



Mille Lacs Band of Ojibwe
Department of Cannabis Regulation
Cannabis Regulations

August 10, 2026

NOTICE OF ADOPTION

Pursuant to 15 MLBS § 1203(f)(iii)(B), this serves as the official Notice of Adoption the following:

Cannabis Regulation – 23: GENERAL OPERATIONS

Summary of changes, to CR – 23: GENERAL OPERATIONS include:

This regulation implements 15 MLBS §§ 1203(d)(15) and 1212 and Compact Attachment A, part 9810.1100. This regulation establishes procedures that licensees must have in place to comply with Band law, license terms, and the Compact. This Regulation includes provisions, to implement the Compact, that require licensees that engage in Compacted cannabis activity to comply with certain State laws and regulations.

Pursuant to 15 MLBS § 1203(f)(ii): The Department of Cannabis Regulation (DCR) reviewed the comments received during the comment period, beginning June 24, 2026, and closing July 24, 2026. The Department of Cannabis Regulation hereby responds to comments below and makes changes as applicable.

Comment 1: CR-23. Changes to clarify and ensure consistent use of calendar days vs. business days, capitalization, internal reference, spacing and tab size were made.

Comment 2: Section 2.1.1(h)- Please clarify how this section applies across all departments, or whether it may have been categorized incorrectly.

Citation: 2.1.1(h)- “Standard operating procedures must include: the proper designation of authorized personnel who have the authority to access, enter, and update private and nonpublic consumer data;”

- Response: If any cannabis business licensed by the DCR collects or maintains private and nonpublic consumer data, the cannabis business must designate which authorized personnel have the authority to access, enter, and update the consumer data. If no consumer data is present, the standard would not apply.
- No changes made.

Comment 3: Section 2.1.1(m)- Please clarify what is considered a “substance” under this section.

Citation: 2.1.1(m)- “Standard operating procedures must include: the procedure for reporting all substances that the business might use during cultivating, manufacturing, and packaging processes to a testing facility licensed by the Department or State for batch safety testing.”



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- Response: This standard operating procedure refers to how a cannabis business will comply with general cannabis testing standards and required disclosures to licensed test facilities as clarified in MN Statute 342.61, subp. 4, "Testing of samples; disclosures. (b) A [cannabis business] must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign materials... Disclosure must be made to the cannabis testing facility and must include information about all applications by any person, whether intentional or accidental."
- No changes made.

Comment 4: Section 2.1.1(n)- Does this section allow contractors who do not handle cannabis plants or products to be under 21 years of age?

Citation: Section 2.1.1(n)- "Standard operating procedures must include: Procedures for verifying that all employees, visitors, contractors, and customers are age 21 or older (except for contractors not involved in the handling of cannabis plants, cannabis flower, artificially derived cannabinoids, or cannabinoid products);"

- Response: Yes, per MLBS 15, Chapter 5, § 1212, age verification requirements include, "(1) a cannabis business may not employ an individual under 21 years of age and may not contract with an individual under 21 years of age if the individual's scope of work involves the handling of cannabis plants, cannabis flower, artificially derived cannabinoids, or cannabinoid products." However, § 1212(a)(2) also states, "a cannabis business may not permit an individual under 21 years of age to enter the business premises." A cannabis business must still monitor and restrict the minimum age of individuals entering the premises.
- No changes made.

Comment 5: Section 3.1.2- We request extending the compliance timeframe from one business day to five business days, as the current timeframe may be difficult to meet consistently?

Citation: Section 3.1.2- "A cannabis business must maintain financial records for the previous ten tax years and must make those records available for inspection within one business day of receiving a request for inspection by the Department."

- Response: The Department appreciates the comment and has modified the rule accordingly. The Department determined that a prescribed production deadline is not necessary because the timing of record requests may vary depending on the circumstances. Requiring records to be "made available upon request" provides flexibility while preserving the Department's ability to obtain records in a timeframe appropriate to the particular situation. The Department believes this approach balances administrative practicality with the need for effective regulatory oversight.
- In the final document, content of sections 3.1.2 and 3.1.3 switched order to better align with Band statute.
- Changes made.



