

1.1 moves to amend H.F. No. 600, the fourth engrossment, as follows:

1.2 Page 11, line 19, delete "two" and insert "three"

1.3 Page 11, line 20, delete "two" and insert "three"

1.4 Page 14, line 22, before "The" insert "(a)"

1.5 Page 14, after line 30, insert:

1.6 "(8) the commissioner of the pollution control agency, or a designee;"

1.7 Renumber the clauses in sequence

1.8 Page 15, after line 26, insert:

1.9 "(b) While serving on the Cannabis Advisory Council and within two years after
1.10 terminating service, council members may not serve as a lobbyist, as defined under section
1.11 10A.01, subdivision 21."

1.12 Page 18, line 22, after "OF" insert "CANNABIS AND CANNABIS"

1.13 Page 18, line 23, after "approve" insert "cannabis and"

1.14 Page 19, after line 2, insert:

1.15 "(c) The board shall not approve any cannabis, or any cannabis product intended to be
1.16 consumed by combustion or vaporization of the product and inhalation of smoke, aerosol,
1.17 or vapor from the product, that imparts a taste or smell, other than the taste or smell of
1.18 cannabis, that is distinguishable by an ordinary person prior to or during consumption of
1.19 the product, designed or likely to appeal to persons under age 21."

1.20 "(d) The board may adopt rules to limit or prohibit ingredients in or additives to cannabis
1.21 or cannabis products in order to ensure that cannabis and cannabis products comply with
1.22 the limitations in paragraph (c)."

2.1 Page 19, after line 28, insert:

2.2 "Subd. 5. **Applicability federal, state, and local laws.** A cannabis business must comply
2.3 with all applicable federal, state, and local laws related to the subjects of subdivisions 1
2.4 through 4.

2.5 Subd. 6. **Rulemaking.** (a) The board may only adopt a rule under this section if it is
2.6 consistent with and at least as stringent as applicable state and federal laws related to the
2.7 subjects of subdivisions 1 through 4.

2.8 (b) The board must coordinate and consult with a department or agency of the state of
2.9 Minnesota regarding the development and implementation of a rule under this section if the
2.10 department or agency has an expertise or regulatory interest in the subject matter of the
2.11 rule."

2.12 Page 61, delete subdivision 1 and insert:

2.13 "Subdivision 1. **Authorized actions.** A cannabis delivery service license entitles the
2.14 license holder to purchase cannabis, cannabis products, and medical cannabis from licensed
2.15 cannabis retailers, licensed cannabis microbusinesses with an endorsement to sell cannabis
2.16 and cannabis products to customers, and medical cannabis businesses; transport and deliver
2.17 cannabis, cannabis products, and medical cannabis to customers; and perform other actions
2.18 approved by the board."

2.19 Page 62, delete subdivision 1 and insert:

2.20 "Subdivision 1. **Age or registry verification** Prior to completing delivery, a cannabis
2.21 delivery service shall verify that the customer is at least 21 years of age or is enrolled in the
2.22 registry program. The provisions of section 342.27, subdivision 3, apply to the verification
2.23 of a customer's age. Registry verification issued by the Office of Medical Cannabis may be
2.24 considered evidence that the person is enrolled in the registry program."

2.25 Page 63, line 3, after "age" insert "or enrolled in the registry program"

2.26 Page 70, delete subdivision 8 and insert:

2.27 "Subd. 8. **Medical cannabis; allowable delivery methods.** (a) A patient may administer
2.28 medical cannabis by smoking or by a vaporized delivery method.

2.29 (b) A patient may administer a medical cannabis product using a form and delivery
2.30 method listed in section 342.01, subdivision 34."

2.31 Page 72, line 25, after the semicolon, insert "and"

2.32 Page 72, delete lines 26 and 27

3.1 Page 72, line 28, delete "(3)" and insert "(2)"

3.2 Page 93, after line 16, insert:

3.3 "Sec. [342.72] SUBSTANCE USE DISORDER TREATMENT AND PREVENTION
3.4 GRANTS.

