

Chapter 123

2026 Regular Session

Subject Cannabis policy**Bill** S.F. 4401**Analyst** Megan Mullenbach**Date** May 27, 2026

Overview

This act makes several policy changes in Chapter 342, Cannabis, including: establishing a cannabis macrobusiness license; streamlining adult-use and medical cannabis; creating and requiring endorsements for authorized actions; amending provisions related to local units of government, cannabis events, and data practices; updating cannabis and hemp labeling requirements; allowing hemp business licenses to also hold a cannabis license, simplifying reports and studies; and making technical changes.

This act is effective August 1, 2026, except for: (1) sections that state otherwise; and (2) sections and language related to streamlining adult-use and medical cannabis (effective January 1, 2027).

Summary

Section	Description
1	Cannabis business. Makes conforming changes. This section is effective January 1, 2027.
2	Cannabis product. Includes a ratio hemp-infused cannabis product in the definition of “cannabis product.” This section is effective January 1, 2027.
3	License holder. Makes conforming changes. This section is effective January 1, 2027.

Section	Description
4	Lower-potency hemp edible. Amends the lower-potency hemp edible definition to allow for the combination of cannabidiol, cannabigerol, cannabinal, and cannabichromene as long as each cannabinoid does not exceed 100 milligrams and the combination does not exceed 400 milligrams.
5	Medical cannabinoid product. Amends the medical cannabinoid product definition to classify the product as a cannabis product and remove form restrictions. This section is effective January 1, 2027.
6	Medical cannabis flower. Makes conforming changes. This section is effective January 1, 2027.
7	Ratio hemp-infused cannabis product. Adds a new definition of “ratio hemp-infused cannabis product” for products that contain cannabis and nonintoxicating hemp. This section is effective January 1, 2027.
8	Powers and duties. Strikes licensee and inserts license holder. This section is effective the day following final enactment.
9	Studies; reports. Subd. 1. Studies required. Strikes the requirement for the Office of Cannabis Management (OCM) to collect data from Department of Human Services, Department of Health, Direct Care and Treatment, state courts, and hospitals (which is moved to subd. 3). Subd. 2. Annual market analysis. Requires OCM to submit certain information in its annual market analysis, including: number of licenses issued; recommendations on number of licenses OCM should make available; supply and demand in the regulated market; impact of unregulated cannabis sales on the regulated market; and integrity of medical cannabis patient registry program. Allows OCM to solicit input to conduct market analysis. Subd. 3. Annual report required. Strikes certain inclusions in the annual report to the legislature including information on drivers who admitted to using cannabis

Section	Description
	or hemp products and recommendations to the legislature regarding funding. Reorganizes information included in the annual report, including health data from subdivision 1 and a narrower version of impaired-by-cannabis driving.
	Subd. 4. Collaboration with other agencies and organizations. Requires OCM to collaborate with state agencies and certain organizations to support education, prevention, and public safety initiatives.
10	Edible cannabinoid product handler endorsement. Limits the edible cannabinoid product handler endorsement to microbusinesses, mezzobusinesses, cannabis manufacturers, lower-potency hemp edible manufacturers, and cannabis macrobusinesses. Clarifies that lower-potency hemp edible manufacturers can only manufacture hemp-derived consumer products, not cannabis products.
11	Home extraction of cannabis concentrate by use of volatile solvent prohibited. Makes conforming changes. This section is effective January 1, 2027.
12	Licenses; types. Makes conforming changes. This section is effective January 1, 2027.
13	Licenses; fees. Modifies fees for cannabis event organizers by making the initial license fee \$0 and adds a renewal fee of \$750 and a temporary application fee of \$750. Makes conforming changes for macrobusinesses. This section is effective January 1, 2027.
14	Licenses; transfers; adjustments. Establishes a procedure for reclassifying licenses. Strikes the requirement for a licensee to get a new license if the licensee's business structure changes. Allows license holders to petition for a different license. New license changes are effective August 1, 2026. Reclassification is effective January 1, 2027.
15	Local control. Removes authority for local units of government to issue an interim ordinance on time, place, and manner of cannabis business operation. Requires local units of

