



March 20, 2023

Dear Chair Stephenson and Members of the Commerce Committee:

The League of Minnesota Cities, the Association of Metropolitan Municipalities (Metro Cities) and the Municipal Legislative Commission (MLC) appreciate the opportunity to comment on HF 100.

Our organizations, representing cities across the state, have specific concerns with HF 100 as it relates to the role of local governments and their responsibility to implement and enforce laws enacted by the state.

Cities are well poised to be partners with the state in ensuring that the adult-use cannabis industry is brought to local communities responsibly and with a robust regulatory framework. After the Legislature passed a bill to authorize the sale of certain THC products with very minimal oversight, many cities stepped up to put reasonable regulations in place. However, HF 100 currently places cities on the sidelines in the regulation of cannabis and cannabinoid products and fails to provide cities with the authority and resources needed to respond to the unique challenges this industry will bring to local communities. We greatly appreciate the amendment language to add local registrations to the licensing process and an expedited timeline for the state to respond to issues with cannabis businesses in the event they pose an immediate public safety threat. These provisions create an enforcement mechanism that will allow local governments to respond quickly to any issues with cannabis businesses. Though local governments would still have no discretion in the state's licensing process, we see this as a positive addition to the bill.

We continue to have concerns that the current proposal does not require that a cannabis business comply with local zoning and land use laws as a condition of their state-issued license nor does it allow local jurisdictions to limit the number of retailers, as they can for liquor and tobacco. While local governments request that cities can opt-out from authorizing the retail sale of the products as other states allow, at a minimum, it is imperative that those businesses comply with local zoning and land use ordinances and that cities can place reasonable limits on the number of adult-use cannabis retailers in their jurisdictions.

Finally, cities should have reasonable taxing authority or revenue sharing with the state in recognition that cities will experience increased costs related to the challenges associated with legalized adult-use cannabis. If the current proposal were to pass, Minnesota would be the only state with legalized adult-use cannabis that does not provide funding to local governments to deal with the costs that the adult-use cannabis market will bring. To adequately respond to issues with

retailers, illicit market activity, and increased incidents of driving under the influence, local governments must be equipped with resources.

An adult-use cannabis market in Minnesota cannot be properly regulated or successful without a strong partnership between the state and local units of government. Without providing local governments with resources and reasonable local control to manage these new challenges, this proposal is not setting our communities up for success in ensuring a safe and responsible ushering-in of the adult-use cannabis industry.

We appreciate Representative Stephenson's willingness to discuss these concerns and look forward to continuing to work together to ensure a successful partnership between the state and local governments for this new industry.

Thank you for your consideration of this letter.

Sincerely,



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Intergovernmental Relations Representative



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