3.5 Subdivision 1. **Account established; appropriation.** A substance use disorder treatment
3.6 and prevention grant account is created in the special revenue fund. Money in the account,
3.7 including interest earned, is appropriated to the board for the purposes specified in this
3.8 section.

3.9 Subd. 2. **Acceptance of gifts and grants.** Notwithstanding sections 16A.013 to 16A.016,
3.10 the board may accept funds contributed by individuals and may apply for grants from
3.11 charitable foundations to be used for the purposes identified in this section. The funds
3.12 accepted under this section must be deposited in the substance use disorder treatment and
3.13 prevention grant account created under subdivision 1.

3.14 Subd. 3. **Disposition of money; grants.** (a) Money in the substance use disorder treatment
3.15 and prevention grant account must be distributed as follows:

3.16 (1) 75 percent of the money is for grants for substance use disorder treatment, as defined
3.17 in section 245G.01, subdivision 24, and may be used for substance use disorder treatment
3.18 provider rate increases. The board shall consult with the commissioner of human services
3.19 to determine appropriate provider rate increases or modifications to existing payment
3.20 methodologies;

3.21 (2) 20 percent of the money is for grants for substance use disorder prevention; and

3.22 (3) five percent of the money is for grants to educate pregnant women, breastfeeding
3.23 women, and women who may become pregnant on the adverse health effects of cannabis
3.24 and cannabis products.

3.25 (b) The board shall consult with the commissioner of human services, the commissioner
3.26 of health, and the Substance Use Disorder Advisory Council to develop an appropriate
3.27 application process, establish grant requirements, determine what organizations are eligible
3.28 to receive grants, and establish reporting requirements for grant recipients.

3.29 Subd. 4. **Reports to the legislature.** By January 15, 2023, and each January 15 thereafter,
3.30 the board must submit a report to the chairs and ranking minority members of the committees
3.31 of the house of representatives and the senate having jurisdiction over health and human
3.32 services policy and finance that details grants awarded from the substance use disorder

4.1 treatment and prevention grant account including the total amount awarded, total number
4.2 of recipients, and geographic distribution of those recipients."

4.3 Page 93, line 17, delete "ADULT-USE CANNABIS"

4.4 Page 93, line 19, delete "Adult-Use Cannabis"

4.5 Page 93, line 21, delete "related to cannabis"

4.6 Page 93, line 22, delete "use"

4.7 Page 93, line 24, delete "related to cannabis use"

4.8 Page 93, line 26, delete "related to cannabis use"

4.9 Page 93, line 29, delete "related to cannabis use"

4.10 Page 94, line 25, delete "and"

4.11 Page 94, line 27, delete the period and insert a semicolon

4.12 Page 94, after line 27, insert:

4.13 "(15) one veteran; and

4.14 (16) one parent of medical cannabis patient who is under age 21."

4.15 Page 96, line 21, delete "ADULT-USE CANNABIS"

4.16 Page 96, line 23, delete "Adult-Use"

4.17 Page 96, line 24, delete "Cannabis"

4.18 Page 96, delete article 2 and insert:

4.19 **"ARTICLE 2**

4.20 **TAXES**

4.21 Section 1. **[289A.33] FILING REQUIREMENTS AND DUE DATES; SPECIAL**
4.22 **RULES.**

4.23 A cannabis business as defined by section 342.01, subdivision 12, required to collect
4.24 and remit the taxes imposed under section 295.81, or chapters 290 and 297A, is not subject
4.25 to the electronic remittance requirements imposed by this chapter. A cannabis business must
4.26 file returns and remit taxes lawfully due in the form and manner prescribed by the
4.27 commissioner of revenue.

