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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 926

02/09/2017 Authored by Metsa, Applebaum, Schultz, Ecklund, Sundin and others
The bill was read for the first time and referred to the Committee on Health and Human Services Reform

1.1 A bill for an act
1.2 proposing an amendment to the Minnesota Constitution by adding a section to
1.3 article XIII; allowing individuals 21 years of age and older to consume and use
1.4 marijuana, marijuana products, and marijuana accessories for personal use;
1.5 providing for regulation of the cultivation, manufacture, distribution, and sale of
1.6 marijuana, marijuana products, and marijuana accessories; permitting activities
1.7 related to marijuana establishments; authorizing rulemaking; providing criminal
1.8 penalties; requiring development of a fee schedule and a tax; amending Minnesota
1.9 Statutes 2016, sections 152.01, by adding subdivisions; 152.027, subdivision 3,
1.10 by adding a subdivision; 152.092; 152.093; 152.31; 297D.06; proposing coding
1.11 for new law in Minnesota Statutes, chapter 152; proposing coding for new law as
1.12 Minnesota Statutes, chapter 152B; repealing Minnesota Statutes 2016, section
1.13 152.027, subdivision 4.

1.14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.15 ARTICLE 1

1.16 CONSTITUTIONAL AMENDMENT

1.17 Section 1. CONSTITUTIONAL AMENDMENT PROPOSED.

1.18 An amendment to the Minnesota Constitution is proposed to the people. If the amendment
1.19 is adopted, a section shall be added to article XIII, to read:

1.20 Sec. 13. An individual who is 21 years of age or older is entitled to consume marijuana
1.21 for personal use in a manner that is not open and public and does not endanger others; to
1.22 possess, use, display, purchase, and transport marijuana, marijuana accessories, and marijuana
1.23 products in amounts that the legislature shall provide by law; to possess, cultivate, process,
1.24 and transport live marijuana plants in amounts that the legislature shall provide by law; and
1.25 to transfer marijuana without remuneration to an individual 21 years of age or older in an
1.26 amount that the legislature shall provide by law. The legislature shall, by law, provide for

2.1 a system to license and regulate the commercial cultivation, processing, transportation, and  
 2.2 sale of marijuana, marijuana accessories, and marijuana products within the state and shall,  
 2.3 by law, provide for a system to tax sales of marijuana and marijuana products within the  
 2.4 state.

2.5 **Sec. 2. SUBMISSION TO VOTERS.**

2.6 (a) The proposed amendment must be submitted to the people at the 2018 general election.  
 2.7 The question submitted must be:

2.8 "Shall the Minnesota Constitution be amended to allow individuals 21 years of age or  
 2.9 older to consume and use marijuana and marijuana products for personal use; to permit the  
 2.10 possession, cultivation, processing, transportation, and sale of marijuana, marijuana  
 2.11 accessories, and marijuana products within the state; and to provide for taxation of marijuana  
 2.12 and marijuana products within the state?

2.13 Yes .....  
 2.14 No ..... "

2.15 (b) Notwithstanding Minnesota Statutes, section 204D.15, subdivision 1, the title for  
 2.16 the question submitted to the people under this section shall be: "Personal use of marijuana  
 2.17 authorized."

2.18 **ARTICLE 2**

2.19 **REGULATION OF THE PRODUCTION AND SALE OF MARIJUANA**

2.20 **Section 1. PURPOSE AND FINDINGS.**

2.21 (a) In the interest of individual freedom, the efficient use of law enforcement resources,  
 2.22 and enhancing revenue for public purposes, the legislature finds and declares that the use  
 2.23 of marijuana should be legal for persons 21 years of age or older and taxed in a manner  
 2.24 similar to alcohol.

2.25 (b) In the interest of the health and public safety of the citizens of Minnesota, the  
 2.26 legislature further finds and declares that marijuana should be regulated in a manner similar  
 2.27 to alcohol so that:

2.28 (1) individuals shall have to show proof of age before purchasing marijuana;

2.29 (2) selling, distributing, or transferring marijuana to individuals under the age of 21 shall  
 2.30 remain illegal;

2.31 (3) driving under the influence of marijuana shall remain illegal;

3.1 (4) legitimate, taxpaying business people, and not criminal actors, shall conduct sales  
3.2 of marijuana; and

3.3 (5) marijuana sold in this state shall be labeled and subject to regulations to ensure that  
3.4 consumers are informed and protected.

