

Ordinance No. 2024-11

An Interim Ordinance authorizing a study and imposing a moratorium on commercial cannabis operations within the city

The City of Minnetonka Ordains:

Section 1. Legislative Findings and Authority

- 2.01. In 2023, the Minnesota Legislature enacted Minnesota Laws chapter 63, relating to the regulation of adult-use cannabis within the state, a portion of which is codified at Minnesota Statutes chapter 342 (“Chapter 342”).
- 2.02. Chapter 342 established an Office of Cannabis Management (“OCM”) and authorized that office to regulate the cannabis industry within the state and to issue licenses for the operation of a variety of cannabis businesses (as defined by that chapter) including but not limited to cultivation, manufacturing, testing, delivery, and sale at wholesale and retail of cannabinoid products.
- 2.03. Chapter 342 established limited authority for local regulation of cannabis businesses. Minn. Stat. § 342.13 authorizes local units of government to adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business within a city. In addition, Minn. Stat. § 342.22 requires specified cannabis retailer businesses to register with the city, town or county in which the city, town or county in which the retail establishment is located before making any retail sales and also requires local units of government to perform compliance checks.
- 2.04. Minn. Stat. § 342.13 also required the OCM to work with local units of government to develop model ordinances, standardized forms and procedures for retail registration, and model policies and procedures for performing compliance checks.
- 2.05. As originally enacted, Chapter 342 generally contemplated that cannabis businesses would not be able to operate until the OCM issued the business a license, and licenses could not be issued until regulations were promulgated and the necessary administrative framework was in place. It was anticipated that model ordinances would be available and that local governments would be able to adopt local regulations based on those models before any cannabis business would be allowed to begin operations.
- 2.06. During the 2024 legislative session, however, the Minnesota Legislature enacted Minnesota Laws chapter 121, amending various provisions within Chapter 342, effective May 25, 2024. Included in chapter 121 are provisions that allow the OCM to issue license preapprovals. In addition, a social equity applicant with a license preapproval for certain licenses may grow cannabis plants from seeds or immature plants, if certain requirements are met. One of the requirements is that the social equity applicant is in compliance with local zoning ordinances and state fire and building codes.
- 2.07. Minn. Stat. § 342.13 expressly authorizes a local unit of government to adopt an interim

The ~~stricken~~ language is deleted; the underlined language is inserted.

ordinance for the purpose of protecting the planning process and the health, safety and welfare of its cities, if the local unit of government has authorized a study to be conducted or is considering the adoption or amendment of reasonable restrictions on the time, place and manner of the operation of a commercial cannabis operation, as defined in Section 3 of this ordinance.

- 2.08. The city council determines that it needs time to study the potential impacts of cannabis businesses on adjacent properties and city services and to consider the development and adoption of appropriate time, place and manner restrictions for cannabis businesses. To protect the planning process and health, safety and welfare of the residents while the city conducts its study and while the city council engages in policy discussion regarding possible regulations, the city council determines it is in the best interests of the city to impose a temporary moratorium on the use of any property for the operation of a cannabis business.

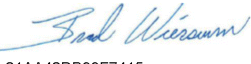
Section 2. Study. The city council authorizes and directs the city staff to conduct a study regarding the current zoning regulations and the potential impacts of cannabis businesses upon adjacent properties and upon the public health, safety and welfare. As part of the study, the city staff must consider model ordinances and policies as well as administrative rules that may be drafted by the OCM. The city staff shall provide a report to the city council with recommendations no later than Dec. 2, 2024. The report must include recommendations on whether the city council should adopt regulations and, if so, the recommended regulations.

Section 3. Moratorium. A moratorium is imposed within the City of Minnetonka regarding the use of any real property for a commercial cannabis operation. For purposes of this ordinance, the term "commercial cannabis operation" means any activity by a person or entity for which a license or license preapproval is required under Minnesota Statutes ch. 342. No person may establish any commercial cannabis operation within the city. City staff may not accept any building permit or other city approval that would enable any alteration of real property to accommodate a proposed commercial cannabis operation; this Ordinance shall be grounds to reject any application for such an approval.

Section 4. Enforcement. Violation of this Ordinance subject to the penalties and provisions of Chapter XIII of the city code, including criminal prosecution and civil penalties. In addition, the city may enforce this Ordinance by mandamus, injunction, or other appropriate civil remedy in any court of competent jurisdiction.


Section 5. Effective Date and Term. This Ordinance is effective upon passage. This Ordinance shall remain in effect until 11:59 pm. on January 1, 2025, or until the city council expressly repeals it or until the effective date of an ordinance amending the city code to address commercial cannabis operations, whichever occurs first.

Adopted by the city council of the City of Minnetonka, Minnesota, on July 8, 2024.

DocuSigned by:

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Brad Wiersum, Mayor

Attest:

DocuSigned by:

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Becky Koosman, City Clerk

Action on this ordinance:

Date of introduction: June 24, 2024

Date of adoption: July 8, 2024

Motion for adoption: Calvert

Seconded by: Ramaley

Voted in favor of: Foster-Bolton, Schack, Wilburn, Calvert, Ramaley, Wiersum

Voted against: None

Abstained: None

Absent: None

Ordinance adopted.

Date of publication: July 25, 2024

I certify that the foregoing is a true and correct copy of an ordinance adopted by the city council of the City of Minnetonka, Minnesota, at a meeting held on

Becky Koosman, City Clerk