4.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.1 Sec. 2. Minnesota Statutes 2020, section 290.0132, subdivision 29, is amended to read:

5.2 Subd. 29. **Disallowed section 280E expenses; medical cannabis manufacturers.** The
5.3 amount of expenses of a medical cannabis manufacturer, as defined under section 152.22,
5.4 subdivision 7, related to the business of medical cannabis under sections 152.21 to 152.37,
5.5 or a license holder under chapter 342, related to the business of nonmedical cannabis under
5.6 that chapter, and not allowed for federal income tax purposes under section 280E of the
5.7 Internal Revenue Code is a subtraction.

5.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
5.9 31, 2021.

5.10 Sec. 3. Minnesota Statutes 2020, section 290.0134, subdivision 19, is amended to read:

5.11 Subd. 19. **Disallowed section 280E expenses; medical cannabis manufacturers.** The
5.12 amount of expenses of a medical cannabis manufacturer, as defined under section 152.22,
5.13 subdivision 7, related to the business of medical cannabis under sections 152.21 to 152.37,
5.14 or a license holder under chapter 342, related to the business of nonmedical cannabis under
5.15 that chapter, and not allowed for federal income tax purposes under section 280E of the
5.16 Internal Revenue Code is a subtraction.

5.17 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
5.18 31, 2021.

5.19 Sec. 4. **[295.81] CANNABIS AND CANNABIS PRODUCTS GROSS RECEIPTS**
5.20 **TAX.**

5.21 **Subdivision 1. Definitions.** (a) For purposes of this section, the following terms have
5.22 the meanings given.

5.23 (b) "Adult-use cannabis" has the meaning given in section 342.01, subdivision 2.

5.24 (c) "Adult-use cannabis product" has the meaning given in section 342.01, subdivision
5.25 4.

5.26 (d) "Cannabis microbusiness" means a cannabis business licensed under section 342.34.

5.27 (e) "Cannabis retailer" means a retailer that is licensed under section 342.26 to sell
5.28 adult-use cannabis and adult-use cannabis products.

5.29 (f) "Commissioner" means the commissioner of revenue.

5.30 (g) "Gross receipts" means the total amount received, in money or by barter or exchange,
5.31 for all adult-use cannabis and adult-use cannabis product sales at retail as measured by the

6.1 sales price, but does not include any taxes imposed directly on the customer that are
6.2 separately stated on the invoice, bill of sale, or similar document given to the purchaser.

6.3 (h) "Heat device" means any electronic heat device, heat system, or similar product or
6.4 device meant to be used with cannabis to produce a vapor or aerosol when sold with adult-use
6.5 cannabis. A heat device includes any batteries, heating elements, components, parts,
6.6 accessories, or other items that are packaged with, connected to, attached to, or contained
6.7 within the product or device.

6.8 (i) "On-site sale" means the sale of adult-use cannabis or adult-use cannabis products
6.9 for consumption on the premises of a cannabis microbusiness.

6.10 (j) "Retail sale" has the meaning given in section 297A.61, subdivision 4.

6.11 Subd. 2. **Gross receipts tax imposed.** (a) A tax equal to ten percent of gross receipts
6.12 from retail and on-site sales in Minnesota of adult-use cannabis, adult-use cannabis products,
6.13 and any heat devices containing adult-use cannabis is imposed on any cannabis retailer or
6.14 cannabis microbusiness that sells these products to customers. A cannabis retailer or cannabis
6.15 microbusiness may but is not required to collect the tax imposed by this section from the
6.16 purchaser as long as the tax is separately stated on the receipt, invoice, bill of sale, or similar
6.17 document given to the purchaser.

6.18 (b) The tax under paragraph (a) is imposed on the use or storage of adult-use cannabis
6.19 or adult-use cannabis products by a customer in Minnesota. Liability for the tax is incurred
6.20 when the person has possession of the adult-use cannabis or adult-use cannabis product in
6.21 Minnesota. The tax does not apply if the tax under paragraph (a) has been paid by a cannabis
6.22 retailer or cannabis microbusiness in this state.

