



CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	Pamela Whitmore
Meeting Date:	Tuesday, January 23, 2024
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Consider Adoption of an Ordinance Amending Interim Cannabis Prohibition
Background Information:	<p>The City adopted Ordinance 23-015 on July 27, 2023 to allow the City Council time to study and consider adoption or amendment of reasonable restrictions on the operation or location of commercial businesses related to cannabinoid products, including retail stores in the City of Marshall offering Cannabis products, and Lower-Potency Hemp products, for the purpose of protecting the planning process and the health, safety, and welfare of the public. Although certain nuisance factors, including noise and odor, exist from manufacturing from seed to product, the Council has learned that with the Lower-Potency Hemp beverages, the manufacturing is not typically produced from seed to product, but instead, the manufacturers, such as breweries, purchase the THC in a liquid form and mix it with various seltzers to produce the THC-infused beverages. This type of manufacturing is less of a nuisance concern and allowing these Lower-Potency Hemp beverages to be manufactured at facilities that already produce intoxicating beverages represents a reasonable extension of their business and product lines, as long as it is not produced from the plant.</p> <p>Commercial businesses involved in limited manufacturing, and the transporting, or delivery and distribution of that infusion based lower potency hemp beverages do not pose a risk to the health, safety and welfare of the public since the operation of those businesses do not result in an introduction of THC related intoxicating products for off sale use by the public within the City of Marshall. Commercial businesses involved in testing, manufacturing, transporting, or delivery and distribution of lower potency hemp edibles and hemp-derived consumer products would not result in increased exposure or availability of these intoxicating products to youth in the community. Opportunities exist for commercial businesses in the City to provide services involving the manufacturing, transporting, or delivery and distribution of lower potency hemp beverages; and that opportunities exist for commercial on-sale liquor licensed establishments to sell lower potency hemp beverages on their premises, all of which will benefit commerce in the City. The Legislative and Ordinance Committee met on January 9th and recommended that registration fees be waived during 2024 and a fee/registration process begin in 2025.</p>
Fiscal Impact:	
Alternative/ Variations:	
Recommendations:	To adopt Ordinance 24-002 Amending Ordinance 23-015 Interim Cannabis Prohibition to allow the manufacture of THC beverages by brewers and distilleries, and to allow on-site consumption of THC beverages of on-sale intoxicating liquor license holders and authorize its summary publication pursuant to MN Statute 412.191.