3.5 (c) In the interest of enacting rational policies for the treatment of all variations of the  
3.6 cannabis plant, the legislature further finds and declares that industrial hemp shall be  
3.7 regulated separately from strains of cannabis with higher delta-9 tetrahydrocannabinol  
3.8 (THC) concentrations.

3.9 Sec. 2. Minnesota Statutes 2016, section 152.31, is amended to read:

3.10 **152.31 DATA PRACTICES.**

3.11 (a) Government data in patient files maintained by the commissioner and the health care  
3.12 practitioner, and data submitted to or by a medical cannabis manufacturer, are private data  
3.13 on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in  
3.14 section 13.02, subdivision 9, but may be used for purposes of complying with chapter 13  
3.15 and complying with a request from the legislative auditor or the state auditor in the  
3.16 performance of official duties. The provisions of section 13.05, subdivision 11, apply to a  
3.17 registration agreement entered between the commissioner and a medical cannabis  
3.18 manufacturer under section 152.25.

3.19 (b) Except as provided in paragraph (c), not public data maintained by the commissioner  
3.20 may not be used for any purpose not provided for in sections 152.22 to 152.37, and may  
3.21 not be combined or linked in any manner with any other list, dataset, or database.

3.22 (c) The commissioner may use not public data maintained by the commissioner and  
3.23 related to a medical cannabis manufacturer in reviewing the medical cannabis manufacturer's  
3.24 application to operate a marijuana establishment under chapter 152B, to determine the extent  
3.25 to which the medical cannabis manufacturer has complied with sections 152.22 to 152.37.

3.26 Sec. 3. **[152B.01] DEFINITIONS.**

3.27 Subdivision 1. **Applicability.** For purposes of this chapter, the terms defined in this  
3.28 section have the meanings given them.

3.29 Subd. 2. **City.** "City" means a home rule charter or statutory city.

3.30 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of health.

4.1 Subd. 4. **Consumer.** "Consumer" means a person 21 years of age or older who purchases  
4.2 marijuana or marijuana products for personal use by persons 21 years of age or older, but  
4.3 not for resale to others.

4.4 Subd. 5. **Local government.** "Local government" means a town operating under chapter  
4.5 368, a county, or a city. A governing body for a town under this chapter means a town board  
4.6 of supervisors.

4.7 Subd. 6. **Marijuana.** "Marijuana" means all parts of the plant of any species of the genus  
4.8 Cannabis, including all agronomical varieties, whether growing or not; the seeds thereof;  
4.9 the resin extracted from any part of the plant; and every compound, manufacture, salt,  
4.10 derivative, mixture, or preparation of the plant, its seeds, or its resin, but does not include  
4.11 the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the  
4.12 seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation  
4.13 from mature stalks, except resin extracted therefrom, fiber, oil, or cake, or the sterilized  
4.14 seed of the plant which is incapable of germination.

4.15 Subd. 7. **Marijuana accessory.** "Marijuana accessory" means any equipment, product,  
4.16 or material of any kind which is used, intended for use, or designed for use in planting,  
4.17 propagating, cultivating, growing, harvesting, composting, manufacturing, compounding,  
4.18 converting, producing, processing, preparing, testing, analyzing, packaging, repackaging,  
4.19 storing, vaporizing, or containing marijuana, or for ingesting, inhaling, or otherwise  
4.20 introducing marijuana into the human body.

4.21 Subd. 8. **Marijuana cultivation facility.** "Marijuana cultivation facility" means an entity  
4.22 licensed to cultivate, prepare, and package marijuana and sell marijuana to retail marijuana  
4.23 stores, marijuana product manufacturing facilities, and other marijuana cultivation facilities,  
4.24 but not to consumers.

4.25 Subd. 9. **Marijuana establishment.** "Marijuana establishment" means a marijuana  
4.26 cultivation facility, a marijuana testing facility, a marijuana product manufacturing facility,  
4.27 or a retail marijuana store.

4.28 Subd. 10. **Marijuana product manufacturing facility.** "Marijuana product  
4.29 manufacturing facility" means an entity licensed to purchase marijuana; manufacture,  
4.30 prepare, and package marijuana products; and sell marijuana and marijuana products to  
4.31 other marijuana product manufacturing facilities and to retail marijuana stores, but not to  
4.32 consumers.

4.33 Subd. 11. **Marijuana product.** "Marijuana product" means a concentrated marijuana  
4.34 product or a marijuana product that is comprised of marijuana and other ingredients and is

5.1 intended for use or consumption including, but not limited to, edible products, ointments,  
 5.2 and tinctures.

