

To: Planning Advisory Commission
From: Megan Smith, Land Use Management Director
Mtg. Date: April 21, 2025
Report Dated: April 14, 2025

ATTACHMENTS:

1. Application with proposed text amendment changes
2. State Statute on micro business
3. State Statutes on mezzo business

AGENDA ITEM:

The Commission will be hearing testimony and considering a request submitted by Andrew Johnmeyer, owner of the property located 46539 180th Avenue, Zumbrota, MN. Mr. Johnmeyer is requesting an amendment to Goodhue County Zoning Ordinance to allow cannabis cultivation, and manufacturing associated with a cannabis mezzo business or micro business, as a permitted uses in the County A1, A2, and A3 Districts. The request is also asking to add cannabis and medical cannabis cultivation as a permitted use in the business districts, and as a conditional use in the business district.

APPLICATION INFORMATION:

This application applies to all lands subject to the County's Zoning Ordinance and does not apply to only one property. Mr. Johnmeyer is a landowner in Goodhue County and therefore meets the requirements to apply to change the zoning ordinance.

The County adopted two ordinances in last 2024 related to cannabis. The first ordinance adopted is cannabis business regulations, and that ordinance is not part of zoning. Therefore, the County's Planning Advisory Commission does not have legal authority to recommend changes to it. Only the County Board can initiate changes to County ordinances. Therefore, the PAC will only consider the changes requested to the zoning ordinance as part of this application.

The first several pages of the attached request are not zoning changes. A total of 9 changes are requested. Staff has numbered each request on the attached application. Of those 9 changes, only #7, #8, and #9 pertain to the zoning ordinance.

#7 requests the change to combine cannabis cultivation and manufacturing as one use.

#8 requests the table of agricultural uses to be amended to add micro businesses and mezzo businesses

#9 requests the table of business used be amended to add cannabis cultivation combination licenses, such as mezzo businesses and microbusinesses in the county's business districts.

STATE LAW:

For the purpose of reviewing this request, the PAC should be familiar with two main areas of the state law related to legalization of cannabis. OCM – office of cannabis management license types, and micro and mezzo cannabis businesses. Attached to this staff report is the state law on micro and mezzo businesses. A good short and concise way to understand these license types to know that they allow business owners to do more than one thing with the cannabis product, and allow them to grow, manufacture, and sell. There are limitations on this at the state, but the issue is summarized in that zoning requires the separation of these uses, and the state allows them to be combined.

STATE OFFICE OF CANNABIS MANAGEMENT LICENSE TYPES:

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service;
- (11) lower-potency hemp edible manufacturer;
- (12) lower-potency hemp edible retailer; and
- (13) medical cannabis combination business.

SUMMARY OF REQUESTED CHANGES:

The Commission will be considering changes to the County's zoning ordinance that was adopted in December of 2025. In summary, this ordinance allows cannabis cultivation in the county's three agricultural districts: A1, A2, and A3, and allows cannabis business type operations in business and industrial districts. The rationale was that the County was encouraging cannabis businesses to located in any of the cities within the County to preserve agricultural lands for ag uses instead of business uses. However, the argument Mr. Johnmeyer is making is that the State of Minnesota is allowing two specific license types, Mezzo business and Micro businesses, which are essentially allowing the license holder to grow, manufacture, and sell. This creates an issue with County zoning because the zoning ordinance allows growing but not manufacturing or selling in agricultural districts.

If the PAC wishes to allow mezzo business and micro business in agricultural districts, it will approve this request. If it does not want to allow those license types in ag district, it will recommend denial of this request.

STAFF REVIEW

The bulk of Mr. Johnmeyer's requests pertain to an ordinance that the PAC cannot change and the County does not allow citizen requests. Therefore, the only changes that are being considered by the PAC are the items listed above as requests #7, #8 and #9.

It is the feeling of staff that if cannabis changes are needed to adequately regulate this new industry in Minnesota, and specifically Goodhue County, that the changes should not be reviewed in a piecemeal and disjointed fashion. Changes should be conducted as an overall review of the county's two cannabis ordinances, and only after the county has had a chance to administer this ordinance. As of the writing of this staff report, the County has not received any cannabis land use request for permits or approval.

