AGENDA
CITY COUNCIL
WORK SESSION
CITY OF WYOMING, MINNESOTA
JANUARY 21, 2025
5:30 PM

CALL TO ORDER:

CALL OF ROLL:

DETERMINATION OF A QUORUM:

PLEDGE OF ALLEGIANCE:

NEW BUSINESS:

1. Adult Use Cannabis Updates

ADJOURN

Request for Council Action

Date: January 15, 2025

Presented to: Mayor Iverson and City Council Members
Presented by: Robb Linwood, City Administrator
Department: Administration
Reference: Cannabis Update
Method: Work Session

***Background Information*:**

In 2024, Minnesota legalized adult-use cannabis, enabling licensed businesses to cultivate, process, and sell cannabis products. The Minnesota Office of Cannabis Management (OCM) oversees licensing, compliance, and enforcement. Municipalities retain authority to regulate zoning and business operations but cannot outright prohibit cannabis businesses.

Key Updates

1. **Licensing Timeline**
    - The OCM has begun accepting applications for retail licenses as of January 2025. Priority is given to social equity applicants and entities demonstrating a commitment to community reinvestment.
    - A final set of rules will be sent to a state judge for confirmation, followed by submission to the Secretary of State's Office and Gov. Walz, who will have a 14-day veto window. Once adopted, these rules will be published as the final step in launching Minnesota's recreational cannabis industry.
    - Qualified cannabis business entrepreneurs could receive a business license as soon as the rules are adopted.
    - The OCM anticipates holding a lottery for capped license types in May or June 2025, with retail sales projected to begin later in the year.
2. **Local Authority**
    - Municipalities can regulate the time, place, and manner of cannabis operations via zoning ordinances and licensing requirements.
3. **Taxation**
    - Cannabis sales are subject to state taxes, with a portion allocated to local governments for public safety, health education, and infrastructure impacted by cannabis operations.
    - Cities may not impose additional sales taxes on cannabis products.
4. **Public Safety and Enforcement**
    - State funding is available to support training for law enforcement officers on cannabis-related DUI enforcement and compliance checks.
5. **Regulatory Framework**
    - In July 2024, the OCM released a 111-page document outlining regulatory proposals designed to create a flexible regulatory environment focused on outcomes and allowing businesses autonomy in compliance.

Implications for the City of Wyoming

1. **Zoning and Land Use**
    - The City has completed updates to its zoning ordinance to address cannabis businesses, including identifying appropriate districts and establishing buffer zones from sensitive areas such as schools, parks, and residential neighborhoods.
2. **Cannabis Retail Restrictions (342.13)**
    - Local governments may limit the number of retailers and microbusiness/mezzobusinesses with retail endorsements allowed within their locality, as long as there is at least one retail location per 12,500 residents. Local units of government are not obligated to seek out a business to register as cannabis business if they have not been approached by any potential applicants but cannot prohibit the establishment of a business if this population requirement is not met. Local units of government may also issue more than the minimum number of registrations.
3. **Economic Opportunities**
    - Retail cannabis may generate new revenue through state taxation, a portion of which is allocated to local governments to support public safety, infrastructure, and community education efforts.
    - Some communities in Minnesota are exploring municipal cannabis operations, which allow cities to directly benefit from sales revenue while maintaining local oversight of the industry. This model could be considered in the future based on community interest and feasibility. A municipal cannabis store will not be included in the total count of retail licenses issued by the state under Chapter 342. A municipal cannabis store cannot be counted as retail registration for purposes of determining whether a municipality's cap on retail registrations imposed by ordinance.
4. **Administrative and Public Safety**
    - Local governments play a critical role in the licensing process, serving as a near-final approval check on cannabis businesses nearing the awarding of a state license for operations. Once an applicant has been vetted by OCM and is selected for proceeding in the verification process, they are then required to receive the local government's certification of zoning compliance and, if applicable, retail registration before operations may commence.
    - Once the licensing process begins, local retail registration applies to cannabis retailers or other cannabis/hemp businesses that are seeking a retail endorsement. Local governments issue a retail registration after verifying that the business:
        1. Has a valid license or license preapproval issued by OCM
        2. Paid a registration fee or renewal fee to the local government
    - Local governments must conduct compliance checks for cannabis and hemp businesses holding retail registration at least once per calendar year. These checks must verify compliance with age verification procedures and compliance with any applicable local ordinances.
5. **Policy Alignment and Updates**
    - Regular review of local policies and ordinances to align with evolving state regulations and ensure they remain effective and relevant.

Next Steps Staff intends to keep the Council informed on the latest developments regarding retail cannabis, including updates from the Minnesota Office of Cannabis Management and the progress of licensing and enforcement efforts statewide. Regular updates will ensure the Council is aware of any significant changes or opportunities that may impact the City.