

CITY OF MARSHALL
LEGISLATIVE AND ORDINANCE COMMITTEE
M I N U T E S
Monday, May 8, 2023

MEMBERS PRESENT: See Moua-Leske, James Lozinski, and Steve Meister
MEMBERS ABSENT: None
STAFF PRESENT: Sharon Hanson, City Administrator; Jason Anderson, Director of Public Works/ City Engineer; Ilya Gutman, Plans Examiner; Eric Luther, Liquor Store Manager; Pamela Whitmore, City Attorney (via zoom); and Amy VanKeulen, Administrative Assistant.

At 12:45 Chair Lozinski called the meeting to order.

Consider Approval of the Minutes

There were no changes to the minutes from April 4, 2023.

Motioned by Meister; Seconded by Moua-Leske to approve the minutes. All voted in favor.

Interim Cannabis Ordinance

Whitmore shared an overview on how the city can prepare for the Legislature likely passing a law expanding the type of Cannabis products that will be legal under Minnesota Statutes. She shared the House has passed HF100, and the Senate passed its companion bill (SF73), which shares much in common with the House. However, since it is not a mirror image of the House bill, both bills now must go through a conference committee to work out the minor differences. By all accounts, those differences are predicted to get ironed out by May 22, 2023 – the end of Session. The Governor has stated he will sign whatever version of this bill hits his desk.

The bill would expand the type of product and level that will be legal in Minnesota. The state will issue up to 13 different types of licenses for businesses in Minnesota. The provision establishing the Office of Cannabis Management has an effective date of July 1, 2023. Local cities won't be able to prohibit it, but may be able to put some minor time, place, and manner of operations in place. The bill does allow cities to put a moratorium ordinance in place. Whitmore recommends repealing the current ordinance and putting a new ordinance in place under state statute for up to a year. Meister asked about the impact of tax and license revenue if we put an ordinance in place. Whitmore mentioned the bill does discuss possible revenue sharing with cities, but the majority of profits will go to the state as cities won't be in charge of issuing the licenses. Lozinski asked if we can repeal the moratorium in August if the city agrees with the governor's bill. The committee discussed the benefits of putting a moratorium in place. Whitmore shared by putting a moratorium in place, it allows the city to see what the state outcome will be as cities will have little control over it.

Hanson asked if legislation stated a minimum and maximum for types of licenses and/or businesses. Whitmore shared there is currently a provision in the bill stating minimums based on population, but she isn't sure that will stay in. Anderson asked if the business would still fall under the city's business ordinance for zoning. Whitmore shared that they would. Anderson suggested the city put the moratorium in place in order to have time to put together a zoning ordinance with this change. Luther shared the state has to approve the sale of THC based liquor before any municipal liquor stores are allowed to sell. Whitmore reviewed the possible timeline needed for the ordinance based on how the Marshall code reads which is effective upon passing and publication; no 30-day waiting period. According to the city's charter, the new ordinance has to be presented at a hearing and have a separate meeting for a vote.

Lozinski shared he recommends they repeal the current ordinance but put a new moratorium ordinance in place for a year. Whitmore recommended the city put a call for a hearing at the first council meeting in June and put a vote at the second meeting in June. Anderson asked about procedure on the zoning side and Gutman mentioned the city will need to decide which districts to allow it in. Whitmore shared both bills currently allow home growing up to a certain amount in them for personal use.

Motion made by Meister; Seconded by Moua-Leske to recommend the current ordinance be repealed and a new ordinance be brought to city council. All voted in favor.

Motion made by Moua-Leske; Seconded by Meister to adjourn the meeting at 1:20 p.m. All voted in favor.

Respectfully Submitted,

Amy VanKeulen
Administrative Assistant