



# Review of Cannabis Related Ordinance & Tobacco Amendments

November 19, 2024

# Agenda



- State Law Changes Legalization of Cannabis
- Need for ordinance changes (State law changes)
  - Most handled at state related to regulatory framework
  - Limit local control options
- Local Regulatory Options Being Reviewed
- Additional regulations regarding tobacco to consider
- Next Steps

# Cannabis Law Changes



- Under the State Law, local governments may register cannabis businesses and enforce certain zoning regulations within their jurisdiction, but they may not require additional licensing of cannabis businesses
- A local government unit may, by ordinance, limit the number of licensed cannabis retailers, cannabis mezzobusinesses with a retail operations endorsement, and cannabis microbusinesses with a retail operations endorsement to no fewer than one registration for every 12,500 residents
  - There is no upper limit or cap imposed by the State on the number of cannabis retail businesses but local ordinance may limit the maximums

# Cannabis Law Changes



- Staff drafting cannabis ordinance amendments in response to MN Session Law Chapter 63, which legalized adult-use cannabis and established a regulatory framework
- State of Minnesota's Office of Cannabis Management handles is expected to begin licensing cannabis businesses delayed to mid-2025
- Amendments herein focus on licensing (limited local control), permitted cannabis business locations, Zoning Code definitions and standards, and distance requirements

# Areas of Local Licensing Under Review (policy options) Cannabis



- Penalties for violations – proposing alignment of liquor/tobacco training, penalties, etc.
- Use restrictions (City already limits to the extent allowed – public places such as parks, right of way)
- Social host ordinance already includes cannabis based on last council update

# Staff Framework for Ordinance Amendments



- Review existing other legal, controlled substances (intoxicating beverages, tobacco, hemp-derived THC products) to try and create more alignment across the local regulations as might be allowed by statute
- Identify where areas of “gaps” may exist in the law that local regulations could still address areas

# Definitions



- Cannabis Cultivation means a cannabis business licensed to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant, harvest cannabis flower from mature plant, package and label immature plants and seedlings and cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the office.
- Cannabis Retail Businesses means a cannabis retailer location and the retail location(s) of a mezzobusinesses with a retail operations endorsement, microbusinesses with a retail operations endorsement, medical combination businesses operating a retail location, excluding lower-potency hemp edible retailers.
- Cannabis Retailer means any person, partnership, firm, corporation, or association, foreign or domestic, selling cannabis product to a consumer and not for the purpose of resale in any form.



- Lower-potency Hemp Edible is defined under Minn. Stat. § 342.01, subd. 50.
- Lower-potency Hemp Edible Retailer means a person or entity licensed or authorized to acquire, possess, transfer, sell, dispense, or distribute lower-potency hemp edible products and related supplies and products pursuant to Minnesota Statutes, Chapter 342.
- Office of Cannabis Management means the Minnesota Office of Cannabis Management, referred to as “OCM” in this article.
- Preliminary License Approval means OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stat. § 342.17.
- Retail Registration means an approved registration issued by the city to a state-licensed cannabis retail business or lower-potency hemp edible retailer.
- Registered Retail Business means either a cannabis retail business or lower-potency hemp edible retailer with a valid retail registration issued by the city.





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- Registered Retail Business means either a cannabis retail business or lower-potency hemp edible retailer with a valid retail registration issued by the city.
- State License means an approved license issued by the State of Minnesota's Office of Cannabis Management to a cannabis retail business.
- Temporary cannabis event means a cannabis event lasting no more than four days, organized by a holder of a cannabis event organizer license pursuant to Minn. Stat. § 342.39 and subject to the requirements of Minn. Stat. § 342.40.

# LDC Definitions



- Wholesale or Commercial Cannabis Cultivator. An establishment used for the growing, storage, and sale of legal cannabis seeds and plants and lower-potency hemp seeds and plants cultivated locally for retail or wholesale sales.
- Cannabis retail: A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower, plants, cannabis products, including cannabis products sold for on-site consumption.



