



Sensible policies, safer communities.

Representative Tina Liebling, Co-Chair
HHS Finance Bill Conference Committee
477 State Office Building
St. Paul, MN 55155

Senator Jim Abeler, Co-Chair
HHS Finance Bill Conference Committee
3215 Minnesota Senate Bldg.
St. Paul, MN 55155

Re: Senate File 4410/HHS Finance Bill

Dear Co-Chairs Liebling and Abeler, and members of the HHS Finance Bill Conference Committee,

I write today on behalf of Sensible Change Minnesota, in support of certain provisions included in the House version SF4410. Sensible Change Minnesota is a non-profit that believes our communities are safer when we create sensible drug policies. We are patient and consumer led and run and have spent much of the past several years improving Minnesota's medical cannabis program.

House File 4387 (as amended) – House Article I, Sections 75, 77, 81-82, and 89

Addition of medical cannabis manufacturers

HF4387 is an incredibly important piece of legislation to open Minnesota's medical cannabis market to better serve the state's medical cannabis patients. Currently, there are nearly 32,000 medical cannabis patients in Minnesota, a number expected to double over the next year, and only two, large, vertically integrated companies producing all medical cannabis for the state. While Vireo Health (a/k/a Green Goods, Goodness Growth Holdings) and Leafline Labs (n/k/a Rise, Green Thumb Industries) have done a mostly sufficient job in supplying medical cannabis to Minnesotans given the circumstances, the prices remain high, access barriers remain, and patients are underserved by the existing duopoly.

Additionally, both Minnesota companies were sold in the last 12 months, with the sale of Vireo Health finalizing this fall. Both purchasing companies have all but bragged to their investors about their entry into Minnesota's restrictive market. For reference, Green Thumb Industries holds 21 different companies or brands, and Verano Holdings 18, not counting Vireo Health/Goodness Growth Holdings. According to Marijuana Business Daily, a September 2021 report showed Green Thumb Industries as the second highest earning multi-state operator, and Verano Holdings as the fifth. This is the "big marijuana" we have all been warned about.

The language in HF4387 (as amended) also includes important factors for applicants, including equity factors for minorities, women, veterans, and people with disabilities – who are generally underrepresented in business ownership, but have found space for leadership in the cannabis industry. We believe including these equity factors will help Minnesotans enter a market that is currently controlled by two of the largest multi-state operators in the country.

HF3119 – House Article I, Section 89

Reduction of medical cannabis patient enrollment fee

House File 3119 reduces the medical cannabis patient enrollment fee to \$40. This removes yet another unnecessary barrier to patient access in Minnesota. Since its enactment in 2015, patients have struggled to afford the program. Some patients are paying upwards of \$500-\$600 just to join the program, especially if their primary care provider does not, cannot, or will not certify them. Patients who face this issue often pay “cash clinics” anywhere from \$200-\$400 for their certification, in addition to the current \$200 patient enrollment fee. This legislative change will drastically reduce that burden for many Minnesotans.

HF3595 (as amended) – House Article 3, Sections 1, 3-9, 12 (portion)

Regulation of hemp-derived cannabinoid products

We are supportive of the regulations provided by House File 3595 surrounding marketing, testing, labeling, and packaging of hemp derived cannabinoid products. These products are widely available in brick-and-mortar stores and online hemp retailers, but the currently unregulated market poses risks for consumers. The regulatory language in this bill is an important step to ensuring consumers are safe when consuming a product that is legal to purchase, possess, and use.

Sensible Change Minnesota does not recommend including cannabinoid limits in the final language that are currently legal under federal law, including legal for interstate commerce. It is our position that Minnesota should regulate their sale if they are legal under federal law. We hope this conference committee will carefully consider which products it is regulating, and which products it is sending back to the unregulated street and online markets. Ideally, Minnesotans are buying safe, tested, and appropriately labeled products.

Additionally, HF3595 includes language to deschedule hemp-derived cannabinoid products that meet the definition of hemp under Minn. Stat. Ch. 18K. We believe this is important, as consumers, retailers, processors, and others may face felony charges without this statutory change. We call these “accidental felonies” for a reason – individuals may not know that they are committing a crime until they interact with law enforcement.

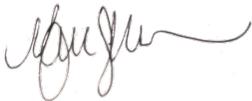
HF3162 (as amended) - House Article I, Sections 76, 78-80, 83-88
Tribal medical cannabis reciprocity

House File 3162 creates reciprocity with tribal medical cannabis programs in Minnesota. Passing this language, allows the Tribal medical cannabis programs to provide additional capacity to Minnesota's limited medical cannabis options. What we fear, however, is without passage of reciprocity language, patients may purchase their medical cannabis products on Tribal lands and be subject to criminal penalties when they leave the Tribal lands. This is another example of how current laws can create "accidental felonies."

Conclusion

We want to thank Representatives Edelson, Gomez, and Freiberg for their work on these pieces of legislation, and Senator Koran for his work in the Senate. We understand that the Senate did not hear these provisions in Committee, but it is our hope that the Conference Committee sees the need for these crucial provisions and includes them in the final Conference Committee Report.

Respectfully,



Maren Schroeder
Policy Director, Sensible Change Minnesota