

TO: CANNON FALLS CITY COUNCIL
FROM Dianne Howard, Zoning Administrator
SUBJECT: An Interim Ordinance Prohibiting the Sale and Distribution of Products Containing THC Within the City of Cannon Falls, Minnesota

Attached for your review is a draft interim ordinance regarding THC. The initial moratorium can last up to a year from the second reading of the ordinance, which would be August 16, 2023.

The following exhibit is enclosed to further describe the proposal:

AN INTERIM ORDINANCE PROHIBITING THE SALE AND DISTRIBUTION OF PRODUCTS CONTAINING THC WITHIN THE CITY OF CANNON FALLS, MINNESOTA

BACKGROUND

A number of Minnesota cities are temporarily banning THC edibles after a new law went into effect July 2022.

The temporary prohibitions are meant to give city staff time to research these issues and draft ordinances that regulate manufacturing and sales of THC edibles. The new law allows Minnesotans 21 and older to buy edibles and beverages containing small amounts of THC, the marijuana plant's main psychoactive ingredient.

A moratorium would allow the City the time needed to do a comprehensive study regarding THC uses to determine which regulations surrounding zoning and licensing would be appropriate.

Our Police Chief recommended considering some of the following:

- Enforcement: violations for penalties
- Requiring licensed sellers
- Implementing labeling requirements
- Providing additional requirements for edible cannabinoid products
- City code that clearly documents rules and regulations
- Requiring full disclosure of lab results, as they can differ from lab to lab
- Provision for City staff to inspect sales areas as well as lab results of product
- No new use may be established, and no existing use may be expanded until the City adopts regulations regarding these uses, or determines no regulations are necessary and rescinds the interim ordinance or for a period of one year, whichever occurs first.

In addition, a moratorium would give us the ability to see difficulties other cities are having first and learn from them before implementing our licensing, plus it will allow time for the League of Minnesota Cities to provide us guidance with rules and regulations regarding compliance.

REQUESTED COUNCIL ACTION

I respectfully request a motion approving Ordinance 387.

**CITY OF CANNON FALLS
GOODHUE COUNTY, MINNESOTA**

**ORDINANCE NUMBER 387
SECOND SERIES**

**AN INTERIM ORDINANCE PROHIBITING THE SALE AND DISTRIBUTION
OF PRODUCTS CONTAINING THC WITHIN THE CITY OF CANNON FALLS**

THE CITY OF CANNON FALLS ORDAINS AS FOLLOWS:

SECTION 1. MORATORIUM

(a) Preamble

During the 2022 regular legislative session, the Minnesota Legislature amended Minn. Stat. § 151.72 to permit the sale of edible and nonedible cannabinoid products that contain no more than 0.3% of tetrahydrocannabinol (“THC”) effective July 1, 2022. The amendment contains requirements for packaging and warning labels, establishes the maximum individual dosage size, and prohibits sales of products containing THC to anyone under the age of 21. However, the law does not contain any other regulations governing production, sale, or legal compliance, leaving all such matters to local authorities.

The City of Cannon Falls (“City”) and other local authorities had little to no notice of the amendment of Minn. Stat. § 151.72 prior to the effective date of the new provisions. The City is concerned that without some local regulations in place, the largely uncontrolled sale of products containing THC in the City may jeopardize the health, safety, and welfare of City residents. Pursuant to the authority granted to the City under the City Charter, including §§ 1.02 and 3.04, and Minn. Stat. § 462.355, subd. 4, the City is empowered to act to prohibit such sales until such regulations are adopted.

(b) Findings

The City Council finds it necessary for the City to take time to study and consider: (1) potential local regulations to govern the sale of products containing THC in the City, including licensing and other measures to insure compliance with state law and to assure the health, safety, and welfare of City residents; and (2) the efficacy of allowing sales and distribution of THC products in particular locations within the City and whether zoning ordinance changes and other regulations to maintain safe proximity among various legal uses may be required.

Upon completion of the foregoing study, the City will consider the need and options for amendments to City Code to regulate the sale and distribution of THC products.

(c) Moratorium Established; Scope

Pursuant to authority granted by Minn. Stat. § 462.355, subd. 4, the City hereby establishes a moratorium prohibiting the sale and distribution of any products containing THC within the City while the study and implementation of potential regulations and zoning changes is ongoing.

(d) Enforcement

Any person, corporation, or other entity found to be in violation of this Ordinance shall be guilty of a misdemeanor. The City may enforce this Ordinance by mandamus, injunction, or other appropriate criminal or civil remedy in any court of competent jurisdiction.

(e) Term

Unless earlier rescinded by action of the City Council, the moratorium established by this Ordinance shall remain in full force and effect until [REDACTED], 2023. The moratorium may be extended as provided in Minn. Stat. § 462.355, subd. 4(d).

SECTION 2. EFFECTIVE DATE.

This ordinance shall become effective upon its passage and publication.

PASSED AND ADOPTED by the City Council of the City of Cannon Falls, Minnesota, this ___ day of _____, 2022.

John O. Althoff, Mayor

ATTEST:

Neil L. Jensen, City Administrator