Section	Description
	government to submit evidence of noncompliance if the local unit of government is informing the office to not issue a license. Allows counties that issue retail registrations to develop a registration process if the process meets the same minimum requirements as local units of government.
16	Maximum number of licenses. Makes conforming changes.
17	Review. Determines that a cannabis license applicant's status as a qualified applicant expires after six months. Requires OCM to deny applications from an applicant whose qualified applicant status expires. Allows OCM to revoke an applicant's qualified applicant status. This section is effective the day following final enactment.
18	Completed application; final authorization; issuance of license. Clarifies that OCM may deny final license authorization if an applicants' location would violate local zoning ordinances, the State Fire Code, or the State Building Code.
19	Revocation or expiration of preliminary approval. Requires OCM to grant an initial extension to convert a preliminary license approval into a license for up to six months upon request. Allows an additional extension if the applicant has made good faith efforts.
20	Criminal offenses; disqualifications. Strikes the requirements for OCM to not issue a cannabis business license to a person or business that illegally sold cannabis or violated the cannabis chapter after August 1, 2023.
21	Civil and regulatory offenses; disqualifications. Requires OCM to not issue a cannabis business license to a person or business that violated the cannabis chapter unless the violation occurred under certain circumstances (good faith mistake, not gross negligence, no illegal sale of cannabis, didn't cause harm to the public). Requires OCM to not issue a cannabis business license to a person or business who was assessed a fine for certain civil and criminal penalties.

Section	Description
22	Cannabis businesses; general ownership disqualifications and requirements. Clarifies a willful labor violation is confirmed with the Minnesota Department of Labor and Industry. Strikes National Labor Relations Board. This section is effective the day following final enactment.
23	Social equity license classification. Makes conforming changes. This section is effective January 1, 2027.
24	Vertical integration prohibited; exceptions. Makes conforming changes. This section is effective January 1, 2027.
25	Definitions. Makes technical changes.
26	Application number limitations. Modifies the true party of interest standard to allow: (1) a person who contracts with a city or county to operate no more than ten municipal cannabis stores; and (2) an individual who holds up to 33% ownership of up to four social equity businesses.
27	License number limitations. Modifies the true party of interest standard to allow: (1) a person who contracts with a city or county to operate no more than ten municipal cannabis stores; and (2) an individual who holds up to 33% ownership of up to four social equity businesses.
28	Inspection of unlicensed businesses and facilities. Includes unlicensed facilities where lower-potency hemp edibles are manufactured, processed, or sold to the list of facilities over which OCM has inspection authority. Allows OCM to assess civil penalties to unlicensed facilities and to treat the possession of any seized, embargoed, or detained product as the unlicensed business having sold that product.
29	Not public data. Within the OCM's data practices statute, classifies data reported under the statewide monitoring system as nonpublic/private data. This section is effective the day following final enactment.

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30	Public data on license applicants. In license applications, makes publicly available more details about any volatile chemicals used for extractions. Makes publicly available the status of an application. Removes from public availability the office’s scoring and review of an application.
31	Public application data on license holders. Specifies that this subdivision also applies to data from renewal applications. Adds items to the list of nonpublic/private data.
32	Test results data. Clarifies that test results maintained by any cannabis or hemp business must be made available for public review.
33	Registration required. Makes conforming changes. This section is effective January 1, 2027.
34	Issuance of registration. Makes conforming changes. This section is effective January 1, 2027.
35	Compliance checks. Requires local governments with retail registration authority that perform compliance checks to submit certain data related to the compliance checks to OCM.
36	Registration suspension and cancellation; notice to office; penalties. Makes conforming changes. This section is effective January 1, 2027.
37	Financial relationship. Allows a good faith exception to the general prohibition against cannabis or hemp businesses. Makes technical changes. This section is effective the day following final enactment.
38	Cannabis and hemp business occupying the same premises. Allows a cannabis or hemp business to occupy the same premises as another cannabis or hemp business as long as the businesses share the same majority owners. Allows transportation of regulated products between businesses sharing the