6.23 (c) A person who has paid taxes to another jurisdiction on the same transaction and is
6.24 subject to tax under this section is entitled to a credit for the tax legally due and paid to
6.25 another jurisdiction to the extent of the lesser of (1) the tax actually paid to the other
6.26 jurisdiction, or (2) the amount of tax imposed by Minnesota on the transaction subject to
6.27 tax in the other jurisdiction.

6.28 (d) The tax imposed under this section is in addition to any other tax imposed on the
6.29 sale or use of adult-use cannabis or adult-use cannabis products and heat devices.

6.30 (e) All of the provisions of section 297A.668 apply to the taxes imposed by this section.

6.31 Subd. 3. **Exemptions.** (a) The use tax imposed under subdivision 2, paragraph (b), does
6.32 not apply to the possession, use, or storage of adult-use cannabis or adult-use cannabis
6.33 products if (1) the adult-use cannabis or adult-use cannabis products have an aggregate cost

7.1 in any calendar month to the customer of \$100 or less, and (2) the adult-use cannabis or
7.2 adult-use cannabis products were carried into this state by the customer.

7.3 (b) The tax imposed under this section does not apply to sales of medical cannabis and
7.4 medical cannabis products purchased by or for the patients enrolled in the registry program.

7.5 Subd. 4. **Administration.** Unless specifically provided otherwise, the audit, assessment,
7.6 refund, penalty, interest, enforcement, collection remedies, appeal, and administrative
7.7 provisions of chapters 270C and 289A, that are applicable to taxes imposed under chapter
7.8 297A, except the requirement to file returns and remit taxes due electronically, apply to tax
7.9 imposed under this section.

7.10 Subd. 5. **Returns; payment of tax.** (a) A cannabis retailer or cannabis microbusiness
7.11 must report the tax on a return prescribed by the commissioner and must remit the tax with
7.12 the return. The return and the tax must be filed and paid using the filing cycle and due dates
7.13 provided for taxes imposed under chapter 297A and section 289A.20, subdivision 4.

7.14 (b) Interest must be paid on an overpayment refunded or credited to the taxpayer from
7.15 the date of payment of the tax until the date the refund is paid or credited. For purposes of
7.16 this subdivision, the date of payment is the due date of the return or the date of actual
7.17 payment of the tax, whichever is later.

7.18 Subd. 6. **Deposit of revenues.** The commissioner must deposit all revenues, including
7.19 penalties and interest, derived from the tax imposed by this section in the general fund.

7.20 **EFFECTIVE DATE.** This section is effective for gross receipts received after December
7.21 31, 2022.

7.22 Sec. 5. Minnesota Statutes 2020, section 297A.67, subdivision 2, is amended to read:

7.23 Subd. 2. **Food and food ingredients.** Except as otherwise provided in this subdivision,
7.24 food and food ingredients are exempt. For purposes of this subdivision, "food" and "food
7.25 ingredients" mean substances, whether in liquid, concentrated, solid, frozen, dried, or
7.26 dehydrated form, that are sold for ingestion or chewing by humans and are consumed for
7.27 their taste or nutritional value. Food and food ingredients exempt under this subdivision do
7.28 not include candy, soft drinks, dietary supplements, and prepared foods. Food and food
7.29 ingredients do not include alcoholic beverages and tobacco. Food and food ingredients do
7.30 not include adult-use cannabis and adult-use cannabis products. For purposes of this
7.31 subdivision, "adult-use cannabis" has the meaning given in section 342.01, subdivision 2,
7.32 and "adult-use cannabis products" has the meaning given in section 342.01, subdivision 4.
7.33 For purposes of this subdivision, "alcoholic beverages" means beverages that are suitable

8.1 for human consumption and contain one-half of one percent or more of alcohol by volume.
8.2 For purposes of this subdivision, "tobacco" means cigarettes, cigars, chewing or pipe tobacco,
8.3 or any other item that contains tobacco. For purposes of this subdivision, "dietary
8.4 supplements" means any product, other than tobacco, intended to supplement the diet that:

8.5 (1) contains one or more of the following dietary ingredients:

8.6 (i) a vitamin;

8.7 (ii) a mineral;

8.8 (iii) an herb or other botanical;

8.9 (iv) an amino acid;

8.10 (v) a dietary substance for use by humans to supplement the diet by increasing the total
8.11 dietary intake; and

8.12 (vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient
8.13 described in items (i) to (v);

8.14 (2) is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form,
8.15 or if not intended for ingestion in such form, is not represented as conventional food and is
8.16 not represented for use as a sole item of a meal or of the diet; and

8.17 (3) is required to be labeled as a dietary supplement, identifiable by the supplement facts
8.18 box found on the label and as required pursuant to Code of Federal Regulations, title 21,
8.19 section 101.36.

8.20 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
8.21 December 31, 2022.

8.22 Sec. 6. Minnesota Statutes 2020, section 297A.67, subdivision 7, is amended to read:

8.23 Subd. 7. **Drugs; medical devices.** (a) Sales of the following drugs and medical devices
8.24 for human use are exempt:

8.25 (1) drugs, including over-the-counter drugs;

8.26 (2) single-use finger-pricking devices for the extraction of blood and other single-use
8.27 devices and single-use diagnostic agents used in diagnosing, monitoring, or treating diabetes;

8.28 (3) insulin and medical oxygen for human use, regardless of whether prescribed or sold
8.29 over the counter;

8.30 (4) prosthetic devices;

9.1 (5) durable medical equipment for home use only;

9.2 (6) mobility enhancing equipment;

9.3 (7) prescription corrective eyeglasses; and

9.4 (8) kidney dialysis equipment, including repair and replacement parts.

9.5 (b) Items purchased in transactions covered by:

9.6 (1) Medicare as defined under title XVIII of the Social Security Act, United States Code,
9.7 title 42, section 1395, et seq.; or

9.8 (2) Medicaid as defined under title XIX of the Social Security Act, United States Code,
9.9 title 42, section 1396, et seq.

9.10 (c) For purposes of this subdivision:

9.11 (1) "Drug" means a compound, substance, or preparation, and any component of a
9.12 compound, substance, or preparation, other than food and food ingredients, dietary
9.13 supplements, adult-use cannabis, adult-use cannabis products, or alcoholic beverages that
9.14 is:

9.15 (i) recognized in the official United States Pharmacopoeia, official Homeopathic
9.16 Pharmacopoeia of the United States, or official National Formulary, and supplement to any
9.17 of them;

9.18 (ii) intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease;
9.19 or

9.20 (iii) intended to affect the structure or any function of the body.

9.21 (2) "Durable medical equipment" means equipment, including repair and replacement
9.22 parts, including single-patient use items, but not including mobility enhancing equipment,
9.23 that:

9.24 (i) can withstand repeated use;

9.25 (ii) is primarily and customarily used to serve a medical purpose;

9.26 (iii) generally is not useful to a person in the absence of illness or injury; and

9.27 (iv) is not worn in or on the body.

9.28 For purposes of this clause, "repair and replacement parts" includes all components or
9.29 attachments used in conjunction with the durable medical equipment, including repair and
9.30 replacement parts which are for single patient use only.

10.1 (3) "Mobility enhancing equipment" means equipment, including repair and replacement
10.2 parts, but not including durable medical equipment, that:

10.3 (i) is primarily and customarily used to provide or increase the ability to move from one
10.4 place to another and that is appropriate for use either in a home or a motor vehicle;

10.5 (ii) is not generally used by persons with normal mobility; and

10.6 (iii) does not include any motor vehicle or equipment on a motor vehicle normally
10.7 provided by a motor vehicle manufacturer.

10.8 (4) "Over-the-counter drug" means a drug that contains a label that identifies the product
10.9 as a drug as required by Code of Federal Regulations, title 21, section 201.66. The label
10.10 must include a "drug facts" panel or a statement of the active ingredients with a list of those
10.11 ingredients contained in the compound, substance, or preparation. Over-the-counter drugs
10.12 do not include grooming and hygiene products, regardless of whether they otherwise meet
10.13 the definition. "Grooming and hygiene products" are soaps, cleaning solutions, shampoo,
10.14 toothpaste, mouthwash, antiperspirants, and suntan lotions and sunscreens.