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# Possible zoning districts

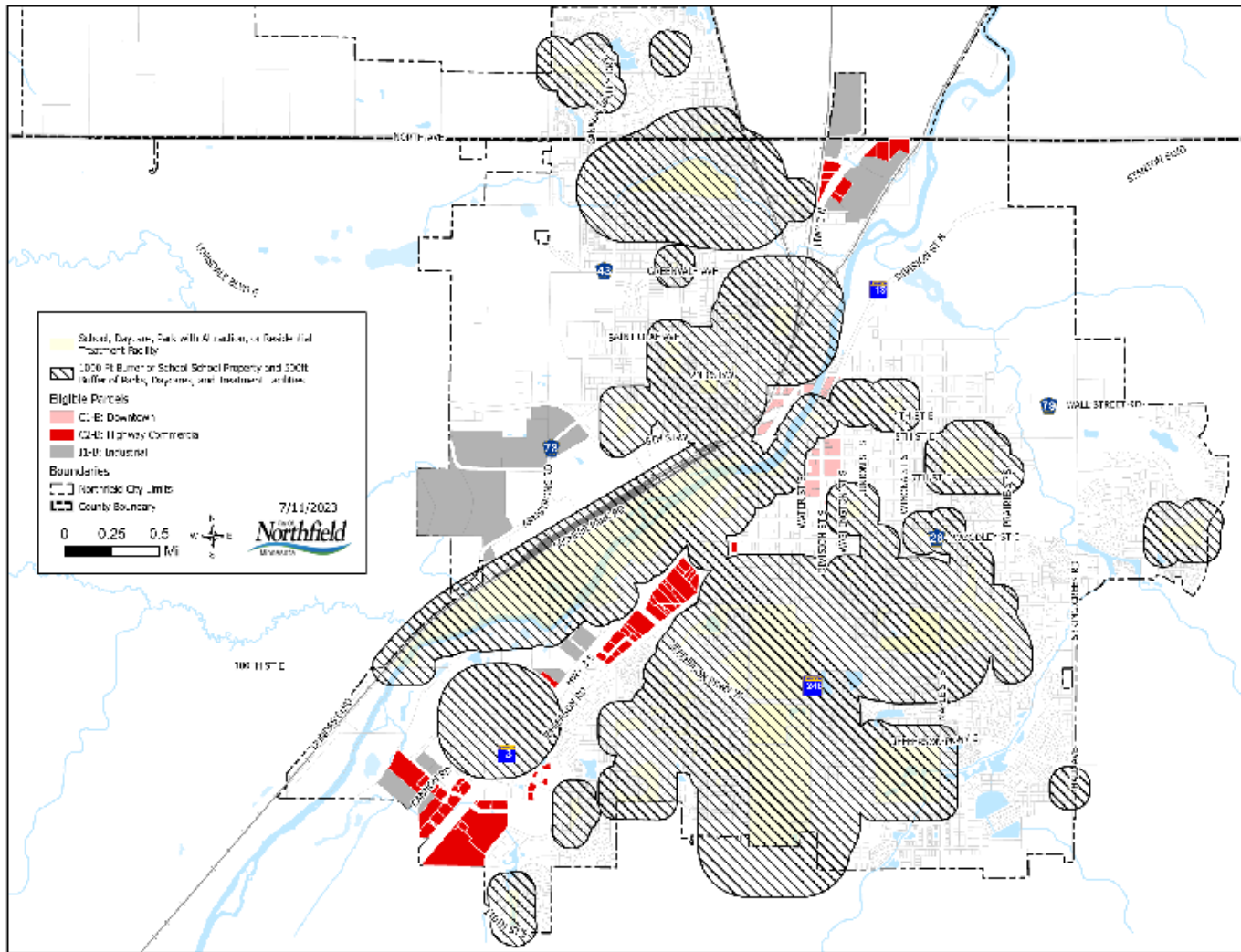


- Cannabis Retail. Cannabis retail businesses are permitted as either a permitted or a conditional use in the following zoning districts:
  - (1) NC-F Neighborhood Center Floating
  - (2) C1-B Downtown
  - (3) C2-B Highway Commercial
  - (4) I1-B Industrial
  - (5) A-S Agricultural
  - (6) PI-S Public & Institutional