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	same premises. Determines that businesses occupying the same premises are jointly liable for violations of cannabis statutes and regulations.
39	Endorsements. Establishes procedures for OCM to issue endorsements. Allows OCM to deny an endorsement application under certain circumstances. Prohibits OCM from charging a fee with an endorsement application.
40	Applicability. Establishes a cannabis cultivation endorsement, limiting the availability to cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, and cannabis macrobusinesses. Requires anyone who cultivates cannabis to obtain a cannabis cultivation endorsement.
41	Cultivation records. Makes conforming and technical changes.
42	Agricultural chemicals and other inputs. Makes conforming changes.
43	Cultivation plan. Makes conforming changes.
44	Agricultural chemicals and other inputs; pollinator protection. Makes conforming changes.
45	Adulteration prohibited. Makes conforming changes.
46	Indoor or outdoor cultivation authorized; security. Clarifies that cannabis cultivators, microbusinesses, mezzobusinesses, and macrobusinesses with a cannabis cultivation endorsement must choose between either indoor or outdoor cultivation.
47	Applicability. Limits manufacturing endorsements to cannabis microbusinesses, cannabis mezzobusinesses, and cannabis macrobusinesses.
48	All manufacturer operations. Makes conforming changes.

Section	Description
49	Cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, and creation of artificially derived cannabinoids endorsement. Establishes a cannabis extraction and concentration endorsement, a hemp extraction and concentration endorsement, and a creation of artificially derived cannabinoids endorsement. Requires anyone who manufactures, extracts, or artificially derives cannabis to obtain the appropriate endorsement.
50	Edible cannabinoid product handler endorsement and production of consumer products endorsement. Establishes an edible cannabinoid product handler endorsement and a production of consumer products endorsement. Requires anyone who produces edible cannabis products, lower-potency hemp edibles or other hemp-derived consumer products, or cannabis products to obtain the appropriate endorsement.
51	Exception. Clarifies that lower-potency hemp edible manufacturers must comply with the lower-potency hemp edible manufacturer section.
52	Applicability. Establishes a cannabis retail operations endorsement. Requires anyone conducting retail sales of cannabis flower, cannabis products, hemp-derived consumer products, or lower-potency hemp edibles to obtain a cannabis retail operations endorsement. Limits the cannabis retail operations endorsement’s availability to cannabis microbusinesses, cannabis mezzobusinesses, cannabis retailers, and cannabis macrobusinesses.
53	Sale of cannabis and cannabinoid products. Makes conforming changes. This section is effective the day following final enactment.
54	Cannabis flower packaging endorsement. Establishes a cannabis flower packaging endorsement and limits availability to cannabis microbusinesses, cannabis mezzobusinesses, cannabis retailers, and cannabis macrobusinesses. Requires that anyone that packages cannabis flower must obtain a cannabis flower packaging endorsement.
55	Prohibitions. Makes conforming change.

Section	Description
56	Authorized actions. Makes conforming change. This section is effective January 1, 2027.
57	Cannabis cultivation endorsement. Requires cannabis microbusinesses that cultivate cannabis to obtain the cannabis cultivation endorsement.
58	Cannabis extraction and concentration endorsement, hemp extraction and concentration, and creation of artificially derived cannabinoids endorsement. Requires cannabis microbusinesses that manufacture cannabis or hemp concentrate or artificially derived cannabinoids to obtain the appropriate endorsement.
59	Production of consumer products endorsement and edible cannabinoid product handler endorsement. Requires cannabis microbusinesses that produce edible cannabis products or lower-potency hemp edibles or otherwise produces hemp-derived consumer products or cannabis products to obtain the appropriate endorsement.
60	Retail operations endorsement. Requires cannabis microbusinesses that operate a retail location or package cannabis flower to obtain the appropriate endorsement.
61	Transportation between facilities. Requires cannabis microbusinesses that transport cannabis or hemp to obtain an internal transporter endorsement.
62	Medical cannabis cultivation endorsement. Allows cannabis microbusinesses with a cultivation endorsement to apply for and obtain a medical cannabis cultivation endorsement and sets canopy and acreage limits. This section is effective January 1, 2027.
63	Medical cannabis manufacturer endorsement. Allows cannabis microbusinesses with a manufacturer endorsement to apply for and obtain a medical cannabis manufacturer endorsement if the business meets the medical cannabis manufacturing requirements. This section is effective January 1, 2027.

