

Minnesota State Cannabis Compliance Handbook

Table of Contents

General Requirements.....	7	Inspection.....	31
Application Content.....	9	Local Control Compliance Checks.....	31
Application Disqualifications	11	Local Control Compliance Check Failure.....	31
Criminal Offenses.....	11	State Compliance Checks.....	31
Civil and Regulatory Offenses.....	11	Authorized Entry.....	31
Application Process.....	13	Conducting Checks.....	32
Initial Application.....	13	Post-Violation Identification.....	32
Application Review.....	13	Labeling Issues.....	32
Background Checks.....	14	Health and Safety Issues.....	33
Final Authorization and Issuance of License.....	14	Complaints and Priority of Inspection.....	33
Application Review.....	15	Violations and Penalties.....	33
Licenses.....	17	Mezzobusiness.....	35
License Types and Fees.....	17	Authorization.....	35
Local Control.....	21	Employees.....	36
Microbusiness.....	23	Criminal History Check.....	36
Authorizations.....	23	Disqualifications.....	36
Employees.....	23	General Operation Requirements.....	36
Criminal History Check.....	23	Records.....	36
Disqualifications.....	24	Diversity Report.....	37
General Operation Requirements.....	24	Disposal of Product and Loss	
Records.....	24	Documentation.....	37
Diversity Report.....	25	Sample Regulations.....	37
Disposal of Product and Loss		Customer Privacy.....	38
Documentation.....	25	Retail Operation Requirements.....	38
Sample Regulations.....	25	Sale of Other Products.....	39
Customer Privacy.....	26	Age Verification.....	39
Retail Sale Requirements.....	26	Display of Cannabis Products.....	40
Product Requirements.....	26	Posting Notices.....	40
Sale of Other Products.....	27	Hours of Operation.....	40
Age Verification.....	27	Building Conditions.....	41
Display of Cannabis Products.....	28	Security.....	41
Posting Notices.....	28	Lighting.....	41
Hours of Operation.....	28	Deliveries.....	41
Building Conditions.....	28	Prohibitions.....	41
Security.....	29	Inspection.....	42
Lighting.....	29	Local Control Compliance Checks.....	42
Deliveries.....	29	Local Control Compliance Check Failure.....	42
Prohibitions.....	29	State Compliance Checks.....	42
On-Site Consumption.....	29	Authorized Entry.....	42

Conducting Checks.....	43	Sample Regulations.....	57
Post-Violation Identification.....	43	Customer Privacy.....	57
Labeling Issues.....	43	License Specific Operation Requirements.....	58
Health and Safety Issues.....	43	Age Verification.....	58
Complaints and Priority of Inspection.....	44	Records.....	58
Violations and Penalties.....	44	Amount to be Transported.....	58
Wholesaler.....	47	Statewide monitoring system.....	58
Authorizations.....	47	Storage compartment.....	58
Employees.....	47	Identifying logos or business names	
Criminal History Check.....	47	prohibited.....	58
Disqualifications.....	47	Non-employee passengers prohibited.....	58
General Operation Requirements.....	48	Inspection.....	59
Records.....	48	Local Control Compliance Checks.....	59
Diversity Report.....	48	Local Control Compliance Check Failure.....	59
Disposal of Product and Loss		State Compliance Checks.....	59
Documentation.....	48	Authorized Entry.....	59
Sample Regulations.....	49	Conducting Checks.....	60
Customer Privacy.....	49	Post-Violation Identification.....	60
License Specific Operation Requirements.....	50	Labeling Issues.....	60
Separation of Products	50	Health and Safety Issues.....	60
Records and Labels	50	Complaints and Priority of Inspection.....	61
Building Conditions	50	Violations and Penalties.....	61
Sale of Other Products	50	Transporter.....	63
Importation of Hemp Products	50	Authorizations	63
Inspection.....	51	Employees.....	63
Local Control Compliance Checks.....	51	Criminal History Check.....	63
Local Control Compliance Check Failure.....	51	Disqualifications.....	63
State Compliance Checks.....	52	General Operation Requirements.....	64
Authorized Entry.....	52	Records.....	64
Conducting Checks.....	52	Diversity Report.....	64
Post-Violation Identification.....	52	Disposal of Product and Loss	
Labeling Issues.....	52	Documentation.....	64
Health and Safety Issues.....	53	Sample Regulations.....	65
Complaints and Priority of Inspection.....	53	Customer Privacy.....	65
Violations and Penalties.....	53	License Specific Operation Requirements.....	66
Delivery Service.....	55	Manifest Required.....	66
Authorization.....	55	Records of Transportation.....	66
Employees.....	55	Storage compartment.....	66
Criminal History Check.....	55	Identifying logos or business names prohibited	
Disqualifications.....	55	66
General Operation Requirements.....	56	Multiple employees, secured vehicles, and	
Records.....	56	delivery routes.....	66
Diversity Report.....	56	Nonemployee passengers prohibited.....	67
Disposal of Product and Loss		Driver's license required.....	67
Documentation.....	56	Vehicles subject to inspection.....	67

Inspection.....	67	Post-Violation Identification.....	69
Local Control Compliance Checks.....	67	Labeling Issues.....	69
Local Control Compliance Check Failure.....	68	Health and Safety Issues.....	69
State Compliance Checks.....	68	Complaints and Priority of Inspection.....	69
Authorized Entry.....	68	Violations and Penalties.....	70
Conducting Checks.....	68		

General Requirements

General Requirements

A license applicant must meet each of the following requirements:

- Be at least 21 years of age
- Have completed an application for licensure or an application for renewal
- Have paid the applicable application fee and license fee
- If the applicant or license holder is a business entity, be incorporated in the state or otherwise formed or organized under the laws of the state;
- Not be employed by The Office of Cannabis Management or any state agency with regulatory authority
- Not be a licensed peace officer
- Never have had a cannabis license revoked
- Have filed any previously required tax returns for a cannabis business
- Have paid and remitted any business taxes, gross receipts taxes, interest, or penalties due relating to the operation of a cannabis business
- Have fully and truthfully complied with all information requests of the office relating to license application and renewal;
- Not employ an individual who is disqualified from working for a cannabis business
- Meet the ownership and operational requirements for the type of license they are applying for
- Not have had any confirmed willful labor violation with the Department of Labor, National Labor Relations Board, or the Occupational Safety and Health Administration within the last five years
- A health care practitioner who certifies qualifying medical conditions for patients is prohibited from:
 - Holding a direct or indirect economic interest in a cannabis business;
 - Serving as a cooperative member, director, manager, general partner, or employee of a cannabis business
 - Advertising with a cannabis business in any way
-
- If the license holder or applicant is a business entity, every officer, director, manager, and general partner of the business entity must meet each of the requirements
-
- The ownership disqualifications and requirements under this section do not apply to a hemp business license holder or applicant.

Application Content

The Office of Cannabis Management requires all applications to include the following:

- The name, birthdate, and address of the applicant
- The disclosure of ownership and control, including:
 - Management structure, ownership, and control of the cannabis business, including the name and position held by each individual and their ownership percentage, the same is required for the cannabis business's parent company, if applicable
 - Statements from the applicant and other partners indicating whether they have or have previously held an ownership interest in a cannabis business in Minnesota, any other state or territory of the United States, or any other country
 - if the applicant is a corporation, copies of the applicant's articles of incorporation and bylaws and any amendments to the applicant's articles of incorporation or bylaws;
 - copies of any partnership agreement, operating agreement, and shareholder agreement
 - copies of any promissory notes, security instruments, or other similar agreements;
 - an explanation of funding sources used to finance the business;
 - a list of operating and investment accounts for the business, including financial institution, account numbers, and any outstanding loans and other financial obligations obtained for use in the business, including the loan amount, loan terms, and name and address of the creditor.
- The disclosure of whether the applicant, or, if the applicant is a business, any officer, has ever filed for bankruptcy
- The address and legal property description of the business
- A general description of the location or locations the applicant intends to operate, including the planned square footage for cultivation, retail, and wholesaling, if applicable
- A copy of the security plan, including the security monitoring system, equipment, and facility maps
- Proof of trade name registration
- A copy of the applicant's business plan showing:
 - The expected size of the business and anticipated growth
 - The methods of record keeping
 - The knowledge and experience of the applicant and any partners
 - The environmental plan
 - Other relevant financial and operational components;
 - Standard operating procedures for:
 - Quality assurance
 - Inventory control, storage, and diversion prevention

Application Content

- Accounting and tax compliance
- An attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement
 - A description of the training that the applicant will provide to employees
 - A disclosure of any previous violation of a license agreement or a federal, state, or local law or regulation committed by the applicant and partners relevant to business and working conditions
 - The identification of one or more employees as agents who shall be responsible for corresponding with the Office of Cannabis Management on all matters
 - A statement that the applicant agrees to respond to the Office of Cannabis Management's supplemental requests for information
 - A release of information regarding the applicant and any partners in the applicant's business license, allowing the Office of Cannabis Management to perform required background checks
 - Proof that the applicant is a social equity applicant
 - An attestation that the applicant's business policies governing business operations comply with this chapter

Applicants must submit all required information and the associated fees to the Office of Cannabis Management. If the office receives an application that fails to include required information or associated fees, the office will issue a deficiency notice to the applicant. Applicants have 14 calendar days from the date of the notice to amend their application and pay associated fees. Failure to amend the application or submit associated fees within 14 calendar days will result in the application being rejected.

Application Disqualifications

Criminal Offenses

The Office of Cannabis Management may determine whether felony convictions prohibit an individual from obtaining a cannabis business license.

The Office of Cannabis Management will not issue a license to an applicant or business that was convicted of illegally selling cannabis after August 1, 2023, unless five years have passed since the date of conviction. The Office of Cannabis Management may set aside a violation if the office finds that the violation occurred as a result of a mistake made in good faith and did not involve illegal cannabis sale or cause harm to the public.

