



CITY OF MARSHALL
Legislative and Ordinance Committee
A g e n d a
Tuesday, January 09, 2024 at 4:00 PM
344 W. Main St., City Hall

APPROVAL OF AGENDA

APPROVAL OF MINUTES

- [1.](#) Consider Approval of the Minutes

NEW BUSINESS

- [2.](#) Amendments to Interim Cannabis Prohibition Ordinance

ADJOURN

Disclaimer: These agendas have been prepared to provide information regarding an upcoming meeting of the Common Council of the City of Marshall. This document does not claim to be complete and is subject to change.

CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	Chair
Meeting Date:	Tuesday, January 9, 2024
Category:	APPROVAL OF MINUTES
Type:	ACTION
Subject:	Consider Approval of the Minutes
Background Information:	Enclosed are the minutes from the previous meeting.
Fiscal Impact:	
Alternative/ Variations:	Staff encourages Members to provide any suggested corrections to the minutes in writing to City Clerk, Steven Anderson, prior to the meeting.
Recommendations:	That the minutes from the previous meeting be approved as filed with each member and that the reading of the same be waived.

CITY OF MARSHALL
LEGISLATIVE AND ORDINANCE COMMITTEE
MINUTES
Monday, November 20, 2023

MEMBERS PRESENT: See Moua-Leske, Steve Meister and James Lozinski.
MEMBERS ABSENT: None.
STAFF PRESENT: Pamela Whitmore, City Attorney (via Zoom); Jason Anderson, Director of Public Works/ City Engineer; Jim Marshall, Director of Public Safety; and Steven Anderson, City Clerk.

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

Consider Approval of the Minutes

There were no changes to the minutes from the previous meeting.

Motion made by Meister, seconded by Moua-Leske to approve the minutes. All voted in favor.

Public Use of Cannabinoid Products and Prohibition on Smoking of Cannabinoid Products and Tobacco Products in City Parks and City Recreational Facilities

Whitmore provided a summary of previous discussions. The L&O Committee directed staff to update city ordinances to mirror the county ordinance for a prohibition on use of cannabinoid products in city parks and at recreational facilities and amend current ordinances to prohibit tobacco smoking and vaping in parks and recreational facilities as well. Members commented that the changes were what they were expecting to see and liked the revisions.

Motion made by Meister, seconded by Moua-Leske to recommend that the amendment to add Chapter 46, Article 4-II, Section 46-29; and amendments to Section 10-22 Requirements for Owner, Operator or Manager of Public Dancing Place; and Section 42-112 Consumption of Beer or Liquor on Streets and Public Property be brought to the regular meeting of the city council.

Rental Registration Ordinance

Whitmore briefly summarized the role of the Rental Ordinance Committee that was created after a public hearing that was held in January 2023. The Rental Committee met five times to review the newly drafted ordinance – June 13, July 11, August 8, October 10, and October 31. The Rental Committee was made up of representatives of city staff, the Fire Chief, United Community Action Partnership, Southwest Minnesota State University, two councilmembers, two tenant advocates, two landlords, and was facilitated by John Decramer and Marc Klaith. The Committee participants included Zachary Gilman, James Carr, Brad Meulebroeck, Shawn Butler, Jessica Bentley, Angela Larson, Quentin Brunsvold, Steven Anderson, Jason Anderson, Sharon Hanson, Craig Schafer, and James Lozinski. The Rental Committee engaged in thoughtful and thorough discussion regarding the goals of the city, the interests of the community and the protections of the public. The discussions led to productive collaboration and revisions. On October 31, 2023, the Rental Committee approved, by unanimous vote, to recommend the addition of Chapter 18, Article VIII Residential Rental Code.

