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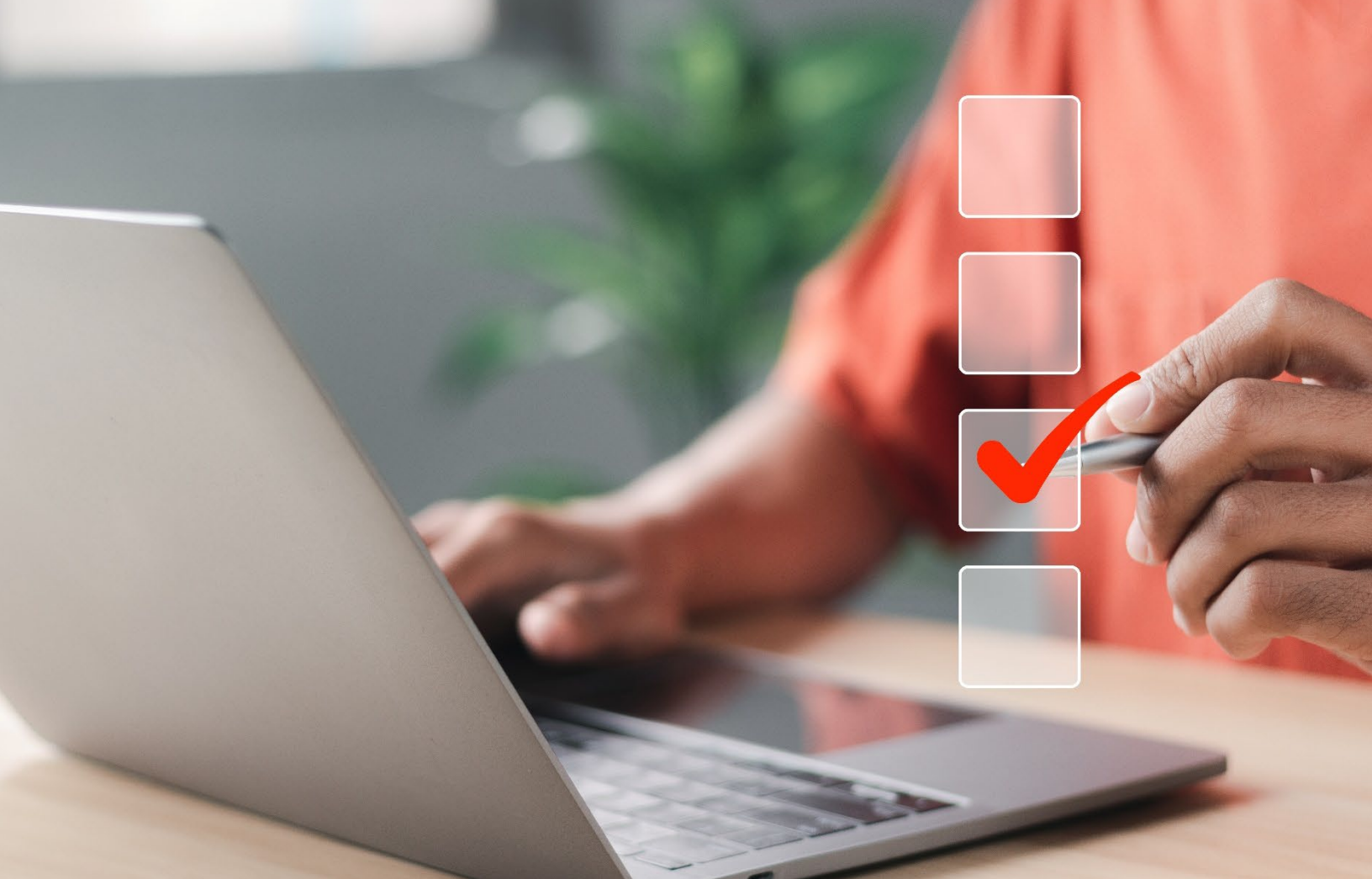
OFFICE OF

CANNABIS MANAGEMENT

Qualified Applicant Guide To Obtaining a License

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Section 1: Quick Overview

This section provides a brief overview of steps a qualified applicant must take between the point of being selected in a license lottery (for capped license types) or having an application meet minimum criteria (for uncapped license types) and becoming a fully licensed and operational cannabis business. These steps are described in further detail in Section 3 – Obtaining Preliminary Approval.

