holder is a business entity, at least 75 percent of the business must be owned by Minnesota residents;

Similar residency requirements have been litigated in other states and I understand this concern. However, Washington State has successfully kept multi-state national cannabis operators out for over a decade and their 100% residency requirement was recently upheld by a Federal Judge (Brinkmeyer v. Washington State Liquor and Cannabis Board). The Federal Judge in his ruling argued that the dormant commerce clause is not relevant for a federal illegal schedule 1 drug. This section of the bill could have a severability clause to ensure that if it is litigated that the other critical elements of the bill are not delayed. These large out of state corporations are already here. Recently a company from Michigan with dispensaries in multiple states signed 6 leases in the Twin Cities with the assumption that Minnesota will issue them retail licenses. These multi-state national cannabis operators often have a poor track record with labor. Large corporations will go to great lengths to make sure that they can dominate the Minnesota cannabis industry. This will result in small businesses, especially those folks from the areas most in need of investment by local entrepreneurs, not having a fighting chance to succeed in this new industry.

By accepting the House language with the residency requirement, Minnesota can have the strongest and most equitable adult - use cannabis legalization law in the country.

Thanks you,

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