

# Minnesota lawmakers finish marijuana legalization bill; final votes up next

A conference committee finished merging the House and Senate bills to legalize recreational use.

By [Ryan Faircloth](#) and [Brooks Johnson](#) Star Tribune

MAY 16, 2023 — 12:24PM



GLEN STUBBE, STAR TRIBUNE

Cannabis bill authors Rep. Zack Stephenson, DFL-Coon Rapids, and Sen. Lindsey Port, DFL-Burnsville, conferred before the final conference committee meeting Tuesday.

SAVE  
GIFT  
LISTEN  
TEXT SIZE

314

SHARE

Minnesota is poised to legalize recreational marijuana as early as this week after legislative negotiators finalized the bill and readied it for last votes in the House and Senate.

A conference committee tasked with merging the House and Senate marijuana bills into one finished its work on Tuesday. Among many changes, the committee set the tax rate for cannabis products at 10%, capped home possession of marijuana flower at 2 pounds and gave cities the option of limiting the number of cannabis retailers within their limits.

"It has been an incredible journey ... to get this bill to this place," said state Rep. Zack Stephenson, DFL-Coon Rapids, the bill's House sponsor.

While the bill would make marijuana possession and limited home-growing legal for those 21 and older this summer, it could take a year or longer until the first retail dispensary opens. The bill creates a new state agency, the Office of Cannabis Management, to oversee licensing of recreational and medical marijuana and hemp-derived products.

The state's medical marijuana providers would continue operating as normal through the end of the year during the regulatory transition. Most existing rules regarding hemp-based THC drinks and edibles would also remain in place until next July, when newly created license requirements would kick in.

The bill now heads back to the House and Senate for final passage. [Both chambers](#) already approved [earlier versions](#) of the bill last month.

Sen. Lindsey Port, DFL-Burnsville, said crafting the nearly 300-page bill "has been a huge team effort."

"Rep. Stephenson and I remain absolutely committed to getting this bill passed this year," said Port, who sponsored the bill in the Senate.

Here are the final changes made to the bill.

### **Tax rate, local control**

Legislative negotiators settled on a 10% tax rate for cannabis products and agreed to share one-fifth of the tax revenue with cities and counties, Port said. Cities and counties, along with the Office of Cannabis Management, would be in charge of licensing cannabis businesses and enforcing the parameters of the new law.

Senate Democrats had originally proposed the 10% tax, while House DFLers had sought a lower 8% rate.

The Senate's position on local control also won out, with the final bill giving local governments the option of capping the number of retail cannabis shops within their limits. A local government could limit the number of cannabis retailers to one for every 12,500 residents, if they choose.

## **At-home possession**

The conference committee decided that Minnesotans could possess up to 2 pounds of consumable marijuana flower in their private residence. Adults would be allowed to grow up to eight cannabis plants at home, but no more than four could be mature and flowering at a time.

Most states that have legalized recreational marijuana have at-home possession limits that are much lower, making Minnesota's proposed at-home limit an outlier. For example, in Michigan, adults can possess up to 10 ounces of cannabis flower in their home, while in Illinois, the at-home limit is 30 grams, or about an ounce.

Minnesotans 21 and older could buy up to 2 ounces of cannabis flower, 8 grams of concentrate and 800 milligrams worth of edible products at a time, and possess those amounts while in public.

Another provision added by the conference committee prohibits people from smoking cannabis products in multifamily housing buildings.

## **Social equity**

Seeking to help those harmed by the war on drugs, the final bill gives "social equity applicants" a better shot at getting a cannabis business license.

Those applicants, [as defined by the conference committee](#), include the following: people who were convicted of possessing or selling marijuana, family members of someone who was convicted of a marijuana offense, veterans or active military who lost honorable status due to a marijuana offense, residents of neighborhoods that "experienced a disproportionately large amount of cannabis enforcement" and farmers from underrepresented communities.

## **Expungement**

The [automatic expungement of misdemeanor marijuana convictions](#) would begin this summer. The bill establishes a committee to consider expungement of felony-level cannabis crimes. Drew Evans, superintendent of the Minnesota Bureau of Criminal Apprehension (BCA), [sent a letter to lawmakers](#) last week explaining that the agency will need time to finish expunging the misdemeanor records.

"BCA indicated an August 1, 2024 effective date would be the earliest date at which the Bureau could comply," Evans wrote. "BCA is committed to the accuracy and completeness of criminal history records due to the sensitive information that potentially impacts individuals' employment, housing and other opportunities."

## **Medical cannabis changes**

Medical marijuana providers won a key concession from lawmakers that will allow them to grow, process and sell both medical and recreational marijuana.

The conference committee created a "medical combination" license that allows license-holders to sell to both recreational and medical customers. That's an approach other states have taken to help bring more supply to market in the early days of adult-use legalization.

The two companies currently allowed to sell medical marijuana in Minnesota are already vertically integrated — they grow, process and sell — and they will be able to remain so. Only small- and medium-sized marijuana businesses would be allowed to vertically integrate in the same way. Hemp-based manufacturers and retailers would also be allowed to operate as one business; the state Department of Agriculture would retain authority over hemp growing.

**Ryan Faircloth** covers Minnesota politics and government for the Star Tribune.

[ryan.faircloth@startribune.com](mailto:ryan.faircloth@startribune.com) [ryanfaircloth](#)

**Brooks Johnson** is a business reporter covering Minnesota's food industry, 3M and manufacturing trends.

[brooks.johnson@startribune.com](mailto:brooks.johnson@startribune.com) [612-673-4229](tel:612-673-4229) [readbrooks](#)