



Mille Lacs Band of Ojibwe
Department of Cannabis Regulation
Cannabis Regulations

GENERAL OPERATIONS

Document No. CR – 23

Effective: *Date*

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1. PURPOSE

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 Compact cannabis activity to comply with certain State laws and regulations.

2. STANDARD OPERATING PROCEDURES

A cannabis business must establish and maintain written and up-to-date standard operating procedures in accordance with these regulations.

2.1. Required Elements

2.1.1. Standard operating procedures must include:

- a. For cannabis businesses not on tribally regulated land, the implementation procedures for the general operational requirements of cannabis businesses under section 9 of this regulation;
- b. worker training procedures;
- c. worker safety procedures;
- d. the creation and entry of accurate data in the Department’s designated monitoring system and, as applicable, the statewide monitoring system as required under these regulations;
- e. as described in CR-8, the safe and sanitary storage of cannabis plants, cannabis flower, and cannabis products, including maintaining the cleanliness of any building or equipment that the business uses to store or display cannabis plants, cannabis flower, and cannabis products;
- f. as required under CR-15, the proper segregation and disposal of regulated product that:
 - i. is damaged;
 - ii. has a broken seal;
 - iii. has been contaminated;
 - iv. has not been sold by the expiration date on the label; or



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- v. is the subject of a recall under CR-16;
- g. the proper designation of authorized personnel for specified duties of the cannabis business and the procedure for issuing necessary worker identification for restricted-access areas;
- h. the proper designation of authorized personnel who have the authority to access, enter, and update private and nonpublic consumer data;
- i. procedures for ensuring that business associates implement, maintain, and follow physical and technological security measures to prevent unauthorized access to the cannabis business' data that is private and nonpublic, and to guard against activity that could cause errors or compromise data or processing integrity of the cannabis business' data;
- j. the procedure for responding to a data security breach. For a cannabis business operating outside of tribally regulated land, the procedures must be consistent with Minnesota Statutes, sections 325E.61 and 325E.64;
- k. if applicable, the procedure for providing samples of the business's regulated products for testing and research purposes as required by CR-11; and
- l. the procedures for compliance with 11 MLBS § 1, et seq. (Environment, Natural Resources, Animals and Plants);
- m. 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.
- n. 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);
- o. Procedures for ensuring entry to restricted access areas is recorded (with name, time of entry, and time of exit) in a manual or electronic entry log and limited to:
 - i. cannabis workers employed by or contracted with a cannabis business



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- ii. employees or representatives of the Department or another enforcement agency with lawful jurisdiction over the cannabis business;
- iii. contractors of the cannabis business (including but not limited to an electrician, a plumber, an engineer, or an alarm technician), whose scope of work will not involve the handling of cannabis flower or cannabinoid products, and, if the individual is working in an area with immediate access to cannabis flower and cannabinoid products, the individual is supervised at all times by a cannabis worker employed by the cannabis business;
- iv. individuals who are explicitly authorized by the Department to enter a restricted access area and, if the individual is in an area with immediate access to cannabis flower or cannabinoid products, the individual is supervised at all times by a cannabis worker employed by the cannabis business.
- p. Procedures for ensuring that all areas of entry to restricted areas within the licensed premises are conspicuously marked and cannot be entered without recording or logging the information required by 2.1.1.o.
- q. Procedures for ensuring that visitors (except for retail consumers in public areas of a retail facility) are accompanied by an escort employed by the cannabis business and shall not permitted entry to restricted-access areas, and for logging time of entry, time of exit, reason for visit, prior to allowing visitor entry.

2.2. Availability and Access

Standard operating procedures must be available on-site to all personnel and to the Department upon request.

3. RECORD KEEPING

3.1. Financial Records

- 3.1.1. Financial records of a cannabis business must be maintained according to this section. A cannabis business must maintain accurate and comprehensive financial records prepared in accordance with generally accepted accounting principles to document income and expenses, including:



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- a. cash logs;
 - b. sale records;
 - c. collection and remittance of taxes as required by 22 MLBS § 1, et seq. (Taxation) and applicable State law or tax agreement;
 - d. purchase of inventory;
 - e. invoices;
 - f. receipts;
 - g. deposit slips;
 - h. cancelled checks;
 - i. employee compensation records;
 - j. security records; and
 - k. vendor and business-to-business contact information.
- 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.
- 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.

