



# Understanding the Impacts of the Adult-Use Cannabis Law in Minnesota

July 25, 2023



**Poll: What are you most worried about regarding adult-use cannabis?**

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# Agenda

- Background on the passage of the new law.
- What is legal starting August 1, 2023?
- What will be coming in the future?
- What steps cities should take going forward?
  - Public Use
  - Edible Cannabinoid Regulation
  - Cannabis Regulation

**2023 Legislative Session:  
Fixing the THC edibles law  
or legalizing adult-use  
cannabis?**

# Legalization of Adult-Use Cannabis



- Chapter 63 legalizes adult-use cannabis and creates a statewide regulatory framework, making MN the 23<sup>rd</sup> state to legalize.
- 16 House committee hearings, 14 Senate committee hearings, 12 engrossments.
- Legalization of possession and home growth, decriminalization effective August 1, 2023.
- Majority of rulemaking to occur in 2024.
- Legal sales expected to begin by January 2025.

**What is legal August 1<sup>st</sup>?**



# Edible Cannabinoid Products Still Legal

- Now governed by Department of Health
- Testing
  - Standards to be set by State.
  - Must test each batch.
  - Better defines testing laboratory.
- Labeling
  - Batch number.

# Other Changes to Edible Cannabinoid Products

- Beverages can only be two servings per container.
- Prohibits artificially derived cannabinoids unless approved by state.
  - Only allows delta-8 and delta-9 THC.
- Requires products be located behind counter or in locked case.
- Age verification.
- Sale at exclusive liquor stores.



# Other Changes to Edible Cannabinoid Products

- **On-site consumption allowed if:**
  - Hold on-sale liquor license.
  - Served in original packaging.
  - Not sold to intoxicated customer.
  - Not allowed to be mixed with alcoholic beverage.
  - Products that have been removed from packaging must not be removed from premises.
- **Retailer must register with state by October 1, 2023.**



# What is legal as of August 1 2023?



# Possession

- **Legal to possess:**
  - 2 ounces of cannabis flower.
  - 8 grams of concentrate.
  - 800 mg of edible products.
  - 2 pounds of flower in private residence.
  - In vehicle trunk or area not normally occupied by driver if opened.



# Possession Restrictions

- Public school or charter schools and school buses
- State correctional facilities.
- On federal property.
- If under 21 years old.
- In vehicle if open and not in trunk.

# Use of Cannabis

Law specifically authorizes an individual 21 years or older to use adult-use cannabis flower & products in:



Private residence,  
including yard



Private property, unless  
owner prohibits



Events licensed to permit on-site  
consumption



# Prohibitions on Use



- Where prohibited by clean indoor air act.
- While operating motor vehicles.
- Public or charter schools and school buses.
- State correctional facilities.
- In a location where the smoke or vapor may be inhaled by a minor.
- On federal property.
- If under 21 years old.

# City Public Use Ordinance

- Cities may adopt ordinance prohibiting in a public place if definition of “public place” does not include:
  - Private residence, including person’s curtilage or yard.
  - Private property not generally accessible by the public, unless prohibited by the owner.
  - Licensed on-site consumption or event.
- Check current ordinance, may be broad enough.