5.3 Subd. 12. **Marijuana testing facility.** "Marijuana testing facility" means an entity  
 5.4 licensed to analyze and certify the safety and potency of marijuana.

5.5 Subd. 13. **Medical cannabis distribution facility.** "Medical cannabis distribution  
 5.6 facility" means a facility operated by a medical cannabis manufacturer and authorized to  
 5.7 dispense medical cannabis.

5.8 Subd. 14. **Medical cannabis manufacturer.** "Medical cannabis manufacturer" has the  
 5.9 meaning given in section 152.22, subdivision 7.

5.10 Subd. 15. **Retail marijuana store.** "Retail marijuana store" means an entity licensed to  
 5.11 purchase marijuana from marijuana cultivation facilities and marijuana and marijuana  
 5.12 products from marijuana product manufacturing facilities and to sell marijuana and marijuana  
 5.13 products to consumers.

5.14 Subd. 16. **Unreasonably impracticable.** "Unreasonably impracticable" means that the  
 5.15 measures necessary to comply with the rules require such a high investment of risk, money,  
 5.16 time, or any other resource or asset that the operation of a marijuana establishment is not  
 5.17 worth being carried out in practice by a reasonably prudent businessperson.

5.18 **Sec. 4. [152B.03] REGULATION OF MARIJUANA.**

5.19 Subdivision 1. **Rulemaking authorized.** No later than July 1, 2019, the commissioner  
 5.20 shall adopt rules necessary to implement this chapter. The rules shall not prohibit the  
 5.21 operation of marijuana establishments, either expressly or through rules that make their  
 5.22 operation unreasonably impracticable. The rules shall include:

5.23 (1) procedures for the issuance, renewal, suspension, and revocation of a license to  
 5.24 operate a marijuana establishment;

5.25 (2) qualifications for licensure that are directly and demonstrably related to the operation  
 5.26 of a marijuana establishment;

5.27 (3) security requirements for marijuana establishments;

5.28 (4) requirements to prevent the sale or diversion of marijuana and marijuana products  
 5.29 to persons under the age of 21;

5.30 (5) labeling requirements for marijuana and marijuana products sold or distributed by  
 5.31 a marijuana establishment;

6.1 (6) health and safety regulations and standards for the manufacture of marijuana products  
 6.2 and the cultivation of marijuana;

6.3 (7) restrictions on the advertising and display of marijuana and marijuana products; and

6.4 (8) civil penalties for the failure to comply with rules adopted according to this section.

6.5 Subd. 2. **Factors in reviewing applications.** In order to ensure the most secure, reliable,  
 6.6 and accountable system for the production and distribution of marijuana and marijuana  
 6.7 products in accordance with this chapter, in any competitive application process the  
 6.8 commissioner shall have as a primary consideration whether an applicant:

6.9 (1) has prior experience producing or distributing medical cannabis according to sections  
 6.10 152.22 to 152.37 in the city, county, or town in which the applicant seeks to operate a  
 6.11 marijuana establishment; and

6.12 (2) has, during the experience described in clause (1), complied consistently with sections  
 6.13 152.22 to 152.37 and Minnesota Rules, chapter 4770. The commissioner may use not public  
 6.14 data related to the medical cannabis manufacturer and held by the commissioner in making  
 6.15 a determination under this clause.

6.16 Sec. 5. **[152B.04] INDIVIDUAL PRIVACY OF CONSUMERS AT RETAIL**  
 6.17 **MARIJUANA STORES.**

6.18 In order to ensure that individual privacy is protected:

6.19 (1) a consumer shall not be required to provide a retail marijuana store with personal  
 6.20 information other than government-issued identification to determine the consumer's age  
 6.21 in order to purchase marijuana or marijuana products; and

6.22 (2) a retail marijuana store shall not be required to acquire and record personal information  
 6.23 about consumers other than information typically acquired in a financial transaction  
 6.24 conducted at an on-sale liquor licensee.

6.25 Sec. 6. **[152B.05] LOCAL REGULATIONS.**

6.26 Subdivision 1. **Jurisdiction.** A county must adopt regulations or ordinances under  
 6.27 subdivision 2 and may adopt regulations or ordinances under subdivision 3. A city or town  
 6.28 may adopt regulations or ordinances under subdivisions 2 and 3. If both a city and county  
 6.29 with overlapping jurisdictions or a county and town with overlapping jurisdictions adopt  
 6.30 regulations or ordinances under subdivision 2 or 3, the county regulations or ordinances  
 6.31 apply only in those portions of the county outside the jurisdiction of the city or town.