10.15 (5) "Prescribed" and "prescription" means a direction in the form of an order, formula,
10.16 or recipe issued in any form of oral, written, electronic, or other means of transmission by
10.17 a duly licensed health care professional.

10.18 (6) "Prosthetic device" means a replacement, corrective, or supportive device, including
10.19 repair and replacement parts, worn on or in the body to:

10.20 (i) artificially replace a missing portion of the body;

10.21 (ii) prevent or correct physical deformity or malfunction; or

10.22 (iii) support a weak or deformed portion of the body.

10.23 Prosthetic device does not include corrective eyeglasses.

10.24 (7) "Kidney dialysis equipment" means equipment that:

10.25 (i) is used to remove waste products that build up in the blood when the kidneys are not
10.26 able to do so on their own; and

10.27 (ii) can withstand repeated use, including multiple use by a single patient, notwithstanding
10.28 the provisions of clause (2).

10.29 (8) A transaction is covered by Medicare or Medicaid if any portion of the cost of the
10.30 item purchased in the transaction is paid for or reimbursed by the federal government or
10.31 the state of Minnesota pursuant to the Medicare or Medicaid program, by a private insurance

11.1 company administering the Medicare or Medicaid program on behalf of the federal
11.2 government or the state of Minnesota, or by a managed care organization for the benefit of
11.3 a patient enrolled in a prepaid program that furnishes medical services in lieu of conventional
11.4 Medicare or Medicaid coverage pursuant to agreement with the federal government or the
11.5 state of Minnesota.

11.6 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
11.7 December 31, 2022.

11.8 Sec. 7. Minnesota Statutes 2020, section 297A.99, is amended by adding a subdivision to
11.9 read:

11.10 Subd. 4a. **Adult-use cannabis local tax prohibited.** A political subdivision of this state
11.11 is prohibited from imposing a tax under this section solely on the sale of adult-use cannabis
11.12 and adult-use cannabis products.

11.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

11.14 Sec. 8. Minnesota Statutes 2020, section 297D.01, subdivision 2, is amended to read:

11.15 Subd. 2. **Controlled substance.** "Controlled substance" means any drug or substance,
11.16 whether real or counterfeit, as defined in section 152.01, subdivision 4, that is held, possessed,
11.17 transported, transferred, sold, or offered to be sold in violation of Minnesota laws. "Controlled
11.18 substance" does not include ~~marijuana~~ cannabis as defined in section 342.01, subdivision
11.19 11, or cannabis products as defined in section 342.01, subdivision 16.

11.20 **EFFECTIVE DATE.** This section is effective January 1, 2023.

11.21 Sec. 9. Minnesota Statutes 2020, section 297D.04, is amended to read:

11.22 **297D.04 TAX PAYMENT REQUIRED FOR POSSESSION.**

11.23 No tax obligor may possess any ~~marijuana~~ or controlled substance upon which a tax is
11.24 imposed by section 297D.08 unless the tax has been paid on the ~~marijuana~~ or other controlled
11.25 substance as evidenced by a stamp or other official indicia.

11.26 **EFFECTIVE DATE.** This section is effective January 1, 2023.

12.1 Sec. 10. Minnesota Statutes 2020, section 297D.06, is amended to read:

12.2 **297D.06 PHARMACEUTICALS.**

12.3 Nothing in this chapter requires persons registered under chapter 151 or otherwise
12.4 lawfully in possession of ~~marijuana~~ or a controlled substance to pay the tax required under
12.5 this chapter.

12.6 **EFFECTIVE DATE.** This section is effective January 1, 2023.