3.2. Other Records

- 3.2.1. A cannabis business must comply with the record-keeping requirements in this item. A cannabis business must maintain all business records, including but not limited to the following, for five calendar years.
- a. worker and volunteer training records;
 - b. a security plan;
 - c. security testing and maintenance records;
 - d. a cultivation plan, if applicable;
 - e. cultivation records, if applicable;



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- f. standard operating procedures and verification records for manufacturing activities, if applicable;
- g. sanitation procedures and records;
- h. equipment maintenance procedures and records; and
- i. storage procedures and records.

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.

3.3. Audit

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.

4. DWELLING PROHIBITIONS

A cannabis business must not conduct an activity authorized by the Department in a dwelling. A cannabis business must conduct an activity approved by the Department in an area of the premises that personnel may access without passing through a dwelling space. This subpart does not apply to an activity that an individual is specifically authorized to conduct under applicable personal use, possession, and cultivation laws.

5. GENERAL FACILITIES REQUIRED

5.1. Toilet Facilities

Any physical location or site where employees routinely conduct activities authorized by the Department must have at least one toilet facility located on the premises in a completely enclosed room with a tight-fitting and self-closing door. Unless a toilet facility is being cleaned or maintained, the toilet room door must be kept closed.

5.2. Building and Fire Codes; Environmental and Workplace Safety

5.2.1. A cannabis business located outside of tribally regulated land must comply with chapter 5205; Minnesota Statutes, chapter 182; Code of Federal Regulations, title 29, part 1910; and all Minnesota state building and fire codes and federal and applicable state environmental and workplace safety requirements and policies.



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5.2.2. A cannabis business that engages in compacted cannabis activity only on tribally regulated land must comply with the Band’s building, fire, workplace safety, and environmental laws and policies.

6. WEIGHING AND MEASURING EQUIPMENT

A cannabis business that owns or operates weighing or measuring equipment for the purpose of entering data in the Department’s designated monitoring system or statewide monitoring system must comply with the standards of Minnesota Administrative Rules chapter 7601. A cannabis business must develop and use written procedures to ensure the consistent and accurate use of weighing and measuring equipment for mandatory controls and the accurate entry of weights and measurements into the statewide monitoring system. A cannabis business must maintain weighing and measuring equipment in a sanitary manner that does not contaminate any products.

7. USE OF CANNABIS WITHIN PREMISES OF CANNABIS BUSINESS

7.1. Employees

A cannabis business may not permit an employee of the licensed business to consume cannabis or cannabis products within its licensed premises or during working hours.

7.2. Consumers

A cannabis business may permit a qualifying consumer to consume products within its licensed premises if the cannabis business holds a retail license that permits on-site consumption. Consumption of cannabis onsite must be conducted in a designated area on the licensed premises that is dedicated to consumption and located in a limited-access area of the facility.

8. VENTILATION AND FILTRATION

8.1. Exterior Odor Mitigation

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.

8.2. Interior Air Quality



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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.

9. OPERATIONAL REQUIREMENTS APPLICABLE TO CANNABIS BUSINESSES THAT OPERATE OUTSIDE OF TRIBALLY REGULATED LAND

9.1. Applicability

This section applies only to cannabis businesses that have a principal place of business outside of the Band’s tribally regulated land.

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 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.



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- 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.

9.3. Exclusive Contracts

A cannabis business may not directly or indirectly make an agreement with a cannabis retailer that binds the cannabis retailer to purchase the products of one cannabis cultivator or cannabis manufacturer to the exclusion of the products of other cannabis cultivators or cannabis manufacturers. A cannabis retailer who is a party to a violation of this section or who receives the benefits of a violation is equally guilty of a violation.

9.4. Exemption for Financial Relationships and Contracts Between Band-Owned Businesses

Sections 9.2 and 9.3 of this regulation do not apply to financial relationships and contracts between cannabis businesses that are wholly-owned by the Band.