7.1 Subd. 2. **Marijuana establishment licenses.** No later than October 1, 2019, a county  
 7.2 must adopt and a city or town may adopt regulations or ordinances:

7.3 (1) specifying the entity within the local government responsible for processing  
 7.4 applications for a license to operate a marijuana establishment within the boundaries of the  
 7.5 local government; and

7.6 (2) providing for the issuance of marijuana establishment licenses if a local government  
 7.7 must issue licenses because the commissioner fails to adopt rules according to section  
 7.8 152B.03 or because the commissioner fails to process and issue licenses as required by  
 7.9 section 152B.06.

7.10 Subd. 3. **Other regulations regarding marijuana establishments.** (a) A local  
 7.11 government may adopt ordinances or regulations that do not conflict with this chapter:

7.12 (1) governing the time, place, and manner of marijuana establishment operations, and  
 7.13 the number of marijuana establishments within the jurisdiction of the local government;

7.14 (2) establishing procedures for the issuance, suspension, and revocation of licenses  
 7.15 issued by the local government in accordance with section 152B.06, subdivision 2 or 3;

7.16 (3) establishing a schedule of annual operating, licensing, and application fees for  
 7.17 marijuana establishments. An application fee established according to this clause shall be  
 7.18 due only if an application is submitted to a local government under section 152B.06,  
 7.19 subdivision 3. A licensing fee established according to this clause shall be due only if a  
 7.20 local government issues a license under section 152B.06, subdivision 2 or 3; and

7.21 (4) establishing civil penalties for violations of ordinances or regulations governing the  
 7.22 time, place, or manner of the operation of marijuana establishments.

7.23 (b) A local government may adopt ordinances or regulations that prohibit the operation  
 7.24 of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana  
 7.25 testing facilities, or retail marijuana stores.

7.26 Sec. 7. **[152B.06] PROCEDURES FOR LICENSURE OF MARIJUANA**  
 7.27 **ESTABLISHMENTS.**

7.28 Subdivision 1. **Application for state license.** Each application for an annual license to  
 7.29 operate a marijuana establishment shall be submitted to the commissioner. The commissioner  
 7.30 shall:

7.31 (1) begin accepting and processing applications on October 1, 2019;

8.1 (2) immediately forward a copy of each application and half of the license application  
8.2 fee to the local government for the location in which the applicant intends to operate the  
8.3 marijuana establishment;

8.4 (3) issue an annual license to the applicant within 90 days after receipt of an application  
8.5 unless the commissioner finds the applicant is not in compliance with rules adopted according  
8.6 to section 152B.03 or the commissioner is notified by the applicable local government that  
8.7 the applicant is not in compliance with ordinances and regulations adopted according to  
8.8 section 152B.05 and in effect at the time of application. Where a local government has  
8.9 adopted a numerical limit on the number of marijuana establishments licenses and a greater  
8.10 number of applicants seek licenses than the number of licenses available, the commissioner  
8.11 shall solicit and consider input from the local government regarding the local government's  
8.12 preferences for licensure; and

8.13 (4) upon denial of an application, notify the applicant in writing of the specific reason  
8.14 for its denial.

8.15 Subd. 2. **Application for local license due to lack of action on application for state**  
8.16 **license.** (a) An applicant who has submitted an application to the commissioner according  
8.17 to subdivision 1 may resubmit its application directly to a local government according to  
8.18 section 152B.05 if:

8.19 (1) the commissioner does not issue a license to an applicant within 90 days after receipt  
8.20 of the application submitted in accordance with subdivision 1 and does not notify the  
8.21 applicant, in writing, of the reason for the denial or lack of action within the 90-day period;  
8.22 or

8.23 (2) the commissioner has adopted rules according to section 152B.03, subdivision 1,  
8.24 and has accepted applications according to subdivision 1 but has not issued any licenses by  
8.25 January 1, 2020.

8.26 (b) A local government that receives an application under paragraph (a) may issue a  
8.27 license to the applicant. A local government issuing a license under this subdivision shall  
8.28 do so within 90 days after receipt of the application unless the local government determines  
8.29 that the applicant is not in compliance with regulations or ordinances adopted according to  
8.30 section 152B.05 and provides notice of this noncompliance to the applicant.

8.31 (c) A local government shall notify the commissioner of all local licenses issued under  
8.32 this subdivision.

9.1 (d) If an application is submitted under this subdivision, the commissioner shall, if the  
9.2 local government so requests, forward to the local government the remainder of the  
9.3 application fee paid to the commissioner with the applicant's initial application.