Section	Description
64	Medical cannabis retail endorsement. Allows cannabis microbusinesses with a retail endorsement to apply for and obtain a medical cannabis retail endorsement. Allows an additional retail location if one retail location is located in an area designated as a high medical need area. This section is effective January 1, 2027.
65	Authorized actions. Makes conforming change. This section is effective January 1, 2027.
66	Cannabis cultivation endorsement. Requires cannabis mezzobusinesses that cultivate cannabis to obtain the cannabis cultivation endorsement.
67	Cannabis extraction and concentration endorsement, hemp extraction and concentration, and creation of artificially derived cannabinoids endorsement. Requires cannabis mezzobusinesses that manufacture cannabis or hemp concentrate or artificially derived cannabinoids to obtain the appropriate endorsement.
68	Production of consumer products endorsement and edible cannabinoid product handler endorsement. Requires cannabis mezzobusinesses that produce edible cannabis products or lower-potency hemp edibles or otherwise produces hemp-derived consumer products or cannabis products to obtain the appropriate endorsement.
69	Retail operations endorsement. Requires cannabis mezzobusinesses that operate a retail location or package cannabis flower to obtain the appropriate endorsement.
70	Multiple endorsements required. Outlines the endorsements available to cannabis mezzobusinesses.
71	Transportation between facilities. Requires cannabis mezzobusinesses to obtain an internal transporter endorsement to transport cannabis and hemp between its own facilities.

Section	Description
72	Medical cannabis cultivation endorsement. Allows cannabis mezzobusinesses with a cultivation endorsement to apply for and obtain a medical cannabis cultivation endorsement and sets canopy and acreage limits. This section is effective January 1, 2027.
73	Medical cannabis manufacturer endorsement. Allows cannabis mezzobusinesses with a manufacturer endorsement to apply for and obtain a medical cannabis manufacturer endorsement if the business meets the medical cannabis manufacturing requirements. This section is effective January 1, 2027.
74	Medical cannabis retail endorsement. Allows cannabis mezzobusinesses with a retail endorsement to apply for and obtain a medical cannabis retail endorsement. Allows two additional retail locations if two retail locations are located in areas designated as a high medical need area. This section is effective January 1, 2027.
75	Authorized actions. Requires cannabis cultivators to obtain a cannabis cultivation endorsement.
76	Additional information required. Makes conforming changes.
77	Medical cannabis cultivation endorsement. Allows cannabis cultivators with a cultivation endorsement to apply for and obtain a medical cannabis cultivation endorsement and sets canopy and acreage limits. This section is effective January 1, 2027.
78	Additional information required. Makes conforming changes.
79	Manufacturing operations. Requires cannabis manufacturers to obtain a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, a creation of artificially derived cannabinoids endorsement, a production of consumer products endorsement, or an edible product handler endorsement before conducting any authorized activity.

Section	Description
80	Authorized actions. Requires cannabis retailers to obtain a cannabis retail operations endorsement.
81	Additional information required. Makes conforming changes.
82	Authorized actions. Makes conforming changes. This section is effective January 1, 2027.
83	Medical cannabis retail endorsement and medical cannabis delivery endorsement. Allows cannabis retailers with a retail endorsement to apply for and obtain a medical cannabis retail endorsement and operate up to three additional retail locations if the locations are in a high medical need area. Allows cannabis retailers with a medical cannabis retail endorsement and a cannabis delivery license to apply for and obtain a medical cannabis delivery endorsement. This section is effective January 1, 2027.
84	Authorized actions. Adds “perform other actions approved by” OCM to actions allowed by a cannabis testing facility. This section is effective the day following final enactment.
85	Cannabis event organizer licensing. Updates information required to apply for a cannabis event license. Requires certain cannabis event organizers to attest that they have entered into a labor peace agreement. Allows any cannabis or hemp business other than a cannabis testing facility to hold a cannabis event organizer license. This section is effective January 1, 2027.
86	Temporary event approval. Requires a cannabis event organizer to submit information to OCM. Allows OCM to request an inspection of a cannabis event site before approval of a temporary cannabis event. Allows OCM to promulgate a rule that could limit the number of temporary cannabis events that a cannabis event organizer may host. This section is effective January 1, 2027.