The Office of Cannabis Management may not disqualify an individual for a fifth-degree controlled substance crime.

The Office of Cannabis Management will not issue a license to an applicant who has paid a fine for the sale of cannabis or hemp-derived products including:

- The sale of between two ounces and 50 pounds of cannabis flower
- The sale of between eight grams and four kilograms of cannabis concentrate.
- The Office of Cannabis Management may set aside a criminal offense disqualification if the office finds that the person has submitted sufficient information to demonstrate that the person does not pose a risk of harm

Civil and Regulatory Offenses

The Office of Cannabis Management may determine that any civil or regulatory violations disqualify an applicant from receiving a cannabis business license or disqualify an individual from working for a cannabis business, and the length of the disqualification.

The background check, criminal offenses, and civil offense requirements and disqualifications do not apply to an applicant for a hemp business license or to hemp workers.

Application Process

Initial Application

The Office of Cannabis Management will announce the commencement of a licensing period. This announcement will include:

- The types of licenses available during the licensing period
- The number of licenses available during the licensing period
- The window of application

Application Review

After the application and associated fees are submitted, the Office of Cannabis Management must review them.

The office may deny an application if:

- The application is incomplete
- The application contains a materially false statement about the applicant or omits required information
- The applicant does not meet the general requirements
- The applicant meets the disqualification criteria
- The application does not meet the minimum application requirements
- The applicant fails to pay the applicable application fee
- The application was not submitted by the application deadline
- The applicant submitted more than one application for a license type
- The Office of Cannabis Management determines that the applicant would be prohibited from holding a license

If the Office of Cannabis Management denies an application, the office must notify the applicant of the denial and the basis for the denial.

The office may request additional information from any applicant if the office determines that the information is necessary to review or process the application. If the applicant does not provide the additional requested information within 14 calendar days of the office's request for information, the office may deny the application.

Application Process

Background Checks

Before granting preliminary license approval, the Office of Cannabis Management will conduct a background check of the applicant and relevant partners.

Applicants and relevant partners can expect to submit:

- A criminal history records check consent form
- A full set of fingerprints
- Any required fees
- This check may include:
 - A state criminal history records check
 - A national criminal history check
- The Office of Cannabis Management must notify the applicant of the results of the background check

Final Authorization and Issuance of License

Within 18 months of receiving notice of preliminary license approval, an applicant must provide:

- The address and property description of the location where the business will operate
- The name of the local unit of government where the business will be located

Upon receipt of this information, the Office of Cannabis Management must:

- Forward a copy of the application to the local unit of government in which the business operates, with a form for certification as to whether a business complies with local zoning, and fire codes
- Schedule a site inspection
- Collect the applicable license fees

The office may deny final authorization if:

- An applicant fails to submit any required information
- The applicant submits false statements or fails to provide any required information

Application Process

- The office confirms that the cannabis business for which the office granted a preliminary license approval does not meet local zoning, and fire codes
- The applicant fails to pay the applicable fees
- The office determines that the applicant meets any **disqualifications** from holding the license

Within 90 days of receiving this information and the results of any required background check, the Office of Cannabis Management shall grant final authorization and issue the appropriate license or send the applicant a notice of rejection with reasons for the rejection.

Application Review

The Office of Cannabis Management reviews applications and evaluates them based on the following categories.

- Security and record keeping
- Employee training plan
- Business plan and financial situation
- Labor and employment practices
- Knowledge and experience
- Environmental plan

Licenses

License Types and Fees

The state of Minnesota Office of Cannabis Management offers fourteen different types of cannabis licenses, including:

- Cannabis Microbusiness
 - Application Fee: \$500
 - Initial License Fee: \$0
 - Renewal Fees: \$2,000

- Cannabis Mezzobusiness
 - Application Fee: \$5,000
 - Initial License Fee: \$5,000
 - Renewal Fees: \$10,000

- Cannabis Cultivator
 - Application Fee: \$10,000
 - Initial License Fee: \$20,000
 - Renewal Fees: \$30,000

- Cannabis Manufacturer
 - Application Fee: \$10,000
 - Initial License Fee: \$10,000
 - Renewal Fees: \$20,000

- Cannabis Retailer
 - Application Fee: \$2,500

Licenses

- Initial License Fee: \$2,500
- Renewal Fees: \$5,000

- Cannabis Wholesaler
 - Application Fee: \$5,000
 - Initial License Fee: \$5,000
 - Renewal Fees: \$10,000

- Cannabis Transporter
 - Application Fee: \$250
 - Initial License Fee: \$500
 - Renewal Fees: \$1,000

- Cannabis Testing Facility
 - Application Fee: \$5,000
 - Initial License Fee: \$5,000
 - Renewal Fees: \$10,000

- Cannabis Event Organizer
 - Application Fee: \$750
 - Initial License Fee: \$750
 - Renewal Fees: N/A

- Cannabis Delivery Service
 - Application Fee: \$250
 - Initial License Fee: \$500
 - Renewal Fees: \$1,000

Licenses

- Lower-Potency Hemp Edible Manufacturer
 - Application Fee: \$250
 - Initial License Fee: \$250
 - Renewal Fees: \$1,000

- Lower-Potency Hemp Edible Retailer
 - Application Fee: \$250
 - Initial License Fee: \$250
 - Renewal Fees: \$250

- Lower-Potency Hemp Edible Wholesaler
 - Application Fee: \$250
 - Initial License Fee: \$10,000
 - Renewal Fees: \$10,000

- Medical Cannabis Combination Business
 - Application Fee: \$10,000
 - Initial License Fee: \$20,000
 - Renewal Fees: \$70,000

All fees are nonrefundable.

The initial license fee and first renewal fee are due when the license is issued. Subsequent renewals are made as needed. Local governments, including city and county governments, may charge additional fees.

Local Control

Minnesota cannabis license holders are subject to local control regulations. Local governments, include city and county governments. These entities cannot prohibit the possession, transportation, or use of cannabis products.

Local governments may enact restrictions on the time, place, and manner of operation of a cannabis business, including distance from a school, daycare, or residential treatment centers.

The Minnesota Office of Cannabis Management works with local governments to develop:

- Model ordinances for the time, place, and manner of operation of cannabis businesses
- Standardized forms and procedures for the issuance of licenses
- Model policies and procedures for the performance of compliance checks

The Minnesota Office of Cannabis Management must submit all cannabis business applications to the local government. These bodies will then determine if the business is compliant with local fire and building ordinances. Local governing bodies must respond to the office within 30 days; after 30 days, the office may issue a license without local approval.

A local government may limit the issuance of a cannabis business license after its jurisdiction has reached one cannabis business per every 12,500 residents. Local governments may not limit the issuance of licenses before this quota is reached.

Microbusiness

Authorizations

A cannabis microbusiness license authorizes the license holder to:

- Grow cannabis plants from seed or immature plant to mature plant, and harvest cannabis flower from a mature plant
- Make cannabis concentrate
- Make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent
- Manufacture artificially derived cannabinoids
- Manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption
- Purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from another cannabis licensed cannabis business
- Purchase hemp plant parts and propagules from a licensed industrial hemp grower
- Purchase hemp concentrate from a licensed industrial hemp processor
- Package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers
- Sell immature cannabis plants and seedlings, adult-use cannabis consumer products, and other products authorized by law to other cannabis businesses and to customers
- Operate an establishment that permits on-site consumption of edible cannabis products and lower-potency hemp edibles
- Perform other actions approved by the office

Employees

Criminal History Check

A cannabis business can employ or contract as many individuals as necessary. Employees do not require a cannabis business license. The cannabis business is accountable for the conduct of employees and contract employees.

Microbusiness

Before hiring an individual as a cannabis worker, the business must submit the individual's full set of fingerprints and written consent to conduct a state and national criminal history check to the Bureau of Criminal Apprehension to determine if the individual is eligible to be a cannabis employee.

Disqualifications

A cannabis business may not employ an individual who has been convicted of any of the following:

- Human Trafficking
- Non-cannabis controlled substance crime in the first or second degree
- Labor Trafficking
- Fraud
- Embezzlement
- Extortion
- Money laundering
- Insider trading

A cannabis business must not employ an individual as a cannabis worker if the individual made any false statement in an employment application.

General Operation Requirements

Records

Cannabis and hemp businesses are required to retain financial records for the current and previous tax years at the primary business location. These records must be made available for inspection by an agent of the Office of Cannabis Management at any time during regular business hours.

When applicable, a cannabis or hemp business must maintain financial records for the previous ten tax years and must make those records available for inspection within one business day of receiving a request for inspection by the Office of Cannabis Management.

The Office of Cannabis Management may require a cannabis or hemp business to submit to an audit of its business records. The office may select or approve the auditor, and the cannabis or hemp business must provide the auditor with access to all business records. The cost of the audit must be paid by the cannabis or hemp business.

Diversity Report

Cannabis businesses and hemp businesses shall provide an annual report on the status of diversity in the business ownership, management, and employment, and in services for which the business contracts.

Disposal of Product and Loss Documentation

Cannabis and hemp businesses must dispose of cannabis consumer products that are damaged, have a broken seal, have been contaminated, or have not been sold by the expiration date on the label.

Disposal must be conducted in a manner approved by the Office of Cannabis Management. Disposal of any cannabis consumer products that are required to be entered into the statewide monitoring system must be documented in the statewide monitoring system.

Loss or theft of any cannabis consumer products that are required to be entered into the statewide monitoring system must be reported to local law enforcement. A business must log any such loss or theft in the statewide monitoring system as soon as the loss or theft is discovered.