12.7 Sec. 11. Minnesota Statutes 2020, section 297D.07, is amended to read:

12.8 **297D.07 MEASUREMENT.**

12.9 For the purpose of calculating the tax under section 297D.08, a quantity of ~~marijuana~~
12.10 ~~or other~~ a controlled substance is measured by the weight of the substance whether pure or
12.11 impure or dilute, or by dosage units when the substance is not sold by weight, in the tax
12.12 obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable
12.13 quantity of pure controlled substance and any excipients or fillers.

12.14 **EFFECTIVE DATE.** This section is effective January 1, 2023.

12.15 Sec. 12. Minnesota Statutes 2020, section 297D.08, is amended to read:

12.16 **297D.08 TAX RATE.**

12.17 A tax is imposed on ~~marijuana and~~ controlled substances as defined in section 297D.01
12.18 at the following rates:

12.19 ~~(1) on each gram of marijuana, or each portion of a gram, \$3.50; and~~

12.20 ~~(2)~~ (1) on each gram of controlled substance, or portion of a gram, \$200; or

12.21 ~~(3)~~ (2) on each ten dosage units of a controlled substance that is not sold by weight, or
12.22 portion thereof, \$400.

12.23 **EFFECTIVE DATE.** This section is effective January 1, 2023.

12.24 Sec. 13. Minnesota Statutes 2020, section 297D.085, is amended to read:

12.25 **297D.085 CREDIT FOR PREVIOUSLY PAID TAXES.**

12.26 If another state or local unit of government has previously assessed an excise tax on the
12.27 ~~marijuana~~ or controlled substances, the taxpayer must pay the difference between the tax
12.28 due under section 297D.08 and the tax previously paid. If the tax previously paid to the
12.29 other state or local unit of government was equal to or greater than the tax due under section

13.1 297D.08, no tax is due. The burden is on the taxpayer to show that an excise tax on the
13.2 ~~marijuana~~ or controlled substances has been paid to another state or local unit of government.

13.3 **EFFECTIVE DATE.** This section is effective January 1, 2023.

13.4 Sec. 14. Minnesota Statutes 2020, section 297D.09, subdivision 1a, is amended to read:

13.5 Subd. 1a. **Criminal penalty; sale without affixed stamps.** In addition to the tax penalty
13.6 imposed, a tax obligor distributing or possessing ~~marijuana~~ or controlled substances without
13.7 affixing the appropriate stamps, labels, or other indicia is guilty of a crime and, upon
13.8 conviction, may be sentenced to imprisonment for not more than seven years or to payment
13.9 of a fine of not more than \$14,000, or both.

13.10 **EFFECTIVE DATE.** This section is effective January 1, 2023.

13.11 Sec. 15. Minnesota Statutes 2020, section 297D.10, is amended to read:

13.12 **297D.10 STAMP PRICE.**

13.13 Official stamps, labels, or other indicia to be affixed to all ~~marijuana~~ or controlled
13.14 substances shall be purchased from the commissioner. The purchaser shall pay 100 percent
13.15 of face value for each stamp, label, or other indicia at the time of the purchase.

13.16 **EFFECTIVE DATE.** This section is effective January 1, 2023.

13.17 Sec. 16. Minnesota Statutes 2020, section 297D.11, is amended to read:

13.18 **297D.11 PAYMENT DUE.**

13.19 Subdivision 1. **Stamps affixed.** When a tax obligor purchases, acquires, transports, or
13.20 imports into this state ~~marijuana~~ or controlled substances on which a tax is imposed by
13.21 section 297D.08, and if the indicia evidencing the payment of the tax have not already been
13.22 affixed, the tax obligor shall have them permanently affixed on the marijuana or controlled
13.23 substance immediately after receiving the substance. Each stamp or other official indicia
13.24 may be used only once.

13.25 Subd. 2. **Payable on possession.** Taxes imposed upon ~~marijuana~~ or controlled substances
13.26 by this chapter are due and payable immediately upon acquisition or possession in this state
13.27 by a tax obligor.

13.28 **EFFECTIVE DATE.** This section is effective January 1, 2023.