Section	Description
87	Cannabis event sales. Makes technical changes. Includes record of distribution of cannabis products at a cannabis event. This section is effective January 1, 2027.
88	Authorized actions. Allows cannabis delivery license holders to apply for and obtain a medical cannabis delivery endorsement. This section is effective January 1, 2027.
89	Cannabis transport to testing facility. Allows cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, and cannabis manufacturers to transport their samples to a testing facility if the business maintains a shipping manifest, follows secure transport requirements, submits information to OCM, and attests to holding an active commercial vehicle insurance policy. This section is effective the day following final enactment.
90	Multiple licenses; limits. Allows a person, cooperative, or business that holds a hemp business license to also hold a cannabis license.
91	Application; contents. Allows OCM to determine if a civil or regulatory violation disqualifies an individual from a hemp business license.
92	Issuance; eligibility; prohibition on transfer. Makes conforming change.
93	Extraction and concentration. Establishes a lower-potency hemp extraction and concentration endorsement or a lower-potency hemp creation of artificially derived cannabinoid endorsement. Requires lower-potency hemp edible manufacturers that extract and concentrate hemp or artificially derive cannabinoids from hemp to obtain the appropriate endorsement.

Section	Description
94	On-site consumption. Allows OCM to issue an on-site consumption endorsement to a lower-potency hemp edible retailer that does not have an on-sale liquor license if the retailer submits proof of liability insurance. This section is effective the day following final enactment.
95	Types of medical cannabis endorsements; authorized actions. Outlines the newly established medical cannabis endorsements: medical cannabis cultivation, medical cannabis manufacturer, and medical cannabis retail. This section is effective January 1, 2027.
96	Medical cannabis cultivation endorsement. Establishes a medical cannabis cultivation endorsement available to microbusinesses, mezzobusinesses, macrobusinesses, and cultivators with a cannabis cultivation endorsement that allows endorsement holder to cultivate cannabis for purposes of being sold as medical cannabis. This section is effective January 1, 2027.
97	Medical cannabis manufacturer endorsement. Establishes a medical cannabis manufacturer endorsement available to microbusinesses, mezzobusinesses, macrobusinesses, and manufacturers with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement that allows endorsement holder to manufacture medical cannabinoid products and high medical need products. This section is effective January 1, 2027.
98	Medical cannabis retail endorsement. Establishes a medical cannabis retail endorsement available to microbusinesses, mezzobusinesses, macrobusinesses, and retailers with a cannabis retail operations endorsement that allows endorsement holder to distribute medical cannabis. Allows microbusinesses, mezzobusinesses, and cannabis retailers with a medical cannabis retail endorsement to employ or contract with a medical cannabis consultant or licensed pharmacist to consult with enrolled patients. Requires macrobusinesses with medical cannabis retail endorsement to employ a medical cannabis consultant or licensed pharmacist to consult with enrolled patients. This section is effective January 1, 2027.

Section	Description
99	Additional authorized actions; medical cannabis delivery endorsement. Establishes a medical cannabis delivery endorsement available to microbusinesses and cannabis delivery license holders to deliver medical cannabis flower and cannabinoid products to patients in the registry. This section is effective January 1, 2027.
100	Distribution requirements. Allows microbusinesses, mezzobusinesses, and cannabis retailers with a medical cannabis retail endorsement to contract with a medical cannabis consultant or licensed pharmacist to consult with enrolled patients. Requires macrobusinesses with medical cannabis retail endorsement to employ a medical cannabis consultant or licensed pharmacist to consult with enrolled patients. Clarifies that a cannabis business with a medical cannabis retail endorsement may not distribute medical cannabis flower or product intended to be vaporized if the product is intended for a patient under 21 years of age. This section is effective January 1, 2027, except for distribution of product intended to be vaporized (effective the day following final enactment.)
101	Final approval for distribution of medical cannabis flower and medical cannabinoid products. Allows microbusinesses, mezzobusinesses, and cannabis retailers with a medical cannabis retail endorsement to identify (not employ) a medical cannabis consultant or licensed pharmacist to give final approval for medical cannabis distribution to enrolled patients. Requires macrobusinesses with medical cannabis retail endorsement to employ a medical cannabis consultant or licensed pharmacist to give final approval for medical cannabis distribution to enrolled patients. This section is effective January 1, 2027.
102	Enforcement. Allows OCM to use its general inspection and enforcement authority to enforce medical cannabis endorsement requirements. Allows OCM to suspend or revoke a medical cannabis endorsement if OCM determines that the business is not actively participating in the medical cannabis market. This section is effective January 1, 2027.
103	Cannabis macrobusiness. Creates a cannabis macrobusiness license and strikes the medical combination business. Requires macrobusinesses to obtain a medical cannabis manufacturing endorsement and at least one other medical cannabis endorsement. Directs OCM to

