



Legislation Text

File #: 24-443, **Version:** 1

City Council Meeting Date: July 9, 2024

To: Mayor and City Council
City Administrator

From: Lynette Peterson, City Clerk
Mark Elliott, Chief of Police

Subject:
Consider approval of Edible Cannabinoid Licenses.

Action Requested:
The Northfield City Council approves edible cannabinoid licenses as shown on Attachment 1.

Summary Report:
The City received six applications for edible cannabinoid licenses as shown on the attached list. These renewals are valid August 1, 2024 through July 31, 2025. The Police Department has reviewed all paperwork. Licenses are issued upon successful completion of all checks and receipt of all application documents.

The state legislature made law changes to Cannabis and cannabinoid regulations to go in to effect when the state Office of Cannabis Management opens, but for this licensing period there are no changes that apply to city licensing as the Office has not opened for regulation yet. Once the office is up and running and regulations are in place, the City of Northfield will review their licensing and make changes to comply accordingly. The OCM is expected to open for regulatory oversight sometime in 2025.

Information from the State of Minnesota Office of Cannabis Management:
Local role in license approval process

Local governments play a critical role in the licensing process, serving as a near-final approval check on cannabis businesses nearing the awarding of a state license for operations. Once an applicant has been vetted by OCM and is selected for proceeding in the verification process, they are then required to receive the local government's certification of zoning compliance and, if applicable, retail registration before operations may commence.

Local retail registration

Once the licensing process begins, local retail registration applies to cannabis retailers or other cannabis/hemp businesses that are seeking a retail endorsement. Local governments issue a retail registration after verifying that the business:

- *Has a valid license or license preapproval issued by OCM*

- *Paid a registration fee or renewal fee to the local government*
Initial registration fees collected by a local government may be \$500 or up to half the amount of the applicable initial license fee, whichever is less. Renewal registration fees may be \$1,000 or up to half the amount of the applicable renewal license fee, whichever is less.

- *Is found in compliance with state law and local ordinances*
- *Is current on all property taxes and assessments for the proposed retail location*

Compliance checks will be conducted during the license period on all licenses. Staff recommends approval of the licenses.

Alternative Options:

N/A

Financial Impacts:

The City of Northfield received \$1,500 per license for a total of \$9,000 received.

Staff has reviewed the licensing process, staff time devoted to monitoring, and license fees for the licenses and determined no changes were needed.

Tentative Timelines:

- The license renewals begin August 1, 2024 and will expire on July 31, 2025.