It is the opinion of staff that it is premature to change local laws before they have been able to be administered or implemented. In the future, these changes may be brought back in front of the Planning Commission, after sufficient time has passed for staff to have the facts needed to make an informed decision.

STAFF RECOMMENDATION:

Staff recommends the Planning Advisory Commission:

- A. adopt the staff report into the record;
- B. accept the application, testimony, exhibits, and other evidence presented into the record; and
- C. Recommend that the County Board of Commissioners **DENY** the request for a changes to the County's zoning ordinance based on the finding that the County's cannabis regulations are new and have not been enforced yet due to the state of Minnesota's delayed in rulemaking, acceptance of applications, and issuing of license types. Therefore, it is premature to make changes to a local ordinance when the state has not yet issued licenses for cannabis businesses in Goodhue County.

RECEIVED

MAR 31 2025

Permit #	Z 25-0014
\$500 Receipt #	18617
Date	3/31/2025

APPLICATION FOR

Text Amendment Land Use Management

APPLICANT OR AUTHORIZED AGENT'S NAME: Andrew Johnmeyer	
APPLICANT'S ADDRESS: 46539 180TH AVE ZUMBROTA, MN 55992	TELEPHONE: (507) 271-6926 EMAIL: andrew@greenmachinefarm.com
CONTACT FOR PROJECT INFORMATION:	
ADDRESS:	TELEPHONE: () EMAIL:
	Same as Above <input checked="" type="checkbox"/>

- ☐ Amendment to Subdivision Ordinance Article: _____, Section: _____
- ☒ Amendment to Zoning Ordinance Article: 11, Section: 36, Subd. 2 B, C, D, F, G
- ☒ Amendment to Zoning Ordinance Article: 11, Section: 36, Subd. 3
- ☐ Other: _____

1. Stated reason for amendment(s) requested: to eliminate conflicts with OCM rules and to align ordinances with Goodhue County Comprehensive Plan.
2. Compatibility of proposed ordinance amendment(s) with the Goodhue County Comprehensive Plan:
The proposed ordinance amendment advances the goals outlined in the Goodhue County Comprehensive Plan, by supporting new agricultural products and industries.
3. Provide proposed amended text and statements outlining any perceived effects the proposed amendment(s) may have on other areas of the Ordinance:
see attached comments
4. Provide any additional information that will assist the Planning Advisory Commission and the County Board in reviewing your request:

Applicant's Affidavit

Under penalty of perjury the following declarations are made:

1. The information presented is true and correct to the best of my knowledge.
2. If I am unable to be present at the meeting where my request is decided, I agree to accept the Notice of Decision by USPS mail.
3. Other information or applications may be required.

Signature: Andrew Johnmeyer

Date: 3/31/25

Print name: Andrew Johnmeyer

PROPOSED TEXT AMENDMENT

①

Zoning Ordinance Article:___ Section: 36 Cannabis Business Use Regulations

Section 36. Cannabis Business Use Regulations

Subd. 2 B (1) - The allowable method to render cannabis plant waste unusable is by grinding and incorporating the cannabis plant waste with non-consumable solid waste or other ground materials so the resulting mixture is at least 50% non-cannabis waste by volume. Other methods to render cannabis waste unusable must be approved by the Office of Cannabis Management before implementation.

Proposed Changes:

Strike Subd. 2 B(1) in its entirety.

Rationale:

Cannabis Plant Waste lacks a definition in ordinance, which may conflict with OCM rules:

9810.1200 Environmental Standards and Disposal Subp. 2-5

Particularly Subp. 5 Cannabis Waste Exceptions

Which exempts certain classes of cannabis waste from treatment.

Additionally, the ordinance's requirement for 50% non-cannabis waste by volume will limit cannabis businesses ability to properly compost cannabis waste. Effective composting requires specific ratios of carbon and nitrogen in the feedstocks, requiring a static ratio of 50% in ordinance will limit a cannabis businesses ability to achieve the proper conditions to compost cannabis waste in an effective manner, increasing the risk of creating uncomposted cannabis waste and increasing the risk of pest and pathogens in the resulting compost.

