



Request for Council Action

SUBJECT: **Interim Ordinance Prohibiting the Establishment of New Uses or the Expansion of Existing Uses Related to the Sale, Testing, Manufacturing, and Distribution of THC Products (Edible Cannabinoid Products)**

MEETING DATE: August 8, 2022

ITEM TYPE: Regular Business

CONTACT: Bridget Nason, City Attorney, 651.451.1831

ACTION REQUESTED

The Council is asked to consider approval of the attached interim ordinance and related summary publication resolution.

BACKGROUND

The Minnesota Legislature recently amended Minnesota Statutes, Section 151.72 relating to the sale of certain cannabinoid products. The new law permits the sale of edible cannabinoid products, provided that a product sold for human or animal consumption does not contain more than 0.3% of tetrahydrocannabinol and 50 milligrams of any tetrahydrocannabinol per package (these edible cannabinoid products, as that term is defined in Minn. Stat. Sec. 151.72 are referred to herein as "THC Products"). Sales of THC Products became legal in the state of Minnesota on July 1, 2022. The new law allows sales and establishes some labeling and testing requirements, but it does not establish any licensing criteria or parameters for compliance by retailers.

The new law does not prohibit local regulations.

Cities across the state are grappling with how best to respond to these legislative changes, and to date have adopted responses ranging from taking no action at this time, to prohibiting the expansion of existing uses, to banning all edible and nonedible cannabinoid products that contain no more than 0.3% of THC. While the majority of cities have taken no action at this time, a small handful of cities have adopted interim ordinances (moratoriums) in order to study these uses, and allow time to determine whether changes are Minnesota Statutes, Section 462.355, subd. 4 provides that if a municipality is conducting studies or has authorized a study to be conducted for the purpose of considering adoption or amendment to an official control, the City Council may adopt an interim ordinance for the purpose of protecting the planning process and the health, safety, and welfare of its citizens. An interim ordinance may regulate, restrict, or prohibit any use within the city for a period not to exceed one year from the effective date of the interim ordinance. Many cities have adopted interim ordinances to study the impacts of certain uses and determine whether regulations are appropriate for the purpose of protecting the public health, safety, and welfare of their citizens.

At its July 25 meeting, the City Council directed that an interim ordinance be prepared for council consideration. The attached interim ordinance establishes a 12-month moratorium on the

establishment of new uses and expansion of existing uses involving the sale, testing, manufacturing, or distribution of THC products, and directs staff to conduct a study of the issues related to the sales, testing, manufacturing and distribution of THC products in order to provide a recommendation to the Council about whether the City should amend its zoning, business-licensing, or other general code provisions related to these types of uses to better protect the residents of Inver Grove Heights. The interim ordinance does not prohibit the continued sale of THC products by those businesses currently selling THC products, but does prohibit their expansion.

The interim ordinance is a special ordinance, which will not be codified in the City Code. The Council may, upon a 4/5th vote, dispense with the requirement for three readings of the interim ordinance and approve the same with one reading.

FISCAL IMPACT

n/a

RECOMMENDATION

Staff recommends approval of the attached Interim Ordinance.

ATTACHMENTS

1. Interim Ordinance
2. Resolution Approving Summary Publication of Interim Ordinance