

34.1 information. The bureau must return the results of the Minnesota and federal criminal history  
34.2 records checks to the director to determine if the applicant is disqualified under section  
34.3 342.20.

34.4 Subd. 4. **Application; fees.** The office may charge a nonrefundable fee, not to exceed  
34.5 \$250, to cover the costs associated with reviewing and processing applications.

34.6 **Sec. 15. [342.16] SOCIAL EQUITY APPLICANTS.**

34.7 An individual qualifies as a social equity applicant if the individual is:

34.8 (1) a military veteran who lost honorable status due to a cannabis-related offense;

34.9 (2) a resident for the last five years of one or more subareas, such as census tracts or  
34.10 neighborhoods, that experienced a disproportionately large amount of cannabis enforcement  
34.11 as determined by the study conducted by the office pursuant to section 342.04, paragraph  
34.12 (b), and reported in the preliminary report, final report, or both; or

34.13 (3) a resident for the last five years of one or more census tracts where, as reported in  
34.14 the most recently completed decennial census published by the United States Bureau of the  
34.15 Census, either:

34.16 (i) the poverty rate was 20 percent or more; or

34.17 (ii) the median family income did not exceed 80 percent of statewide median family  
34.18 income or, if in a metropolitan area, did not exceed the greater of 80 percent of the statewide  
34.19 median family income or 80 percent of the median family income for that metropolitan  
34.20 area.

34.21 **Sec. 16. [342.17] LICENSE SELECTION CRITERIA.**

34.22 Subdivision 1. **Market stability.** The office shall issue the necessary number of licenses  
34.23 in order to ensure the sufficient supply of cannabis flower and cannabinoid products to meet  
34.24 demand, provide market stability, and limit the sale of unregulated cannabis flower and  
34.25 cannabinoid products.

34.26 Subd. 2. **Craft cultivation priority.** (a) The office shall prioritize issuance of  
34.27 microbusiness licenses with an endorsement to cultivate cannabis flower and craft cultivator  
34.28 licenses.

34.29 (b) Unless the office determines that the issuance of bulk cultivator licenses is necessary  
34.30 to ensure a sufficient supply of cannabis flower and cannabinoid products, the office shall  
34.31 not issue a bulk cultivator license before July 1, 2028.

35.1 Subd. 3. **Vertical integration prohibited; exceptions.** (a) Except as otherwise provided  
 35.2 in this subdivision, the office shall not issue licenses to a single applicant that would result  
 35.3 in the applicant being vertically integrated in violation of the provisions of this chapter.

35.4 (b) Nothing in this section prohibits or limits the issuance of microbusiness licenses.

35.5 (c) If the office determines that the issuance of multiple licenses resulting in a single  
 35.6 applicant being vertically integrated is necessary to ensure a sufficient supply of cannabis  
 35.7 flower and cannabinoid products during the first calendar year in which cannabis flower  
 35.8 and cannabinoid products are lawfully sold to customers, the office may authorize one or  
 35.9 more applicants to be fully vertically integrated. Regardless of when the licenses were  
 35.10 issued, licenses issued under the terms of this paragraph expire one year after the first day  
 35.11 on which cannabis flower and cannabinoid products are lawfully sold to customers and the  
 35.12 office may not issue multiple licenses resulting in a single applicant being vertically  
 35.13 integrated after that date.

35.14 Subd. 4. **Application score; license priority.** (a) The office shall award points to each  
 35.15 completed application in the following categories:

35.16 (1) status as a social equity applicant or as an applicant who is substantially similar to  
 35.17 a social equity applicant as described in paragraph (c);

35.18 (2) status as a veteran applicant;

35.19 (3) security and record keeping;

35.20 (4) employee training plan;

35.21 (5) business plan and financial situation;

35.22 (6) diversity plan;

35.23 (7) labor and employment practices;

35.24 (8) knowledge and experience; and

35.25 (9) environmental plan.

35.26 (b) The office may award additional points to an application if the license holder would  
 35.27 expand service to an underrepresented market including but not limited to participation in  
 35.28 the medical cannabis program.

35.29 (c) The office shall establish application materials permitting individual applicants to  
 35.30 demonstrate the impact that cannabis prohibition has had on that applicant including but  
 35.31 not limited to the arrest or imprisonment of the applicant or a member of the applicant's

36.1 immediate family, and the office may award points to such applicants in the same manner  
36.2 as points are awarded to social equity applicants.

36.3 (d) The office shall establish policies and guidelines, which shall be made available to  
36.4 the public, regarding the number of points available in each category and the basis for  
36.5 awarding those points. Status as a social equity applicant must account for at least 20 percent  
36.6 of the total available points. In determining the number of points to award to a cooperative  
36.7 or business applying as a social equity applicant, the office shall consider the number or  
36.8 ownership percentage of cooperative members, officers, directors, managers, and general  
36.9 partners who qualify as social equity applicants.

36.10 (e) Consistent with the goals identified in subdivision 1, the office shall issue licenses  
36.11 in each license category, giving priority to applicants who receive the highest score under  
36.12 paragraphs (a) and (b). If there are insufficient licenses available for entities that receive  
36.13 identical scores, the office shall utilize a lottery to randomly select license recipients from  
36.14 among those entities.

36.15 **Sec. 17. [342.18] INSPECTION; LICENSE VIOLATIONS; PENALTIES.**

36.16 Subdivision 1. **Authority to inspect.** (a) In order to carry out the purposes of this chapter,  
36.17 the office, upon presenting appropriate credentials to the owner, operator, or agent in charge,  
36.18 is authorized to:

36.19 (1) enter any cannabis business without delay and at reasonable times;

36.20 (2) inspect and investigate during regular working hours and at other reasonable times,  
36.21 within reasonable limits and in a reasonable manner, any cannabis business and all relevant  
36.22 conditions, equipment, records, and materials therein; and

36.23 (3) question privately any employer, owner, operator, agent, or employee of a cannabis  
36.24 business.

36.25 (b) An employer, owner, operator, agent, or employee must not refuse the office entry  
36.26 or otherwise deter or prohibit the office from taking action under paragraph (a).

36.27 Subd. 2. **Powers of office.** (a) In making inspections and investigations under this chapter,  
36.28 the office shall have the power to administer oaths, certify as to official acts, take and cause  
36.29 to be taken depositions of witnesses, issue subpoenas, and compel the attendance of witnesses  
36.30 and production of papers, books, documents, records, and testimony. In case of failure of  
36.31 any person to comply with any subpoena lawfully issued, or on the refusal of any witness  
36.32 to produce evidence or to testify to any matter regarding which the person may be lawfully  
36.33 interrogated, the district court shall, upon application of the office, compel obedience