Eliminating this ordinance will uphold the goals outlined in the Goodhue County Comprehensive Plan, specifically: Plant Agriculture Objectives 2, 3 & 7

②

Subd. 2 (C) - "An odor mitigation plan shall be submitted for approval"

Proposed change: Strike Subd. 2 (C) in its entirety.

Rationale: An odor mitigation plan is not required by the Office of Cannabis Management. Requirements for an odor mitigation plan impose additional costs and regulatory burden on cannabis businesses that are already facing regulatory burdens out of proportion to the harms that would be mitigated under this regulation.

All other horticultural and field crops in Goodhue county meet the ordinance's definition of an "Agricultural Operation" which specifically allows "odors produced from farm animals, crops or products used in farming." I would recommend that cannabis cultivations be treated similarly.

Eliminating this ordinance will uphold the goals outlined in the Goodhue County Comprehensive Plan, specifically: Plant Agriculture Objectives 2, 3 & 7

- ③ Subd. 2 (D) - "Buildings and parking areas shall be buffered from adjacent residential uses with landscaping, fencing, or other acceptable methods of screening."

Proposed change:

Strike Subd. 2 (D) in its entirety

Rationale:

This ordinance may conflict with OCM rule: 9810.1500 Subp. 15. OUTDOOR CULTIVATION AREAS which regulates fencing and screening of outdoor cultivation areas.

"A cannabis business must ensure that an outdoor cultivation area is enclosed by fencing and locked gates to prevent access to the area by unauthorized persons. A cannabis business must ensure that all fencing and gates are secure, are at least six feet high, and obscure or have a cover that obscures the fenced area from being readily viewed from outside the fenced area."

Eliminating the ordinance would streamline regulation and eliminate regulatory conflicts. Screening of buildings and parking areas is not required by the Office of Cannabis Management. Requirements for screening of buildings and parking areas impose additional costs and regulatory burden on cannabis businesses that are already facing regulatory burdens out of proportion to the harms that would be mitigated under this regulation.

Goodhue county currently requires several types of businesses to use screening to obscure parts of their operations including the following:

Outdoor material storage in Industrial zones "may" require screening.

Parking areas in Industrial zones areas may be screened "as appropriate"

Utility Scale Solar installations "may" be required to implement screening as a condition of zoning approval.

Mines must describe screening in a plan submitted to the county and "may" be required by the County board to install screening.

Screening is required by ordinance around all Junkyards, Mobile Home Parks and around all Cell Phone Towers.

Cannabis businesses differ significantly from all of these businesses and yet are being subject to the same, if not more stringent, screening requirements. What problem is the requirement for screening solving? Is a cannabis business similar enough to a Junkyard, Mobile Home Park, or a Cell Phone Tower to require screening in ordinance?

- ④ Subd. 2 (F) - "All lighting associated with the operation shall be downcast, shielded, and/or screened to keep light from emanating off-site or into the sky."

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Proposed change:
Strike Subd. 2 (F) in its entirety

Rationale:

This ordinance directly conflicts with OCM rule: 9810.1500 Subp. 10 - LIGHTING which regulates lighting at cannabis businesses in a manner very similar to the ordinance.

"A cannabis business must ensure that exterior lighting does not disturb surrounding businesses or neighbors by adjusting the lumens or radius of exterior lighting to only illuminate the areas described in this part."

As such the county ordinance is redundant and should be eliminated to streamline regulation and eliminate regulatory conflicts.

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Subd. 2 (G) - "Those cultivations using artificial light for mixed-light cultivations shall shield greenhouses so that minimal light escapes. Light shall not escape at a level that is visible from neighboring residential properties between sunset and sunrise."

Proposed Change: Strike Subd. 2 (G) in its entirety

Rationale:

This rule applies to "cultivations using artificial light for mixed-light cultivations" but the rule as written applies to ALL light escaping a greenhouse, not just the artificial lighting for plant growth. This ordinance conflicts with OCM's proposed rule: 9810.1500 Subp. 10 - LIGHTING.

"Lighting must deter nuisance activity and criminal activity by allowing observers to see and cameras to record any activity within a radius of 20 feet around all entrances and exits."

The ordinance as written also applies to lighted emergency signage, equipment indicator lights and ANY other source of visible light in a greenhouse.

The ordinance language "a level that is visible" creates a standard that is exceptionally stringent and will be nearly impossible for any business to meet.

