



Review of Cannabis Related Ordinance Amendments

March 31, 2025

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
- Cannabis Use and the Law
- Local Regulatory Options Being Reviewed
- Tobacco Ordinance Related Amendments
- Next Steps

Cannabis Law Changes



- Spring 2024 – Staff began drafting amendments pursuant to MN Session Law Chapter 63, legalizing adult-use cannabis
- March 2025 – State of Minnesota’s Office of Cannabis Management closed applications for first round of licenses
- Two sections of code amendments:
 - Chapter 34 – Land Development Code (Community Development)
 - Chapter 30 – Health and Sanitation (City Clerk)

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

Policy considerations: City Legislative Code



Chapter 30: Health, safety and sanitation

- **City role:**
 - Register businesses
 - Determine number
 - Oversight/control of underage use
 - Compliance
- **State role:**
 - Issue license types
 - Enforcement/penalty
 - Establish rules

Chapter 34: Land development code

- **City role:**
 - Establish time, manner, place
 - Buffer/distance from schools etc.
 - Distance separation from similar uses
 - Appropriate zoning districts
- **State role:**
 - Establish license types
 - Establish rules

Policy considerations: Chapter 34



- Limit retail within 300 feet of: K-12 schools
- Separate cannabis retail from other cannabis retail by 1,320 feet
- Stand-alone retail allowed as a conditional use in C2 (highway commercial areas) and I1 (industrial areas)
- Full-stack facilities (eg; microbusiness and mezzobusiness) permitted by right in industrial areas and as conditional uses if greater than 15,000 square feet and/or in highway commercial areas

Policy considerations: Future regulations



- Lower-potency hemp products
 - State in process of establishing new guidance
- Existing lower-potency hemp retailers
 - Intent in state rules for existing retailers to apply for state license
- Municipal adult-use cannabis dispensary (as an enterprise)



Adult-use cannabis under the law



- Only sold to and by people 21+
- Can not smoke/vape near minors, including in residential settings
- Illegal to operate a motor vehicle while intoxicated/under the influence
- Can not serve alcohol to someone under the influence of cannabis (and vice versa)

Adult-use cannabis: local control



- 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

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 supplement Traditional Tax & Fee Revenue;
 - C. To support the retail environment.

Next Steps



- Planning Commission recommend land development (zoning) code amendment April 17, 2025
- City Council hold first reading licensing amendment April 2025
- Cannabis ordinance(s) adopted June 2025
- State expects to issue licenses in 2nd Quarter 2025
- Municipal cannabis and low-potency hemp considerations forthcoming from state
- Additional tobacco considerations (flavored, menthol, co-location with low-potency hemp products) forthcoming

Questions?

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