# Possible distance restrictions



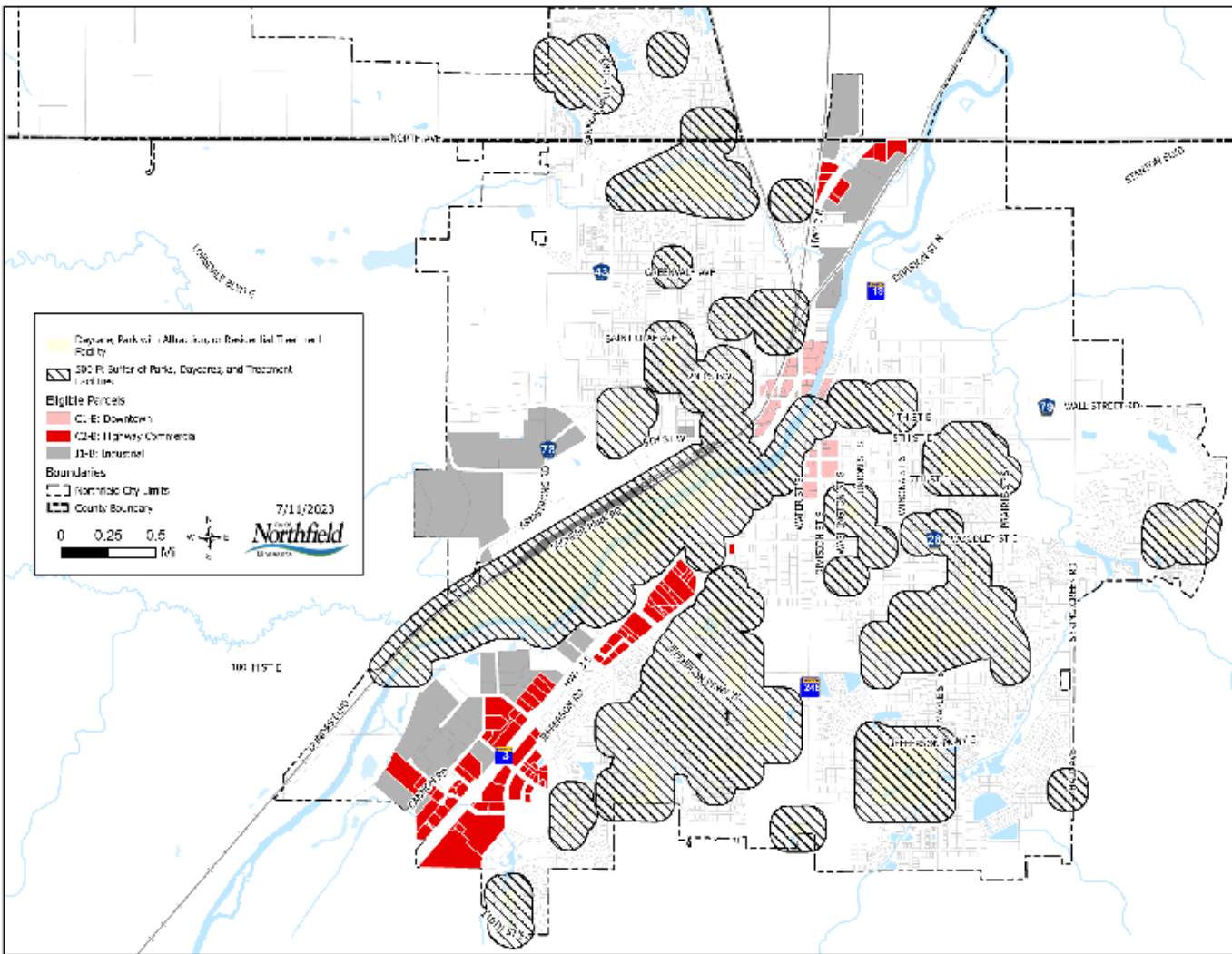
- (1) The city shall prohibit the operation of a cannabis retail business within 300 feet of a school.
- (2) The city shall prohibit the operation of a cannabis retail business within [300] feet of a day care.
- (3) The city shall prohibit the operation of a cannabis retail business within 500 feet of a residential treatment facility.
- (4) The city shall prohibit the operation of a cannabis retail business within 1,320 feet of another cannabis retail business.



