

### MARKETING, PROMOTIONS, AND ADVERTISING

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#### 1. PURPOSE

The purpose of this regulation is to set forth standards and a review process for marketing activities consistent with requirements under 15 MLBS §§ 1219 and Compact, Attachment A part 9810.1103.

#### 2. PRODUCT SAMPLES FOR MARKETING

### 2.1. Tracking of Product Samples

A cannabis business must record in the Department's designated monitoring system any sample or regulated product, except lower-potency hemp edibles, that the business provides to an individual. A cannabis business must not provide a sample or regulated product to a person who is under 21 years of age.

### 2.2. Samples for Businesses

- 2.2.1. When providing a sample to a retailer or wholesaler, a cannabis business must:
  - a. hold a valid license issued by the Department;
  - b. provide the sample to a retailer or wholesaler solely for the purpose of business-to-business marketing;
  - c. ensure that the sample was tested according to part [MLBO regulation cross-reference]; and
  - d. ensure that the sample is contained in product packaging in compliance with parts [MLBO Regulation cross-reference] and Minnesota Statutes, section 342.63.

#### 2.3. Samples for Workers

- 2.3.1. A cannabis business may provide a sample of a regulated product to a cannabis worker. When providing a sample to a cannabis worker, a cannabis business must:
  - a. ensure that the sample has been tested according to these regulations;
  - b. ensure that the sample is contained in product packaging in compliance with these regulations;
  - c. not provide a cannabis worker with more than one sample each calendar month, and no more than four samples each year.



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#### 3. PROMOTIONAL PRODUCTS

#### 3.1. When Permitted

Unless otherwise prohibited by applicable law or license condition, a cannabis business may provide regulated cannabis products at no cost to an employee or customer if it complies with all of the following provisions.

- 3.1.1. A promotional product must comply with all laws and regulations that would apply to the sale of such product at retail, such that it could be sold at retail in compliance with these regulations.
- 3.1.2. A cannabis business must comply with all procedures for a retail transaction in transferring a promotional product to an employee or customer. A cannabis business must enter the discount amount as 100% in the Department's designated monitoring system.
- 3.1.3. A cannabis business may not conduct more than one promotional transaction with an individual in each calendar month and may not conduct more than four promotional transactions with an individual each year.
- 3.1.4. A promotional transaction must be part of a bona fide retail promotion or employee incentive program.

#### 3.2. Relationship to Product Sample Regulations

A promotional transaction is not a product sample for purposes of applying this chapter.

#### 3.3. Unregulated Products

This section does not impose any restriction on promotions involving unregulated products.

#### 4. ADVERTISING

#### 4.1. General Requirements

A cannabis business may advertise in compliance with § 1219(a) of the Code and these regulations.

#### 4.2. Outdoor Advertisements

4.2.1. Department Approval Required



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A cannabis business may advertise its business on an outdoor sign with approval from the Department and in compliance with § 1219(a) of the Code.

#### 4.2.2. Approval Process

- a. At least 21 days before the planned start date for display any advertisement that is subject to section 4.1, the cannabis business must submit to the Department a copy of the proposed advertisement for the Department's review.
- b. Advertisements submitted for Department review must be in color, at a size sufficient to make all text readable. The submission must be accompanied by a description of the planned size and location of the advertisement, and if available a diagram or mock-up drawing of the advertisement in place.
- 4.2.3. Following receipt of a submission, the Department may:
  - a. Deny approval, in which case the cannabis business may not display the proposed advertisement.
  - b. Take no action, in which case the cannabis business may display the advertisement, but only to the extent that it is consistent with § 1219(a) of the Ordinance or applicable State law. The cannabis business remains liable for any violations of those laws arising from display of the advertisement.
  - c. Approve the advertisement, in which case the cannabis business may display the advertisement until directed otherwise by the Department. Approval under this section is an affirmative defense to any allegation that the advertising violated § 1219(a) of the Ordinance.

### 4.3. Target Audience for Advertising

4.3.1. A cannabis business may only publish an advertisement of cannabis flower, a cannabinoid product, or a cannabis business in any print publication or on radio, television, or any other medium if 70 percent or more of the audience of that medium is reasonably expected to be individuals who are over 21 years of age, as determined by reliable, current audience composition data.



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4.3.2. A cannabis business that engages in advertising subject to section 4.3.1 must maintain documentation (with supporting data) of its determination that such advertising complies with the audience composition standard of section 4.3.1.