



# *Mille Lacs Band of Ojibwe Indians*

*Executive Branch of Tribal Government  
Office of the Chief Executive*

*Via E-mail*

August 21, 2025

Sheldon Boyd, Speaker of the Assembly  
Carolyn Beaulieu, District I Representative  
Wendy Merrill, District II Representative  
Harry Davis, District III Representative

Re: Tribal-State Cannabis Compact

Dear Band Assembly:

Aaniin. The Minnesota's Office of Cannabis Management ("OCM") was established in 2023 as a result of Minnesota's legalization of recreational marijuana use. Ever since being sworn in as Chief Executive in July of 2024, my office has been receiving, reviewing, and commenting on OCM-produced rules and drafts of tribal-state cannabis compacts. *See* 4 MLBS § 3. Our internal discussions on these matters grew first into remote discussions with OCM, then into an in-person meeting and tour of the Lake Leaf Cultivation facilities, and finally into a fully negotiated Compact (Enclosure #1) that is now ready for Band Assembly review and ratification. *See* 3 MLBS § 3(f).

Although the Chief's Office led negotiations on behalf of the Band, we received special assistance from Solicitor General Caleb Dogeagle, MLCV Vice President of Strategic Growth Zach Atherton-Ely, Special Advisor on Government Affairs Jamie Edwards, and Department of Cannabis Regulation Executive Director Becky Houle. Former Corporate Commissioner Joseph Nayquonabe Jr., former Commissioner of Administration Darcie Big Bear, and Lake Leaf General Manager Aarik Robertson were also involved at various times.

I now humbly ask that the Band Assembly review and ratify this Compact at its earliest convenience. The earlier the Band Assembly is able to ratify this Compact, the earlier Lake Leaf can begin selling its crop to state-licensed cannabis businesses. Lake Leaf will also be able to begin establishing retail cannabis dispensaries outside the Mille Lacs Reservation, taking advantage of up to five state licenses permitted by the Compact. Lake Leaf will not open up these businesses without prior Band Assembly appropriations.

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Some key areas of the business model for Lake Leaf Cultivation include the following:

- The operation is expected to produce approximately 1,400 to 1,600 pounds of flower each month.
- Over 75% of this production will be sold as either bagged flower or pre-rolls. Additionally, Lake Leaf Cultivation aims to sell around 4,500 vape products and approximately 15,000 packages of edibles each month. (Please note that these numbers may vary depending on demand.)
- Besides serving its tribal clients, Lake Leaf Cultivation will need about 15 external dispensary clients to distribute its products.
- The State of Minnesota is issuing 150 dispensary licenses, with each licensee permitted to open up to five locations. Currently, only a few state-licensed dispensaries are operational, but openings are expected to increase significantly this fall. Lake Leaf Cultivation has received many requests from licensees for supply agreements.
- Finally, Lake Leaf Cultivation cannot formally enter into agreements with state licensees until the Band's compact with the State of Minnesota has been executed.

To aid the Band Assembly in its ratification process, my office has prepared a proposed resolution (Enclosure #4) for your consideration. Although the Compact may use some different words (or define some of the same words differently) from the Band's Cannabis Code, I am more than willing to work with the Band Assembly to reconcile any discrepancies. I also offer the following timeline to better highlight and overview on how the negotiations unfolded:

- July 3, 2024: The Minnesota Governor's Office releases its first draft of a Tribal-State Cannabis Compact. The draft's Attachment A is left incomplete.
- July 30, 2024: OCM releases its First Draft of Proposed Cannabis Rules to the Band for review and comment.
- August 27, 2024: The Band submits comments on OCM's First Draft of Proposed Cannabis Rules. (See Enclosure #5.)
- September 24, 2024: OCM releases its first draft of Attachment A to the Tribal-State Cannabis Compact.
- Late October 2024: The Band receives OCM's second version of the Tribal-State Cannabis Compact.
- February 12, 2025: The Band submits formal comments on OCM's Proposed Cannabis Rules as a part of the State's notice-and-comment rulemaking process. (See Enclosure #6.)
- Late March 2025: OCM officially adopts its Cannabis Rules.