See Table A - Light Levels

All greenhouses in Minnesota require the use of artificial lighting to grow plants due to the low light intensity and short daylight hours that Minnesota experiences from October through March. Additionally, many common "long-day annual" greenhouse crops and ornamental plants (like Chrysanthemums, Poinsettias and Cannabis) require lighting between sunset and sunrise from August through May to achieve the long-days that the plants require to remain in their vegetative growth phase. Propagating cannabis plants without artificial light is not possible in Minnesota for 9 months of the year.

This requirement is needlessly burdensome as it prohibits cannabis cultivators from engaging in normal greenhouse operations that are commonly practiced in all other greenhouses.

All other greenhouses in Goodhue county fall under the ordinance's definition of an "Agricultural Operation" which specifically allows "extended hours of operation." presumably to include lighting between sunset and sunrise. I would recommend that cannabis greenhouses be treated similarly to other all other greenhouses.

Goodhue county currently allows illuminated signs with the condition that on externally-illuminated signs the "*light **source** shall not be visible from neighboring properties.*" (emphasis mine). I suggest that if cannabis greenhouse lighting must be regulated at all, that it should be regulated similarly to lighted signs.

Eliminating this ordinance will uphold the goals outlined in the Goodhue County Comprehensive Plan, specifically: Plant Agriculture Objectives 2, 3 & 7

⑦

Subd. 3 - "Cannabis cultivation associated with an OCM licensed mezzobusiness or microbusiness is permissible in the A-1, A-2, and A-3 Districts."

Proposed change:

"Cannabis cultivation and manufacture associated with an OCM licenses mezzobusiness or microbusiness is permissible in the A-1, A-2, and A-3 Districts."

Rationale:

OCM licensed microbusiness and mezzobusinesses are permitted to engage in manufacture within reasonable limits set by the Office of Cannabis Management. Microbusinesses are permitted to manufacture or process up to 10,000 pounds of cannabis material per calendar year, and Mezzobusinesses are permitted to process up to 30,000 pounds of cannabis material per calendar year. There is no limit for manufacturers under the Manufacturing license.

While County zoning ordinances specify Industrial zoning for the Manufacturing license type, manufacturing permitted under the smaller microbusiness and mezzobusiness license types is not specifically mentioned in ordinance.

This may lead to micro and mezzo businesses being denied the ability to process their own crop or a requirement to maintain two premises to comply with the zoning requirement for the larger Manufacturing license type. Because the smaller licence types are capped in the amount they produce, they cannot bear the substantial fixed cost of building a second regulated premises in order to process their crop.

All other cultivation businesses in Goodhue county currently fall under the ordinance's definition of an "Agricultural Operation" which specifically allows "associated processing of agricultural products produced by the operation." I would suggest that cannabis Microbusiness and Mezzobusiness be regulated similarly.

Eliminating this ordinance will uphold the goals outlined in the Goodhue County Comprehensive Plan, specifically: Plant Agriculture Objectives 2, 3 & 7

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Table of Uses

"USE	A-1	A-2	A-3	R-1	CS
Cannabis Cultivator	P	P	P	NP	NP
Cannabis cultivation associated with an OCM licensed mezzobusiness or microbusiness.	P	P	P	NP	NP

Proposed Changes:

Table of Uses

"USE	A-1	A-2	A-3	R-1	CS
Cannabis Cultivator	P	P	P	NP	NP
Cannabis cultivation <u>and manufacturing</u> associated with an OCM licensed mezzobusiness or microbusiness.	P	P	P	NP	NP

Rationale:

Cannabis Microbusinesses and Mezzobusinesses are fundamentally different than Cannabis Manufacturing businesses, even though they both process cannabis. The Cannabis Manufacturer license allows a business ONLY to process cannabis, and to do so at an unlimited (industrial) scale. Cannabis Microbusinesses and Mezzobusinesses are fundamentally smaller and allowed to process substantially smaller amounts that make them more akin to other agricultural operations that are allowed to process and manufacture in Agricultural zoning areas.