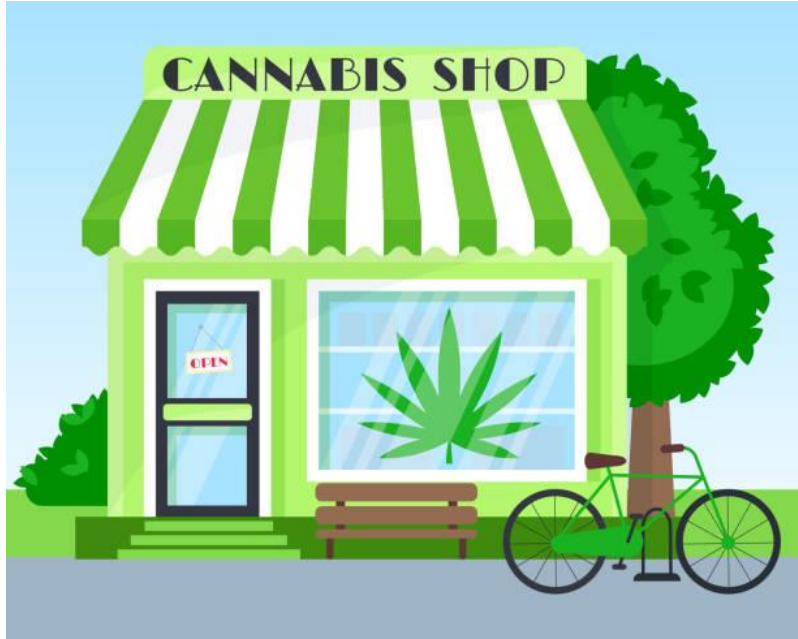


# Growing Cannabis

- Up to eight plants (four mature).
- Only be grown in an enclosed locked space that is not open to public view.



# Selling Cannabis



- Medical
- Edibles
- All others need to wait for Office of Cannabis Management to begin licensing.

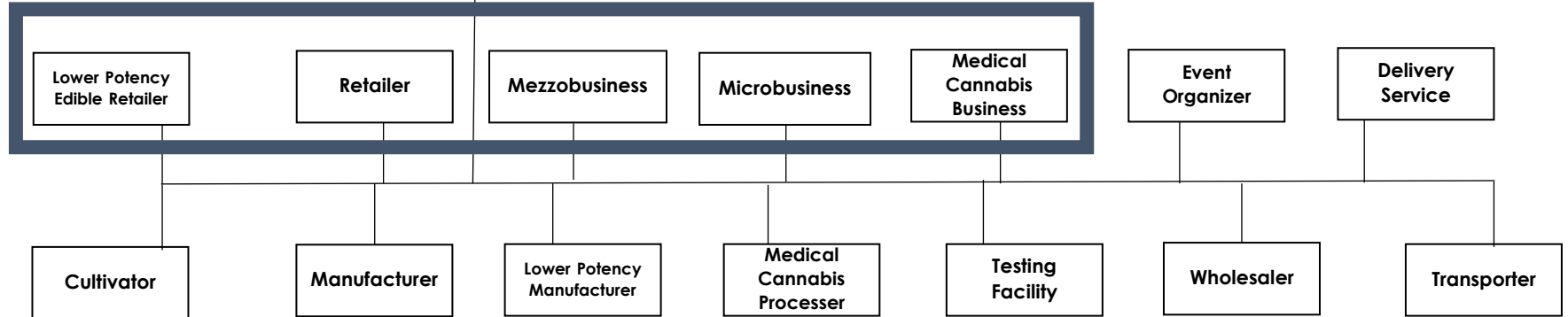
**What's coming in the  
future for cannabis sales?**

# Adult-Use Cannabis Regulatory Structure

**Cannabis Management Board** as regulating entity and administers all licenses. Five members appointed by:

- Speaker of the House
- Leader of minority caucus in the House
- Senate Subcommittee on Committees
- Leader of the minority caucus in Senate
- Governor

**Cannabis Advisory Council** comprised of 50 appointed or designated individuals, including a **representative from the League of Minnesota Cities**.



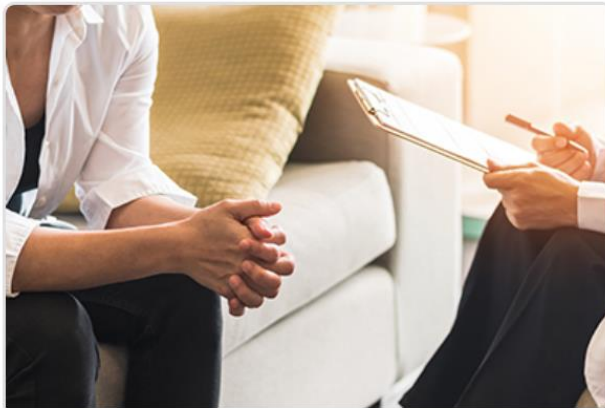
## Minnesota Office of Cannabis Management

Minnesota has become the 23rd state in the nation to legalize cannabis use for people 21 and older. Learn more [about the legislation](#).