Maximum  
 distance  
 from  
 potential  
 use  
 conflicts



500 feet  
from  
other  
potential  
use  
conflicts

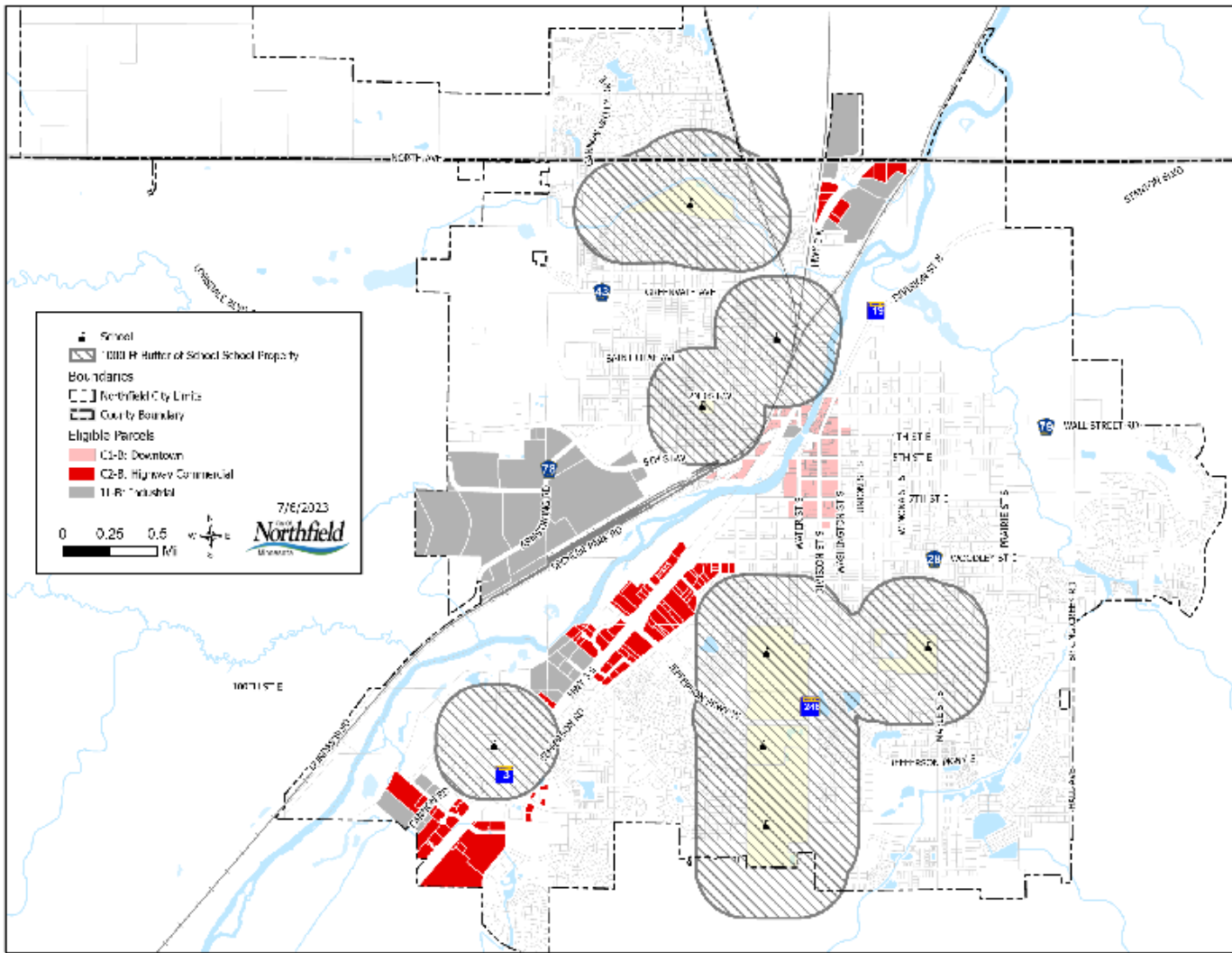








1000 feet  
from  
schools



# Tobacco Additional Regulations for Consideration



- Rice County added additional restrictions beyond Northfield current ordinance standards
  - Coupons/Discounts
  - Flavors (including menthol)
  - Delivery Sales Prohibition
- Draft ordinance recommended by staff & Attorney's Office include these but can be amended to removed at Council discretion