Section	Description
	convert existing medical cannabis combination business licenses to cannabis macrobusiness licenses.
	This section is effective January 1, 2027.
104	Testing of samples; disclosures. Makes conforming changes. This section is effective January 1, 2027.
105	Test results. Makes conforming changes. This section is effective January 1, 2027.
106	Testing of high medical need products. Allows cannabis testing facilities to establish a process to prioritize the testing of high medical need products. This section is effective January 1, 2027.
107	Packaging requirements. Modifies cannabis packaging requirements by: (1) removing requirement that packaging or container must be plain, child resistant, tamper-evident, and opaque; (2) requiring cannabis flower to be prepackaged unless licensee has a cannabis flower packaging endorsement; (3) requiring cannabis products and lower-potency hemp edibles be prepackaged; and (4) setting packaging restrictions for containers containing multiple servings of a lower-potency hemp edible product intended to be consumed as a beverage. Makes conforming changes.
108	Content of label; cannabis. Modifies required label information for cannabis flower and hemp-derived consumer products that consist of hemp plant parts with regards to directions and warning information.
109	Content of label; cannabinoid products excluding lower-potency hemp edibles. Removes required information for cannabis product labels, including the name and license number of licensed cultivator and statutorily required warning information. Allows OCM to establish warning requirements. Excludes lower-potency hemp edibles from general cannabinoid product label requirements to make specific lower-potency hemp edible label requirements in another section. Establishes specific ratio hemp-infused cannabis product labeling requirement.

Section	Description
	This section is effective August 1, 2026, except for the ratio hemp-infused cannabis product labeling requirement (effective January 1, 2027.)
110	Additional content of label; medical cannabis flower and medical cannabinoid products. Makes technical changes.
111	Content of label; hemp-derived topical products. Establishes additional labeling requirements for hemp-derived topical products that contain THC.
112	Additional information. Makes conforming changes. This section is effective January 1, 2027.
113	Labeling of lower-potency hemp edibles. Establishes separate labeling requirements for lower-potency hemp edibles.
114	Approved cannabinoids. Allows OCM to approve THC in hemp-derived topical products. Prohibits hemp-derived topical products from containing more than 0.3 percent total THC.
115	Lawful activities. Makes conforming changes. This section is effective January 1, 2027.
116	Psilocybin therapeutic use program report. Requires OCM to publish and submit a report to the legislature about administering a psilocybin therapeutic use program.
117	Revisor instruction. Directs the revisor of statutes to renumber the macrobusiness section and correct cross-references. This section is effective January 1, 2027.
118	Repealer. Repeals several cannabis provisions from chapter 151 and a medical cannabis endorsement subdivision.

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	The repealing of chapter 151 provisions is effective the day following final enactment, and the repealing of the medical cannabis endorsement subdivision is effective January 1, 2027.
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119	Effective date.
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	Sets the default effective date for this bill as August 1, 2026, except for: (1) sections that state otherwise; and (2) new and stricken language in relation to the creation of cannabis macrobusinesses and the conversion of medical cannabis combination businesses. Sets the effective date for new and stricken language relating to the creation of cannabis macrobusinesses and the conversion of medical cannabis combination businesses as January 1, 2027.
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