9.4 (e) A license issued by a local government under this subdivision shall have the same  
9.5 force and effect as a license issued by the commissioner under subdivision 1. The holder  
9.6 of a local license shall not be subject to regulation or enforcement by the commissioner  
9.7 during the term of the local license. A local government may issue a subsequent or renewed  
9.8 license under this subdivision on an annual basis only if the applicant first submits an  
9.9 application to the commissioner under subdivision 1 and resubmits that application to the  
9.10 local government under this subdivision.

9.11 Subd. 3. **Application for local license if commissioner does not adopt rules.** If the  
9.12 commissioner does not adopt rules required by section 152B.03, an applicant may submit  
9.13 an application directly to a local government after October 1, 2019, and the local government  
9.14 may issue an annual license to the applicant. A local government issuing a license under  
9.15 this subdivision shall do so within 90 days after receipt of the application unless it determines  
9.16 that the applicant is not in compliance with regulations or ordinances adopted according to  
9.17 section 152B.05 in effect at the time of application and provides notice of this noncompliance  
9.18 to the applicant. A local government shall notify the commissioner if the local government  
9.19 issues an annual license to the applicant under this subdivision. A license issued by a local  
9.20 government under this subdivision shall have the same force and effect as a license issued  
9.21 by the commissioner in accordance with subdivision 1. The holder of a local license shall  
9.22 not be subject to regulation or enforcement by the commissioner during the term of that  
9.23 local license. A local government may issue a subsequent or renewed license under this  
9.24 subdivision on an annual basis if the commissioner has not adopted rules required by section  
9.25 152B.03 at least 90 days prior to the date upon which a subsequent or renewed license would  
9.26 be effective, or if the commissioner has adopted rules according to section 152B.03 but has  
9.27 not, at least 90 days after the adoption of the rules, issued licenses pursuant to subdivision  
9.28 1.

9.29 Sec. 8. **[152B.07] EMPLOYERS, DRIVING, MINORS, AND CONTROL OF**  
9.30 **PROPERTY.**

9.31 Subdivision 1. **Employers.** Nothing in this chapter or chapter 152 is intended to require  
9.32 an employer to permit or accommodate the use, consumption, possession, transfer, display,  
9.33 transportation, sale, or cultivation of marijuana in the workplace or to affect the authority  
9.34 of employers to have policies restricting or prohibiting the use of marijuana by employees.

10.1 Subd. 2. **Driving under the influence.** Nothing in this chapter or chapter 152 is intended  
 10.2 to allow driving under the influence of marijuana or to supersede section 169A.20.

10.3 Subd. 3. **Consumption of marijuana or marijuana products in a motor vehicle.**  
 10.4 Nothing in this chapter or chapter 152 is intended to allow the consumption of marijuana  
 10.5 or marijuana products in a motor vehicle or to supersede section 152.027, subdivision 3a.

10.6 Subd. 4. **Persons under age 21.** Nothing in this chapter or chapter 152 is intended to  
 10.7 permit the transfer of marijuana, with or without remuneration, to a person under the age  
 10.8 of 21 or to allow a person under the age of 21 to purchase, possess, use, transport, grow, or  
 10.9 consume marijuana.

10.10 Subd. 5. **Control of property.** Nothing in this chapter or chapter 152 shall prohibit a  
 10.11 person, employer, school, hospital, detention facility, corporation, or any other entity who  
 10.12 occupies, owns, or controls a property from prohibiting or otherwise regulating the  
 10.13 possession, consumption, use, display, transfer, distribution, sale, transportation, or cultivation  
 10.14 of marijuana on or in that property.

10.15 **Sec. 9. [152B.08] MEDICAL CANNABIS PROVISIONS UNAFFECTED.**

10.16 Nothing in this chapter shall be construed:

10.17 (1) to limit any privileges or rights in sections 152.22 to 152.37 of a medical cannabis  
 10.18 patient; designated caregiver, parent, or legal guardian under section 152.27, subdivision 4  
 10.19 or 5; or medical cannabis manufacturer;

10.20 (2) to permit a medical cannabis distribution facility to distribute marijuana to a person  
 10.21 who is not a medical cannabis patient enrolled in the registry established according to  
 10.22 sections 152.22 to 152.37;

10.23 (3) to permit a medical cannabis distribution facility to purchase marijuana or marijuana  
 10.24 products in a manner or from a source not authorized under sections 152.22 to 152.37;

10.25 (4) to permit a medical cannabis distribution facility to operate on the same premises as  
 10.26 a retail marijuana store; or

10.27 (5) to discharge the commissioner from the commissioner's duties to regulate medical  
 10.28 cannabis under sections 152.22 to 152.37.

10.29 **Sec. 10. Minnesota Statutes 2016, section 297D.06, is amended to read:**

10.30 **297D.06 PHARMACEUTICALS EXCEPTION FOR LAWFUL POSSESSION.**

11.1 ~~Nothing in this chapter requires~~ The following persons are not required to pay the tax  
 11.2 under this chapter:

11.3 (1) persons registered under chapter 151 or lawfully in possession of marijuana or a  
 11.4 controlled substance;

11.5 (2) persons lawfully in possession of medical cannabis obtained according to sections  
 11.6 152.22 to 152.37;

11.7 (3) persons licensed to grow, process, and sell marijuana and marijuana products under  
 11.8 chapter 152B;

11.9 (4) persons who have lawfully purchased marijuana or marijuana products from a retail  
 11.10 marijuana store licensed under chapter 152B; and

11.11 (5) persons who are otherwise lawfully in possession of marijuana or a controlled  
 11.12 substance to pay the tax required under this chapter.

11.13 **Sec. 11. FEE SCHEDULE FOR LICENSURE OF MARIJUANA**  
 11.14 **ESTABLISHMENTS.**

11.15 Subdivision 1. **Definition.** For purposes of this section, "marijuana establishment" has  
 11.16 the meaning given in Minnesota Statutes, section 152B.01, subdivision 9.

11.17 Subd. 2. **Fee schedule.** By January 1, 2019, the commissioner of health shall submit to  
 11.18 the legislature a proposed schedule of annual application, licensing, and renewal fees for  
 11.19 marijuana establishments authorized under Minnesota Statutes, chapter 152B. The  
 11.20 commissioner shall set proposed fees for each type of marijuana establishment in accordance  
 11.21 with Minnesota Statutes, section 16A.1285, subdivision 2. No fee shall exceed \$5,000 unless  
 11.22 the commissioner determines that a greater fee is necessary to recover its costs under  
 11.23 Minnesota Statutes, chapter 152B.

11.24 Subd. 3. **Limit on fees charged to medical cannabis manufacturers.** In the fee schedule  
 11.25 required under subdivision 2, the application fee shall not exceed \$500 for a medical cannabis  
 11.26 manufacturer that:

11.27 (1) is registered under Minnesota Statutes, sections 152.22 to 152.37, to manufacture  
 11.28 and distribute medical cannabis as of the effective date of Minnesota Statutes, chapter 152B;  
 11.29 and

11.30 (2) chooses to apply for a separate marijuana establishment license under Minnesota  
 11.31 Statutes, chapter 152B.

12.1 Sec. 12. **TAXATION OF MARIJUANA.**

12.2 By March 1, 2019, the commissioner of revenue shall submit to the legislature proposed  
 12.3 legislation for a tax to be levied upon marijuana sold or otherwise transferred by a marijuana  
 12.4 cultivation facility to a marijuana product manufacturing facility or to a retail marijuana  
 12.5 store, at a rate not to exceed 15 percent prior to January 1, 2021, and at a rate determined  
 12.6 by law thereafter. In its proposed legislation, the commissioner shall include procedures for  
 12.7 the collection of these taxes. The proposal required by this section shall not include levying  
 12.8 a tax on medical cannabis dispensed at a medical cannabis distribution facility under  
 12.9 Minnesota Statutes, sections 152.22 to 152.37.

12.10 Sec. 13. **EFFECTIVE DATE.**

12.11 Sections 1 to 12 are effective January 1, 2019, if the constitutional amendment proposed  
 12.12 in article 1, section 1, is adopted by the voters.

12.13 **ARTICLE 3**

12.14 **MARIJUANA FOR PERSONAL USE**

12.15 Section 1. Minnesota Statutes 2016, section 152.01, is amended by adding a subdivision  
 12.16 to read:

12.17 Subd. 9b. **Marijuana accessory.** "Marijuana accessory" has the meaning given in section  
 12.18 152B.01, subdivision 7.

12.19 Sec. 2. Minnesota Statutes 2016, section 152.01, is amended by adding a subdivision to  
 12.20 read:

12.21 Subd. 9c. **Marijuana product.** "Marijuana product" has the meaning given in section  
 12.22 152B.01, subdivision 11.