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Proposed Changes:

Business And Industrial Districts Table of Uses

Use

	<u>B</u>	<u>I</u>
Cannabis Cultivator	P	NP
Medical Cannabis Combination Business without Retail Component	C/I	NP
Medical Cannabis Cultivator	P	NP

Rationale:

I would strongly caution against locating any cannabis cultivation business in an industrially-zoned area.

Contamination from heavy metals is a huge problem in the cannabis industry both because cannabis itself is an excellent accumulator of metals and because cannabis is one of the only agricultural crops that is widely and routinely tested for heavy metals. Allowing any cultivation to operate in the most contaminated and heavily-polluted areas in the county is setting those businesses up to fail, and worse, to increase the likelihood of contaminated products being manufactured and sold to the public.

Table A - Light levels

Object	Brightness	Unit	Distance
Full Moon	11	lux	–
Lighted sign (max)	7	lux	10m
Streetlight (max)	0.16	lux	10m
Streetlight (min)	0.04	lux	10m
Christmas lights	0.05	lux	10m
Candle	0.009	lux	10m
Starlight	0.0011	lux	–
Visible to the human eye	0.0000000015696	lux	10m

342.28 CANNABIS MICROBUSINESS LICENSING AND OPERATIONS.

Subdivision 1. **Authorized actions.** A cannabis microbusiness license, consistent with the specific license endorsement or endorsements, entitles the license holder to perform any or all of the following within the limits established by this section:

- (1) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant;
- (2) make cannabis concentrate;
- (3) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;
- (4) manufacture artificially derived cannabinoids;
- (5) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;
- (6) purchase immature cannabis plants and seedlings and cannabis flower from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler;
- (7) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;
- (8) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;
- (9) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;
- (10) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;
- (11) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers;
- (12) operate an establishment that permits on-site consumption of edible cannabis products and lower-potency hemp edibles; and
- (13) perform other actions approved by the office.

Subd. 1a. **Cannabis research.** An institution of higher education, any department or program of an institution of higher education that is regionally or nationally accredited, and any entity working in partnership with an institution of higher education may apply for a cannabis microbusiness license to conduct cannabis crop research. A cannabis researcher with a cannabis microbusiness license may perform activities identified in subdivision 1, clauses (1) to (9) and (13). Cannabis plants and cannabis flower grown for research purposes must not be offered for sale or otherwise enter the stream of commerce. As used in this subdivision, "institution of higher education" has the meaning given in sections 135A.51, subdivision 5, and 136A.28, subdivision 6.

Subd. 2. **Size limitations.** (a) A cannabis microbusiness that cultivates cannabis at an indoor facility may cultivate up to 5,000 square feet of plant canopy. The office may adjust plant canopy limits for licensed businesses upward to meet market demand consistent with the goals identified in section 342.02, subdivision 1. In each licensing period, the office may adjust plant canopy limits upward or downward for licenses that will be issued in that period to meet market demand consistent with the goals identified in section 342.02, subdivision 1, except that the office must not impose a limit of less than 5,000 square feet of plant canopy.

(b) A cannabis microbusiness that cultivates cannabis at an outdoor location may cultivate up to one-half acre of mature, flowering plants. The office may increase the limit for licensed businesses to meet market demand consistent with the goals identified in section 342.02, subdivision 1. In each licensing period, the office may adjust the limit upward or downward for licenses that will be issued in that period to meet market demand consistent with the goals identified in section 342.02, subdivision 1, except that the office must not impose a limit of less than one-half acre of mature, flowering plants.

(c) The office shall establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products a cannabis microbusiness that manufactures such products may perform. The limit must be equivalent to the amount of cannabis flower that can be harvested from a facility with a plant canopy of 5,000 square feet in a year, but may be increased if the office expands the allowable area of cultivation under paragraph (a).

(d) A cannabis microbusiness with the appropriate endorsement may operate one retail location.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis microbusiness license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for any cultivation or manufacturing activities; plans for providing electricity, water, and other utilities necessary for the normal operation of any cultivation or manufacturing activities; plans for compliance with applicable building codes and federal and state environmental and workplace safety requirements and policies; and plans to avoid sales to unlicensed cannabis businesses and individuals under 21 years of age;

(2) if the applicant is seeking an endorsement to cultivate cannabis plants and harvest cannabis flower, a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation, including the total amount of plant canopy;

(3) if the applicant is seeking an endorsement to create cannabis concentrate, hemp concentrate, or artificial cannabinoids, information identifying all methods of extraction, concentration, or conversion that the applicant intends to use and the volatile chemicals and catalysts, if any, that will be involved in extraction, concentration, or creation; and

(4) evidence that the applicant will comply with the applicable operation requirements for the license being sought.

