



City Council Memorandum

To: Mayor Fasbender & City Councilmembers
From: Kori Land, City Attorney
Date: December 4, 2023
Item: First Reading of Cannabis Ordinance Amendments

Council Action Requested:

Approve First Reading of Ordinance Amendments to allow the sale of CBD products at on-sale and off-sale liquor establishments

Background Information:

The City adopted licensing and zoning CBD ordinances last year that allow for the sale of CBD products at licensed establishments in certain zoning districts. For reference, CBD products contain less than 0.3% THC and are now considered “low potency cannabis.” The ordinances that were adopted last year prohibit the sales of CBD products at on-sale and off-sale liquor establishments. As you know, the legislature adopted legislation legalizing adult use cannabis in 2023, which specifically allows for CBD products to be sold at off-sale liquor establishments. The ordinance amendments proposed remove this prohibition as well as the prohibition at on-sale establishments and would therefore allow CBD products to be sold at both on-sale and off-sale liquor establishments. The new legislation also sets fee limits on what cities may charge for the city registration of these businesses. The amended fee in the fee schedule mirrors the statutorily authorized “registration” fee that cities may impose for retail cannabis uses.

While the new state legislation allows the *use* of adult use cannabis, it does not authorize the *sale*, so until the Office of Cannabis Management has a process to license any adult use cannabis or CBD businesses and model ordinances are prepared, the City’s current ordinances for CBD products are still valid. Any on-sale or off-sale liquor establishment who want to sell CBD products will need a license from the City to do so. As soon as model ordinances are proposed, we will introduce additional revisions to the existing ordinances to comply with the state regulations.

Financial Impact:

N/A

Advisory Commission Discussion:

The Planning Commission held a public hearing to review the changes to Chapter 155 – Zoning Ordinance on November 13th with no public testimony given. The amendment was tabled in order to provide further clarification. The amendment was modified and the Planning Commission recommended approval at the November 27th meeting.

Council Committee Discussion:

The Public Safety Committee discussed amending the CBD ordinances, based on the new legislation that legalized adult use cannabis, and supported removing the CBD prohibition and on-sale and off-sale liquor establishments prohibition, as well as reducing the license fee.

Attachments:

An Ordinance for the City of Hastings, Minnesota, Amending Hastings City Code Chapter 155 - Zoning Ordinance Regarding Uses, Sales and Operations of Cannabis and Hemp Businesses

An Ordinance for the City of Hastings, Minnesota, Amending Hastings City Code Chapter 117.09, Regarding Cannabis Businesses

ORDINANCE NO. XXX**AN ORDINANCE FOR THE CITY OF HASTINGS, MINNESOTA, AMENDING
HASTINGS CITY CODE CHAPTER 155 - ZONING ORDINANCE REGARDING USES,
SALES AND OPERATIONS OF CANNABIS AND HEMP BUSINESSES**

The City Council of the City of Hastings, Dakota County, Minnesota, does hereby ordain as follows:

SECTION 1. AMENDMENT. The Code of the City of Hastings, County of Dakota, State of Minnesota, Chapter 155, Section 155.07.J.3 SPECIAL PROVISIONS shall be amended as follows:

3. Prohibited Acts:

- a. It shall be unlawful for any person to sell, purchase, obtain or otherwise provide any intoxicating cannabis product to any person under the age of twenty-one (21).
- b. It shall be unlawful for any person under the age of twenty-one (21) to possess any intoxicating cannabis product. This chapter shall not apply to persons under the age of 21 lawfully involved in a compliance check.
- c. It shall be unlawful for any person under the age of twenty-one (21) to use or consume any intoxicating cannabis product, unless it is legally authorized medical cannabis.
- d. It shall be unlawful for any person under the age of twenty-one (21) to attempt to disguise the person's true age by the use of a false form of identification, whether the identification is that of another person or one in which the age of the person has been modified or tampered with, to represent an age older than the actual age of the person, in order to purchase any intoxicating cannabis product.
- e. No adult-use cannabinoid or cannabis product may contain more than 0.3% of THC.
- f. No edible cannabis product can contain an amount of THC that exceeds the per serving or per package requirements in Minnesota State law.
- g. No intoxicating cannabis product may be sold to an obviously intoxicated person or a person under the influence of a controlled substance.
- h. No one under the age of twenty-one (21) shall sell intoxicating cannabis products.

i. Intoxicating cannabis products cannot be sold in vending machines, by transient merchants, peddlers, at a movable place of business, through a drive-through window, at special events, home occupations, by internet sales or delivery service.