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- April 3, 2025: OCM releases “Cannabis Compact 3.0,” which includes an Attachment A based on OCM’s finalized Cannabis Rules. Importantly, Attachment A does *not* include provisions from state regulations that are inapplicable to tribes.
- May 16, 2025: OCM releases “Cannabis Compact 4.0.”
- May 20, 2025: Governor Tim Walz signs Minnesota’s first Tribal-State Cannabis Compact (with White Earth Nation). The Band thereafter conducts a review to determine how the compact signed by White Earth differs from Cannabis Compact 4.0.
- July 10, 2025: OCM visits the Mille Lacs Reservation to tour the Lake Leaf facilities and conduct an in-person meeting with the Band’s negotiating team. Discussions are focused on White Earth provisions not included within Cannabis Compact 4.0, as well as the Compact’s definitions of “Indian Country” and “Tribally Regulated Land.” The Band proposes amendments to these definitions to account for the reservation boundary issue specific to Mille Lacs. The parties agree that the Band will submit the proposed amendments for review by the Minnesota Attorney General’s Office. The Band immediately submits the proposed amendments.
- July 21, 2025: The Band submits proposed revisions to Cannabis Compact 4.0. These proposed revisions include certain provisions agreed to within White Earth’s compact, as well as the previously submitted proposed amendments pertaining to the Mille Lacs Reservation boundary.
- July 30, 2025: OCM issues its response to the Band’s proposed revisions, rejecting some, accepting some in full, and accepting others in a modified form. Importantly, OCM accepts the Band’s request to include certain provisions from White Earth’s compact. Although OCM does not accept the Band’s proposed revisions to the definitions of “Indian Country” and “Tribally Regulated Land,” OCM addresses the matter by adding a new provision to the Compact’s “Miscellaneous” section. This provision reads as follows:

*F. Reservation. The State has taken the position in court proceedings that the Tribe’s reservation has not been diminished. For purposes of interpreting the terms Indian Country and Tribally Regulated Land in this Compact, the Tribe’s reservation shall mean all lands within the boundaries of the Mille Lacs Reservation established by the Tribe’s 1855 Treaty, 10 Stat. 1165.*
- August 8, 2025: The Band conducts its final meeting with OCM to discuss Metrc compliance and final revisions.

It is important to note that, every time OCM released a version of its latest Compact, the Band responded with comments, questions, and suggestions. Often times, we also engaged in formal meetings to ensure that our feedback was receiving the utmost attention. Finally, the Compact contains a “Most Favored Nations” clause, which means that, if any Minnesota tribe in the future negotiates a compact provision more favorable than that enjoyed by the Mille Lacs Band, then the Band may also exercise the rights to that same provision.

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Miigwech for considering this Compact for ratification. If approved, Government Affairs intends to schedule a formal signing ceremony between myself and Governor Walz. Should this momentous event come to fruition, the Band Assembly would certainly be welcome to attend.

Sincerely,



Virgil Wind  
Chief Executive

CC:

Chad Ambroday, MLCV General Counsel  
Zachary Atherton-Ely, MLCV Vice President of Strategic Growth  
Caleb Dogeagle, Solicitor General  
Jamie Edwards, Special Advisor on Government Affairs  
Becky Houle, Department of Cannabis Regulation Executive Director  
Jared Miller, Legislative Counsel  
Danielle Smith, Parliamentarian / Clerk of the Assembly  
Adam Candler, Senior Federal Government Advisor  
Hanna Valento, Legal and Policy Counsel

Enclosures:

1. Proposed Cannabis Compact between the Mille Lacs Band of Ojibwe and State of Minnesota
2. Attachment A to proposed Cannabis Compact
3. Attachment B OCM Letter on Behalf of Tribal Enterprises
4. Proposed Resolution Ratifying Cannabis Compact between the Mille Lacs Band of Ojibwe and State of Minnesota
5. MLBO Letter to OCM Regarding Draft Cannabis Rules (Aug. 27, 2024)
6. MLBO Letter to OCM Regarding Proposed Cannabis Rules (Feb. 12, 2025)