Step 1: Obtain preliminary application approval

- Being selected in a lottery or having an application meet qualified standards **does not** mean a qualified applicant has received preliminary application approval yet.
- For a qualified applicant to receive preliminary approval, OCM must receive and approve (1) the results of a third-party background check and (2) a labor peace agreement attestation signed by a bona fide labor organization.

Step 2: Update application documents and submit final site location

- An applicant with preliminary approval is not authorized to begin cannabis business operations. Applicants with preliminary approval must take several additional steps to obtain a cannabis business license.
- Applicants with preliminary approval have 18 months to obtain a cannabis business license. To do so, they must: (1) secure a business location and submit the final site details to OCM, and (2) provide OCM with finalized business, operations, and security plans, along with finalized standard operating procedures for accounting, inventory control, quality assurance, and employee training. Additionally, any other required documents must be submitted following the adoption of rules. Prior to submitting site registration and updating documents, the applicant should ensure that they engaged in early conversations with the local government entity with zoning authority over their proposed business location to prepare for Step 3, where they will need to receive local government zoning approval to proceed.

Step 3: Local zoning compliance certification

- Once an applicant with preliminary approval has submitted a site location and provided OCM with updated application documents, OCM will forward their application to the local government noted on the site registration.
- The local government has 30 days to certify whether the applicant with preliminary approval is compliant with local zoning and land use ordinances.
- Applicants with preliminary approval are *strongly* encouraged to initiate conversations with their local government *prior* to securing a physical premise for their business and updating their application documents to ensure they are compliant with all local requirements. It is the applicant's responsibility to understand the specific process a local government may require to obtain zoning approval for their business and, if applicable, issue a local retail registration.
- Zoning compliance certification is distinct from the local retail registration process, and local governments have the authority to limit retail registrations for cannabis retailers, microbusinesses, and mezzobusinesses wishing to operate retail locations. It is imperative that applicants with preliminary approval understand the zoning *and* retail registration processes specific to the local government in which they intend to operate their retail business. All cannabis businesses are required to obtain local zoning certification, but only licensees who wish to partake in the retail sale of cannabis must obtain a local retail registration (microbusinesses and mezzobusinesses with retail endorsements, retailers, and medical cannabis combination businesses).

Step 4: Site inspection

- Upon receipt of the updated documents and information about the physical location for the business, OCM will reach out to the applicant with preliminary approval to inform them of site inspection requirements.
- Once a local government has certified that an applicant with preliminary approval complies with all zoning and land use ordinances, OCM will schedule a site inspection to ensure the physical location complies with all relevant laws and rules.

Step 5: Receiving a license

- Once a preliminarily approved applicant has passed a site inspection, becoming a pending licensee, they must pay OCM the license fee for their license type.
- Upon receipt of payment, OCM will issue a cannabis business license with the appropriate endorsements to the pending licensee. The pending licensee, now a licensee, can begin operations, except for retail operations for those seeking to conduct retail activity (see Step 6).
- Once the cannabis business license is issued, the licensee's information becomes public information.

Step 6: Retail registration

Licensees holding a cannabis retailer license, as well as medical cannabis combination business licenses, and microbusiness and mezzobusiness licensees with retail endorsement, **must** also obtain a retail registration from their local government before they can begin cannabis sales. The process for local retail registration is determined by a local government. Applicants with preliminary approval/pending licensees must work with their respective local governments to understand this process. While this license type is not included in this current licensing cycle, the requirement for a local retail registration includes lower-potency hemp edible retailers in future licensing rounds.

Workflow of actions – Becoming an applicant with preliminary application approval to securing a cannabis business license

