

ORDINANCE NO. 2023-499

Motion By: Bottema
Seconded By: Vehrenkamp

**AN INTERIM ORDINANCE PROHIBITING THE SALE, TESTING, MANUFACTURING,
CULTIVATING, COMMERCIAL GROWING, TRANSPORTING, DELIVERY, AND
DISTRIBUTION OF CANNABIS PRODUCTS WITHIN THE CITY OF CORCORAN**

THE CITY COUNCIL OF THE CITY OF CORCORAN, MINNESOTA, ORDAINS:

Section 1. Background.

- A. In 2022, the Minnesota Legislature amended M.S. § 151.72 to permit the sale of edible and nonedible cannabinoid products that contain no more than 0.3% of Tetrahydrocannabinol, commonly known as THC.
- B. The 2023 Legislature approved 2023 Session Law Ch. 63 expanding both the legalization of types of THC and cannabis products and also the types of THC and cannabis businesses permitted.
- C. The final bill establishes a regulatory framework for adult-use cannabis, as well as the lower potency hemp edibles; moves the medical cannabis program under a newly created state agency called the Office of Cannabis Management; establishes taxes on regulated products; creates grants to assist individuals entering into the legal cannabis market; amends criminal penalties; provides for expungement and resentencing of certain convictions; provides for temporary regulation of hemp-derived edible cannabinoid products; reschedules marijuana and appropriates money.
- D. The state licensing agency became effective on July 1, 2023 and will establish a model ordinance for cities, which the City of Corcoran would benefit from reviewing and analyzing before making any decisions related to cannabis businesses and products in the City.
- E. The law specifies certain distance restrictions cities can put in place under their zoning power. The City would benefit from having time to study and analyze acceptable time, place and manner restrictions that would be feasible for the City of Corcoran.
- F. Pursuant to Minn. Stat. § 462.355, subd. 4, the City is authorized to enact by ordinance a moratorium to regulate, restrict or prohibit land uses within its 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, cultivating, commercial growing, transporting, delivery and distribution of cannabis products.
- G. Pursuant to its general police powers, set forth in Minn. Stat. § 421.221, subd. 32, the City may enact and enforce regulations or restrictions on cannabis products within the City to protect the public safety, health, and welfare, including restrictions and a moratorium on the sales, testing, manufacturing, cultivating, commercial growing, transporting, delivery and distribution, during the pendency of a study to determine the

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need for police power regulations, including but not necessarily limited to any additional licensing and permitting that may be allowed, if any, by the State.

- H. 2023 Session Law Ch. 63 permits the City to adopt an interim ordinance regulating, restricting or prohibiting the operation of a cannabis businesses until January 1, 2025 for the purpose of protecting the planning process and the health, safety and welfare of its citizens and to conduct studies to consider adopting or amending allowable restrictions on the operation of a cannabis business.

Section 2. Findings.

- A. The City Council finds there is a need to study (i) cannabis products, including products: using any part of the genus Cannabis plant; containing cannabis concentrate; infused with cannabinoids (including but not limited to tetrahydrocannabinol); extracted or derived from cannabis plants or cannabis flower; synthetically derived cannabinoids; and any lower potency hemp edibles that contain more than 0.3% of Tetrahydrocannabinol, (ii) cannabis businesses related thereto, and (iii) the impact of those businesses and products as related to allowed land uses and zoning, in order to assess the necessity for and efficacy of regulation and restrictions relating to the retail sales, wholesale sales, testing, commercial growing, cultivating, manufacturing, transporting, delivery of or distribution of any of the products referenced herein, including through zoning ordinances or licensing, if allowed, in order to protect the public health, safety, and welfare of its residents.
- B. The study will allow the City Council to determine the appropriate changes, if any, that it should make to the Corcoran City Code, including any necessary zoning changes.
- C. The time will allow for any state agency licensing cannabis businesses to rule make and adopt its model ordinances which will further aid the Council in studying and considering restrictions on the operation of a cannabis businesses and the use of the products listed in paragraph 2A above.
- D. The City Council, therefore, finds that there is a need to adopt a City-wide moratorium on the retail sale, wholesale sale, testing, commercial growing, cultivating, manufacturing, transporting, delivery of, and distribution of cannabis products, including products: using any part of the genus Cannabis plant; containing cannabis concentrate; infused with cannabinoids (including but not limited to tetrahydrocannabinol); extracted or derived from cannabis plants or cannabis flower; synthetically derived cannabinoids, or lower potency hemp edibles that contain more than 0.3% of Tetrahydrocannabinol, within the City while City staff studies the issue.

