

ORDINANCE NO. 1653

AN INTERIM ORDINANCE AMENDING TITLE XI: BUSINESS REGULATIONS OF THE 2015 ORDINANCE CODE OF THE CITY OF OWATONNA, AS AMENDED, BY ADDING THERETO CHAPTER 122 ESTABLISHING AN INTERIM CANNABIS BUSINESS MORATORIUM PROHIBITING THE ESTABLISHMENT OF NEW USES OR THE EXPANSION OF EXISTING USES RELATED TO CANNABIS BUSINESSES PURSUANT TO MINN. STAT. § 342.13(e).

THE CITY COUNCIL OF THE CITY OF OWATONNA DO ORDAIN:

Section 1. Title XI of the 2015 Ordinance Code of the City of Owatonna, as amended, is hereby amended by adding Chapter 122, to read as follows:

CHAPTER 122: INTERIM CANNABIS BUSINESS MORATORIUM

§ 122.01 FINDINGS OF CITY COUNCIL

- A. The Minnesota Legislature passed a package of laws, Chapter 63—H.F.No.100 of the Minnesota 2023 Regular Session, that legalize adult-use cannabis in Minnesota and establish a regulatory framework for the cannabis industry (collectively "2023 Cannabis Laws"); and
- B. As a part of the 2023 Cannabis Laws, the Office of Cannabis Management ("OCM") was created with responsibilities that include issuing licenses for cannabis businesses and drafting and approving the related rules and procedures; and
- C. Part of the 2023 Cannabis Laws, lists 16 different types of cannabis business licenses, including licenses for the growing, manufacturing, selling, testing, transporting of cannabis and cannabis events ("Cannabis Business Licenses"); and
- D. According to information from the League of Minnesota Cities, the OCM will not be prepared to issue Cannabis Business Licenses until January 2025 and many details related to the Cannabis Business Licenses are yet to be determined; and
- E. The OCM has also been tasked with developing model ordinances for local governments for reasonable restrictions on time, place and manner of the operation of a cannabis business, the forms and procedures for the retail registration required by local governments, and the model policies and procedures for cannabis business compliance checks; it is unclear when those documents can be expected; and
- F. Cannabis Laws includes a provision, Minn. Stat. 342.13(e), that authorizes the City to adopt an interim ordinance to regulate, restrict, or prohibit the operation of a cannabis business within the City until January 1, 2025, for the purpose of conducting studies or holding a hearing to consider adoption of reasonable restrictions on the time, place and manner of the operation of a cannabis business to protect the planning process and the health, safety and welfare of its citizens; and

- G. The City Council has determined that an interim ordinance to prohibit the operation of a cannabis business is necessary and appropriate to give City Staff the time to study reasonable restrictions on the time, place and manner of the operation of cannabis retail businesses to protect the planning process and the health, safety and welfare of its citizens.
- H. This moratorium does not include cannabinoid products allowed by Minn. Stat. 151.72 which allows sale of products with n more than 0.3 percent of THC derived from hemp is allowed, they may not contain more than five milligrams of THC per serving, and no more than 50 milligrams per package.

NOW, THEREFORE, pursuant to Minnesota Statutes, Section 342.13(e) the City Council of the City of Owatonna do ordain:

§ 122.02 MORATORIUM

No business, person or entity may operate a cannabis business that would require a Cannabis Business License under the 2023 Cannabis Laws until January 1, 2025, or until ordinances regulating such uses become effective, or until the Council rescinds this Interim Ordinance, whichever occurs first.

§ 122.03. CITY LEGISLATIVE STUDY

The City Council hereby authorizes and directs City staff to conduct a study regarding the adoption or amendment of reasonable restrictions on the time, place, and manner of the operation of Cannabis Businesses, as well as other potential local regulations allowed under the Act, and report to the City Council on the potential regulation of the Cannabis Businesses. The study may include a review of any model ordinances that OCM is directed to draft under Minnesota Statutes, section 342.13(d), an analysis of potential setback regulations allowed under Minnesota Statutes section 342.13(c), and such other matters as staff may determine are relevant to the City Council's consideration of this matter. The report may also include City staff's recommendations on whether the City Council should adopt regulations and, if so, the recommended types of regulations.

§ 122.04 SUMMARY PUBLICATION

Pursuant to Minnesota Statutes Section 412.191, in the case of a lengthy ordinance, a summary may be published. While a copy of the entire ordinance is available without cost at the office of the City Clerk, the following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance:

The City will be undergoing a study regarding cannabis businesses to determine if regulations are appropriate. No cannabis business may operate until the City adopts regulations regarding these uses, or determines no regulations are necessary and rescinds the interim ordinance or until January 1, 2025, whichever occurs first.

Section 2. Effective Date. This Ordinance shall be in full force and effect from and after its passage and publication according to law and shall expire upon adoption of ordinances regulating such uses, until the Council rescinds or terminates the Interim Ordinance, or January 1, 2025, whichever occurs first.

Passed and adopted this 15th day of August, 2023, with the following roll call vote:

Aye: Raney, Voss, Dotson, Burbank and Boeke

No: Dotson

Absent: Svenby and Schultz

Approved and signed this 15th day of August, 2023.


Thomas A. Kuntz, Mayor

ATTEST:


Kris M. Busse, City Administrator/City Clerk/Treasurer