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MINNESOTA FINAL CANNABIS RULES ANNOUNCED

Minnesota's Office of Cannabis Management (OCM) announced that the regulatory structure governing the state's adult-use cannabis market has been published in the Minnesota State Register. The rules were approved by an administrative law judge without changes on April 2, 2025. This action is the most significant step in launching the cannabis market in Minnesota.

As a result, the OCM can begin issuing business licenses to applicants who have completed the prerequisite steps in the application process. Currently, more than one thousand qualified applicants have applied for social equity licenses, many of whom have applied for license types that are not capped by statute: microbusiness, wholesaler, transporter, testing facility and delivery service. The remaining license types – cultivator, mezzobusiness, manufacturer, and retailer – have license caps in the statute. The following outlines key regulatory information as it relates to cannabis licensing in Minnesota and the application and lottery procedure.

KEY NOTES

License Limitations

- Microbusiness: Unlimited
- Wholesaler: Unlimited
- Transporter: Unlimited
- Testing Facility: Unlimited
- Delivery Service: Unlimited
- Cultivator: 50 licenses
- Mezzobusiness: 100 licenses
- Manufacturer: 24 licenses
- Retailer: 150 licenses

License Lotteries

• Half of the available licenses are specifically carved out for qualified social equity applicants.

PEOPLE

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SERVICES AND INDUSTRIES

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- The OCM has announced that the first round of lotteries will be conducted this summer, without a specified date.
- The first lottery is only available for the prequalified social equity applicants.
- If social equity applicants are not selected in the first lottery, their applications will be entered into the second lottery, alongside general applicants, for the remaining licenses available.
- The number of licenses available after the first lottery is concluded are as follows cultivator: 25; mezzobusiness: 50; manufacturer: 12; and retailer: 75.

Application Procedure

- The latest application cycle for Minnesota cannabis licenses concluded on March 16, 2025.
- Applications for cannabis event organizer licenses will be accepted later in the summer, with no timeline specified.
- Applications for lower-potency hemp edible manufacturers and retailers will be accepted in the fall, with no timeline specified.
- The OCM's <u>licensing website</u> provides much information for potential applicants regarding the necessary documentation for each application
- Each applicant will have to create and submit their license application through the <u>OCM Citizen Portal</u>.

Our Cannabis Regulatory team is actively monitoring for developments in this space and has deep experience helping clients successfully apply for marijuana facility licenses and otherwise navigate the complex issues related to cannabis entrepreneurship. Contact your regular AT lawyers for proactive guidance specific to your organization and steps to apply for the general lottery in Minnesota.