

## 2026 Legislative Policy Proposals

In 2025, OCM continued implementation of the operational and regulatory systems that support Minnesota’s adult-use cannabis program. With the launch of the adult-use cannabis market, alongside key transitions for the hemp-derived cannabinoid industry and the state’s medical cannabis program, all three market segments are now under a single regulatory and licensing framework, as outlined in Minnesota’s legalization legislation, [Minnesota Statutes, chapter 342](#).

The office continues to identify improvements to better support all aspects of OCM’s mission to foster an equitable cannabis industry that prioritizes public health and safety, consumer confidence, and market integrity. In preparation for the 2026 legislative session, OCM has identified six areas for policy change recommendations.

Finally, OCM has developed a proposal to streamline the adult-use and medical cannabis supply chains, as charged by the Legislature. In developing these recommendations, the office engaged with partner agencies, legislators, federal partners, Tribal Nations, patients, consumers, industry and other key groups, and we welcome and will seek out ongoing engagement.

### Legislative work to-date

During the 2024 and 2025 legislative sessions, OCM worked with the Legislature to implement legislative changes to build consistency and clarity and support effective early implementation of Minnesota Statutes, chapter 342. Review [summaries of 2024 and 2025 legislative changes to chapter 342](#) on OCM’s website.

### SF 4403 (Dibble, Port) / HF 4199 (Hanson, J.): Technical/housekeeping

This proposal brings consistency and clarity to terminology in statute and includes several provisions reflecting learnings during the initial implementation of chapter 342.

- Repeals the temporary regulations established for hemp-derived businesses in the lead-up to the licensing framework under chapter 342. This section in state law ([M.S. § 151.72](#)) will expire now that hemp businesses are licensed, and cannabis and hemp businesses are regulated under chapter 342.
- Clarifies terminology in statute for consistency, for example, replacing “licensee” with “license holder.”
- Establishes a six-month time limit for applicants to convert from “qualified applicant” to “preliminary approval” status, to support informed market structure and licensing efficiency. ([M.S. § 342.14](#))
- Clarifies that the “Department of Labor” reference is the state department and not the federal agency and removes National Labor Relations Board violations as disqualifying for cannabis licensure while retaining additional requirements for labor standards compliance. ([M.S. § 342.16](#))
- Clarifies restrictions on allowable financial relationships between cannabis businesses to address market and business needs. ([M.S. § 342.23](#))
- Removes a reference to an ingestible hemp-derived consumer product, as it is not an approved product category and instead refers to established petition process for product approval. ([M.S. § 342.27](#))
- Clarifies language for two license types where it was previously omitted that they can also “perform other actions approved by the office” to align with all other license types. (M.S. § [342.37](#) and [342.39](#))

## **SF 4402 (Dibble, Port) / HF 4200 (Hanson, J.): Data practice updates and clarifications**

This proposal streamlines the office's data request process to improve customer experience in accessing data while ensuring proprietary business data are protected.

- Clarifies what applicant and license holder data are public and available to the public for request, and what data are not public. ([M.S. § 342.20](#))
- Clarifies what Metrc/seed-to-sale tracking data are public and non-public. ([M.S. § 342.20](#))

## **SF 4429 (Port, Klein, Dibble) / HF 4201 (Hanson, J.): Product labeling and hemp business regulatory updates**

This proposal improves hemp regulations to support the hemp market while maintaining regulatory efficiency. One notable change is that one owner could hold both a cannabis business and hemp business license, and labeling requirements are also updated.

- Removes the prohibition on one owner holding a cannabis business license and hemp business license simultaneously, to reflect the market's evolution ([M.S. §§ 342.43, 342.44](#)).
- Updates labeling requirements for cannabis and hemp products to better reflect each product type ([M.S. § 342.63](#)).
- Changes the labeling requirements for lower-potency hemp edible products to allow hemp businesses to use a QR code for some information on source material ([M.S. § 342.63](#)).
- Defines labeling requirements for products that include imported materials, to align with products made in-state ([M.S. § 342.63](#)).
- Defines that hemp-derived topical products must not contain more than 0.3% THC ([M.S. § 342.66](#)).
- Removes the requirement that a product that does not contain THC include the universal THC symbol, and maintains requirement that the products include other label requirements, including for age prohibitions ([M.S. § 342.63](#)).

## **SF 4540 (Dibble) / HF 4398 (Hanson, J.): Cannabis business regulatory updates**

This proposal improves cannabis regulations to support the cannabis market while maintaining regulatory efficiency. Notable changes would allow a licensed business to change structure without acquiring a new license, prohibit products that contain batteries that cannot be removed for disposal, and reorganize the statutory requirements for endorsements and authorized activities for greater consistency.

- Removes the requirement that a licensed business that changes business structure has to acquire a new license, to allow flexibility in a business's evolution and in license transfers ([M.S. §342.12](#)).
- Clarifies enforcement authority for OCM to prohibit and take action against unlicensed sellers and adds the authority for OCM to deny licensure for actors with previous license revocations. ([M.S. § 342.09](#))

- Disallows the manufacture and sale of cannabinoid products that use an electronic delivery device with an embedded battery, for consumer protection, and due to the risks to the environment and to workers during product disposal. This change includes a transition period. ([M.S. § 342.26](#))
- Reorganizes the endorsement and authorized activities structure in statute for cannabis business license holders, to ensure consistency in activities/endorsements and terminology between license types that are ultimately doing the same things. The proposal does not substantively change any of the authorized activities currently allowed and does not include any changes to canopy or manufacturing limits.

## **SF 4519 (Dibble) / HF 4202 (Hanson, J.): Local control clarifications**

This proposal clarifies the role of local governments in the licensing process for cannabis businesses, including their role in approving business applications and setting limitations on registrations for retail locations.

- Removes temporary local prohibitions on cannabis businesses as the allowance was time dependent, and the time included has passed ([M.S. § 342.13](#)).
- Clarifies the local government role in approval of a cannabis business application and clarifies jurisdictional issues related to building and fire code compliance ([M.S. §§ 342.13, 342.14](#)).
- Clarifies the options for a local government to institute a cap on retail registrations for retail locations in their jurisdictions. The change allows a county with delegated registration authority to determine a cap for their jurisdiction that accounts for city and township populations as well, preventing a city that delegates their authority from hosting retail locations beyond their own limit. The change also improves transparency in the process by removing the option for a city or township that has already set a cap to instead opt into a county's cap ([M.S. § 342.13](#)).
- Requires local governments to share information with OCM regarding age-verification compliance checks of cannabis businesses ([M.S. § 342.22](#)).

## **SF 4401 (Dibble, Port) / HF 4203 (Hanson, J.): Increased efficiency in legislative reporting**

This proposal adjusts the office's legislative reporting requirements under [Minnesota Statutes, section 342.04](#), to support increased efficiency for the office in providing requested information.

- Removes items from the required annual report that do not fall under OCM's jurisdiction and instead charges OCM with collaborating with state agencies and local partners that do collect relevant data.
- Combines duplicative items and reports.

## **Additional legislative proposal – SF 4541 (Dibble) / HF 4397 (Hanson, J.): Streamlining the cannabis supply chains**

In addition to the policy proposals above, the office also developed a legislative recommendation to streamline the cannabis adult-use and medical supply chains, pursuant to Laws of Minnesota 2025, [chapter 31, section 107](#). This [streamlining report](#) and a supporting [report of a survey of medical patient priorities](#) are available on the OCM website, following our submission to the Legislature on Jan. 15, 2026.