Step	Step Actions
Step 1. Obtain preliminary application approval	<ul style="list-style-type: none"> • Qualified applicant obtains (1) the results of a third-party background check and (2) a labor peace agreement attestation signed by a bona fide labor organization and is approved by OCM. • OCM issues preliminary application approval upon successful completion and review of these two submissions.
Step 2. Continue conversations with locals, secure physical location, update application documents	<ul style="list-style-type: none"> • Applicants with preliminary approval have 18 months to obtain a cannabis business license. This includes (1) securing a site location for their business and submitting final location information to OCM and (2) providing OCM with finalized plans, standard operating procedures, and any other documents required following the following the adoption of rules. • Applicants with preliminary approval should initiate conversations early on with their local government prior to securing a physical premise and providing OCM with finalized application documents and to ensure they are compliant with all local requirements, including zoning, and are aware of local retail registration requirements.
Step 3. Local certification	<ul style="list-style-type: none"> • Upon the complete submission of final location information and finalized application documents, OCM forwards their application to the local government in which the applicant with preliminary approval wishes to operate their business. • The local government has 30 days to certify whether the applicant with preliminary approval is compliant with local zoning and land use ordinances.
Step 4. Site inspection	<ul style="list-style-type: none"> • Upon local zoning compliance certification, OCM schedules a final site inspection to ensure the physical location complies with all relevant laws and rules.
Step 5. Receiving a license	<ul style="list-style-type: none"> • Upon successful inspection, the pending licensee pays the license fee for their license type. • Upon receipt of payment, OCM issues a cannabis business license with the appropriate endorsements to the pending licensee. • The pending licensee, now a licensee, can begin operations, except for those seeking to conduct retail activity (see next page).
Step 6. Retail registration (For those seeking to conduct retail activity)	<ul style="list-style-type: none"> • Applicant with preliminary approval/pending licensee seeks retail registration from local government. • Local government issues a local retail registration to applicant with preliminary approval/pending licensee/licensee for retail registration through means determined by ordinance. • Applicant with preliminary approval/pending licensee pays retail registration fee to the local government. • Local government may conduct compliance check. • Local government ensures tax compliance, if applicable. • Local government issues retail registration. • Retail sales may begin.



Section 2: Key Terms

Active license – A cannabis or hemp business license issued by OCM that a local government has certified as compliant with zoning and land use laws, has passed state compliance inspection, and has been issued an endorsement to conduct activity. An active license with an endorsement allows for a business to begin operations for that activity, except for retail activity. For an active license with a retail endorsement to begin retail operations, a licensee must also obtain a local retail registration.

Accela Citizen Access Portal – The internet platform where qualified applicants submit their cannabis and hemp business applications, provide supplemental materials as requested by OCM, and pay all associated application and license fees.

Bona fide labor organization – A labor union that represents or is actively seeking to represent cannabis workers.

Endorsement – An authorization granted by OCM to conduct a specific cannabis business activity (i.e., cultivation operations). An active license with an endorsement allows for a business to begin operations for that activity, except for retail activity. Mezzobusinesses and microbusinesses must obtain the necessary endorsements for each activity they wish to participate in, with multiple endorsements required overall. To begin retail operations, a licensee with an active license and retail endorsement must obtain a local retail registration and submit it to OCM.

Labor peace agreement – An agreement between a business and a bona fide labor organization in which the business agrees not to interfere with union organizing efforts, and the labor organization agrees not to strike or disrupt business operations.

Pending licensee – A designation given after a qualified applicant has passed their pre-licensure inspection.

Preliminary application approval – A preliminarily approved application is distinct from a cannabis business license and does not authorize full license activities. Preliminary application approval is an authorization that allows qualified applicants to begin the process of obtaining a cannabis business license and is assigned once the applicant successfully submits their signed labor peace agreement (LPA) and passes the background check. Preliminary application approval remains valid for 18 months.

Qualified applicant – An applicant that has their application approved, either through the lottery process or by meeting the minimum criteria for uncapped licenses and has been notified by OCM that they may start the process to obtain a license (i.e., applicant may now to obtain a third-party background check and labor peace attestation).

License – An official authorization to conduct lawful cannabis business operations. To begin lawful operations licenses must be active and coincide with necessary endorsements from OCM and local retail registrations, if applicable.

Licensee – The final status granted to a qualified applicant that is given once the licensing fee has been paid.

Local government zoning compliance certification – Official confirmation from a local government that a preliminarily approved applicant is compliant with all relevant local zoning and land use ordinances and, if applicable, state fire code and building code.

Reconsideration – The process by which an applicant may request the office to review its decision after the denial of an application or final authorization, or the refusal to issue a license following preliminary license approval. The office's decision on a reconsideration request is final. Reconsideration is a formal legal process that occurs between OCM and the applicant.