Whitmore went on to explain that the ordinance was drafted as a registration program as desired by staff with inspections only being conducted on a complaint basis. Registration would occur on a biannual basis with self-inspections being conducted by landlords or property managers. Member Lozinski offered his opinion of the committee process and shared that landlords were concerned that the registration program would open the gates to government creep. Moua-Leske asked what some of the main changes that had occurred during the committee process. Whitmore and Jason Anderson mentioned that the original ordinance was annual registration and was changed to bi-annual at the request of landlords, and the removal of staff inspection annually was changed to only inspect properties when a complaint was received. Meister questioned having registration done on a bi-annual basis instead of annual. Lozinski retorted that the landlords were adamant about not having to do annual registration due to cost and time. The compromise was to have a self-inspection checklist on file during off registration years that must be produced when asked, otherwise administrative penalties would occur.

Motion made by Meister, seconded by Moua-Leske to have the Ways and Means Committee approve a registration fee and to recommend that the ordinance be brought to the regular meeting of the city council. All voted in favor.

At 1:10 PM Motion by Moua-Leske, seconded by Meister to adjourn the meeting. All voted in favor.

Respectfully Submitted,

Steven Anderson
City Clerk

CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	Pamela Whitmore
Meeting Date:	Tuesday, January 9, 2024
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Amendments to Interim Cannabis Prohibition Ordinance
Background Information:	The City enacted an interim ordinance to allow the City Council time to study and consider adoption or amendment of reasonable restrictions on the operation or location of commercial businesses related to cannabinoid products, including retail stores in the City of Marshall offering Cannabis products, and Lower-Potency Hemp products, for the purpose of protecting the planning process and the health, safety, and welfare of the public. Commercial businesses involved in limited manufacturing, and the transporting, or delivery and distribution of infusion based lower potency hemp edibles and hemp-derived consumer products do not pose a risk to the health, safety and welfare of the public since the operation of those businesses do not result in an introduction or increase in availability of THC related intoxicating products for use within the jurisdictional limits of the City and would not result in increased exposure or availability of these intoxicating products to youth in the community. The City Council has determined that opportunities exist for commercial businesses in the city to provide services involving the testing, manufacturing, transporting, or delivery and distribution of lower potency hemp edibles and hemp-derived consumer products, which will benefit commerce in the city.
Fiscal Impact:	
Alternative/ Variations:	
Recommendations:	To recommend amendments to the Interim Cannabis Prohibition Ordinance to allow the manufacture of lower potency hemp beverages at breweries and distilleries.

ORDINANCE NO. _____

**CITY OF MARSHALL
STATE OF MINNESOTA**

**AN ORDINANCE AMENDING INTERIM ORDINANCE PROHIBITING THE
COMMERCIAL SALE, TESTING, MANUFACTURING, COMMERCIAL
CULTIVATING, COMMERCIAL GROWING, TRANSPORTING, DELIVERY, AND
DISTRIBUTION OF CANNABINOID PRODUCTS, WHICH INCLUDES CANNABIS
PRODUCTS, LOWER-POTENCY HEMP EDIBLES, AND HEMP-DERIVED
CONSUMER PRODUCTS IN THE CITY OF MARSHALL**

WHEREAS, pursuant to the City of Marshall’s City Charter, Section 1.02, and Minnesota Statutes, Section 412.221, subd. 32, the Council “shall have power to provide for the government and good order of the city, . . the protection of public and private property, the benefit of residence, trade, and commerce, and the promotion of health, safety, order, convenience, and the general welfare by . . . ordinances”; and

WHEREAS, the City enacted an interim ordinance to allow the City Council time to study and consider adoption or amendment of reasonable restrictions on the operation or location of commercial businesses related to cannabinoid products, including retail stores in the City of Marshall offering Cannabis products, and Lower-Potency Hemp products, for the purpose of protecting the planning process and the health, safety, and welfare of the public; and

WHEREAS, although certain nuisance factors, including noise and odor, exist from manufacturing from seed to product, the Council has learned that with the Lower-Potency Hemp beverages, the manufacturing is not typically produced from seed to product, but instead, the manufacturers, such as breweries, purchase the THC in a liquid form and mix it with various seltzers to produce the THC-infused beverages. This type of manufacturing is less of a nuisance concern and allowing these Lower-Potency Hemp beverages to be manufactured at facilities that already produce intoxicating beverages represents a reasonable extension of their business and product lines, as long as it is not produced from the plant; and