Sample Regulations

A sample jar may not contain:

- More than eight grams of usable cannabis flower
- More than eight grams of a cannabis concentrate
- An edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol
- A lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol
- A hemp-derived consumer product with a total weight of more than eight grams

A retailer or cannabis wholesaler can offer samples for the purposes of quality control and to allow retailers to determine whether to offer a product for sale.

A sample provided for these purposes may not contain:

- More than eight grams of usable cannabis flower
- More than eight grams of a cannabis concentrate
- An edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol
- A lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol
- A hemp-derived consumer product with a total weight of more than eight grams

Customer Privacy

Cannabis businesses and hemp businesses must not share data on retail or wholesale customers with any federal agency, federal department, or federal entity unless specifically ordered by a state or federal court.

Retail Sale Requirements

Product Requirements

A cannabis business with a license authorizing the retail sale of cannabis flower or cannabis products may only sell immature cannabis plants and seedlings, and adult-use cannabis products to individuals who are at least 21 years of age.

A cannabis business with a license authorizing the retail sale of immature cannabis plants and seedlings, and adult-use cannabis products that:

- Are obtained from a licensed business
- Meet all applicable packaging and labeling requirements

A cannabis business with a license authorizing the retail sale of cannabis flower or cannabis products may sell:

- Up to two ounces of adult-use cannabis flower or hemp-derived consumer products consisting primarily of hemp plant parts
- Up to eight grams of adult-use cannabis concentrate or hemp-derived consumer products consisting primarily of hemp concentrate or artificially derived cannabinoids
- Edible cannabis products and lower-potency hemp edibles infused with up to 800 milligrams of tetrahydrocannabinol during a single transaction to a customer.
- Edible adult-use cannabis products and hemp-derived consumer products intended to be eaten may not include more than ten milligrams of tetrahydrocannabinol per serving, and a single package may not include more than a total of 200 milligrams of tetrahydrocannabinol.
- A package may contain multiple servings of ten milligrams of tetrahydrocannabinol, provided that each serving is indicated by scoring, wrapping, or other indicators designating the individual serving size.
- Edible adult-use cannabis products and hemp-derived consumer products intended to be consumed as beverages may not include more than ten milligrams of tetrahydrocannabinol per serving. A single beverage container may not contain more than two servings

Sale of Other Products

A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell cannabis paraphernalia. A licensed cannabis business may sell hemp-derived topical products.

A licensed cannabis business may sell the following products that do not contain cannabis, artificially derived cannabinoids, or tetrahydrocannabinol:

- Drinks that do not contain alcohol and are packaged in sealed containers labeled for retail sale
- Books and videos on the cultivation and use of cannabis flower and products that contain cannabinoids
- Magazines and other publications are published primarily for information and education on cannabis
 - Multiple-use bags designed to carry purchased items
 - Clothing marked with the specific name, brand, or identifying logo of the retailer
 - Hemp fiber products and products that contain hemp grain
 - Products that detect the presence of fentanyl

Age Verification

Before initiating a sale, an employee of a cannabis business must verify that the customer is at least 21 years of age.

- Proof of age may be established only by one of the following:
 - A valid driver's license or identification card issued by a U.S. state or a province of Canada, which includes a photograph and date of birth
 - A valid Tribal identification card
 - A valid passport issued by the United States
 - A valid instructional permit issued to a person of legal age to purchase adult-use cannabis products, which includes a photograph and date of birth
- In the case of a foreign national with a valid passport

A retailer may seize a form of identification if the cannabis retailer has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A retailer that seizes a form of identification must deliver it to a law enforcement agency within 24 hours of seizing it.

Display of Cannabis Products

A licensed cannabis business must designate a retail area where customers are permitted. The retail area shall include the portion of the premises where samples of cannabis flower and cannabis products available for sale are displayed. All other cannabis flower and cannabis products must be stored in a secure storage area.

A licensed cannabis business may not sell cannabis flower or cannabis products used as a sample for display. If the retailer uses display samples of lower-potency hemp edibles or hemp-derived consumer products, the retailer may not sell the product used as a sample for display.

Posting Notices

A licensed cannabis business must post all notices as required by the Office of Cannabis Management, including but not limited to:

- Information about product recall
- A statement that operating a motor vehicle under the influence of intoxicating cannabinoids is illegal
- A statement that cannabis consumer products are only intended for consumption by individuals who are at least 21 years of age

Hours of Operation

A licensed cannabis business may not sell cannabis consumer products between 2:00 a.m. and 8:00 a.m. Monday through Saturday, or between 2:00 a.m. and 10:00 a.m. on Sunday.

A city or county may adopt an ordinance to prohibit sales for any period between 8:00 a.m. and 10:00 a.m. Monday through Saturday.

A licensed cannabis business may not be open to the public or sell any other products at times when the cannabis business is prohibited from selling cannabis consumer products.

Building Conditions

A licensed cannabis business must maintain compliance with state and local building, fire, and zoning requirements or regulations.

A licensed cannabis business must ensure that the licensed premises are maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Microbusiness

Security

A licensed cannabis business must comply with security requirements established by the office, including:

- Maintaining video surveillance records
- Using specific locking mechanisms
- Establishing secure entries
- Ensuring a minimum number of employees are working at all times

Lighting

A licensed cannabis business must keep all lighting outside and inside the dispensary in good working order and sufficient wattage for security cameras.

Deliveries

A licensed cannabis business may only accept deliveries of cannabis consumer products in a limited access area. Deliveries may not be accepted through the public access areas.

Prohibitions

A licensed cannabis business must not:

- Sell cannabis consumer products to a person who is visibly intoxicated
- Knowingly sell more cannabis consumer products than a customer is legally permitted to possess
- Give away immature cannabis plants or seedlings, or cannabis consumer products
- Operate a drive-through window
- Allow for the dispensing of cannabis consumer products in vending machines
- Sell cannabis plants or cannabis products if the cannabis retailer knows that any required security or statewide monitoring systems are not operational.

On-Site Consumption

A cannabis business may permit on-site consumption of edible cannabis products on a portion of its premises. The portion of the premises in which on-site consumption is permitted must be definite and distinct from all other areas of the business and must be accessed through a distinct entrance.

Microbusiness

Edible cannabis products sold for on-site consumption must comply with rules regarding the testing, packaging, and labeling of cannabinoid products. Edible cannabinoid products sold for on-site consumption must be served in the required packaging, but may be removed from the products' packaging by customers and consumed on site.

Food and beverages not otherwise prohibited by this subdivision may be prepared and sold on site, provided that the cannabis business complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements. A cannabis business may offer recorded or live entertainment, provided that the cannabis business complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

A cannabis business shall ensure that the display and consumption of any edible cannabis product or lower-potency hemp edible is not visible from outside of the licensed premises of the business.

- A cannabis business may not:
 - Sell an edible cannabis product to an individual who is under 21 years of age
 - Permit an individual who is under 21 years of age to enter the premises
 - Sell an edible cannabis product to a person who is visibly intoxicated
 - Sell or allow the sale or consumption of alcohol or tobacco on the premises
 - Sell products that are intended to be eaten or consumed as a drink, other than packaged and labeled edible cannabis products, that contain cannabis
 - Permit edible cannabis products sold in the designated on-site consumption area to be removed from that area
 - Permit adult-use cannabis consumer products, or tobacco, to be consumed through smoking or a vaporized delivery method on the premises
 - Distribute or allow free samples of cannabis consumer products

Inspection

Local Control Compliance Checks

Local units of government, including city and county governments, shall conduct compliance checks. During a compliance check, a local unit of government will assess the business's compliance with customer age verification requirements and compliance with local control ordinances.

Local units of government must conduct unannounced age verification compliance inspections at every cannabis and hemp business at least once per calendar year. Age verification compliance checks involve persons between the ages of 17 and 20 attempting to purchase adult-use cannabis flower, adult-

Microbusiness

use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

Local Control Compliance Check Failure

If a local unit of government determines that a cannabis or hemp business with a retail registration issued by the local unit of government is not operating in compliance with local control ordinances or poses a threat to the health and safety of the public, the local unit of government may suspend the retail registration of the business. The local unit of government must immediately notify the Office of Cannabis Management of the suspension and shall include a description of the grounds for the suspension.

The retail registration suspension must be for up to 30 days. The Office of Cannabis Management may suspend the license and operating privilege of the cannabis business or hemp business for a longer period or revoke the license. No cannabis or hemp business may make any sale to a customer or patient without a valid retail registration.

The local unit of government may reinstate the retail registration if the local unit of government determines that any violation has been corrected. The local unit of government must reinstate the retail registration if the office orders reinstatement.

State Compliance Checks

Authorized Entry

The Office of Cannabis Management, upon presenting appropriate credentials to the owner, operator, or agent in charge, is authorized to:

- Enter any cannabis business or hemp business without delay and at reasonable times
- Inspect and investigate during regular working hours and at other reasonable times, within reasonable limits and in a reasonable manner, any cannabis business or hemp business and all relevant conditions, equipment, records, and materials therein
- Privately question any employee of a cannabis business or hemp business

An employee must not refuse the Office of Cannabis Management officer entry or otherwise deter investigation

Conducting Checks

If the office finds probable cause to believe that any cannabis consumer product is being distributed illegally, the officer shall affix a tag to the item, withdraw the item from the distribution order, or take

Microbusiness

appropriate action providing notice that the cannabis consumer product is, or is suspected of being, distributed illegally and has been detained or embargoed. The officer must warn all persons not to remove or dispose of the item by sale or otherwise until permission for removal or disposal is given by the office or the court.

It is unlawful for a person to remove or dispose of a detained or embargoed cannabis consumer product by sale or otherwise without the office's or a court's permission, and each transaction is a separate violation of the law.