Retail registration – An additional approval that occurs distinct from licensure. Retail registration is issued by local governments **and** authorizes a licensee to engage in cannabis retail sales. Applicants who wish to conduct retail sales, including cannabis retailers, microbusiness, and mezzobusiness applicants seeking a retail endorsement, and medical cannabis combination businesses must obtain a retail registration from their local government prior to beginning retail sales. *This includes lower-potency hemp edible retailers in future licensing rounds.*

Section 3. Obtaining Preliminary Application Approval

Key Points

- Meeting qualified standards in initial application review, and for capped licenses, being selected in the lottery does not mean a qualified applicant has been granted preliminary application approval yet.
- To receive preliminary application approval, qualified applicants must complete a criminal background check per OCM requirements, which can be found on the [OCM website \(mn.gov/ocm\)](https://mn.gov/ocm), and (2) submit an attestation signed by a bona fide labor organization that the qualified applicant has entered into a labor peace agreement (LPA).*
- Qualified applicants may request that OCM provide confirmation of preliminary application approval to third parties.

When an applicant is selected in the lottery, they have not yet been granted preliminary application approval. A preliminary application approval is not a cannabis business license. Preliminary application approval allows a qualified applicant to establish legal control of the site of their cannabis business, obtain zoning approval, and potentially raise capital for their business. ***A preliminary application approval does not permit the qualified applicant to engage in any plant-touching activities such as growing, manufacturing, or selling cannabis.***

Requirements to obtain preliminary application approval

Prior to receiving preliminary application approval, a qualified applicant must obtain the following:

- 1) Results from a third-party background check.
- 2) An attestation signed by a bona fide labor organization that the qualified applicant has entered into a labor peace agreement (LPA).*

**Microbusinesses are not required to provide an LPA attestation per state law at initial licensure. Upon renewal of a license, microbusinesses with 10 or more employees will be required to provide an LPA attestation.*

1. Third-party background check

Qualified applicants must complete a third-party local and national criminal background check. A third-party background check must:

- Be conducted by a third-party consumer reporting agency or background screening company that is in compliance with the federal Fair Credit Reporting Act and accredited by the Professional Background Screening Association.
- Include a multistate and multijurisdictional criminal record locator or other similar commercial nationwide database with validation.
- **Include information for the applicant and every true party of interest on the application.**

The third-party agency must send the completed background check directly to the Licensing Division. The onus is on the qualified applicant to ensure that the third-party agency has provided this to OCM.

Third-party background check companies

OCM will publish additional guidance on third-party background check vendors on the [OCM website \(https://mn.gov/ocm\)](https://mn.gov/ocm).

2. Labor peace agreement attestation

Qualified applicants must provide OCM with documentation of an attestation signed by a bona fide labor organization stating that the qualified applicant has entered into a labor peace agreement. This document must be submitted by the applicant through Accela. The documentation required includes either:

- An official letter from a bona fide organization signed by the bona fide labor organization attesting the qualified applicant has entered into a labor peace agreement; OR
- A copy of the labor peace agreement that is signed by the bona fide labor organization.

Receiving preliminary application approval

If the third-party background check results and the LPA attestation pass internal review, OCM will issue the qualified applicant a notification informing them of preliminary application approval and next steps. Please note that this does **not** authorize a qualified applicant to begin operations.

The following section details the requirements for how an applicant with preliminary approval can prepare to convert to a business license.

Note: *Qualified applicants who fail to provide either the background check or LPA attestation (except for applicants for a microbusiness), provide fraudulent or misleading information, or whose background check violates any provisions of Chapter 342, will not be issued preliminary application approval and their application will be denied.*

Section 4. Conversion from Preliminary Application Approval to Obtaining a Cannabis Business License

Key Points

- Preliminary application approval does not authorize a qualified applicant to begin operations.
- After receiving preliminary application approval, qualified applicants must take several steps to obtain a cannabis business license.
- Qualified applicants with preliminary application approval have 18 months to obtain a cannabis business license.

Requirements to receive a cannabis business license

Upon obtaining preliminary application approval, there are several steps a qualified applicant must take to convert the preliminary application approval to a cannabis business license and begin operations. A preliminary application approval does **not** authorize a qualified applicant to begin cannabis operations.