14.1 Sec. 17. **REPEALER.**14.2 Minnesota Statutes 2020, section 297D.01, subdivision 1, is repealed.14.3 **EFFECTIVE DATE.** This section is effective January 1, 2023."14.4 Page 124, line 17, before "supervised" insert "parole," and after "release" insert ", or
14.5 conditional release"

14.6 Page 124, after line 22, insert:

14.7 "(c) The commissioner of corrections shall not prohibit an inmate placed on parole,
14.8 supervised release, or conditional release from participating in the registry program as
14.9 defined in section 342.01, subdivision 42, as a condition of release or revoke a patient's
14.10 parole, supervised release, or conditional release or otherwise sanction a patient on parole,
14.11 supervised release, or conditional release solely for participating in the registry program or
14.12 for a positive drug test for cannabis components or metabolites."

14.13 Page 125, after line 34, insert:

14.14 "(f) A court shall not impose an intermediate sanction that has the effect of prohibiting
14.15 a person from participating in the registry program as defined in section 342.01, subdivision
14.16 42."

14.17 Page 139, delete subdivision 1 and insert:

14.18 "Subdivision 1. **Model program.** The commissioner of education, in consultation with
14.19 the commissioners of health and human services, local district and school health education
14.20 specialists, and other qualified experts, shall identify one or more model programs that may
14.21 be used to educate middle school and high school students on the health effects on children
14.22 and adolescents of cannabis use and substance use consistent with local standards as required
14.23 in section 120B.021, subdivision 1, paragraph (a), clause (6), for elementary and secondary
14.24 school students. The commissioner must provide school districts and charter schools with
14.25 access to the model programs, including written materials, curriculum resources, and training
14.26 for instructors, by June 1, 2023. A model program identified by the commissioner must be
14.27 medically accurate, age and developmentally-appropriate, culturally inclusive, and grounded
14.28 in science, and must address:14.29 (1) physical and mental health effects of cannabis use and substance use by children and
14.30 adolescents, including effects on the developing brains of children and adolescents;14.31 (2) unsafe or unhealthy behaviors associated with cannabis use and substance use;14.32 (3) signs of substance use disorders;

15.1 (4) treatment options; and

15.2 (5) healthy coping strategies for children and adolescents."

15.3 Page 139, line 29, before "Starting" insert "(a)" and delete "2023-2024" and insert

15.4 "2024-2025"

15.5 Page 140, after line 6, insert:

15.6 "(b) District efforts to develop, implement, or improve instruction or curriculum as a

15.7 result of the provisions of this section must be consistent with sections 120B.10 and

15.8 120B.11."

15.9 Page 140, delete subdivision 3 and insert:

15.10 "Subd. 3. **Parental review.** Notwithstanding any law to the contrary, each school district

15.11 shall have a procedure for a parent, guardian, or an adult student, 18 years of age or older,

15.12 to review the content of the instructional materials to be provided to a minor child or to an

15.13 adult student pursuant to this section. The district or charter school must allow a parent or

15.14 adult student to opt out of instruction under this section with no academic or other penalty

15.15 for the student and must inform parents and adult students of this right to opt out."

15.16 Page 142, line 5, delete "cannabis" and insert "substance"

15.17 Page 142, line 6, delete "cannabis" and insert "substance"

15.18 Page 177, line 28, delete "Adult-Use"

15.19 Page 177, line 29, delete "Cannabis"

15.20 Page 178, after line 10, insert:

15.21 "Subd. 9. **Substance use disorder treatment and prevention grant account.** Money

15.22 for substance use disorder treatment and prevention must be transferred from the general

15.23 fund to the substance use disorder treatment and prevention grant account established under

15.24 Minnesota Statutes, section 342.72. The base for this transfer is \$4,000,000 in fiscal year

15.25 2024 and \$16,000,000 in fiscal year 2025."

15.26 Renumber the sections in sequence and correct the internal references

15.27 Amend the title accordingly