If any cannabis consumer product has been found by the Office of Cannabis Management to violate the law, the Office of Cannabis Management shall petition the district court in the county in which the item is detained or embargoed for an order and decree for the condemnation of the item. The office shall release the cannabis consumer product if the violation has been corrected or the item is found not to violate the law.

Post-Violation Identification

If the court finds that the detained or embargoed cannabis consumer product violates the law, the following remedies are available.

Labeling Issues

If the violation can be corrected by proper labeling or processing of the cannabis consumer product, the court, after entry of the decree and after costs, fees, and expenses have been paid, and a good and sufficient bond conditioned that the cannabis consumer product must be properly labeled or processed has been executed, may by order direct that the cannabis consumer product be delivered to the claimant for proper labeling or processing under the supervision of the office.

Health and Safety Issues

If the Office of Cannabis Management finds any cannabis consumer product that is unsound or contains any filthy, decomposed, or putrid substance, or that may be poisonous or deleterious to health or otherwise unsafe, the Office of Cannabis Management shall condemn or destroy the item or, in any other manner, render the item as unsalable.

A representative of a cannabis or hemp business shall be allowed to accompany the Office of Cannabis Management agent during the physical inspection of any cannabis or hemp business for the purpose of aiding such inspection.

Complaints and Priority of Inspection

The Office of Cannabis Management may conduct inspections of any licensed cannabis or hemp business at any time to ensure compliance. Some inspections are conducted based on complaints or reports of issues.

Microbusiness

Anyone can report a suspected violation of a safety or health standard. If the office determines that there are reasonable grounds to believe a violation or danger exists, the Office of Cannabis Management shall make a special inspection as soon as practicable to investigate the alleged danger or violation. The Office of Cannabis Management prioritizes inspections of cannabis and hemp businesses where there is reason to believe that a violation poses imminent danger to the public or customers. Inspections must take place within one business day of the receipt of a credible report.

Violations and Penalties

The office may issue an administrative order to any licensed cannabis or hemp business that the Office of Cannabis Management determines has violated the law.

The administrative order may require the business to correct the violation or to cease committing the violation. The order must state the deficiencies that constitute the violation and the time by which the violation must be corrected.

If the business believes that the information in the administrative order is incorrect, the business may ask the office to consider the parts of the order that are alleged to be incorrect.

The request must be:

- In writing
- Delivered to the office by certified mail within seven days after receiving the order
- Provide documentation to support the allegation of error

The office must respond to a request for reconsideration within 15 days after receiving the request. The office's judgment of a request for reconsideration is final.

For each violation of cannabis law, the Office of Cannabis Management may issue to each cannabis or hemp business a penalty of up to \$10,000, an amount that deprives the business of any economic advantage gained by the violation, or both.

An administrative penalty may be recovered in a civil action in the district court of the county where the violation is alleged to have occurred or the district court where the office is housed.

In addition to penalties listed in this subdivision, a person or business that violates the law is subject to any applicable criminal penalty.

Mezzobusiness

Authorization

A cannabis mezzobusiness license authorizes the license holder to:

- Grow cannabis plants, and harvest cannabis flower from a mature plant for use as adult-use cannabis flower or for use in adult-use cannabis products
- Grow cannabis plants, harvest cannabis flower from a mature plant for use as medical cannabis flower or for use in medical cannabinoid products
- Make cannabis concentrate
- Make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight
- Manufacture artificially derived cannabinoids
- Manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption
- Process medical cannabinoid products
- Purchase immature cannabis plants, seedlings and cannabis products consumer products from another licensed cannabis business
- Purchase hemp plant parts and propagules from a licensed hemp grower
- Purchase hemp concentrate from an industrial hemp processor
- Package and label adult-use cannabis flower, adult-use cannabis products for sale to customers
- Sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products consumer products
- Perform other actions approved by the Office of Cannabis Management

Employees

Criminal History Check

A cannabis business can employ or contract as many individuals as necessary. Employees do not require a cannabis business license. The cannabis business is accountable for the conduct of employees and contract employees.

Mezzobusiness

Before hiring an individual as a cannabis worker, the business must submit the individual's full set of fingerprints and written consent to conduct a state and national criminal history check to the Bureau of Criminal Apprehension to determine the oi determine if the individual is eligible to be a cannabis employee.

Disqualifications

A cannabis business may not employ an individual who has been convicted of any of the following:

- Human Trafficking
- Non-cannabis controlled substance crime in the first or second degree
- Labor Trafficking
- Fraud
- Embezzlement
- Extortion
- Money laundering
- Insider trading
-

A cannabis business must not employ an individual as a cannabis worker if the individual made any false statement in an employment application.

General Operation Requirements

Records

Cannabis and hemp businesses are required to retain financial records for the current and previous tax years at the primary business location. These records must be made available for inspection by an agent of the Office of Cannabis Management at any time during regular business hours.

When applicable, a cannabis or hemp business must maintain financial records for the previous ten tax years and must make those records available for inspection within one business day of receiving a request for inspection by the Office of Cannabis Management.

The Office of Cannabis Management may require a cannabis or hemp business to submit to an audit of its business records. The office may select or approve the auditor, and the cannabis or hemp business must provide the auditor with access to all business records. The cost of the audit must be paid by the cannabis or hemp business.

Diversity Report

Cannabis businesses and hemp businesses shall provide an annual report on the status of diversity in the business ownership, management, and employment, and in services for which the business contracts.

Disposal of Product and Loss Documentation

Cannabis and hemp businesses must dispose of cannabis consumer products that are damaged, have a broken seal, have been contaminated, or have not been sold by the expiration date on the label.

Disposal must be conducted in a manner approved by the Office of Cannabis Management. Disposal of any cannabis consumer products that are required to be entered into the statewide monitoring system must be documented in the statewide monitoring system.

Loss or theft of any cannabis consumer products that are required to be entered into the statewide monitoring system must be reported to local law enforcement. A business must log any such loss or theft in the statewide monitoring system as soon as the loss or theft is discovered.

Sample Regulations

A sample jar may not contain:

- More than eight grams of usable cannabis flower
- More than eight grams of a cannabis concentrate
- An edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol
- A lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol
- A hemp-derived consumer product with a total weight of more than eight grams

A retailer or cannabis wholesaler can offer samples for the purposes of quality control and to allow retailers to determine whether to offer a product for sale.

A sample provided for these purposes may not contain:

- More than eight grams of usable cannabis flower
- More than eight grams of a cannabis concentrate
- An edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol
- A lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol
- A hemp-derived consumer product with a total weight of more than eight grams

Customer Privacy

Cannabis businesses and hemp businesses must not share data on retail or wholesale customers with any federal agency, federal department, or federal entity unless specifically ordered by a state or federal court.

Retail Operation Requirements

A cannabis business with a license authorizing the retail sale of cannabis flower or cannabis products may only sell immature cannabis plants and seedlings, and adult-use cannabis products to individuals who are at least 21 years of age.

A cannabis business with a license authorizing the retail sale of immature cannabis plants and seedlings, and adult-use cannabis products that:

- Are obtained from a licensed business
- Meet all applicable packaging and labeling requirements

A cannabis business with a license authorizing the retail sale of cannabis flower or cannabis products may sell:

- Up to two ounces of adult-use cannabis flower or hemp-derived consumer products consisting primarily of hemp plant parts
- Up to eight grams of adult-use cannabis concentrate or hemp-derived consumer products consisting primarily of hemp concentrate or artificially derived cannabinoids
- Edible cannabis products and lower-potency hemp edibles infused with up to 800 milligrams of tetrahydrocannabinol during a single transaction to a customer.
- Edible adult-use cannabis products and hemp-derived consumer products intended to be eaten may not include more than ten milligrams of tetrahydrocannabinol per serving, and a single package may not include more than a total of 200 milligrams of tetrahydrocannabinol.
- A package may contain multiple servings of ten milligrams of tetrahydrocannabinol, provided that each serving is indicated by scoring, wrapping, or other indicators designating the individual serving size.
- Edible adult-use cannabis products and hemp-derived consumer products intended to be consumed as beverages may not include more than ten milligrams of tetrahydrocannabinol per serving. A single beverage container may not contain more than two servings.

Sale of Other Products

A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell cannabis paraphernalia. A licensed cannabis business may sell hemp-derived topical products.

A licensed cannabis business may sell the following products that do not contain cannabis, artificially derived cannabinoids, or tetrahydrocannabinol:

- Drinks that do not contain alcohol and are packaged in sealed containers labeled for retail sale
- Books and videos on the cultivation and use of cannabis flower and products that contain cannabinoids
- Magazines and other publications are published primarily for information and education on cannabis
- Multiple-use bags designed to carry purchased items
- Clothing marked with the specific name, brand, or identifying logo of the retailer
- Hemp fiber products and products that contain hemp grain
- Products that detect the presence of fentanyl

Age Verification

Before initiating a sale, an employee of a cannabis business must verify that the customer is at least 21 years of age.

Proof of age may be established only by one of the following:

- A valid driver's license or identification card issued by a U.S. state or a province of Canada, which includes a photograph and date of birth
- A valid Tribal identification card
- A valid passport issued by the United States
- A valid instructional permit issued to a person of legal age to purchase adult-use cannabis products, which includes a photograph and date of birth
- In the case of a foreign national with a valid passport

A retailer may seize a form of identification if the cannabis retailer has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A retailer that seizes a form of identification must deliver it to a law enforcement agency within 24 hours of seizing it.

Display of Cannabis Products

A licensed cannabis business must designate a retail area where customers are permitted. The retail area shall include the portion of the premises where samples of cannabis flower and cannabis products available for sale are displayed. All other cannabis flower and cannabis products must be stored in a secure storage area.

A licensed cannabis business may not sell cannabis flower or cannabis products used as a sample for display. If the retailer uses display samples of lower-potency hemp edibles or hemp-derived consumer products, the retailer may not sell the product used as a sample for display.

Posting Notices

A licensed cannabis business must post all notices as required by the Office of Cannabis Management, including but not limited to:

- Information about product recall
- A statement that operating a motor vehicle under the influence of intoxicating cannabinoids is illegal
- A statement that cannabis consumer products are only intended for consumption by individuals who are at least 21 years of age

Hours of Operation

A licensed cannabis business may not sell cannabis consumer products between 2:00 a.m. and 8:00 a.m. Monday through Saturday, or between 2:00 a.m. and 10:00 a.m. on Sunday.

A city or county may adopt an ordinance to prohibit sales for any period between 8:00 a.m. and 10:00 a.m. Monday through Saturday.

A licensed cannabis business may not be open to the public or sell any other products at times when the cannabis business is prohibited from selling cannabis consumer products.

Building Conditions

A licensed cannabis business must maintain compliance with state and local building, fire, and zoning requirements or regulations.

A licensed cannabis business must ensure that the licensed premises are maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Security

A licensed cannabis business must comply with security requirements established by the office, including:

- Maintaining video surveillance records
- Using specific locking mechanisms
- Establishing secure entries
- Ensuring a minimum number of employees are working at all times

Lighting

A licensed cannabis business must keep all lighting outside and inside the dispensary in good working order and sufficient wattage for security cameras.

Deliveries

A licensed cannabis business may only accept deliveries of cannabis consumer products in a limited access area. Deliveries may not be accepted through the public access areas.

Prohibitions

- A licensed cannabis business must not:
 - Sell cannabis consumer products to a person who is visibly intoxicated
 - Knowingly sell more cannabis consumer products than a customer is legally permitted to possess
 - Give away immature cannabis plants or seedlings, or cannabis consumer products
 - Operate a drive-through window
 - Allow for the dispensing of cannabis consumer products in vending machines
 - Sell cannabis plants or cannabis products if the cannabis retailer knows that any required security or statewide monitoring systems are not operational.

Inspection

Local Control Compliance Checks

Local units of government, including city and county governments, shall conduct compliance checks. During a compliance check, a local unit of government will assess the business's compliance with customer age verification requirements and compliance with local control ordinances.

Mezzobusiness

Local units of government must conduct unannounced age verification compliance inspections at every cannabis and hemp business at least once per calendar year. Age verification compliance checks involve persons between the ages of 17 and 20 attempting to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

Local Control Compliance Check Failure

If a local unit of government determines that a cannabis or hemp business with a retail registration issued by the local unit of government is not operating in compliance with local control ordinances or poses a threat to the health and safety of the public, the local unit of government may suspend the retail registration of the business. The local unit of government must immediately notify the Office of Cannabis Management of the suspension and shall include a description of the grounds for the suspension.

The retail registration suspension must be for up to 30 days. The Office of Cannabis Management may suspend the license and operating privilege of the cannabis business or hemp business for a longer period or revoke the license. No cannabis or hemp business may make any sale to a customer or patient without a valid retail registration.

The local unit of government may reinstate the retail registration if the local unit of government determines that any violation has been corrected. The local unit of government must reinstate the retail registration if the office orders reinstatement.

State Compliance Checks

Authorized Entry

The Office of Cannabis Management, upon presenting appropriate credentials to the owner, operator, or agent in charge, is authorized to:

Enter any cannabis business or hemp business without delay and at reasonable times

Inspect and investigate during regular working hours and at other reasonable times, within reasonable limits and in a reasonable manner, any cannabis business or hemp business and all relevant conditions, equipment, records, and materials therein

Privately question any employee of a cannabis business or hemp business

An employee must not refuse the Office of Cannabis Management officer entry or otherwise deter investigation

Conducting Checks

If the office finds probable cause to believe that any cannabis consumer product is being distributed illegally, the officer shall affix a tag to the item, withdraw the item from the distribution order, or take appropriate action providing notice that the cannabis consumer product is, or is suspected of being, distributed illegally and has been detained or embargoed. The officer must warn all persons not to remove or dispose of the item by sale or otherwise until permission for removal or disposal is given by the office or the court.

It is unlawful for a person to remove or dispose of a detained or embargoed cannabis consumer product by sale or otherwise without the office's or a court's permission, and each transaction is a separate violation of the law.

If any cannabis consumer product has been found by the Office of Cannabis Management to violate the law, the Office of Cannabis Management shall petition the district court in the county in which the item is detained or embargoed for an order and decree for the condemnation of the item. The office shall release the cannabis consumer product if the violation has been corrected or the item is found not to violate the law.

Post-Violation Identification

If the court finds that the detained or embargoed cannabis consumer product violates the law, the following remedies are available:

Labeling Issues

If the violation can be corrected by proper labeling or processing of the cannabis consumer product, the court, after entry of the decree and after costs, fees, and expenses have been paid, and a good and sufficient bond conditioned that the cannabis consumer product must be properly labeled or processed has been executed, may by order direct that the cannabis consumer product be delivered to the claimant for proper labeling or processing under the supervision of the office.

Health and Safety Issues

If the Office of Cannabis Management finds any cannabis consumer product that is unsound or contains any filthy, decomposed, or putrid substance, or that may be poisonous or deleterious to health or otherwise unsafe, the Office of Cannabis Management shall condemn or destroy the item or, in any other manner, render the item as unsalable.

A representative of a cannabis or hemp business shall be allowed to accompany the Office of Cannabis Management agent during the physical inspection of any cannabis or hemp business for the purpose of aiding such inspection.

Complaints and Priority of Inspection

The Office of Cannabis Management may conduct inspections of any licensed cannabis or hemp business at any time to ensure compliance. Some inspections are conducted based on complaints or reports of issues.

Anyone can report a suspected violation of a safety or health standard. If the office determines that there are reasonable grounds to believe a violation or danger exists, the Office of Cannabis Management shall make a special inspection as soon as practicable to investigate the alleged danger or violation. The Office of Cannabis Management prioritizes inspections of cannabis and hemp businesses where there is reason to believe that a violation poses imminent danger to the public or customers. Inspections must take place within one business day of the receipt of a credible report.

Violations and Penalties

The office may issue an administrative order to any licensed cannabis or hemp business that the Office of Cannabis Management determines has violated the law.

The administrative order may require the business to correct the violation or to cease committing the violation. The order must state the deficiencies that constitute the violation and the time by which the violation must be corrected.

If the business believes that the information in the administrative order is incorrect, the business may ask the office to consider the parts of the order that are alleged to be incorrect.

The request must be:

- In writing
- Delivered to the office by certified mail within seven days after receiving the order
- Provide documentation to support the allegation of error

The office must respond to a request for reconsideration within 15 days after receiving the request. The office's judgment of a request for reconsideration is final.

For each violation of cannabis law, the Office of Cannabis Management may issue to each cannabis or hemp business a penalty of up to \$10,000, an amount that deprives the business of any economic advantage gained by the violation, or both.

An administrative penalty may be recovered in a civil action in the district court of the county where the violation is alleged to have occurred or the district court where the office is housed.

In addition to penalties listed in this subdivision, a person or business that violates the law is subject to any applicable criminal penalty.

Wholesaler

Authorizations

A cannabis wholesaler license entitles the license holder to:

- Purchase immature cannabis plants, seedlings, and cannabis consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, medical cannabis combination businesses, and lower-potency hemp edible manufacturers
- Purchase hemp plant parts and propagules from licensed industrial hemp growers
- Purchase hemp concentrate from a licensed industrial hemp processor
- Sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, consumer products
- Sell lower-potency hemp edibles to lower-potency hemp edible retailers
- Import hemp-derived consumer products and lower-potency hemp edibles that contain hemp concentrate or artificially derived cannabinoids
- Perform other actions approved by the Office of Cannabis Management

Employees

Criminal History Check

A cannabis business can employ or contract as many individuals as necessary. Employees do not require a cannabis business license. The cannabis business is accountable for the conduct of employees and contract employees.

Before hiring an individual as a cannabis worker, the business must submit the individual's full set of fingerprints and written consent to conduct a state and national criminal history check to the Bureau of Criminal Apprehension to determine if the individual is eligible to be a cannabis employee.

Disqualifications

A cannabis business may not employ an individual who has been convicted of any of the following:

- Human Trafficking
- Non-cannabis controlled substance crime in the first or second degree
- Labor Trafficking

Wholesaler

- Fraud
- Embezzlement
- Extortion
- Money laundering
- Insider trading
-

A cannabis business must not employ an individual as a cannabis worker if the individual made any false statement in an employment application.

General Operation Requirements

Records

Cannabis and hemp businesses are required to retain financial records for the current and previous tax years at the primary business location. These records must be made available for inspection by an agent of the Office of Cannabis Management at any time during regular business hours.

When applicable, a cannabis or hemp business must maintain financial records for the previous ten tax years and must make those records available for inspection within one business day of receiving a request for inspection by the Office of Cannabis Management.

The Office of Cannabis Management may require a cannabis or hemp business to submit to an audit of its business records. The office may select or approve the auditor, and the cannabis or hemp business must provide the auditor with access to all business records. The cost of the audit must be paid by the cannabis or hemp business.

Diversity Report

Cannabis businesses and hemp businesses shall provide an annual report on the status of diversity in the business ownership, management, and employment, and in services for which the business contracts.

Disposal of Product and Loss Documentation

Cannabis and hemp businesses must dispose of cannabis consumer products that are damaged, have a broken seal, have been contaminated, or have not been sold by the expiration date on the label.

Disposal must be conducted in a manner approved by the Office of Cannabis Management. Disposal of any cannabis consumer products that are required to be entered into the statewide monitoring system must be documented in the statewide monitoring system.

Wholesaler

Loss or theft of any cannabis consumer products that are required to be entered into the statewide monitoring system must be reported to local law enforcement. A business must log any such loss or theft in the statewide monitoring system as soon as the loss or theft is discovered.

Sample Regulations

A sample jar may not contain:

- More than eight grams of usable cannabis flower
- More than eight grams of a cannabis concentrate
- An edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol
- A lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol
- A hemp-derived consumer product with a total weight of more than eight grams

A retailer or cannabis wholesaler can offer samples for the purposes of quality control and to allow retailers to determine whether to offer a product for sale.

A sample provided for these purposes may not contain:

- More than eight grams of usable cannabis flower
- More than eight grams of a cannabis concentrate
- An edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol
- A lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol
- A hemp-derived consumer product with a total weight of more than eight grams

Customer Privacy

Cannabis businesses and hemp businesses must not share data on retail or wholesale customers with any federal agency, federal department, or federal entity unless specifically ordered by a state or federal court.

License Specific Operation Requirements

Separation of Products

A cannabis wholesaler must ensure that cannabis plants, cannabis flower, and cannabis products are physically separated from all other products, including but not limited to lower-potency hemp edibles and hemp-derived consumer products, in a manner that prevents any cross-contamination.

Records and Labels

A cannabis wholesaler must maintain accurate records and ensure that appropriate labels remain affixed to cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Building Conditions

A licensed cannabis business must maintain compliance with state and local building, fire, and zoning requirements or regulations.

A licensed cannabis business must ensure that the licensed premises are maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Sale of Other Products

A cannabis wholesaler may purchase and sell other products or items for which the cannabis wholesaler has a license or authorization, or that do not require a license or authorization.

Importation of Hemp Products

A cannabis wholesaler that imports hemp-derived consumer products that are manufactured outside the state of Minnesota with the intent to sell the products to a cannabis retailer must obtain a hemp-derived product importer endorsement from the Office of Cannabis Management.

A cannabis wholesaler with a hemp-derived product importer endorsement may sell products manufactured outside the boundaries of the state of Minnesota if:

- The manufacturer is licensed in another jurisdiction and subject to regulations designed to protect the health and safety of consumers, approved by the Office of Cannabis Management
- The cannabis wholesaler establishes, to the satisfaction of the office, that the manufacturer engages in practices that are substantially similar to the practices required for licensure of manufacturers in this state.

The cannabis wholesaler must enter all relevant information regarding an imported hemp-derived consumer product into the statewide monitoring system before the product may be distributed. Relevant

Wholesaler

information includes Information regarding the cultivation, processing, and testing of the industrial hemp used in the manufacture of the product, and information regarding the testing of the product.

The office may suspend, revoke, or cancel the endorsement of a distributor who is prohibited from distributing products containing cannabinoids in any other jurisdiction, convicted of an offense involving the distribution of products containing cannabinoids in any other jurisdiction, or found liable for distributing any product that injured customers in any other jurisdiction.

A cannabis wholesaler shall disclose all relevant information related to actions in another jurisdiction. Failure to disclose relevant information may result in disciplinary action by the office, including the suspension, revocation, or cancellation of an endorsement or license.

Inspection

Local Control Compliance Checks

Local units of government, including city and county governments, shall conduct compliance checks. During a compliance check, a local unit of government will assess the business's compliance with customer age verification requirements and compliance with local control ordinances.

Local units of government must conduct unannounced age verification compliance inspections at every cannabis and hemp business at least once per calendar year. Age verification compliance checks involve persons between the ages of 17 and 20 attempting to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

Local Control Compliance Check Failure

If a local unit of government determines that a cannabis or hemp business with a retail registration issued by the local unit of government is not operating in compliance with local control ordinances or poses a threat to the health and safety of the public, the local unit of government may suspend the retail registration of the business. The local unit of government must immediately notify the Office of Cannabis Management of the suspension and shall include a description of the grounds for the suspension.

The retail registration suspension must be for up to 30 days. The Office of Cannabis Management may suspend the license and operating privilege of the cannabis business or hemp business for a longer period or revoke the license. No cannabis or hemp business may make any sale to a customer or patient without a valid retail registration.

The local unit of government may reinstate the retail registration if the local unit of government determines that any violation has been corrected. The local unit of government must reinstate the retail registration if the office orders reinstatement.

State Compliance Checks

Authorized Entry

The Office of Cannabis Management, upon presenting appropriate credentials to the owner, operator, or agent in charge, is authorized to:

Enter any cannabis business or hemp business without delay and at reasonable times

Inspect and investigate during regular working hours and at other reasonable times, within reasonable limits and in a reasonable manner, any cannabis business or hemp business and all relevant conditions, equipment, records, and materials therein

Privately question any employee of a cannabis business or hemp business

An employee must not refuse the Office of Cannabis Management officer entry or otherwise deter investigation

Conducting Checks

If the office finds probable cause to believe that any cannabis consumer product is being distributed illegally, the officer shall affix a tag to the item, withdraw the item from the distribution order, or take appropriate action providing notice that the cannabis consumer product is, or is suspected of being, distributed illegally and has been detained or embargoed. The officer must warn all persons not to remove or dispose of the item by sale or otherwise until permission for removal or disposal is given by the office or the court.

It is unlawful for a person to remove or dispose of a detained or embargoed cannabis consumer product by sale or otherwise without the office's or a court's permission, and each transaction is a separate violation of the law.

If any cannabis consumer product has been found by the Office of Cannabis Management to violate the law, the Office of Cannabis Management shall petition the district court in the county in which the item is detained or embargoed for an order and decree for the condemnation of the item. The office shall release the cannabis consumer product if the violation has been corrected or the item is found not to violate the law.

Post-Violation Identification

If the court finds that the detained or embargoed cannabis consumer product violates the law, the following remedies are available:

Labeling Issues

If the violation can be corrected by proper labeling or processing of the cannabis consumer product, the court, after entry of the decree and after costs, fees, and expenses have been paid, and a good and

Wholesaler

sufficient bond conditioned that the cannabis consumer product must be properly labeled or processed has been executed, may by order direct that the cannabis consumer product be delivered to the claimant for proper labeling or processing under the supervision of the office.

Health and Safety Issues

If the Office of Cannabis Management finds any cannabis consumer product that is unsound or contains any filthy, decomposed, or putrid substance, or that may be poisonous or deleterious to health or otherwise unsafe, the Office of Cannabis Management shall condemn or destroy the item or, in any other manner, render the item as unsalable.

A representative of a cannabis or hemp business shall be allowed to accompany the Office of Cannabis Management agent during the physical inspection of any cannabis or hemp business for the purpose of aiding such inspection.

Complaints and Priority of Inspection

The Office of Cannabis Management may conduct inspections of any licensed cannabis or hemp business at any time to ensure compliance. Some inspections are conducted based on complaints or reports of issues.

Anyone can report a suspected violation of a safety or health standard. If the office determines that there are reasonable grounds to believe a violation or danger exists, the Office of Cannabis Management shall make a special inspection as soon as practicable to investigate the alleged danger or violation. The Office of Cannabis Management prioritizes inspections of cannabis and hemp businesses where there is reason to believe that a violation poses imminent danger to the public or customers. Inspections must take place within one business day of the receipt of a credible report.

Violations and Penalties

The office may issue an administrative order to any licensed cannabis or hemp business that the Office of Cannabis Management determines has violated the law.

The administrative order may require the business to correct the violation or to cease committing the violation. The order must state the deficiencies that constitute the violation and the time by which the violation must be corrected.

If the business believes that the information in the administrative order is incorrect, the business may ask the office to consider the parts of the order that are alleged to be incorrect.

The request must be:

- In writing
- Delivered to the office by certified mail within seven days after receiving the order

Wholesaler

- Provide documentation to support the allegation of error

The office must respond to a request for reconsideration within 15 days after receiving the request. The office's judgment of a request for reconsideration is final.

For each violation of cannabis law, the Office of Cannabis Management may issue to each cannabis or hemp business a penalty of up to \$10,000, an amount that deprives the business of any economic advantage gained by the violation, or both.

An administrative penalty may be recovered in a civil action in the district court of the county where the violation is alleged to have occurred or the district court where the office is housed.

In addition to penalties listed in this subdivision, a person or business that violates the law is subject to any applicable criminal penalty.

Delivery Service

Authorization

A cannabis wholesaler license entitles the license holder to:

- Purchase immature cannabis plants, seedlings, and cannabis consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, medical cannabis combination businesses, and lower-potency hemp edible manufacturers
- Purchase hemp plant parts and propagules from licensed industrial hemp growers
- Purchase hemp concentrate from a licensed industrial hemp processor
- Sell immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to retailers
- Sell lower-potency hemp edibles to lower-potency hemp edible retailers
- Import hemp-derived consumer products and lower-potency hemp edibles that contain hemp concentrate or artificially derived cannabinoids
- Perform other actions approved by the Office of Cannabis Management

Employees

Criminal History Check

A cannabis business can employ or contract as many individuals as necessary. Employees do not require a cannabis business license. The cannabis business is accountable for the conduct of employees and contract employees.

Before hiring an individual as a cannabis worker, the business must submit the individual's full set of fingerprints and written consent to conduct a state and national criminal history check to the Bureau of Criminal Apprehension to determine if the individual is eligible to be a cannabis employee.

Disqualifications

A cannabis business may not employ an individual who has been convicted of any of the following:

- Human Trafficking
- Non-cannabis controlled substance crime in the first or second degree
- Labor Trafficking

Delivery Service

- Fraud
- Embezzlement
- Extortion
- Money laundering
- Insider trading
-

A cannabis business must not employ an individual as a cannabis worker if the individual made any false statement in an employment application.