Qualified applicants seeking to convert preliminary application approval to a cannabis business license *will be required* to:

- 1) Submit the site location for their cannabis business.
- 2) Update their application with finalized business, operations, and security plans, along with finalized standard operating procedures for accounting, inventory control, quality assurance, and employee training. Additionally, any other required documents must be submitted following the adoption of rules.
- 3) Receive zoning compliance certification from the local government in which they wish to operate their business that they compliant with all relevant local zoning ordinances and state fire code and building code.
- 4) Schedule and pass a site inspection conducted by OCM.
- 5) Pay the license fee in Accela.
- 6) For retailers, medical cannabis combination businesses, and mezzobusinesses and microbusinesses with retail operations: obtain a local retail registration from their local government.

The required steps above can *only* be completed following the adoption of rules. The office will continue to keep applicants with preliminary approval updated on the rulemaking timeline. While awaiting final rule adoption, it is *strongly encouraged* that applicants with preliminary approval prepare appropriately for the required steps by initiating conversations as early as possible with the local government in which they wish to locate their business to ensure compliance with local zoning ordinances. For applicants with preliminary approval who intend to operate a retail store (retailer, medical cannabis combination business, microbusiness, and mezzobusiness license types), applicants should ensure their local government is aware of and intends to grant a local retail registration.

Applicants with preliminary approval for all license types are responsible for reviewing all relevant local ordinances in full and working with their local unit of government. Retail-eligible applicants are responsible for working and communicating with their local unit of government to understand the local retail registration process, including retail registration availability, eligibility requirements, and how the local government intends to approve and issue registrations. These methods may include a retail registration lottery, a first-come-first-served basis, a discrete timeframe for issuing registrations, or a rolling cadence. Applicants with preliminary approval seeking retail registrations are solely responsible for the risks associated with securing an appropriately zoned business facility and OCM-issued license/endorsements without guarantee of local retail registration.

Please review the [Guide for Local Governments \(mn.gov/ocm/lgg\)](https://mn.gov/ocm/lgg) as well as [Minnesota Statutes, section 342.22 \(revisor.mn.gov/statutes/cite/342.22\)](https://revisor.mn.gov/statutes/cite/342.22) for more information about the local retail registration process.

Rule adoption

Following the adoption of rules, applicants with preliminary approval have 18 months to become fully licensed. OCM will notify all applicants with preliminary approval upon rule adoption that the 18-month window has begun. Applicants with preliminary approval who are unable to meet the 18-month deadline to obtain a cannabis business license may submit an extension request for a one-time extension of up to six months. While it is strongly encouraged that applicants with preliminary approval initiate conversations with their local governments as early as possible, applicant with preliminary approval should exercise caution in securing a physical location for their business before rules are officially adopted.

Update application documents and submit final site location

Following the adoption of rules and upon securing a site location, applicants with preliminary approval are required to submit finalized application documents, including but not limited to information about their site location, finalized business, operations, and security plans, along with finalized standard operating procedures for accounting, inventory control, quality assurance, and employee training. **OCM will provide preliminarily approved applicants with templates for the updated plans and SOPs. Preliminarily approved** applicants are required to use OCM's templates. Preliminarily approved applicants must provide the following updated documents:*

- Security Plan
- SOP: Quality Assurance
- SOP: Inventory Control, Storage and Diversion Prevention
- SOP: Accounting and Tax Compliance
- Operation Plan
- Cultivation Plan (for cultivator license types or medical cannabis combination business, microbusiness, and mezzobusiness licenses seeking a cultivation endorsement)
- Disclosure of Ownership and Control**
- Capitalization Table**

****Note: This guide has been prepared prior to the adoption of rules. The rules, once adopted, may require additional information from applicants with preliminary approval. Applicants with preliminary approvals should be aware and prepared to submit any additional material required upon notification by OCM.***

***** An updated Disclosure of Ownership and Control and capitalization table are required only if a change in ownership has taken place from the point of initial application. See below for more information.***

Endorsements

At the point of submitting their updated application documents, microbusiness and mezzobusiness applicants must indicate which cannabis business endorsement types they are seeking. Endorsements will be granted to applicants with preliminary approval at the same time they are awarded their license following the successful submission of updated application and a passing site inspection.

OCM right to revoke preapproval

OCM has statutory authority to revoke preliminary application approval if it determines that an applicant is ineligible for a license.

Please review [Minnesota Statutes, section 342.14, subdivision 10](https://revisor.mn.gov/statutes/cite/342.14#stat.342.14.10) (revisor.mn.gov/statutes/cite/342.14#stat.342.14.10) for more information.

