

## Subject: Regulating CBD/Hemp Products

<b>Meeting Date:</b> July 11, 2022	
<b>Submitted/Presented by/Department:</b> Nate Burkett, City Manager	
<b>Action Type</b>	
<input type="checkbox"/> Consent Item	<input checked="" type="checkbox"/> Discussion/Direction
<input type="checkbox"/> Public Hearing	<input type="checkbox"/> Informational Only
<input type="checkbox"/> Action/Motion	<input type="checkbox"/> Report
<input type="checkbox"/> Resolution	<input type="checkbox"/> Other:
<b>Action</b>	
Discussion/Direction	
<b>Background</b>	
<p>Due to legislative changes during the final days of the most recent legislative session, certain edibles and beverages infused with tetrahydrocannabinol (THC) are now legal in the state. Many legislators and nearly everyone else was caught off guard by the sudden legalization of these products. The state has very few regulations related to these products, including limitations on regulations that local governments may place upon the sales, testing, manufacturing or distribution of such products.</p> <p>Council is encouraged to discuss the policy implications and give guidance to staff as to whether or not to prepare regulations for products this nature, potentially to include non-intoxicating CBD products.</p> <p>In previous discussions on this topic, the council indicated that there was an interest in regulating CBD products and pre-emptively adopting regulations for recreational products with THC included as an ingredient. The primary concern at that time was a potential proliferation of retail sites in the city, and an expressed belief that it was in the best interest of public health, safety and welfare to both regulate sales and to regulate time, place and manner of sales.</p> <p>Staff has prepared an interim ordinance for the council to consider. That ordinance is on the regular agenda under new business. Should the council indicate an interest in regulations on these products, a moratorium is likely the best first step to control for expansion of regulated sales during the time frame staff is preparing detailed, actionable items for council consideration.</p> <p>Should the council wish to proceed the following are the primary questions that staff would need direction on:</p> <ul style="list-style-type: none"> <li>• Which of the following should be regulated in some manner? (CBD, THC, Delta-8)</li> <li>• Should staff research and recommend licensing options (similar to licensing tobacco retailers)</li> <li>• Should staff research and recommend licensing "specialty" shops (similar to specialty tobacco retailers)</li> </ul>	

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Note: If the council desires to have options related to a "specialty" retailer license that would imply that businesses that sell regulated products as an incidental or small part of their business could also have a license.

- Should staff research and recommend zoning restrictions, and if so, does the council have any guidance? (Condition use, which zones/areas of the city, distance from schools, distance from other retail sales, etc)

### Attachments

[Hemp Derived Products FAQ - MN Board of Pharmacy](#)

[League of MN Cities News Brief - Focus on New Laws: Some Edible Cannabinoids Now Legal](#)

### Previous Relevant Actions

### Alternatives

### Financial

Budgeted:  Yes

No Financial Impact

Fund:

Department:

Account:

Amount: