



Mille Lacs Band of Ojibwe
Department of Cannabis Regulation
Cannabis Regulations

VENDOR LICENSING

Document No. CR – 4

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Contents

| | |
|---|---|
| 1. PURPOSE | 2 |
| 2. VENDOR LICENSES REQUIREMENTS AND ELIGIBILITY | 2 |
| 2.1. Persons Required to Possess a Vendor License | 2 |
| 2.2. Persons Eligible to Possess a Vendor License | 2 |
| 2.3. Suitability Determination Criteria | 2 |
| 2.4. Suitability Determination Procedure | 3 |
| 2.5. Vendor License Renewals | 4 |
| 3. MISCELLANEOUS LICENSING MATTERS | 5 |
| 3.1. Conditional Vendor Licenses | 5 |
| 3.2. Vendor Licensee Continuing Duties | 5 |



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1. PURPOSE

The purpose of this regulation is to set forth the standards, processes, and procedures by which: (1) Persons outside of the Band's Tribally Regulated Land may seek non-transferable Vendor Licenses for the privilege of participating in Commercial Cannabis Activity under the laws and regulations of the Band, and (2) the Department shall review and process Vendor License applications, including determinations of a Person's suitability to possess a License.

2. VENDOR LICENSES REQUIREMENTS AND ELIGIBILITY

2.1. Persons Required to Possess a Vendor License

- 2.1.1. A Person may apply for a Vendor License for any combination of the following endorsements: Commercial Seller, Commercial Purchaser, Transport, and Testing.
- 2.1.2. Any Person who seeks to sell Cannabis Product or Cannabis Flower to a Licensee must hold a Vendor License with a Commercial Seller endorsement.
- 2.1.3. Any Person who seeks to purchase Cannabis Product or Cannabis Flower from a Licensee must hold a Vendor License with a Commercial Purchaser endorsement.
- 2.1.4. Any Person who seeks to transport Cannabis Product or Cannabis Flower to or from a Licensee must hold a Vendor License with a Transport endorsement.
- 2.1.5. Any Person who seeks to test Cannabis Product or Cannabis Flower for a Licensee must hold a Vendor License with a Testing endorsement.

2.2. Persons Eligible to Possess a Vendor License

- 2.2.1. To be eligible for a Vendor License, an applicant must be a Person that is located outside of the Band's Tribally Regulated Land, submit an application for a Vendor License, be determined suitable to possess a Vendor License by the Department in accordance with Section 2.3, and pay all required Vendor License application fees.

2.3. Suitability Determination Criteria

- 2.3.1. The Department shall find an applicant suitable to hold a Vendor License for the endorsement(s) sought only if such Person demonstrates to the satisfaction of the Department, in its sole discretion, all of the following criteria:



Mille Lacs Band of Ojibwe
Department of Cannabis Regulation
Cannabis Regulations

VENDOR LICENSING

Document No. CR – 4

Effective: *Date*

- a. the Person holds a valid cannabis license issued by an Indian tribe located within the State of Minnesota or by the State of Minnesota that authorizes the Person to engage in the Cannabis Commercial Activities for which the Person seeks a Vendor License; and
 - b. if the Person holds a valid cannabis license issued by an Indian tribe located within the State of Minnesota, the license was issued by an Approved Tribal Cannabis Licensing Agency, which is an agency that the Department has determined is effectively regulating cannabis within its jurisdiction and for the specific endorsement(s) sought based on the Department's review of the tribal government cannabis licensing agency's relevant cannabis laws and regulations, specifically including its procedures for vetting and backgrounding licensees, as well as any additional materials requested by the Department.
- 2.3.2. If a Person applies for a Vendor License and seeks multiple endorsements, the Department shall undertake an independent review of the criteria under Section 2.3.1 for each endorsement sought, and may issue a Vendor License with all or some of the endorsements sought, or may deny the applicant as unsuitable in all endorsement categories.

2.4. Suitability Determination Procedure

- 2.4.1. The Department will use the following suitability determination procedure for assessing an applicant's suitability for a Vendor License:
- a. Upon submission of an application for a Vendor License, the Executive Director of the Department shall first review the application for completeness. The Executive Director shall provide notice to the applicant of whether the application is complete or incomplete with 30 calendar days of submission of the application to the Department.
 - b. If an application is incomplete, the Executive Director shall provide the applicant with notice and a reasonable opportunity to remedy any deficiencies. If the applicant fails to remedy all deficiencies within 60 calendar days of receipt of notice by the Executive Director, the Executive Director shall deny the application.
 - c. If the application is complete, the Executive Director shall provide the applicant with notice, shall review the application, and shall determine whether to recommend that the applicant is suitable for a Vendor License.



Mille Lacs Band of Ojibwe
Department of Cannabis Regulation
Cannabis Regulations

VENDOR LICENSING

Document No. CR – 4

Effective: *Date*

- d. The Executive Director shall submit their recommendation to grant or deny the application to the Board for approval.
- e. The Board shall consider the Executive Director's recommendation and may approve it, approve it subject to modifications or conditions, or not approve it. The Board's decision on the Vendor License application shall be made within 30 calendar days of the applicant's submission of all required documentation to the Department.
- f. If the Board determines that an applicant is suitable for a Vendor License, it shall inform the applicant by letter, with a copy of its approved Vendor License enclosed. The Vendor License shall be effective on the date of approval by the Board.
- g. If the Board determines that the applicant is not suitable for a Vendor License, the Board shall inform the applicant by letter. If the reasons for ineligibility are of a nature that are reasonably capable of cure, the Board may, at its discretion, identify the reasons giving rise to its determination of unsuitability and, if the applicant so desires, it may resubmit its application for reconsideration.
- h. If an applicant is deemed unsuitable by the Board with no further opportunity to cure, or an application is deemed incomplete and the applicant either is unable or unwilling to supply a complete application, the Board shall inform the applicant by letter of its decision and retain the application fee.
- i. The Department may require the submission of any additional documents, materials or information, and may conduct interviews of any Persons associated with the applicant, it deems reasonably necessary to make a suitability determination.

2.5. Vendor License Renewals

- 2.5.1. Vendor Licenses must be renewed every two (2) years.
- 2.5.2. No less than 30 and no more than 90 days prior to the expiration of its License, a Licensee must submit to the Department an application for renewal of its Vendor License on a form provided by the Department for that purpose.
- 2.5.3. The form referenced in Section 2.5.2 shall include instructions for the Licensee to submit any changes to the Licensee's status; state that failure to declare any



Mille Lacs Band of Ojibwe
Department of Cannabis Regulation
Cannabis Regulations

VENDOR LICENSING

Document No. CR – 4

Effective: *Date*

such changes in status is a violation of Department Regulations subject to revocation; and provide instructions for payment of renewal application fees to the Department.

- 2.5.4. Suitability determinations are not required for Vendor License renewal applications but may be performed at the discretion of the Department.

3. MISCELLANEOUS LICENSING MATTERS

3.1. Conditional Vendor Licenses

The Department may, at its discretion and based on the totality of the circumstances, issue a Conditional Vendor License, not to exceed 120 days, to a Person that the Department has determined violated the Code or these Regulations, but desires to allow the Vendor Licensee to continue to engage in activity authorized under the Vendor License under certain conditions to ensure compliance.

3.2. Vendor Licensee Continuing Duties

- 3.2.1. Vendor Licensees have a continuing duty to disclose information required by the Department and to fully cooperate in any investigation conducted by or on behalf of the Department.
- 3.2.2. If any information provided by a Vendor Licensee to the Department at any time changes or becomes inaccurate or outdated in any way (including but not limited to information provided during the original Suitability Determination, renewal, or subsequent investigation) so that updates become necessary, the Licensee or Employee shall promptly provide written notification to the Department.



Mille Lacs Band of Ojibwe
Department of Cannabis Regulation
Cannabis Regulations

VENDOR LICENSING

Document No. CR – 4

Effective: *Date*

Appendix A – Definitions

The Department intends to develop a separate MLBO Cannabis Regulation that sets forth all relevant definitions for the Cannabis Regulations. However, in the interest of encouraging robust notice and comment, the Department is providing the following definitions of terms that are found in this Licensing Regulation:

The following terms used through this regulation shall have the following meanings:

- (1) “Background Check” means an examination of the civil, criminal, and financial history of a True Party of Interest of a Business License applicant or an Employee of the holder of a Business License in order to determine if the applicant or Employee is suitable for a License. The results of a Background Check serve as the informational basis of a Background Check Report.
- (2) “Background Check Report” means a report summarizing a Background Check in association with a License suitability determination.
- (3) “Band” means the Mille Lacs Band of Ojibwe, a federally recognized Indian tribe.
- (4) “Board” means the Department of Cannabis Regulation Board established pursuant to the Code.
- (5) “Business License” means permission to operate a cannabis business in a specific category issued by the Department pursuant to the Code and the Regulations.
- (6) “Cannabis Flower” means the harvested flower, bud, leaves, and stems of a cannabis plant. Cannabis flower includes adult-use cannabis flower and medical cannabis flower. Cannabis flower does not include cannabis seed, industrial hemp, or hemp-derived consumer products.
- (7) “Cannabis Product” means:
 - a. cannabis concentrate;
 - b. a product infused with cannabinoids, including but not limited to tetrahydrocannabinol, extracted or derived from cannabis plants or cannabis flower;
 - c. any other product that contains cannabis concentrate; or
 - d. a product infused with artificially derived cannabinoids; and includes adult-use cannabis products, including but not limited to edible cannabis products and medical cannabinoid products, and does not include cannabis flower, artificially



Mille Lacs Band of Ojibwe
Department of Cannabis Regulation
Cannabis Regulations

VENDOR LICENSING

Document No. CR – 4

Effective: *Date*

derived cannabinoid, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products.

- (8) “Code” means the Department of Cannabis Regulation Code, 15 MLBS §§ 1201-1225.
- (9) “Commercial Cannabis Activity” means cannabis cultivation activities, cannabis manufacturing activities, cannabis wholesale activities, cannabis retail activities, cannabis testing activities, cannabis event organizing activities, lower-potency hemp edible manufacturing activities, and lower-potency hemp edible retail activities.
- (10) “Compact” means the Cannabis Compact between the Mille Lacs Band of Ojibwe and the State of Minnesota.
- (11) “Complete Application” means an application that includes all information submitted by the applicant as required by the Code and under these Regulations in a form or forms prescribed by the Department.
- (12) “Department” means the Mille Lacs Band of Ojibwe Department of Cannabis Regulation.
- (13) “Employee” means a natural person who participates in Commercial Cannabis Activity on behalf of a Licensee, including a Key Employee, who is not a True Party in Interest. An “Employee” includes employees, independent contractors, paid or unpaid interns, volunteers or any other person in privity of contract with a Licensee who (i) regularly perform job duties at or within a cannabis facility, or (ii) qualifies as a Key Employee, irrespective of whether he or she regularly performs job duties at or within a cannabis facility.
- (14) “Employee License” means permission to be employed by a cannabis business operating under a Business License issued by the Department pursuant to the Code and the Regulations.
- (15) “Employee Licensee” means the holder of an Employee License issued by the Department.
- (16) “Executive Director” means the Executive Director of the Department established under the Code, or his or her designee.
- (17) “Illicit Organization” means any organization that operates in contravention of Band law, or in contravention of state or federal law not in conflict with Band law, including but not limited to criminal enterprises, gangs, cartels or other organizations participating in, or aiding and abetting, criminal activity.
- (18) “Key Employee” means an Employee who has day-to-day management responsibilities over the staff, finances, inventory or business operations of a Licensee. It includes the general and assistant managers of the Licensee, and if otherwise not



Mille Lacs Band of Ojibwe
Department of Cannabis Regulation
Cannabis Regulations

VENDOR LICENSING

Document No. CR – 4

Effective: *Date*

included, the two most highly compensated Employees of the Licensee. It also includes any Employee who is determined to be a Key Employee by the Department.

- (19) “License” means a Business License or an Employee License.
- (20) “Licensee” means the holder of a Business License issued by the Department.
- (21) “Limited Access Area” means those areas of a Licensee’s facility that are accessible only by individuals who are over 21 years of age.
- (22) “Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority, or other business entity.
- (23) The phrase “Privity of contract,” as used in association with the definition of an Employee refers to any individual who is in a contractual relationship with a cannabis business, including individuals who are bound by duties or obligations to, or in association with, a corporate charter, operating agreement, partnership agreement or other governing document of a Licensee.
- (24) “Public Access Area” means those areas of a Licensee’s facility that are open to the general public and not constituting a Limited Access Area.
- (25) “Regulation” or “Regulations” mean the regulations promulgated by the Department to implement the Code.
- (26) “Safety and Security Check” means the Department’s review of an applicant’s safety and security plan, lighting plans and applicable building plans and specifications and in association with a proposed cannabis facility. The results of the Safety and Security Check serve as the informational basis of a Safety and Security Check Report.
- (27) “Safety and Security Check Report” means the report summarizing a Safety and Security Check.
- (28) “Transport Endorsement” means a Business License designation authorizing an eligible Licensee to engage in the transport of immature cannabis plants and seedlings, cannabis flower, and cannabinoid products.
- (29) “Tribally Regulated Land” shall mean:
 - a. all land held in trust by the United States for the benefit of the Band;
 - b. all land held by the Band in restricted fee status; and
 - c. all land within the exterior boundaries of the 1855 Mille Lacs Reservation that is subject to the civil regulatory jurisdiction of the Mille Lacs Band of Ojibwe Tribal Government. For the purposes of this definition, land that is subject to the civil regulatory jurisdiction of the Band includes:



Mille Lacs Band of Ojibwe
Department of Cannabis Regulation
Cannabis Regulations

VENDOR LICENSING

Document No. CR – 4

Effective: *Date*

- i. trust land, or fee land held (including leased land) by the Band, entities organized under Band law, or individual Indians; and
 - ii. land held (including leased land) by non-Indian entities or individuals who consent to the civil regulation of the Band or are otherwise subject to such regulation under federal law.
- (30) “True Party of Interest” has the meaning ascribed to that term under Minnesota Statutes, section 342.185, subd. 1(g).
- (31) “Vendor Licensee” means the holder of a Vendor License issued by the Department.