Changes in ownership

Per [Minnesota Statutes, section 342.14 subdivision 1, paragraph \(b\)](https://revisor.mn.gov/statutes/cite/342.14#stat.342.14.1b) (revisor.mn.gov/statutes/cite/342.14#stat.342.14.1b), any change in the ownership of the proposed cannabis business must be communicated to OCM via the Licensing Division. Additionally, applicants with preliminary application approval may not:

- Make any transfer of an ownership interest that causes a change in the individual or entity that holds the controlling ownership interest of the cannabis business.
- Make any change or transfer of ownership or control that would require a new business registration with the secretary of state.
- Make any transfer of ownership interest that causes the business to no longer qualify as a social equity applicant, if the applicant is a social equity applicant.

Section 5. Local Government Approval Process

Key Points

- When an applicant with preliminary application approval provides OCM with a final site location and updated final application documents, OCM will share that application with their local government. The local government has 30 days to review the application and certify or deny whether the preliminarily approved applicant is compliant with local zoning ordinances.
- Applicants with preliminary application approval are strongly encouraged to begin building a relationship with their local government as early as possible to ensure they are aware of the local approval process and that the applicant is aware of any relevant local zoning and land use considerations.
- Applicants with preliminary application approval for a cannabis retail license, along with microbusiness and mezzobusiness applicants with preliminary application approval seeking a retail endorsement, should discuss the retail registration process with their local government and ensure their locality intends to grant a retail registration.

Local government zoning compliance certification

Once a preliminarily approved applicant submits their final site location and updated application documents, OCM will share the application with the respective local government to certify that the preliminarily approved applicant is compliant with local zoning ordinances and, if applicable, state fire code and building code. This will occur through the Accela Citizen Access Portal. OCM has provided [guidance \(mn.gov/ocm/local-governments/contactform.jsp\)](https://mn.gov/ocm/local-governments/contactform.jsp) for local governments on how to use this software system. The local government must respond within 30 days of receiving the application per state law requirements.

If local government certifies compliance → OCM will notify the preliminarily approved applicant and schedule a site inspection.

If local government certifies non-compliance → OCM will notify the preliminarily approved applicant. The preliminarily approved applicant must either find a new location or work with their local government to become compliant with local zoning ordinances. Qualified applicants will retain their preliminary application approval status but will need to resubmit their site location and updated application again.

Building a relationship with your local government

Applicants with preliminary application approval are strongly encouraged to initiate conversations with the local government in which they wish to operate their cannabis business as early as possible, even prior to the adoption of final rules. Applicants with preliminary application approval should consider discussing the following with their local governments:

- 1) **Land use and zoning.** Local governments have the authority to regulate the time, place, and manner of cannabis businesses within their jurisdiction; therefore, applicants with license preapproval should discuss all land use and zoning requirements with their respective localities. These matters include, but are not limited to, setbacks and buffer zones, odor mitigation, aesthetic requirements, and signage restrictions. This step is especially important prior to securing a physical premise.
- 2) **Local zoning certification process.** Preliminarily approved applicants should ensure that the local government they wish to operate their business within is aware that OCM will forward their business application to them and that they have 30 days to review and either certify compliance or inform the office that the proposed business does not meet local zoning and land use laws. Preliminarily approved applicants are encouraged to remain in close communication with their local government throughout the application process and make sure they are prepared to review their application and respond to OCM within 30 days.
- 3) **Local retail registration.** Preliminarily approved applicants who wish to operate a cannabis retail business,* including retailers, medical cannabis combination businesses, and microbusiness and mezzobusiness applicants seeking a retail endorsement, must obtain a retail registration from their local government prior to beginning operations. State law allows local governments the option to limit retail registrations (for retailers, microbusinesses, and mezzobusinesses) by ordinance based on population as defined in [Minnesota Statutes, section 342.13 \(revisor.mn.gov/statutes/cite/342.13\)](https://revisor.mn.gov/statutes/cite/342.13). Applicants with preliminary approval should understand how their respective local government intends to issue retail registrations prior to providing OCM with updated application documents and securing a physical location for their business. (See Section 6 for more details.) *Qualified applicants are responsible for any risks associated with securing a physical location without guarantee of local retail registration. Be aware that entering a lease does not guarantee you will receive local approval.*

**This includes lower-potency hemp retailer business applicants in future licensing rounds.*

Note: Cities and townships are allowed to delegate their registration authority to their respective county per state law. This may impact the entity that preliminarily approved applicants are engaging with.