General Operation Requirements

Records

Cannabis and hemp businesses are required to retain financial records for the current and previous tax years at the primary business location. These records must be made available for inspection by an agent of the Office of Cannabis Management at any time during regular business hours.

When applicable, a cannabis or hemp business must maintain financial records for the previous ten tax years and must make those records available for inspection within one business day of receiving a request for inspection by the Office of Cannabis Management.

The Office of Cannabis Management may require a cannabis or hemp business to submit to an audit of its business records. The office may select or approve the auditor, and the cannabis or hemp business must provide the auditor with access to all business records. The cost of the audit must be paid by the cannabis or hemp business.

Diversity Report

Cannabis businesses and hemp businesses shall provide an annual report on the status of diversity in the business ownership, management, and employment, and in services for which the business contracts.

Disposal of Product and Loss Documentation

Cannabis and hemp businesses must dispose of cannabis consumer products that are damaged, have a broken seal, have been contaminated, or have not been sold by the expiration date on the label.

Disposal must be conducted in a manner approved by the Office of Cannabis Management. Disposal of any cannabis consumer products that are required to be entered into the statewide monitoring system must be documented in the statewide monitoring system.

Delivery Service

Loss or theft of any cannabis consumer products that are required to be entered into the statewide monitoring system must be reported to local law enforcement. A business must log any such loss or theft in the statewide monitoring system as soon as the loss or theft is discovered.

Sample Regulations

A sample jar may not contain:

- More than eight grams of usable cannabis flower
- More than eight grams of a cannabis concentrate
- An edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol
- A lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol
- A hemp-derived consumer product with a total weight of more than eight grams

A retailer or cannabis wholesaler can offer samples for the purposes of quality control and to allow retailers to determine whether to offer a product for sale.

A sample provided for these purposes may not contain:

- More than eight grams of usable cannabis flower
- More than eight grams of a cannabis concentrate
- An edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol
- A lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol
- A hemp-derived consumer product with a total weight of more than eight grams

Customer Privacy

Cannabis businesses and hemp businesses must not share data on retail or wholesale customers with any federal agency, federal department, or federal entity unless specifically ordered by a state or federal court.

License Specific Operation Requirements

Age Verification

Before completing a delivery, a cannabis delivery service shall verify that the customer is at least 21 years of age or is enrolled in the registry program. Registry verification issued by the Division of Medical Cannabis may be considered evidence that the person is enrolled in the registry program.

Records

The Office of Cannabis Management shall establish record-keeping requirements for a cannabis delivery service, including but not limited to proof of delivery to individuals who are at least 21 years of age or enrolled in the registry program.

Amount to be Transported

The Office of Cannabis Management shall establish limits on the amount of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that a cannabis delivery service may transport.

Statewide monitoring system

Cannabis received by the cannabis delivery service and delivered to a customer must be recorded in the statewide monitoring system within the time established by rule.

Storage compartment.

Cannabis consumer products must be transported in a locked, safe, and secure storage compartment that is part of the cannabis delivery service vehicle or in a locked storage container that has a separate key or combination pad. Cannabis consumer products may not be visible from outside the cannabis delivery service vehicle.

Identifying logos or business names prohibited

No cannabis delivery service vehicle or trailer may contain an image depicting the types of items being transported, including an image depicting a cannabis or hemp leaf or a name suggesting that the vehicle is used for cannabis delivery service.

Non-employee passengers prohibited

Only a cannabis worker employed by or contracted with the cannabis delivery service may transport cannabis consumer products. All passengers in a cannabis delivery service vehicle must be cannabis workers employed by or contracted with the cannabis delivery service.

Inspection

Local Control Compliance Checks

Local units of government, including city and county governments, shall conduct compliance checks. During a compliance check, a local unit of government will assess the business's compliance with customer age verification requirements and compliance with local control ordinances.

Local units of government must conduct unannounced age verification compliance inspections at every cannabis and hemp business at least once per calendar year. Age verification compliance checks involve persons between the ages of 17 and 20 attempting to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

Local Control Compliance Check Failure

If a local unit of government determines that a cannabis or hemp business with a retail registration issued by the local unit of government is not operating in compliance with local control ordinances or poses a threat to the health and safety of the public, the local unit of government may suspend the retail registration of the business. The local unit of government must immediately notify the Office of Cannabis Management of the suspension and shall include a description of the grounds for the suspension.

The retail registration suspension must be for up to 30 days. The Office of Cannabis Management may suspend the license and operating privilege of the cannabis business or hemp business for a longer period or revoke the license. No cannabis or hemp business may make any sale to a customer or patient without a valid retail registration.

The local unit of government may reinstate the retail registration if the local unit of government determines that any violation has been corrected. The local unit of government must reinstate the retail registration if the office orders reinstatement.

State Compliance Checks

Authorized Entry

The Office of Cannabis Management, upon presenting appropriate credentials to the owner, operator, or agent in charge, is authorized to:

Enter any cannabis business or hemp business without delay and at reasonable times

Inspect and investigate during regular working hours and at other reasonable times, within reasonable limits and in a reasonable manner, any cannabis business or hemp business and all relevant conditions, equipment, records, and materials therein

Delivery Service

Privately question any employee of a cannabis business or hemp business

An employee must not refuse the Office of Cannabis Management officer entry or otherwise deter investigation

Conducting Checks

If the office finds probable cause to believe that any cannabis consumer product is being distributed illegally, the officer shall affix a tag to the item, withdraw the item from the distribution order, or take appropriate action providing notice that the cannabis consumer product is, or is suspected of being, distributed illegally and has been detained or embargoed. The officer must warn all persons not to remove or dispose of the item by sale or otherwise until permission for removal or disposal is given by the office or the court.

It is unlawful for a person to remove or dispose of a detained or embargoed cannabis consumer product by sale or otherwise without the office's or a court's permission, and each transaction is a separate violation of the law.

If any cannabis consumer product has been found by the Office of Cannabis Management to violate the law, the Office of Cannabis Management shall petition the district court in the county in which the item is detained or embargoed for an order and decree for the condemnation of the item. The office shall release the cannabis consumer product if the violation has been corrected or the item is found not to violate the law.

Post-Violation Identification

If the court finds that the detained or embargoed cannabis consumer product violates the law, the following remedies are available:

Labeling Issues

If the violation can be corrected by proper labeling or processing of the cannabis consumer product, the court, after entry of the decree and after costs, fees, and expenses have been paid, and a good and sufficient bond conditioned that the cannabis consumer product must be properly labeled or processed has been executed, may by order direct that the cannabis consumer product be delivered to the claimant for proper labeling or processing under the supervision of the office.

Health and Safety Issues

If the Office of Cannabis Management finds any cannabis consumer product that is unsound or contains any filthy, decomposed, or putrid substance, or that may be poisonous or deleterious to health or otherwise unsafe, the Office of Cannabis Management shall condemn or destroy the item or, in any other manner, render the item as unsalable.

Delivery Service

A representative of a cannabis or hemp business shall be allowed to accompany the Office of Cannabis Management agent during the physical inspection of any cannabis or hemp business for the purpose of aiding such inspection.

Complaints and Priority of Inspection

The Office of Cannabis Management may conduct inspections of any licensed cannabis or hemp business at any time to ensure compliance. Some inspections are conducted based on complaints or reports of issues.

Anyone can report a suspected violation of a safety or health standard. If the office determines that there are reasonable grounds to believe a violation or danger exists, the Office of Cannabis Management shall make a special inspection as soon as practicable to investigate the alleged danger or violation. The Office of Cannabis Management prioritizes inspections of cannabis and hemp businesses where there is reason to believe that a violation poses imminent danger to the public or customers. Inspections must take place within one business day of the receipt of a credible report.

Violations and Penalties

The office may issue an administrative order to any licensed cannabis or hemp business that the Office of Cannabis Management determines has violated the law.

The administrative order may require the business to correct the violation or to cease committing the violation. The order must state the deficiencies that constitute the violation and the time by which the violation must be corrected.

If the business believes that the information in the administrative order is incorrect, the business may ask the office to consider the parts of the order that are alleged to be incorrect.

The request must be:

- In writing
- Delivered to the office by certified mail within seven days after receiving the order
- Provide documentation to support the allegation of error

The office must respond to a request for reconsideration within 15 days after receiving the request. The office's judgment of a request for reconsideration is final.

For each violation of cannabis law, the Office of Cannabis Management may issue to each cannabis or hemp business a penalty of up to \$10,000, an amount that deprives the business of any economic advantage gained by the violation, or both.

An administrative penalty may be recovered in a civil action in the district court of the county where the violation is alleged to have occurred or the district court where the office is housed.

Delivery Service

In addition to penalties listed in this subdivision, a person or business that violates the law is subject to any applicable criminal penalty.

Transporter

Authorizations

A cannabis transporter license entitles the license holder to transport immature cannabis plants and seedlings, and cannabis consumer products, to and from:

- Cannabis microbusinesses
- Cannabis mezzobusinesses
- Cannabis cultivators
- Cannabis manufacturers
- Cannabis wholesalers
- Cannabis testing facilities
- Cannabis retailers
- Lower-potency hemp edible manufacturers
- Lower-potency hemp edible retailers
- Medical cannabis combination businesses

Employees

Criminal History Check

A cannabis business can employ or contract as many individuals as necessary. Employees do not require a cannabis business license. The cannabis business is accountable for the conduct of employees and contract employees.

Before hiring an individual as a cannabis worker, the business must submit the individual's full set of fingerprints and written consent to conduct a state and national criminal history check to the Bureau of Criminal Apprehension to determine the to determine if the individual is eligible to be a cannabis employee.

Disqualifications

A cannabis business may not employ an individual who has been convicted of any of the following:

- Human Trafficking
- Non-cannabis controlled substance crime in the first or second degree
- Labor Trafficking

Transporter

- Fraud
- Embezzlement
- Extortion
- Money laundering
- Insider trading
-

A cannabis business must not employ an individual as a cannabis worker if the individual made any false statement in an employment application.

