



Legislation Text

File #: Ord. 1044, **Version:** 1

City Council Meeting Date: September 20, 2022

To: Mayor and City Council

From: Ben Martig, City Administrator
Mark Elliott, Police Chief
Lynette Peterson, City Clerk

Consideration of Second Reading of Ordinance No. 1044 Amending Chapter 30 - Health and Sanitation of the City Code Adding Article III - Sale of Edible Cannabinoid Products.

Action Requested:

The Northfield City Council considers the second reading of Ordinance No. 1044 Amending Chapter 30 - Health and Sanitation of the City Code Adding Article III - Sale of Edible Cannabinoid Products.

Summary Report:

The Northfield City Council discussed draft ordinances at their August 1, 2022 and August 23, 2022 meeting. The Council approved a first reading of the ordinance at their September 6, 2022 meeting. Several ordinance options were discussed and the staff report from that discussion is attached along with the draft minutes from that meeting. The first reading of the Ordinance contained the following regulations:

- Licensing program and must be sold behind the counter
- Prohibits vending machines and self service
- Requires a fixed location “bricks and mortar”
- Has established fees and penalties (to be discussed after second reading approval)
- Requires to be 21 to sell
- Prohibition of on-site sampling or consumption (ex: beverages)

Based on direction from Council upon first reading to provide a specific and better definition other than provided in state law, the City Attorney and City Staff have researched and worked to develop such definition limiting the scope of the licensing program to only cover the sale of the new edible cannabinoid products authorized by the Legislature effective in July 2022, and the same is contained in the ordinance hereby provided to Council for consideration of second reading. The revised ordinance for purposes of this City licensing program specifically defines and will regulate edible cannabinoid products, which meet the following:

1. Products that are intended to be eaten or consumed as a beverage by humans;
2. Contain a cannabinoid in combination with food ingredients;
3. Are not a drug as defined in Minn. Stat. § 152.01, subd. 2;
4. Are intoxicating cannabinoid products that produce or have psychotropic and/or intoxicating effects when consumed by any method or route of administration and contain more than a trace amount, but not more than 0.3 percent, of any tetrahydrocannabinol (THC);
5. Do not include nonintoxicating cannabinoid products as defined in Minn. Stat. § 151.72, subd. 3 (h), or medical cannabis as defined in Minn. Stat. § 152.22, subd. 6, or products and substances extracted from certified hemp plants that do not

- produce or have psychotropic and/or intoxicating effects when consumed by any method or route of administration;
6. Must not contain more than five milligrams of any tetrahydrocannabinol in a single serving, or more than a total of 50 milligrams of any tetrahydrocannabinol per package; **and**
 7. Are made from substances extracted from certified hemp, where such certified hemp has been tested and found to meet the requirements of Minnesota Statutes, chapter 18K and the rules adopted thereunder.

A copy of the updated ordinance is attached. A comparison of what has changed from the first reading to the second reading is also attached.

City Staff contacted the League of Minnesota Cities regarding Cannabis regulations and they have compiled a list of cities that adopted or are considering regulations for cannabis. This list is attached.

The Northfield Police Department has verified at least three businesses locally that are currently selling these products as of this week. Based on conversations with other communities and making local considerations, the Police Chief has indicated that there could be significant time and challenges of enforcing local provisions.

Alternative Options:

The Council could amend the ordinance prior to the second reading to clarify terms and add/remove regulations. The following were options that were not omitted from the original ordinance based on council action:

Sec. 30-131. Proximity to schools.

No license will be granted to any person for a retail establishment location that is within [1,000] feet of a a school licensed under the State of Minnesota, as measured by the shortest line from the property line of the space to be occupied by the proposed licensee to the nearest property line of a youth-oriented facility. This restriction does not apply to an existing license holder who has been licensed to sell licensed products in that same location for at least one year before the date this section was enacted into law.

Sec. 30-132. Proximity to other licensed retailers.

No license will be granted to any person for a retail establishment location that is within [1,000] feet of any other existing retail establishment licensed under this article, as measured by the shortest line from the property line of the space to be occupied by the applicant for a license to the nearest property line of the existing licensee. This restriction does not apply to an applicant who has been licensed to sell edible cannabinoid products in the same location for at least one year before the date this section was enacted into law.

The policy discussion around not including these primarily related to the lack of data to suggest that there has been any determination of statistical causation or correlation of statistical significance to reduced underage consumption in communities that have these standards.

Financial Impacts:

License fees could be implemented as well as application/background check fees. Penalty fees could also be implemented. License fees will be discussed as a separate agenda item tonight as a separate resolution.

Tentative Timelines:

- ✓ August 1, 2022 Discuss Draft Ordinance
- ✓ August 23, 2022 Discuss Draft Ordinance
- ✓ August 23, 2022 Discussion of Fees Related to Ordinance
- ✓ September 6, 2022 First Reading of Ordinance

September 20, 2022 Second Reading of Ordinance

September 20, 2022 Approve Summary Publication of Ordinance

September 20, 2022 Approve Resolution Setting Fees Related to Ordinance (if needed)

September 28, 2022 Summary Publication of Ordinance

October 28, 2022 Ordinance Effective 30 days following publication