WHEREAS, the City Council has determined that commercial businesses involved in limited manufacturing, and the transporting, or delivery and distribution of that infusion based lower potency hemp edibles and hemp-derived consumer products do not pose a risk to the health, safety and welfare of the public since the operation of those businesses do not result in an introduction or increase in availability of THC related intoxicating products for use within the jurisdictional limits of the City; and

WHEREAS, the City Council has determined that commercial businesses involved in testing, manufacturing, transporting, or delivery and distribution of lower potency hemp edibles and hemp-derived consumer products would not result in increased exposure or availability of these intoxicating products to youth in the community; and

WHEREAS, the City Council has determined that opportunities exist for commercial businesses in the City to provide services involving the testing, manufacturing, transporting, or delivery and distribution of lower potency hemp edibles and hemp-derived consumer products, which will benefit commerce in the City.

NOW, THEREFORE, The Common Council of the City of Marshall do ordain:

SECTION 1. City Code of Ordinances, Interim Cannabis Prohibition, adopted by Ord. 23-015 on June 27, 2023, is hereby amended to read as follows:

....

SECTION 3. MORATORIUM.

A. A moratorium is hereby imposed to:

- i. Other than as allowed in subparagraphs a and b herein, prohibit any business, person, or entity from offering for retail sale, wholesale, testing, commercial growing, commercial cultivating, manufacturing, transporting, delivering or commercial distribution of ~~Cannabinoid Products, including Cannabis Products, f, or~~ Hemp-Derived Consumer Products, including the establishment or operation as a ~~Cannabis Business or~~ Lower Potency Hemp Business within the jurisdictional boundaries of the City of the City of Marshall.
 - a. Manufacturing of Lower-Potency Hemp beverages is allowed as an accessory use only at breweries and distilleries, as long as the manufacturing process for the beverages does not involve the cannabis plant. The transporting or distribution of Lower-Potency Hemp beverages manufactured as an accessory use at a brewery or distillery to locations outside of the City also is allowed as part of the accessory use.
 - b. The sale of Lower-Potency Hemp beverages that comply with Section. 3(A)(i)(a) is allowed at exclusive liquor stores. No off-sale of Lower-Potency Hemp beverage growlers is allowed by breweries or distilleries. No on-site consumption is allowed at breweries and distilleries.
 - c. Breweries or distilleries manufacturing Lower-Potency Hemp beverages as an accessory use must be registered with the State and will be subject to any future applicable licensing or registration requirements by the state or the City of Marshall.
- ii. Prohibit any business, person, or entity from offering for retail sale, wholesale, testing, commercial growing, commercial cultivating, manufacturing, transporting, delivering or commercial distribution of Cannabis Products within the jurisdictional boundaries of the City of the City of Marshall.
- iii. The City shall not process, or act on any application, site plan, building permit, or other zoning approval for a business, person, or entity ~~proposing to engage in the sale of any Cannabinoid Products, including Cannabis Products, Lower~~

~~Potency Hemp Edibles, or Hemp Derived Consumer Products,~~ covered herein,
other than those related to the breweries and distilleries allowed under Section
3(A)(i)(a) and (b).

- iv. This moratorium does not relate to the retail sale of Hemp Derived Topical Products, or Hemp Derived Fiber Products. The moratorium also does not relate to the sale of edible cannabinoid products as that term is defined in current statute, 151.72, subd. 1, in exclusive liquor stores.

. . . .

SECTION 2. EFFECTIVE DATE. The amendments to this ordinance shall become effective on the first day of publication after adoption.

PASSED AND ADOPTED BY THE CITY OF MARSHALL COMMON COUNCIL this ____ day of January 2024.

Presiding Officer

Attest

Robert Byrnes, Mayor, City of Marshall

Steven Anderson, City Clerk,