~~j. Intoxicating cannabis products cannot be sold at exclusive liquor stores or on-sale liquor establishments.~~

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k. No sampling or free donations or distributions of intoxicating cannabis products is allowed.

l. No sales of intoxicating cannabis products may be completed through self-check-out. The retailer or retailer's employee must process each transaction at a point of sale.

SECTION 2. 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 text amendment adopted by the Hastings City Council on _____, 2023 modifies the Zoning Ordinance to allow on-sale and off-sale retail sales of cannabis beverages at restaurants and liquor stores.

SECTION 3. EFFECTIVE DATE. This ordinance shall be in full force and effect after passage and publication according to law.

Passed this _____ day of _____, 2023.

Mary Fasbender, Mayor

Attest:

Kelly Murtaugh, City Clerk

Published in the _____ on _____.

**CITY OF HASTINGS
DAKOTA COUNTY, MINNESOTA**

ORDINANCE NO. _____

**AN ORDINANCE FOR THE CITY OF HASTINGS, MINNESOTA, AMENDING
HASTINGS CITY CODE CHAPTER 117.09, REGARDING CANNABIS BUSINESSES**

The City Council of the City of Hastings, Dakota County, Minnesota, does hereby ordain as follows:

SECTION 1. AMENDMENT. The Code of the City of Hastings, County of Dakota, State of Minnesota, Chapter 117.09, regarding Cannabis Businesses shall be amended as follows:

117.09 Prohibited Acts

1. It shall be unlawful for any person to sell, purchase, obtain or otherwise provide any intoxicating cannabis product to any person under the age of twenty-one (21).
2. It shall be unlawful for any person under the age of twenty-one (21) to possess any intoxicating cannabis product. This chapter shall not apply to persons under the age of 21 lawfully involved in a compliance check.
3. It shall be unlawful for any person under the age of twenty-one (21) to use or consume any intoxicating cannabis product, unless it is legally authorized medical cannabis.
4. It shall be unlawful for any person under the age of twenty-one (21) to attempt to disguise the person's true age by the use of a false form of identification, whether the identification is that of another person or one in which the age of the person has been modified or tampered with, to represent an age older than the actual age of the person, in order to purchase any intoxicating cannabis product.
5. No adult-use cannabinoid or cannabis product may contain more than 0.3% of THC.
6. No edible cannabis product can contain an amount of THC that exceeds the per serving or per package requirements in Minnesota State law.
7. No intoxicating cannabis product may be sold to an obviously intoxicated person or a person under the influence of a controlled substance.
8. No one under the age of twenty-one (21) shall sell intoxicating cannabis products.
9. Intoxicating cannabis products cannot be sold in vending machines, by transient merchants, peddlers, at a movable place of business, through a drive-through window, at special events, home occupations, by internet sales or delivery service.
- ~~10. Intoxicating cannabis products cannot be sold at exclusive liquor stores or on-sale liquor establishments.~~
- 11.10. No sampling or free donations or distributions of intoxicating cannabis products is allowed.

42.11. No sales of intoxicating cannabis products may be completed through self-check-out. The retailer or retailer's employee must process each transaction at a point of sale.

SECTION 2. 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 text amendment adopted by the Hastings City Council on _____, 2023 amends the City Ordinance to allow on-sale and off-sale retail sales of cannabis-infused beverages that are under .3% THC at restaurants and liquor stores.

SECTION 3. EFFECTIVE DATE. This ordinance shall be in full force and effect from and after its passage and publication according to law.

Passed this _____ day of _____, 2023.

Mary D. Fasbender, Mayor

Attest:

Kelly Murtaugh, City Clerk

Published in the Hastings Journal on _____, 2023.