



## CITY OF MARSHALL AGENDA ITEM REPORT

<b>Presenter:</b>	Pamela Whitmore
<b>Meeting Date:</b>	Tuesday, June 13, 2023
<b>Category:</b>	STAFF REPORTS
<b>Type:</b>	INFO/ACTION
<b>Subject:</b>	Cannabis/Lower Potency Hemp Product Interim Ordinance
<b>Background Information:</b>	<p>The Minnesota Legislature has recently passed HF100/SF73 (the “Cannabis Act”) which legalizes the sale, transport, cultivation, and manufacturing of Cannabis and Hemp products in Minnesota. The Cannabis Act establishes a regulatory framework for Cannabis Businesses, as well as the Hemp Businesses, and creates a state agency called the Office of Cannabis Management (“OCM”) to oversee this framework. The OCM will be created effective July 1, 2023, and will perform expedited rulemaking. It is anticipated that the rollout of this rulemaking will be complicated and challenging. The OCM has further been tasked with creating a model ordinance for cities to use when establishing allowable regulation on Cannabis and hemp products.</p> <p>Under Minnesota Statute 462.355 subd. 4(a), as well as the City’s general police powers in its Charter and state law, the Council has the authority to prohibit the retail sales of Cannabis products and lower potency hemp products, as well as the establishment of any Cannabis and hemp businesses within the City for up to one year from the adoption of the moratorium to allow Council time to conduct studies related to these businesses and sales. The moratorium can be lifted by the Council at any time. The City has no authority to prohibit the personal use or personal growing/cultivating allowed under the Act.</p> <p>Staff is recommending that the Council adopt the temporary interim ordinance prohibiting any business, person, or entity from offering for retail sale, wholesale, testing, commercial growing, commercial cultivating, manufacturing, transporting, delivering or commercial distribution of Cannabinoid Products, including Cannabis Products, Lower-Potency Hemp Edibles, or Hemp-Derived Consumer Products, including the establishment or operation as a Cannabis Business or Lower Potency Hemp Business within the jurisdictional boundaries of the City of the City of Marshall. The City shall not process, or act on any application, site plan, building permit, or other zoning approval for a business, person, or entity proposing to engage in the sale of any Cannabinoid Products, including Cannabis Products, Lower-Potency Hemp Edibles, or Hemp-Derived Consumer Products. This moratorium does not relate to the retail sale of Hemp Derived Topical Products, or Hemp Derived Fiber Products. The moratorium also does not relate to the sale of edible cannabinoid products as that term is defined in current statute, 151.72, subd. 1, in exclusive liquor stores.</p>
<b>Fiscal Impact:</b>	None
<b>Alternative/ Variations:</b>	Other options include (1) waiting until after July 1, 2023 (Cannabis Bill’s effective date) to put an Interim Ordinance in place on only the higher-level Cannabis Businesses under the Bill’s special interim ordinance provision; or (2)do nothing and wait until Office of Cannabis Management to start licensing
<b>Recommendations:</b>	Discuss interim ordinance creating a temporary moratorium under Minnesota statute 462.355, as well as the City’s general police powers under its Charter, on the retail sale of Cannabis Products and Lower Potency Hemp Edibles.

	<p>And</p>
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	<p>Have first reading on ordinance if Council agrees to instate interim ordinance.</p>
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