



**CITY COUNCIL WORK SESSION MINUTES  
TUESDAY, JUNE 13, 2023  
IMMEDIATELY FOLLOWING REGULAR MEETING  
2<sup>ND</sup> FLOOR BOARD ROOM**

Mayor Louismet opened the meeting at 7:19 p.m. Councilmembers in attendance included: Kevin Edberg, Steve Engstran, Heidi Hughes, Dan Jones and Bill Walsh. Staff members in attendance included: City Manager Lindy Crawford, City Clerk Caley Longendyke and City Attorney Troy Gilchrist.

**1. THC/Cannabis Legalization Discussion**

Gilchrist provided a summary of the new cannabis bill that was passed during the 2023 Legislative Session. The new bill legalizes adult-use cannabis and creates a statewide regulatory framework to govern the industry. He shared information about the impending creation of the Office of Cannabis Management (OCM) and their role in regulation of cannabis businesses and the role of local government in registration of cannabis retailers. There are 16 types of cannabis business licenses, with four of those licenses being retail and will involve the City for review, feedback and local registration. A cannabis business applies for a license through OCM, then OCM consults the city for zoning approval and feedback. The city will issue registrations once the business receives a license from OCM. Using checklists created by OCM, cities will conduct compliance checks. Administrative rules are forthcoming from OCM and will provide more information to cities to help shape their local ordinances. While the law goes into effect on July 1, 2023, OCM will not be established until at least 2024, with an expected licensing start date of January 2025. Gilchrist shared other provisions of the bill, including cities being allowed to limit the number of cannabis businesses to one (1) per 12,500 residents.

Gilchrist discussed the difference between cannabis retailers and current establishments selling edible cannabinoid products (low-potency edible retailers). The State of Minnesota is continuing to allow the sale of edible cannabinoids based on 2022 passed legislation, but those establishments will have to register with the Minnesota Department of Health by October 1. However, sales are not allowed in cities that have active moratoriums prohibiting the sale of cannabis products, such as White Bear Lake. Councilmembers and staff discussed how to handle registration of businesses who want to sell these products in the interim period before there is a State regulatory structure in place. There was general consensus by the Council that staff should prepare an ordinance to address zoning for the locations of these businesses, as well as prepare an ordinance that would create a registration process for businesses selling edible cannabinoid products during the time that there is no regulatory agency to provide a license.

Starting July 1, cities are allowed to adopt an interim moratorium ordinance to “regulate, restrict, or prohibit the operation of a cannabis business within the jurisdiction or a portion thereof until January 1, 2025.” Councilmembers discussed this and shared general support for this moratorium to allow staff time to study the issues associated with the impending registration process, develop land-use regulations and to allow the time for OCM to establish itself.

Staff will prepare three ordinances for Council consideration at an upcoming Council meeting.  
Adjourned 8:44 p.m.