12.23 Sec. 3. Minnesota Statutes 2016, section 152.027, subdivision 3, is amended to read:

12.24 Subd. 3. **Possession of a marijuana product or marijuana in a motor vehicle.** A  
 12.25 person is guilty of a misdemeanor if the person is the owner of a private motor vehicle, or  
 12.26 is the driver of the motor vehicle if the owner is not present, and possesses on the person,  
 12.27 or knowingly keeps or allows to be kept within the area of the vehicle normally occupied  
 12.28 by the driver or passengers, a marijuana product or more than ~~1.4 grams~~ one ounce of  
 12.29 marijuana. This area of the vehicle does not include the trunk of the motor vehicle if the  
 12.30 vehicle is equipped with a trunk, or another area of the vehicle not normally occupied by

13.1 the driver or passengers if the vehicle is not equipped with a trunk. A utility or glove  
 13.2 compartment is deemed to be within the area occupied by the driver and passengers.

13.3 Sec. 4. Minnesota Statutes 2016, section 152.027, is amended by adding a subdivision to  
 13.4 read:

13.5 **Subd. 3a. Consumption of a marijuana product or marijuana in a motor vehicle.**

13.6 **A person is guilty of a misdemeanor if the person consumes a marijuana product or marijuana**  
 13.7 **in a motor vehicle when the motor vehicle is upon a street or highway.**

13.8 Sec. 5. Minnesota Statutes 2016, section 152.092, is amended to read:

13.9 **152.092 POSSESSION OF DRUG PARAPHERNALIA PROHIBITED.**

13.10 (a) Except as provided in section 152.211 or 152.212, it is unlawful for any person  
 13.11 knowingly or intentionally to use or to possess drug paraphernalia. Any violation of this  
 13.12 section is a petty misdemeanor.

13.13 (b) A person who violates paragraph (a) and has previously violated paragraph (a) on  
 13.14 two or more occasions has committed a crime and may be sentenced to imprisonment for  
 13.15 up to 90 days or to payment of a fine up to \$1,000, or both.

13.16 Sec. 6. Minnesota Statutes 2016, section 152.093, is amended to read:

13.17 **152.093 MANUFACTURE OR DELIVERY OF DRUG PARAPHERNALIA**  
 13.18 **PROHIBITED.**

13.19 Except as provided in section 152.211 or 152.212, it is unlawful for any person knowingly  
 13.20 or intentionally to deliver drug paraphernalia or knowingly or intentionally to possess or  
 13.21 manufacture drug paraphernalia for delivery. Any violation of this section is a misdemeanor.

13.22 Sec. 7. **[152.211] PERSONAL USE OF MARIJUANA.**

13.23 (a) The following acts are not violations of this chapter and are not a basis for seizure  
 13.24 or forfeiture of assets for persons 21 years of age or older:

13.25 (1) to possess, use, display, purchase, or transport marijuana accessories, marijuana  
 13.26 products, or one ounce or less of marijuana;

13.27 (2) to possess, grow, process, or transport no more than six marijuana plants, with three  
 13.28 or fewer being mature, flowering plants, and possession of the marijuana produced by the  
 13.29 plants on the premises where the plants were grown, provided that the growing takes place

14.1 in an enclosed, locked space, is not conducted openly or publicly, and is not made available  
 14.2 for sale;

14.3 (3) to transfer one ounce or less of marijuana without remuneration to a person who is  
 14.4 21 years of age or older;

14.5 (4) to consume marijuana, provided that nothing in this section shall permit consumption  
 14.6 that is conducted openly and publicly or in a manner that endangers others; or

14.7 (5) to assist another person who is 21 years of age or older in any of the acts described  
 14.8 in clauses (1) to (4).

14.9 (b) Nothing in this section permits a person to engage in, and does not prevent the  
 14.10 imposition of any civil, criminal, or other penalties for, operating, navigating, or being in  
 14.11 actual physical control of any motor vehicle, aircraft, train, or motorboat, or working on  
 14.12 transportation property, equipment, or facilities while under the influence of marijuana.

14.13 **Sec. 8. [152.212] ACTIVITIES RELATED TO THE CULTIVATION,**  
 14.14 **TRANSPORTATION, MANUFACTURE, AND SALE OF MARIJUANA,**  
 14.15 **MARIJUANA PRODUCTS, AND MARIJUANA ACCESSORIES.**

14.16 Subdivision 1. **Definitions.** For purposes of this section, "marijuana cultivation facility,"  
 14.17 "marijuana product manufacturing facility," "marijuana testing facility," and "retail marijuana  
 14.18 store" have the meanings given in section 152B.01.