Section 6. Site Inspection and Receiving a License

Key Points

- After receiving local zoning certification, an applicant with preliminary approval must pass an OCM site inspection before they receive their license. If an applicant with preliminary approval fails their site inspection, they must take steps to remedy any issues identified and schedule another site inspection.
- Upon a passing site inspection, an applicant with preliminary approval, now a pending licensee, must pay the license fee for their respective license type to receive their license.
- OCM will issue a licensee their license digitally and via the USPS.
- Licensees who wish to participate in the retail sale of cannabis must receive a retail registration from their local government before they can begin cannabis sales.

Site inspection

Once a local government certifies that a preliminarily approved applicant is compliant with local zoning and land use ordinances, OCM will reach out to the applicant to schedule a site inspection. OCM staff will inspect the applicant with preliminary approval's business location to ensure compliance with all relevant local and state laws and rules. Applicants with preliminary approval can only receive a license once they have successfully passed a site inspection.

If a preliminarily approved applicant passes site inspection → OCM will notify the applicant with preliminary approval, now a pending licensee, that they have passed their site inspection and provide instructions on paying the license fee in Accela. Upon receipt of payment, OCM will mail the pending licensee a license, along with providing a digital copy.

If a preliminarily approved applicant does not pass site inspection → OCM will notify the applicant with preliminary approval that they have not passed their site inspection. The applicant with preliminary approval must take steps to remedy any issues identified by the OCM inspector and schedule another site inspection. OCM inspectors will work closely with applicants with preliminary approval to provide all requirements necessary to pass a site inspection.

License fees

Before receiving a license, pending licensees must pay an initial license fee. Per state law, the initial license fee shall include the fee for the initial issuance of the license and the first annual renewal. Licensees must pay the renewal fee at the time of the second renewal and each subsequent annual renewal thereafter. All license fees are nonrefundable per state law.

License Type	Initial License Fee	Renewal License Fee
Microbusiness	\$0	\$2,000
Mezzobusiness	\$5,000	\$10,000
Cultivator	\$20,000	\$30,000
Manufacturer	\$10,000	\$20,000
Retailer	\$2,500	\$5,000
Wholesaler	\$5,000	\$10,000
Transporter	\$500	\$1,000
Testing Facility	\$5,000	\$10,000
Delivery Service	\$500	\$1,000
Cannabis Event Organizer	\$750	-
Lower-Potency Hemp Edible Manufacturer	\$1,000	\$1,000
Lower-Potency Hemp Edible Retailer	\$250 per location	\$250 per location
Medical Cannabis Combination Business	\$20,000	\$70,000

Receiving a license

Upon paying the license fee, OCM will issue the pending licensee their cannabis business license and endorsement(s). This license will be sent to the licensee via USPS, and a digital copy will be provided as well. The digital copy of the license can be accessed via the [Accela Citizen Access Portal](https://aca-prod.accela.com/MDH/Default.aspx) (aca-prod.accela.com/MDH/Default.aspx). The licensee may now begin operations upon receiving their license and endorsements for requested activity, except for retail activity.



Local retail registration for cannabis sales

Applicants with preliminary approval for a cannabis retailer business, along with microbusiness and mezzobusiness applicants seeking a retail endorsement, must receive a retail registration from their local government before beginning cannabis sales. Per state law, local governments have the option to limit, by ordinance, the number of retail registrations they issue as long as they issue no fewer than one registration for every 12,500 residents*. This is distinct from zoning certification. **Local zoning certification does not guarantee a retail registration.** It is imperative that an applicant with preliminary approval are confident in how many registrations their local government intends to issue and by what means they intend to issue (lottery, first-come-first serve, etc.) *prior* to receiving their cannabis business license. *Applicants with preliminary application approval are responsible for any risks associated with securing a physical location without guarantee of local retail registration.*

Please review the [Guide for Local Governments on Adult-Use Cannabis \(mn.gov/ocm/lgg\)](https://mn.gov/ocm/lgg) as well as [Minnesota Statutes, section 342.22 \(revisor.mn.gov/statutes/cite/342.22\)](https://revisor.mn.gov/statutes/cite/342.22) for more information about the local retail registration process.