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Comment 6: Section 3.1.3- We request extending the compliance timeframe from one business day to five business days, as the current timeframe may be difficult to meet consistently?

Citation: Section 3.1.3- “A cannabis business must retain financial records for the current and previous tax and calendar years at its primary business location and must make those records readily available for inspection by the Department at any time during regular business hours.”

- Response: The Department appreciates the comment and has modified the rule accordingly. The Department determined that a prescribed production deadline is not necessary because the timing of record requests may vary depending on the circumstances. Requiring records to be “made available upon request” provides flexibility while preserving the Department's ability to obtain records in a timeframe appropriate to the particular situation. The Department believes this approach balances administrative practicality with the need for effective regulatory oversight.
- In the final document, content of sections 3.1.2 and 3.1.3 switched order to better align with Band statute.
- Changes made.

Comment 7: Section 3.2.2- We request extending the compliance timeframe from one business day to five business days, as the current timeframe may be difficult to meet consistently?

Citation: Section 3.2.2- “A cannabis business must keep the above records in a uniform manner and may keep the records at an off-site storage facility, provided that it is able to provide the records to the Department within 48 hours of the Department's request.”

- Response: The Department appreciates the comment and has modified the rule accordingly. The Department determined that a prescribed production deadline is not necessary because the timing of record requests may vary depending on the circumstances. Requiring records to be “made available upon request” provides flexibility while preserving the Department's ability to obtain records in a timeframe appropriate to the particular situation. The Department believes this approach balances administrative practicality with the need for effective regulatory oversight.
- Changes made.

Comment 8: Section 3.3- Request change to, “The Department may require independent audits of a cannabis business annually in a manner that conforms to generally accepted auditing standards. Annual Audit copies shall be available within 120 days after the end of each fiscal year as required.”

Citation: Section 3.3- “The Department may require a cannabis business to submit to an audit of its business records. The Department may select or approve the auditor, and the cannabis business must provide the auditor with access to all business records. The cost of the audit must be paid by the cannabis business.”

- Response: The requested change tracks with Mille Lacs Band Detailed Gaming Regulation. The Department agrees the requested change still covers the intent of the statute and provides added flexibility.
- Change accepted.



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Comment 9: Section 8.1- Request change to, “Cannabis facilities shall be designed, maintained, and operated with ventilation and exhaust systems sufficient to control and mitigate odors generated during normal operations. Such systems must ensure that odors emanating from the facility are not unreasonably detectable, taking into consideration the size and nature of the facility, as assessed by an individual with a normal sense of smell.”

Citation: Section 8.1- “Cannabis facilities must be designed to provide sufficient odor absorbing ventilation and exhaust system so that any odor generated inside the facility under ordinary operating conditions cannot be detected by a person with a normal sense of smell outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same building as the cannabis operator, if the use only occupies a portion of a building.”

- Response: The comment seems to be looking for added flexibility, but it would be more difficult to enforce consistently than the original proposed language. The Department will change to “. . . cannot be detected by a person with a normal sense of smell: (1) outside the building at such distance as the general public is likely to approach; (2) on adjacent properties or public rights-of-way; (3) or within any other unit located within the same building as the cannabis operator, if the use only occupies a portion of a building.”

The Department will also add, “When imposing penalties for violation of, or requiring corrective action for compliance with, this section, the Department will consider the size, nature, and location of the facility, and evidence regarding the availability of effective mitigation measures.”

- Changes made.

Comment 10: Section 8.2- Please provide additional guidance on how compliance with this section will be measured. We are committed to minimizing impacts where possible but would appreciate objective compliance criteria.

Citation: Section 8.2- “Areas where cannabis is cultivated or handled must be equipped with air filtration and ventilation systems sufficient to remove or neutralize odor for exterior venting and to remove particulate contamination and volatile organic compounds for internally circulated air.”