General Operation Requirements

Records

Cannabis and hemp businesses are required to retain financial records for the current and previous tax years at the primary business location. These records must be made available for inspection by an agent of the Office of Cannabis Management at any time during regular business hours.

When applicable, a cannabis or hemp business must maintain financial records for the previous ten tax years and must make those records available for inspection within one business day of receiving a request for inspection by the Office of Cannabis Management.

The Office of Cannabis Management may require a cannabis or hemp business to submit to an audit of its business records. The office may select or approve the auditor, and the cannabis or hemp business must provide the auditor with access to all business records. The cost of the audit must be paid by the cannabis or hemp business.

Diversity Report

Cannabis businesses and hemp businesses shall provide an annual report on the status of diversity in the business ownership, management, and employment, and in services for which the business contracts.

Disposal of Product and Loss Documentation

Cannabis and hemp businesses must dispose of cannabis consumer products that are damaged, have a broken seal, have been contaminated, or have not been sold by the expiration date on the label.

Disposal must be conducted in a manner approved by the Office of Cannabis Management. Disposal of any cannabis consumer products that are required to be entered into the statewide monitoring system must be documented in the statewide monitoring system.

Transporter

Loss or theft of any cannabis consumer products that are required to be entered into the statewide monitoring system must be reported to local law enforcement. A business must log any such loss or theft in the statewide monitoring system as soon as the loss or theft is discovered.

Sample Regulations

A sample jar may not contain:

- More than eight grams of usable cannabis flower
- More than eight grams of a cannabis concentrate
- An edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol
- A lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol
- A hemp-derived consumer product with a total weight of more than eight grams

A retailer or cannabis wholesaler can offer samples for the purposes of quality control and to allow retailers to determine whether to offer a product for sale.

A sample provided for these purposes may not contain:

- More than eight grams of usable cannabis flower
- More than eight grams of a cannabis concentrate
- An edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol
- A lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol
- A hemp-derived consumer product with a total weight of more than eight grams

Customer Privacy

Cannabis businesses and hemp businesses must not share data on retail or wholesale customers with any federal agency, federal department, or federal entity unless specifically ordered by a state or federal court.

License Specific Operation Requirements

Manifest Required

Before transporting immature cannabis plants and seedlings or cannabis consumer products, a cannabis transporter must obtain a shipping manifest on a form established by the Office of Cannabis

Transporter

Management. The manifest must be kept with the products at all times, and the cannabis transporter must maintain a copy of the manifest in its records.

Records of Transportation

Records of transportation must be kept for a minimum of three years at the cannabis transporter's place of business and are subject to inspection upon request by the Office of Cannabis Management or law enforcement agency.

Records of transportation include the following:

- Copies of transportation manifests for all deliveries
- A transportation log documenting the chain of custody for each delivery, including every employee and vehicle used during transportation
- Financial records showing payment for transportation services

Storage compartment

Cannabis consumer products must be transported in a locked, safe, and secure storage compartment that is part of the cannabis delivery service vehicle or in a locked storage container that has a separate key or combination pad. Cannabis consumer products may not be visible from outside the cannabis delivery service vehicle.

Identifying logos or business names prohibited

No cannabis delivery service vehicle or trailer may contain an image depicting the types of items being transported, including an image depicting a cannabis or hemp leaf or a name suggesting that the vehicle is used for cannabis delivery service.

Multiple employees, secured vehicles, and delivery routes

All cannabis transporter vehicles transporting immature cannabis plants and seedlings, and cannabis consumer products must be:

- Secured by turning off the ignition, locking all doors and storage compartments, and removing the operating keys or device
- Attended by a cannabis transporter employee at all times.
- If there are multiple team members staffing an unsecured transport vehicle, at least one delivery team member must remain with the motor vehicle at all times.

A cannabis transporter must not be required to randomize delivery times and routes or staff cannabis transport vehicles with multiple employees.

Nonemployee passengers prohibited

Only a cannabis worker employed by or contracted with the cannabis transporter and who is at least 21 years of age may transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products. All passengers in a vehicle must be cannabis workers employed by or contracted with the cannabis transporter.

Driver's license required

All drivers must carry a valid driver's license with the proper endorsements when operating a vehicle transporting immature cannabis plants and seedlings, and cannabis consumer products.

Vehicles subject to inspection

Any vehicle assigned for the purposes of transporting immature cannabis plants and seedlings and cannabis consumer products is subject to inspection and may be stopped or inspected at any licensed cannabis business or while en route during transportation.

Inspection

Local Control Compliance Checks

Local units of government, including city and county governments, shall conduct compliance checks. During a compliance check, a local unit of government will assess the business's compliance with customer age verification requirements and compliance with local control ordinances.

Local units of government must conduct unannounced age verification compliance inspections at every cannabis and hemp business at least once per calendar year. Age verification compliance checks involve persons between the ages of 17 and 20 attempting to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

Local Control Compliance Check Failure

If a local unit of government determines that a cannabis or hemp business with a retail registration issued by the local unit of government is not operating in compliance with local control ordinances or poses a threat to the health and safety of the public, the local unit of government may suspend the retail registration of the business. The local unit of government must immediately notify the Office of Cannabis Management of the suspension and shall include a description of the grounds for the suspension.

Transporter

The retail registration suspension must be for up to 30 days. The Office of Cannabis Management may suspend the license and operating privilege of the cannabis business or hemp business for a longer period or revoke the license. No cannabis or hemp business may make any sale to a customer or patient without a valid retail registration.

The local unit of government may reinstate the retail registration if the local unit of government determines that any violation has been corrected. The local unit of government must reinstate the retail registration if the office orders reinstatement.

State Compliance Checks

Authorized Entry

The Office of Cannabis Management, upon presenting appropriate credentials to the owner, operator, or agent in charge, is authorized to:

Enter any cannabis business or hemp business without delay and at reasonable times

Inspect and investigate during regular working hours and at other reasonable times, within reasonable limits and in a reasonable manner, any cannabis business or hemp business and all relevant conditions, equipment, records, and materials therein

Privately question any employee of a cannabis business or hemp business

An employee must not refuse the Office of Cannabis Management officer entry or otherwise deter investigation

Conducting Checks

If the office finds probable cause to believe that any cannabis consumer product is being distributed illegally, the officer shall affix a tag to the item, withdraw the item from the distribution order, or take appropriate action providing notice that the cannabis consumer product is, or is suspected of being, distributed illegally and has been detained or embargoed. The officer must warn all persons not to remove or dispose of the item by sale or otherwise until permission for removal or disposal is given by the office or the court.

It is unlawful for a person to remove or dispose of a detained or embargoed cannabis consumer product by sale or otherwise without the office's or a court's permission, and each transaction is a separate violation of the law.

If any cannabis consumer product has been found by the Office of Cannabis Management to violate the law, the Office of Cannabis Management shall petition the district court in the county in which the item is detained or embargoed for an order and decree for the condemnation of the item. The office shall release the cannabis consumer product if the violation has been corrected or the item is found not to violate the law.

Post-Violation Identification

If the court finds that the detained or embargoed cannabis consumer product violates the law, the following remedies are available:

Labeling Issues

If the violation can be corrected by proper labeling or processing of the cannabis consumer product, the court, after entry of the decree and after costs, fees, and expenses have been paid, and a good and sufficient bond conditioned that the cannabis consumer product must be properly labeled or processed has been executed, may by order direct that the cannabis consumer product be delivered to the claimant for proper labeling or processing under the supervision of the office.

Health and Safety Issues

If the Office of Cannabis Management finds any cannabis consumer product that is unsound or contains any filthy, decomposed, or putrid substance, or that may be poisonous or deleterious to health or otherwise unsafe, the Office of Cannabis Management shall condemn or destroy the item or, in any other manner, render the item as unsalable.

A representative of a cannabis or hemp business shall be allowed to accompany the Office of Cannabis Management agent during the physical inspection of any cannabis or hemp business for the purpose of aiding such inspection.

Complaints and Priority of Inspection

The Office of Cannabis Management may conduct inspections of any licensed cannabis or hemp business at any time to ensure compliance. Some inspections are conducted based on complaints or reports of issues.

Anyone can report a suspected violation of a safety or health standard. If the office determines that there are reasonable grounds to believe a violation or danger exists, the Office of Cannabis Management shall make a special inspection as soon as practicable to investigate the alleged danger or violation. The Office of Cannabis Management prioritizes inspections of cannabis and hemp businesses where there is reason to believe that a violation poses imminent danger to the public or customers. Inspections must take place within one business day of the receipt of a credible report.

Violations and Penalties

The office may issue an administrative order to any licensed cannabis or hemp business that the Office of Cannabis Management determines has violated the law.

Transporter

The administrative order may require the business to correct the violation or to cease committing the violation. The order must state the deficiencies that constitute the violation and the time by which the violation must be corrected.

If the business believes that the information in the administrative order is incorrect, the business may ask the office to consider the parts of the order that are alleged to be incorrect.

The request must be:

- In writing
- Delivered to the office by certified mail within seven days after receiving the order
- Provide documentation to support the allegation of error

The office must respond to a request for reconsideration within 15 days after receiving the request. The office's judgment of a request for reconsideration is final.

For each violation of cannabis law, the Office of Cannabis Management may issue to each cannabis or hemp business a penalty of up to \$10,000, an amount that deprives the business of any economic advantage gained by the violation, or both.

An administrative penalty may be recovered in a civil action in the district court of the county where the violation is alleged to have occurred or the district court where the office is housed.

In addition to penalties listed in this subdivision, a person or business that violates the law is subject to any applicable criminal penalty.

