

AMC Cannabis Planning and Zoning Guide

Mary Lyon

Introduction and purpose of the P&Z handbook

- ▶ This handbook was created as a guidance document for counties as they consider local planning and zoning regulations and ordinances.
- ▶ This document provides examples of cannabis planning and zoning ordinances from counties and cities in other states with legalized adult-use cannabis.
- ▶ This document also provides a state statute analysis of the law and scenarios for cannabis retail limitations based on population size.
- ▶ Counties may consider using this document as a starting point for conversations regarding cannabis related ordinances.
- ▶ **Please note, this document will continue to be updated and amended as the Minnesota Legislature adopts new amendments to the cannabis law.**

Recap from 2023 legislative session

- ▶ Counties may adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business or hemp business.
- ▶ Counties may prohibit a cannabis business within:
 - ▶ 1,000 feet of a school
 - ▶ 500 feet of a daycare
 - ▶ 500 feet of a residential facility
 - ▶ 500 feet of an attraction with a public park that is regularly used by minors.
 - ▶ X feet of another cannabis retail business

State statute analysis

Cultivation and Manufacturing Performance Standards:	Cannabis Cultivator and Manufacturer Requirements
Security & Lighting	Indoor and outdoor cultivator businesses are subject to the security, fencing, lighting, and any other requirements established by state administrative rules.
Wastewater	Must submit an operating plan demonstrating the proposed size and layout of the cultivation facility; plans for wastewater and waste disposal for the cultivation facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the cultivation facility
Ventilation & Filtration	Must maintain a ventilation and filtration system sufficient to meet the requirements for odor control established by state administrative rules.
Solid Waste	A cultivator business must prepare, maintain, and execute a solid waste disposal plan. Admin. rules will be created for appropriate disposal of cannabis plant matter, packaging, and other solid waste of all cannabis businesses.

Retail cannabis businesses

- ▶ Cities and towns may delegate their registration authority to the county.
- ▶ Counties should begin consulting with their cities and towns on how their jurisdictions plan to incorporate cannabis retail businesses into their communities.
- ▶ Even if a city or town does not register a retail business, they may still have local regulations that affect the time, place, and manner of a business's operation.
- ▶ Counties and towns should decide on a process for the county to confirm with its local jurisdictions that a retail business applicant meets the city or town's local regulations before issuing a registration.

Limiting retail registrations- Appendix B

- ▶ Local governments may adopt an ordinance that limits the number of licensed retail cannabis businesses, mezzobusinesses, and microbusinesses to one per 12,500 residents.
- ▶ If a county has one active registration for every 12,500 residents, a city or town within the county is not obligated to register a cannabis business.
- ▶ If a county does not have an ordinance limiting retail cannabis businesses, it must register any business that applies and meets local regulations in the areas where they have registration authority, unincorporated land and cities or towns that have delegated registration authority to the county.
- ▶ Municipal businesses will not count against the 1:12,500 limitations.
- ▶ Appendix B includes four scenarios for how the population rule and decisions by the county and its cities and towns may impact the number and location of retail cannabis businesses.

Performance standards

- ▶ The cannabis law also permits counties to implement “reasonable restrictions” on the manner of cannabis business operations.
- ▶ Counties may consider applying common performance standards on cannabis operations.
- ▶ In jurisdictions in other states, counties and cities have established standards related to odor, security, lighting, and traffic management.

Odor & ventilation

- ▶ A primary concern for counties and cities with cannabis legalization in other states is odor control related to cultivation and manufacturing businesses.
- ▶ These facilities often have a distinct, unpleasant odor, similar in pungency to those of feedlots.
- ▶ Counties in other states have passed ordinances establishing odor and air quality control standards to ensure clean air for the community. Rather than adding a performance standard specific to odor, counties may consider limiting density to limit the intensity of smell.

Security

- ▶ According to the law a cannabis business must:
 - ▶ Maintain and follow a security plan to deter and prevent the theft or diversion of cannabis plants into the illicit market, unauthorized entry, and the theft of currency.
- ▶ Counties may consider establishing security expectations for cannabis businesses as a reasonable restriction on the manner of operations.

Wastewater management

- ▶ Cannabis cultivators and manufacturers must submit plans for wastewater and waste disposal for the cultivation facility.
- ▶ Minnesota cultivators will need to properly disposal of wastewater which is likely to contain nitrates, phosphorus, fungicides, pesticides, and cleaning products to avoid contaminating local water sources.
- ▶ Manufacturing operations will also need disposal processes for solvents that are commonly used in the oil extraction process.

Solid waste

- ▶ Solid waste concerns in the cannabis industry include the use of hazardous materials to grow and manufacture the product, surplus plant material, and recalled products.
- ▶ Surplus plant material and recalled products should be rendered unusable to ensure that the waste will not end up in the illicit market or be accessible to minors.
- ▶ These example ordinances specifically refer to cannabis waste from businesses, however, counties may consider similar language to include home grown cannabis plants.
- ▶ Denver has published a best practice guide on waste management and diversion of cannabis products. The state of Montana has also developed a Cannabis Waste Guidance document.

Energy use

- ▶ Indoor cannabis cultivation facilities use significant energy in operating lights and HVAC and irrigation systems.
- ▶ The average indoor cultivation facility is typically 10,000 - 20,000 and will likely consume a range of 1MW to 2.5MW.
- ▶ This energy consumption is about the same amount of power used by 2-6 major big box or grocery stores. Some jurisdictions in other states have placed restrictions on energy use to prevent undue strain on the system.
 - ▶ These restrictions are rare in Minnesota; however, counties may want to consult with utilities in their communities on electrical grid concerns.

Water use

- ▶ Cannabis is a water-intensive plant resulting in high water use by indoor cannabis cultivation facilities that do not allow for exposure to rain.
- ▶ Some jurisdictions in other states decided to place restrictions on water use to prevent undue strain on the water table.
- ▶ This type of regulation is uncommon in Minnesota Counties; however, it may be best for counties to consult with the state on any water use concerns for locations and densities of indoor cultivation facilities.

Moving forward

- ▶ Minnesota state agencies are currently working on administrative rules which may impact how local governments regulate cannabis businesses.
- ▶ Ideally, counties would wait for the rules to be adopted to draft their local regulations, but these rules will not be completed until later in 2024.
- ▶ A county may want to begin soon to analyze, deliberate, and decide on if and how it wants to regulate cannabis businesses in its jurisdiction given the short timeline between the adoption of state administrative rules and beginning of legal sales

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Thank you!

mlyon@mncounties.org