# (13) Flavors (& Menthol) Restriction



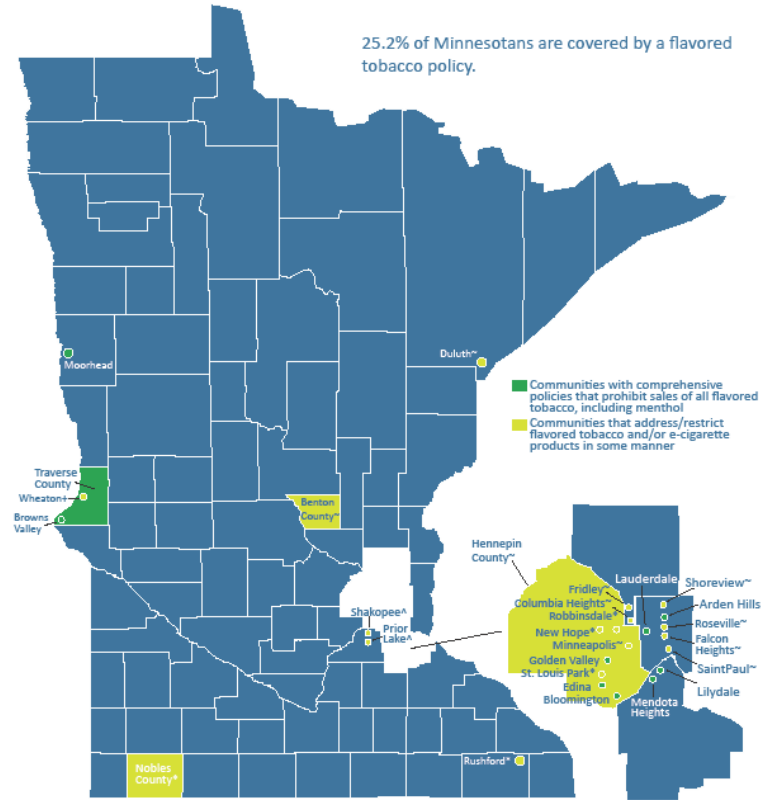
- These products increase initiation in all populations by masking the harsh taste of tobacco and nicotine
  - Flavors like menthol and clove also provide a numbing effect that leads to longer breath-holding
    - Quitting flavored products is more difficult
  - Overwhelmingly, youth start tobacco with flavored products
- A flavored product prohibition has a strong potential to subvert youth initiation and use
- 3/4 of youth flavored tobacco users would stop if the products were not flavored
  
- Rice County Public Health recommendation
  - Prohibit flavors including menthol



# Flavored Tobacco Restrictions

- 25.2% of Minnesotans are covered by a flavored tobacco policy

## Minnesota communities addressing the sale of flavored commercial tobacco products



\*Restricts sales of fruit- and candy-flavored tobacco products, excludes menthol

\*\*Restricts sales of all flavored tobacco products, includes menthol

+Prohibits sales of all menthol cigarettes, flavored cigars, and flavored chewing tobacco, excludes flavored e-cigarettes/vaping devices

^Prohibits sales of flavored e-cigarettes/vaping devices, excludes menthol cigarettes, flavored cigars, and flavored chewing tobacco

# (14) Delivery Sales Prohibition



- Prohibiting delivery sales is an effective means of curtailing underage access to tobacco
  - This approach recognizes the challenges inherent in trying to effectively monitor online retailers and prevent underage access to the enormous numbers of e-cigarette products found online, acknowledging that age verification processes do not prevent underage persons from obtaining e-cigarettes and other licensed products online
- State and local jurisdictions are increasingly choosing to completely prohibit sales conducted by any means other than in-person, over-the-counter sales transactions in a licensed retail establishment
- Rice County Public Health recommendation
  - Prohibit delivery sales



# Municipal Option (further review not with ordinance update)



- **Municipal Option**

- Separate from private licenses and does not count toward any minimum license required by State
- Staff continuing due diligence on providing analysis and Council policy considerations whether to consider this option or not
- Current Municipal Liquor Goals (for comparison alignment of “why” potentially consider municipal cannabis)
  - A. To Control the Sale of Alcohol;
  - B. To Provide Revenue to Supplement Traditional Tax & Fee Revenue;
  - C. To Provide an Economic Stimulus to the Central Business District;
  - D. To Provide a Convenient Location for Residents to Purchase Alcohol.

# Next Steps



- Likely in Q1 2025
- Draft ordinances revised for review by Planning Commission & Northfield Alliance for Substance Abuse Prevention (Northfield ASAP)
- Public Hearing for LDC Ordinance Amendment
- Council Additional Review: Municipal dispensary (Q1-2 2025)

Questions?