- Response: Compliance will be judged by: (1) presence of equipment that is designed to remove particulate contamination and volatile organic compounds and rated for the facility size; (2) inspections to confirm that equipment is operated continuously.
- No changes made.

Comment 11: Section 9.2- Please provide clarification on the intent of this section so that we can better understand potential compliance requirements should it become applicable.

Citation: Section 9.2- “Financial Relationship.

9.2.1- Except for the lawful sale of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products in the ordinary course of business and as otherwise provided in the Code and these regulations, no cannabis business may offer, give, accept, receive, or borrow money or



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anything else of value or accept or receive credit from any other cannabis business. This prohibition applies to offering or receiving a benefit in exchange for preferential placement by a retailer, including preferential placement on the retailer's shelves, display cases, or website. This prohibition applies to every cooperative member or every director, manager, and general partner of a cannabis business.

9.2.2- This prohibition does not apply to merchandising credit in the ordinary course of business for a period not to exceed 30 days.

9.2.3- This prohibition does not apply to free samples of usable cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products packaged in a sample jar protected by a plastic or metal mesh screen to allow customers to smell the cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product before purchase. A sample jar may not contain more than eight grams of usable cannabis flower, more than eight grams of a cannabis concentrate, an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

9.2.4- This prohibition does not apply to free samples of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products provided to a retailer or cannabis wholesaler for the purposes of quality control and to allow retailers to determine whether to offer a product for sale. A sample provided for these purposes may not contain more than eight grams of usable cannabis flower, more than eight grams of a cannabis concentrate, an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

9.2.5- This prohibition does not apply to any fee charged by a licensed cannabis event organizer to a cannabis business for participation in a cannabis event.”

- Response: Sections 9.2 and 9.3 implement Minn. Stat. 342.23, subd. 5 and prohibit arrangements: (1) designed to circumvent the limitations on licensing; or (2) that would allow a well-financed company to obtain and abuse market power, such as buying shelf-space or subsidizing discounts. The statute expressly permits some arrangements: sale of cannabis products, provision of samples, and extending credit under specified terms.

DCR recognizes that the prohibited arrangements advance important policy goals for the State market—but those do not necessarily apply to tribal businesses. The general prohibition on vertical integration does not apply to tribally owned and regulated businesses. The Tribe has a legitimate interest in allowing preferential treatment through its supply chain, thus the exemption in 9.4 for contracts and financial relationship for contracts between Band-owned businesses.

Band-regulated businesses on state land are subject to 9.2 and 9.3 for relationships with businesses that are not Band-owned. For example, it would be a prohibited arrangement for a state-licensed cultivator to pay a Band-regulated dispensary to give prominent shelf-space to the cultivator's products.



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- No changes made.

Comment 12: Section 9.2.2- Does this section conflict with Section 9.2.1? Additionally, please provide a definition of “merchandising credit.”

Citation Section 9.2.2- “This prohibition does not apply to merchandising credit in the ordinary course of business for a period not to exceed 30 days.”

- Response: See above for explanation of why arrangements among Band-owned businesses are generally exempt from sections 9.2 and 9.3.

Merchandising credit means that a manufacturer or cultivator provides product to a retailer and the retailer has 30 days after receipt to pay for the products. That is a credit arrangement because it is effectively a loan of funds for purchasing inventory. The retailer has the opportunity to sell some, maybe all, of the product before paying for it.

- No changes made.

Effective Date: August 10, 2026.

The Department of Cannabis Regulation attached the final version illustrating the updates made as a result of reviewing the comments submitted. Copies of this regulation can be obtained at the Department of Cannabis Regulation and at [Department of Cannabis Regulation \(DCR\) | Mille Lacs Band of Ojibwe](#).

A handwritten signature in black ink, appearing to read "Hesta Hg", is written over a horizontal line.

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Date