### For Adult Consumers

Find out about limits on possession and how much cannabis can be grown at a person's



### For Medical Cannabis Patients

Learn how the legislation will reduce costs for medical cannabis patients.

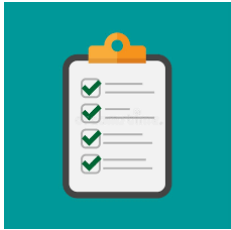


### For People Interested in Starting a Business

Get details about the types of licenses that will

<https://cannabis.mn.gov/>

# City Role in Regulation



A cannabis business applies for a license through the Office of Cannabis Management.



OCM consults city for zoning approval and feedback.



Cities issue registrations to certain cannabis businesses once they receive a license.



Cities conduct compliance checks and may suspend registrations if needed.



Cities may collect registration fees and are provided 10% of tax revenue.

**What should cities do  
now?**

# Moratoriums on Retailers

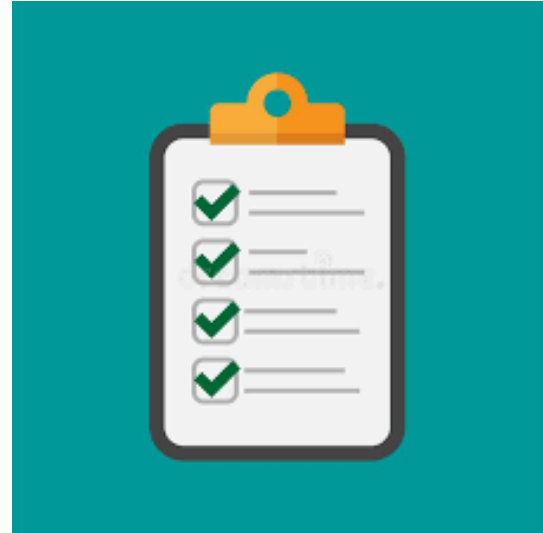
- Cities may adopt moratorium on cannabis businesses until 2025.
- Prohibits establishing cannabis retailer so city can study the issue.





# Edible Temporary Regulations?

- If licensing, continue with new restrictions.
- Start licensing?
- Nothing?



# City Use Ordinance

- Where allowed to use not entirely clear.
- Cities may adopt ordinance to prohibit in public places.
  - Cities get to define “public place.”
- Considerations
  - Smoking v. edible
  - What areas
    - Parks
    - City Property
    - Trails
    - Streets
    - Sidewalks
    - Places where outdoor smoking is otherwise allowed

# Public Safety

- No reliable test to determine impairment.
- Officers use same training as they have previously.
- Search of vehicle when smell is likely different.



# Prepping for Cannabis Regulation

# Zoning

- Begin thinking about where to allow cannabis businesses.
  - Retailers
  - Manufacturers
  - Growers
- What types of restrictions?
  - CUP
  - Allowed Use



# License limits

- A city may limit the number of licensed cannabis retailers to no fewer than one registration for every 12,500 residents.
- If a county has one active registration for every 12,500 residents, a city within the county is not obligated to register any additional cannabis businesses.
- Amount of state funds will depend on the number of licenses within the city.

The limits operate as follows:

- 1–24,999 population: 1 license
- 25,000–37,499 population: 2 licenses
- 37,500–49,999 population: 3 licenses...

# Municipal Cannabis?

- Authorizes cities to sell cannabis.
- Need more guidance from state.
- Analyzing insurance and liability issues.



**Poll: What do you want to learn most about in the coming months?**






## Alex Hassel

Intergovernmental Relations  
Representative  
League of Minnesota Cities

 [ahassel@lmc.org](mailto:ahassel@lmc.org)

 (651) 281-1261

 @alexhassel



## Kyle Hartnett

Ass't Research Manager  
League of Minnesota Cities

 [khartnett@lmc.org](mailto:khartnett@lmc.org)

 (651) 215-4084