Subd. 4. **Exception.** (a) An attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement is not required as part of an application for a cannabis microbusiness license.

(b) When renewing a cannabis microbusiness license, a cannabis microbusiness with ten or more full-time equivalent employees must submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement.

Subd. 5. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis microbusiness license may also hold a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis microbusiness license may own or operate any other cannabis business or hemp business or hold more than one cannabis microbusiness license.

(c) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 6. **Cultivation endorsement.** A cannabis microbusiness that cultivates cannabis plants and harvests cannabis flower must comply with the requirements in section 342.25.

Subd. 7. **Extraction and concentration endorsement.** A cannabis microbusiness that creates cannabis concentrate must comply with the requirements in section 342.26, subdivisions 2 and 3.

Subd. 8. **Production of customer products endorsement.** A cannabis microbusiness that manufactures edible cannabis products, lower-potency hemp products, or hemp-derived consumer products must comply with the requirements in section 342.26, subdivisions 2 and 4.

Subd. 9. **Retail operations endorsement.** A cannabis microbusiness that operates a retail location must comply with the requirements in section 342.27.

Subd. 10. **On-site consumption endorsement.** (a) A cannabis microbusiness may permit on-site consumption of edible cannabis products and lower-potency hemp edibles on a portion of its premises.

(b) The portion of the premises in which on-site consumption is permitted must be definite and distinct from all other areas of the microbusiness and must be accessed through a distinct entrance.

(c) Edible cannabis products and lower-potency hemp edibles sold for on-site consumption must comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of cannabinoid products.

(d) Edible cannabinoid products and lower-potency hemp edibles sold for on-site consumption must be served in the required packaging but may be removed from the products' packaging by customers and consumed on site.

(e) Food and beverages not otherwise prohibited by this subdivision may be prepared and sold on site provided that the cannabis microbusiness complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(f) A cannabis microbusiness shall ensure that the display and consumption of any edible cannabis product or lower-potency hemp edible is not visible from outside of the licensed premises of the business.

(g) A cannabis microbusiness may offer recorded or live entertainment, provided that the cannabis microbusiness complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(h) A cannabis microbusiness may not:

(1) sell an edible cannabis product or a lower-potency hemp edible to an individual who is under 21 years of age;

(2) permit an individual who is under 21 years of age to enter the premises;

(3) sell an edible cannabis product or a lower-potency hemp edible to a person who is visibly intoxicated;

(4) sell or allow the sale or consumption of alcohol or tobacco on the premises;

(5) sell products that are intended to be eaten or consumed as a drink, other than packaged and labeled edible cannabis products and lower-potency hemp edibles, that contain cannabis flower or hemp plant parts or are infused with cannabis concentrate, hemp concentrate, or artificially derived cannabinoids;

(6) permit edible cannabis products or lower-potency hemp edibles sold in the portion of the area designated for on-site consumption to be removed from that area;

(7) permit adult-use cannabis flower, adult-use cannabis products, hemp-derived consumer products, or tobacco to be consumed through smoking or a vaporized delivery method on the premises; or

(8) distribute or allow free samples of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 11. Transportation between facilities. A cannabis microbusiness may transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities operated by the cannabis microbusiness if the cannabis microbusiness:

(1) provides the office with the information described in section 342.35, subdivision 2; and

(2) complies with the requirements of section 342.36.