14.19 Subd. 2. **Acts not violations of chapter.** The following acts are not violations of this  
 14.20 chapter and are not a basis for seizure or forfeiture of assets for persons 21 years of age or  
 14.21 older:

14.22 (1) manufacture, possession, or purchase of marijuana accessories or the sale of marijuana  
 14.23 accessories to a person who is 21 years of age or older;

14.24 (2) possessing, displaying, or transporting marijuana or marijuana products; purchase  
 14.25 of marijuana from a marijuana cultivation facility; purchase of marijuana or marijuana  
 14.26 products from a marijuana product manufacturing facility; or the sale of marijuana or  
 14.27 marijuana products to consumers, if the person conducting the activities described in this  
 14.28 clause has a current, valid license to operate a retail marijuana store or is acting in the  
 14.29 person's capacity as an owner, employee, or agent of a licensed retail marijuana store;

14.30 (3) cultivating, harvesting, processing, packaging, transporting, displaying, or possessing  
 14.31 marijuana; delivery or transfer of marijuana to a marijuana testing facility; selling marijuana  
 14.32 to a marijuana cultivation facility, a marijuana product manufacturing facility, or a retail

15.1 marijuana store; or the purchase of marijuana from a marijuana cultivation facility, if the  
15.2 person conducting the activities described in this clause has a current, valid license to operate  
15.3 a marijuana cultivation facility or is acting in the person's capacity as an owner, employee,  
15.4 or agent of a licensed marijuana cultivation facility;

15.5 (4) packaging, processing, transporting, manufacturing, displaying, or possessing  
15.6 marijuana or marijuana products; delivery or transfer of marijuana or marijuana products  
15.7 to a marijuana testing facility; selling marijuana or marijuana products to a retail marijuana  
15.8 store or a marijuana product manufacturing facility; the purchase of marijuana from a  
15.9 marijuana cultivation facility; or the purchase of marijuana or marijuana products from a  
15.10 marijuana product manufacturing facility, if the person conducting the activities described  
15.11 in this clause has a current, valid license to operate a marijuana product manufacturing  
15.12 facility or is acting in the person's capacity as an owner, employee, or agent of a licensed  
15.13 marijuana product manufacturing facility;

15.14 (5) possessing, cultivating, processing, repackaging, storing, transporting, displaying,  
15.15 transferring, or delivering marijuana or marijuana products if the person conducting the  
15.16 activities described in this clause has a current, valid license to operate a marijuana testing  
15.17 facility or is acting in the person's capacity as an owner, employee, or agent of a licensed  
15.18 marijuana testing facility; or

15.19 (6) leasing or otherwise allowing the use of property owned, occupied, or controlled by  
15.20 any person, corporation, or other entity for any of the activities conducted lawfully in  
15.21 accordance with this section.

15.22 **Sec. 9. REPEALER.**

15.23 Minnesota Statutes 2016, section 152.027, subdivision 4, is repealed.

15.24 **Sec. 10. EFFECTIVE DATE.**

15.25 Sections 1 to 9 are effective January 1, 2019, if the constitutional amendment proposed  
15.26 in article 1, section 1, is adopted by the voters.

APPENDIX  
Article locations in 17-2859

ARTICLE 1	CONSTITUTIONAL AMENDMENT .....	Page.Ln 1.15
	REGULATION OF THE PRODUCTION AND SALE OF	
ARTICLE 2	MARIJUANA .....	Page.Ln 2.18
ARTICLE 3	MARIJUANA FOR PERSONAL USE .....	Page.Ln 12.13

**152.027 OTHER CONTROLLED SUBSTANCE OFFENSES.**

Subd. 4. **Possession or sale of small amounts of marijuana.** (a) A person who unlawfully sells a small amount of marijuana for no remuneration, or who unlawfully possesses a small amount of marijuana is guilty of a petty misdemeanor and shall be required to participate in a drug education program unless the court enters a written finding that a drug education program is inappropriate. The program must be approved by an area mental health board with a curriculum approved by the state alcohol and drug abuse authority.

(b) A person convicted of an unlawful sale under paragraph (a) who is subsequently convicted of an unlawful sale under paragraph (a) within two years is guilty of a misdemeanor and shall be required to participate in a chemical dependency evaluation and treatment if so indicated by the evaluation.

(c) A person who is convicted of a petty misdemeanor under paragraph (a) who willfully and intentionally fails to comply with the sentence imposed, is guilty of a misdemeanor. Compliance with the terms of the sentence imposed before conviction under this paragraph is an absolute defense.