

**CITY OF LAKELAND,
COUNTY OF WASHINGTON**

ORDINANCE NO. 2023- 10

**AN INTERIM ORDINANCE PROHIBITING THE SALE, TESTING,
MANUFACTURING, AND DISTRIBUTION OF CANNABINOID PRODUCTS**

NOW, THEREFORE, the City Council of the City of Lakeland does ordain:

SECTION 1. BACKGROUND.

1. By enacting 2022 Session Law Chapter 98, Article 13, the Minnesota Legislature amended Minn. Stat. §151.72 regulating the sale of “edible cannabinoid products” that contain no more than 0.3 % of Tetrahydrocannabinol, commonly known as THC (“THC Products”)
2. By enacting 2023 Session Law though HF100 and SF73, Chapter 63, the Minnesota Legislature has newly defined and redefined types of types of intoxicating and non-intoxicating cannabis and hemp products.
3. The Act expands the types of legal products and now includes cannabinoid products, cannabis products, lower-potency hemp edibles, and edible cannabis products, among other things.
4. The Act provides a regulatory framework for the sale, and manufacturing of cannabis and hemp products and for the licensing of cannabis and hemp businesses, and establishes a State Agency now called the “Office of Cannabis Management” (OCM).
5. The Act directs the OCM to research and study cannabis and hemp, make rules, establish policy, and exercise regulatory authority over cannabis and hemp businesses.
6. Section 343.13 of the Act allows a local unit of government to “adopt reasonable restrictions on the time, place, and manner of the operation of a “cannabis business,” including limiting the number of licenses, and mandating registration and compliance checks. It further allows a local unit of government to enact an interim ordinance that “may regulate, restrict, or prohibit the operation of a cannabis business within the jurisdiction or a portion thereof until January 1, 2025.”
7. Section 343.22 of the Act requires local units of government to provide for registration and compliance checks for low-potency hemp products, and does not specifically prohibit local control of lower-potency hemp edibles.
8. The Act requires the OCM to create a regulatory framework for cannabis and hemp products and directs the OCM to draft model ordinances for local units of government to establish certain zoning and other regulations related to cannabis products. The

Act further requires the OCM to develop standardized forms for retail registration and compliance checks by local units of government of cannabis businesses and lower-potency hemp businesses.

9. The City will benefit from an understanding of the OCM's regulations, rules, model ordinances, forms, registration procedures, and guidance for compliance checks before making decisions related to cannabis and lower-potency hemp businesses.
10. Pursuant to Minn. Stat. § 462.355, subd. 4, the City is authorized to enact by ordinance a moratorium to regulate, restrict or prohibit any use within the jurisdiction to protect the public health, safety, and welfare. Specifically, the City is authorized to enact a moratorium ordinance to allow it to undertake a study to determine whether to adopt any regulations or restrictions, including siting and location of uses, related to the sales, testing, manufacturing, and distribution of cannabis and lower-potency hemp products.
11. Section 343.13 of the Act allows a city to adopt an interim ordinance relating to regulation of cannabis businesses until January 1, 2025. This provision only relates to cannabis businesses, and does not include the ability to study lower-potency hemp products, even though the new Act regulates such products, creates the OCM to administer regulations, and requires certain functions for a city including registration and compliance checks and other matters.
12. Pursuant to its general police powers, including but not limited to, Minn. Stat. § 421.221, subd. 32, the City may enact and enforce regulations or restrictions on both cannabis and lower-potency hemp products within the City to protect the public safety, health, and welfare, including restrictions and a moratorium on the use of sales, testing, manufacturing, and distribution, during the pendency of a study to determine the need for police power regulations, including but not necessarily limited to licensing and permitting.
13. The Act specifically allows for the immediate sale of "edible cannabis products" at exclusive on-sale liquor stores. The definition of "edible cannabis products" in the Act, excludes "lower-potency hemp edibles." "Edible cannabis products" are now prohibited by interim ordinance 2022-515, which expires on August 15, 2023.

SECTION 2. FINDINGS.

1. The City Council finds there is a need to study cannabinoid products, which includes cannabis products and lower-potency hemp products including uses and businesses related thereto, in order to assess the necessity for and efficacy of regulation and restrictions relating to the sales, testing, manufacturing, and distribution of cannabinoid products, including through licensing or zoning ordinances, in order to protect the public health, safety, and welfares of its residents.
2. The study will allow the City Council to determine the appropriate changes, if any,

that that it should make to City ordinances.

3. The City Council, therefore, finds that there is a need to adopt a City-wide moratorium of the sale, testing, manufacturing, and distribution of cannabinoid products within the City while City staff studies the issue.

SECTION 3. MORATORIUM.

1. No individual, establishment, organization, or business may sell, test, manufacture, or distribute cannabinoid products for twelve (12) months from the effective date of this ordinance.
2. The City shall not issue any license or permit related to cannabinoid products for twelve (12) months from the effective date of this ordinance. No license or permit application, of any kind, by any individual, establishment, organization, or businesses involved in the proposed sale, testing, manufacturing, or distribution of cannabinoid products within the City of Lakeland shall be accepted or considered for twelve (12) months from the effective date of this ordinance.
3. Planning or zoning applications related to cannabinoid products or applications from individuals, establishments, organizations, or businesses involved in the proposed sale, testing, manufacturing, or distribution of cannabinoid products within the City of Lakeland shall not be accepted or considered for twelve (12) months from the effective date of this ordinance.
4. This moratorium does not apply to the sale of edible cannabinoid products as defined in section 151.72, subdivision 1, paragraph (f) in exclusive liquor stores.

SECTION 4. STUDY. The City Council directs City staff to study the need for local regulation regarding the sale, testing, manufacturing, or distribution of cannabinoid products within the City of Lakeland. Staff must also study the need for creating or amending zoning ordinances, licensing ordinances, or any other ordinances to protect the citizens of Lakeland from any potential negative impacts of cannabinoid products. Upon completion of the study, the City Council, together with such commission as the City Council deems appropriate, or as may be required by law, will consider the advisability of adopting new ordinances or amending its current ordinances.

SECTION 5. ENFORCEMENT. The City may enforce this Ordinance by mandamus, injunctive relief, or other appropriate civil remedy in any court of competent jurisdiction. The City Council hereby authorizes the City Clerk, in consultation with the City Attorney, to initiate any legal action deemed necessary to secure compliance with this Ordinance. A violation of this Ordinance is also subject to the City's general penalty in City Code.

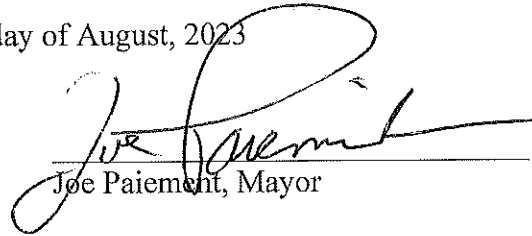
SECTION 6. TERM. Unless earlier rescinded by the City Council, the moratorium established under this Ordinance shall remain in effect until twelve (12) months from its effective date, at which point, it will automatically expire. The City Council acknowledges that the Act will allow

the City to enact a longer moratorium on the establishment and operation of cannabis businesses that may prohibit such businesses until January 1, 2025.

SECTION 7. EFFECTIVE DATE. This Ordinance shall be in full force and effect from and after its passage by the City Council.

This ordinance is effective upon adoption.

ADOPTED by the City Council this 15th day of August, 2023



Joe Paiement, Mayor

ATTEST:



Michelle Elsner, City Clerk