**This includes lower potency hemp retailers in future licensing rounds.*

***Local governments may not limit the number of retail registrations for medical cannabis combination businesses and low-potency hemp edible retailers.*

Section 7. Qualified Applicant Checklist

Receiving Preliminary Application Approval	Receiving a License (Post Rule Adoption)
<ul style="list-style-type: none"> • Obtain results from a third-party background check and ensure the results are submitted to OCM via the third-party background check company. • Obtain an attestation signed by a bona fide labor organization that the qualified applicant has entered into a labor peace agreement.* • Submit documentation of the LPA attestation in Accela.* 	<ul style="list-style-type: none"> • Secure a site location and submit final site location information to OCM in Accela. • Provide updated final application documents in Accela including updated plans, standard operating procedures, location information, and any additional requirements in the cannabis rules. • OCM checks certification from local government of compliance with local zoning and land use laws. • Pass an OCM site inspection. • Pay the license fee in Accela. • Obtain local retail registration (retailers, micro/mezzobusinesses with retail endorsement only) directly from local unit of government.

**Microbusinesses are not required to provide an LPA attestation per state law. Upon renewal of a license, microbusinesses with 10 or more employees will be required to provide an LPA attestation.*

Section 8. Frequently Asked Questions

For additional frequently asked questions related to topics outside of the application process, please visit the [OCM FAQ webpage \(mn.gov/ocm/faq/\)](https://mn.gov/ocm/faq/).

Can I secure a physical location for my business prior to receiving preliminary application approval?

Yes, however qualified applicants are strongly encouraged to exercise caution if they decide to purchase or lease a property for their business prior to the adoption of rules. Qualified applicants should also check with their local government to ensure their physical location complies with all local cannabis ordinances and regulations.

I already have a physical location. Can I request a site inspection early?

A site inspection is required during the conversion process from preliminary application approval to licensure. This process can only occur once the final rules have been adopted. Once rulemaking is complete, applicants with preliminary approval can only schedule a site inspection with OCM based on new rules after providing updated application documents to OCM and receiving local government certification. To prepare for the site inspection, applicants with preliminary approval should review the final rules when they are published and work closely with their local government to ensure their property meets all local land use and zoning ordinances.

How do I know if I am compliant with local zoning and land use ordinances?

Applicants with preliminary approval must work directly with their local government to ensure local zoning and land use compliance.

When will rules be adopted?

There is no set date for final rule adoption, but it is expected by the end of the first quarter of 2025. OCM will notify all qualified and preliminarily approved applicants once rules are adopted and the 18-month window to become fully licensed begins. For more information about the rulemaking process, please visit the [OCM rulemaking webpage \(mn.gov/ocm/laws/rulemaking.jsp\)](https://mn.gov/ocm/laws/rulemaking.jsp).

Can I make changes to the ownership structure of my business after receiving preliminary approval?

This is dependent on the type of change. Qualified applicants are required to update OCM of any change in ownership structure. Per [Minnesota Statutes, section 342.14, subdivision 1, paragraph \(b\) \(revisor.mn.gov/statutes/cite/342.14#stat.342.14.1\)](#), any change in the ownership of the proposed cannabis business must be communicated to OCM via the Licensing Division. Applicants with preliminary approval may be able to make changes, but these changes must be compliant with Minnesota Statutes, [sections 342.16 \(revisor.mn.gov/statutes/cite/342.16\)](#) and [342.185 \(revisor.mn.gov/statutes/cite/342.185\)](#).

What happens if my local government does not certify zoning compliance?

Applicants with preliminary approval must either find a new location for their business in a different jurisdiction or work with their local government to become compliant with local zoning and land use ordinances. Applicants with preliminary approval will be required to resubmit the site location and updated application requirements. A preliminary license approval will expire after 18 months, however, a OCM may grant a qualified applicant an additional six months to complete the application process and convert their preliminary approval into a license.

Will I lose my preliminary approval status if I fail my site inspection?

No. Applicants with preliminary approval who fail site inspection will need to remedy any issues identified in the inspection but will not lose their preliminary approval. However, applicants with preliminary approval must pass a site inspection within the 18 months following rule adoption to receive a license. A preliminary license approval will expire after 18 months, however, a OCM may grant a qualified applicant an additional six months to complete the application process and convert their preliminary approval into a license.

Can I begin cultivation prior to receiving a cannabis business license?

No. A qualified applicant must receive a license before starting cultivation.