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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 2463

03/20/2017 Authored by Zerwas; Dean, M.; Schomacker; Albright; Heintzeman and others
The bill was read for the first time and referred to the Committee on Health and Human Services Reform

1.1 A bill for an act
1.2 relating to health; authorizing the commissioner of health to levy certain penalties
1.3 against medical cannabis manufacturers; amending Minnesota Statutes 2016,
1.4 sections 152.25, by adding a subdivision; 152.33, by adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2016, section 152.25, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 1a. **Revocation of medical cannabis manufacturer registration.** (a) If the
1.9 commissioner intends to revoke a registration issued under this section, the commissioner
1.10 must first notify in writing the manufacturer against whom the action is to be taken and
1.11 provide the manufacturer with an opportunity to request a hearing under the contested case
1.12 provisions of chapter 14. If the manufacturer does not request a hearing by notifying the
1.13 commissioner in writing within 20 days after receipt of the notice of proposed revocation,
1.14 the commissioner may proceed with the action without a hearing. The registration of a
1.15 manufacturer is considered revoked on the date specified in the commissioner's written
1.16 notice of revocation.

1.17 (b) Upon the revocation of a manufacturer's registration, the commissioner shall notify
1.18 in writing each patient and the patient's registered designated caregiver or registered parent
1.19 or legal guardian about the outcome of the proceeding and information regarding alternative
1.20 registered manufacturers. This notice must be provided two or more business days prior to
1.21 the revocation's effective date.

1.22 **EFFECTIVE DATE.** This section is effective retroactively from February 1, 2017.

2.1 Sec. 2. Minnesota Statutes 2016, section 152.33, is amended by adding a subdivision to
2.2 read:

2.3 Subd. 1a. **Intentional diversion outside the state; penalties.** In addition to any other
2.4 applicable penalty in law, the commissioner shall levy a fine of \$1,000,000 against a
2.5 manufacturer and immediately initiate proceedings to revoke the manufacturer's registration,
2.6 using the procedure in section 152.25, subdivision 1a, if:

2.7 (1) an employee or agent of the manufacturer pleads or is found guilty under subdivision
2.8 1 of intentionally transferring medical cannabis, while the person was an employee or agent
2.9 of the manufacturer, to a person other than allowed by law; and

2.10 (2) in intentionally transferring medical cannabis to a person other than allowed by law,
2.11 the employee or agent transported medical cannabis outside of Minnesota.

2.12 **EFFECTIVE DATE.** This section is effective retroactively from February 1, 2017, and
2.13 applies to the manufacturer if a person pleads guilty or is found guilty on or after that date.