Section 3. Moratorium.

- A. Effective immediately upon passage and publication, no individual, establishment, organization, or business may engage in the retail sale, wholesale sale, testing, commercial growing, cultivating, manufacturing, transporting, delivery of or distribution of cannabis products, including products using any part of the plant of the genus Cannabis plant; containing cannabis concentrate; infused with cannabinoids (including but not limited to tetrahydrocannabinol); extracted or derived from cannabis plants or cannabis flower; synthetically derived cannabinoids, or lower potency hemp edibles that contain

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more than 0.3% of Tetrahydrocannabinol until January 1, 2025, or the latest period permitted by law, unless this Ordinance is rescinded earlier by the City Council.

- B. Planning or zoning applications related to any of the products listed in Subsection A of Section 3 herein or applications from individuals, establishments, organizations, or businesses involved in the proposed sale, testing, commercial growing, cultivating, manufacturing, transporting, delivery of or distribution of cannabis products within the City of Corcoran shall not be accepted or considered during the term of this Ordinance.
- C. This moratorium does not apply to the selling, testing, manufacturing, or distributing of cannabis products related to the Medical Cannabis Program as administered by the Minnesota Department of Health, provided that such activity is done in accordance with the regulations and laws of Minnesota regarding Medical Cannabis.
- D. This moratorium does not apply to the sale of Edible Cannabinoid Products allowed under the 2022 Legislation, which includes edible and nonedible cannabinoid products that contain no more than 0.3% of Tetrahydrocannabinol.

Section 4. Study.

The City Council directs City staff to study the need for local regulation regarding the retail sale, wholesale sale, testing, commercial growing, cultivating, manufacturing, transporting, delivery or distribution of cannabis products listed in Section 3(A) herein within the City of Corcoran. Staff must also study the need for creating or amending zoning ordinances, licensing ordinances, as allowed by the state, or any other ordinances, as allowed and not preempted by the state, to protect the citizens of Corcoran from any potential negative impacts. 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.

A violation of this Interim Ordinance shall be a misdemeanor. Further, the City may enforce this Interim Ordinance by mandamus, injunctive relief or via any other appropriate legal or equitable remedy.

Section 6. Term.

Unless earlier rescinded by the City Council, the moratorium established under this Ordinance shall remain in effect upon its adoption and publication until January 1, 2025, or the latest date allowable by law, at which point, it will automatically expire. The City Council hereby elects that all legally compliant portions of this Ordinance be extended for the maximum duration permitted by law, unless rescinded earlier by separate action of the City Council.

Section 7. Effective Date.

This Interim Ordinance shall be effective upon adoption and publication according to law.

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Section 8. Saving Clause.

Should any part of this Ordinance be found to be out of compliance with or preempted by state law, the non-compliant or preempted portions shall be deemed stricken exclusively to the extent of the non-compliance or preemption and the remainder of this Ordinance shall remain in full force and effect until expiration or rescission.

This Ordinance shall be in full force and effect upon its publication and passage.

Adopted by City Council on the 24th day of August 2023.

VOTING AYE

- McKee, Tom
- Bottema, Jon
- Nichols, Jeremy
- Schultz, Alan
- Vehrenkamp, Dean

VOTING NAY

- McKee, Tom
- Bottema, Jon
- Nichols, Jeremy
- Schultz, Alan
- Vehrenkamp, Dean



Tom McKee – Mayor

ATTEST:



Michelle Friedrich – City Clerk

City Seal