

Watertown City Council

May 9, 2023

Agenda Item: THC Products Discussion**Request for Action: Discussion and Direction on Response to Legislature Regarding Legalization of THC Products****Department: Jake Foster, City Administrator****Background:**

Staff has been monitoring the ever-changing landscape and levels of legalization of THC products in Minnesota. Last year, the legislature passed a measure that included the legalization of the sale of cannabis-derived products that contain up to 5 mg of THC. More recently, the Minnesota State House of Representatives and Minnesota State Senate have passed legislation that would legalize cannabinoid/THC products in their entirety. Those measures were passed on April 25th and April 28th, 2023 respectively.

Staff requested a draft ordinance for a moratorium on THC products from the City Attorney's office for consideration. However, in discussion with the City Attorney, he is recommending that the implementation of a moratorium be delayed for a few reasons.

1. Before the laws come into effect, they must go through the conference committee process.
2. Both versions of the bill contemplate an effective date of January 1, 2024.
3. A moratorium can only be put into place for a maximum of twelve (12) months. As the effective date is likely to be January 1, 2024 (as contemplated at this time), he would advise the City to wait to begin using the maximum 12-month moratorium.
4. Lastly, if the City were to receive an application from a new business interested in selling legal THC products, a moratorium could be enacted at that time. It is a legitimate action if the City were to implement a moratorium as a result of an application.

Jack Brooksbank from the City Attorney's office will be available at the meeting to answer any questions.

Recommendation:

Staff recommends that no action be taken at this time per the City Attorney's recommendation.

Budget Impact:

None

Funding Source:

N/A

Motion:

No motion needed if Council determines no action is needed.

Otherwise, Council could elect to adopt Ordinance #438 implementing an interim ordinance prohibiting the sale, testing, manufacturing, and distribution of intoxicating and psychoactive cannabinoids.

Note: if Council elects to adopt Ordinance #438, additional review would need to be done by the City Attorney to ensure that the language used is consistent with the ultimately passed legislation.

Attachments:

Draft Ordinance #438