History: 2023 c 63 art 1 s 28; 2024 c 121 art 2 s 81-84

342.29 CANNABIS MEZZOBUSINESS LICENSING AND OPERATIONS.

Subdivision 1. **Authorized actions.** A cannabis mezzobusiness license, consistent with the specific license endorsement or endorsements, entitles the license holder to perform any or all of the following within the limits established by this section:

- (1) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as adult-use cannabis flower or for use in adult-use cannabis products;
- (2) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as medical cannabis flower or for use in medical cannabinoid products;
- (3) make cannabis concentrate;
- (4) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;
- (5) manufacture artificially derived cannabinoids;
- (6) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;
- (7) process medical cannabinoid products;
- (8) purchase immature cannabis plants and seedlings and cannabis flower from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler;
- (9) purchase cannabis concentrate, hemp concentrate, and synthetically derived cannabinoids from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;
- (10) purchase hemp plant parts and propagules from a licensed hemp grower licensed under chapter 18K;
- (11) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;
- (12) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;
- (13) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers; and
- (14) perform other actions approved by the office.

Subd. 2. **Size limitations.** (a) A cannabis mezzobusiness that cultivates cannabis at an indoor facility may cultivate up to 15,000 square feet of plant canopy. The office may adjust plant canopy limits upward to meet market demand consistent with the goals identified in section 342.02, subdivision 1.

(b) A cannabis mezzobusiness that cultivates cannabis at an outdoor location may cultivate up to one acre of mature, flowering plants unless the office increases that limit. The office may increase the limit to no more than three acres if the office determines that expansion is consistent with the goals identified in section 342.02, subdivision 1.

(c) The office shall establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products a cannabis mezzobusiness that manufactures such products may perform. The limit must be equivalent to the amount of cannabis flower that can be harvested from a facility with a plant canopy of 15,000 square feet in a year but may be increased if the office expands the allowable area of cultivation under paragraph (a).

(d) A cannabis mezzobusiness with the appropriate endorsement may operate up to three retail locations.

Subd. 3. Additional information required. In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis mezzobusiness license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for any cultivation or manufacturing activities; plans for providing electricity, water, and other utilities necessary for the normal operation of any cultivation or manufacturing activities; plans for compliance with applicable building code and federal and state environmental and workplace safety requirements and policies; and plans to avoid sales to unlicensed cannabis businesses and individuals under 21 years of age;

(2) if the applicant is seeking an endorsement to cultivate cannabis plants and harvest cannabis flower, a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation, including the total amount of plant canopy;

(3) if the applicant is seeking an endorsement to create cannabis concentrate, hemp concentrate, or artificial cannabinoids, information identifying all methods of extraction, concentration, or conversion that the applicant intends to use and the volatile chemicals and catalysts, if any, that will be involved in extraction, concentration, or creation; and

(4) evidence that the applicant will comply with the applicable operation requirements for the license being sought.

Subd. 4. Multiple licenses; limits. (a) A person, cooperative, or business holding a cannabis mezzobusiness license may also hold a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis mezzobusiness license may own or operate any other cannabis business or hemp business or hold more than one cannabis mezzobusiness license.

(c) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 5. Cultivation endorsement. A cannabis mezzobusiness that cultivates cannabis plants and harvests cannabis flower must comply with the requirements in section 342.25.

Subd. 6. Extraction and concentration endorsement. A cannabis mezzobusiness that creates cannabis concentrate must comply with the requirements in section 342.26, subdivisions 2 and 3.

Subd. 7. Production of customer products endorsement. A cannabis mezzobusiness that manufactures edible cannabis products, lower-potency hemp products, or hemp-derived consumer products must comply with the requirements in section 342.26, subdivisions 2 and 4.

Subd. 8. **Retail operations endorsement.** A cannabis mezzobusiness that operates a retail location must comply with the requirements in section 342.27.

Subd. 8a. **Multiple endorsements required.** Within 18 months of receiving a cannabis mezzobusiness license, a cannabis mezzobusiness must obtain at least two of the endorsements identified in subdivisions 5, 6, 7, and 8. If a cannabis mezzobusiness fails to obtain multiple endorsements within 18 months, the office may suspend, revoke, or not renew the license as provided in section 342.21.

Subd. 9. MS 2023 Supp [Repealed, 2024 c 121 art 2 s 154]

Subd. 10. **Transportation between facilities.** A cannabis mezzobusiness may transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities operated by the cannabis mezzobusiness if the cannabis mezzobusiness:

- (1) provides the office with the information described in section 342.35, subdivision 2; and
- (2) complies with the requirements of section 342.36.

History: 2023 c 63 art 1 s 29; 2024 c 121 art 2 s 85-87