

Cannabis Update

Information as discussed at OTC Commissioners meeting with OTC cities and LMC webinar
OTC Commissioners planning a follow up meeting
LMC recorded Webinar available thru LMC MemberLearn site & FAQ's on LMC Website

- Effective 8/1/2023 Cannabis is legal to possess, use and grow at home.
 - Can legally possess 2 oz cannabis flower, 8 grams of concentrate, 800mg of edible products, 2 lbs of flower in private residence, in vehicle trunk or area not normally occupied by the driver if open.
 - Can grow up to 8 plants with only 4 mature (flowering) & can only be grown in an enclosed locked space that is not open to public view,
 - No licensing for retail sales until January 2025, which will be thru the state OCM (Office of Cannabis Management). (exception edibles and medical)
 - Cities can charge a registration and renewal fee.
 - Cannabis will be taxed at 10%. Revenues from this will be divided 80% general fund and 20% local government. Cities will receive revenue proportionate to the number of cannabis businesses.
 - Law authorizes an individual 21 years of age or older to use cannabis.
 - Where allowed to use is not entirely clear. **Cities define public place.** Smoking & edibles. Considerations: parks, city property, trails, streets, sidewalks and places where smoking may be allowed. City adopt an ordinance prohibiting in a public place if the definition does not include the above. Check current smoking ordinance if broad enough to address cannabis.
 - OTC Commissioners is drafting language city can use to define public place that could be adopted across the county
- The law notes:
- at private residence (including yard),
 - private property unless owner prohibits, and
 - events licensed to permit on site consumption, which can't occur until OCM can license. (Issue needing further clarification is renters)
- Prohibitions on use
 - Where prohibited by clean indoor air act
 - While operating motor vehicle
 - Public/charter schools and school buses
 - State correctional facilities
 - Federal property
 - Location where smoke or vapor may be inhaled by a minor
 - If under 21 years of age
 - City Role in Regulation
 - Cannabis business applies for a license thru the OCM
 - OCM consults city for zoning and approval feedback
 - City issues registrations to cannabis business once the license is received
 - City conducts compliance checks (1x annually) and may suspend registrations if needed.
 - Cities may collect registration fees and are provided tax revenue
 - **There were OTC cities noting interest in municipal liquor store selling. The law authorizes cities to sell cannabis; caveats to this is issue with banking and insurance. Interest based on revenue. State to provide further guidance.**
 - The OTC moratorium expires 1/31/2024. City of Vergas by resolution adopted this. OTC attorney noted cannot renew this moratorium. Is further investigating if city wants a moratorium until 1/2025 regarding cannabis business/retailer.
 - **Cities need to be thinking about where to allow cannabis businesses; retailers, manufactures, growers. LMC is creating model zoning for cities to consider.**

- License limits:
 - City can limit # of licensed cannabis retailers to no fewer than 1 registration for every 12,500 residents
 - If the county has one active registration for every 12,500 residents, a city within the county is not obligated to register any additional cannabis businesses. OTC 5 active registrations.
 - State funds will depend on the number of licenses in the city.
 - The limits operate as follows: 1-24,999 population 1 license. Number of licenses go up based on population.
 - Tribal nations opening dispensaries. Don't need state license and doesn't apply to the county #
- Changes to cannabinoid edibles:
 - Edible cannabinoid products still legal, but will be moving under Dept of Health oversight (vs pharmacy) and ultimately to the OCM
 - The state will be setting testing and labeling standards
 - Beverages can only be 2 servings per container
 - Products must be approved by the state
 - Retailers must register with the state by October 1, 2023
 - Requires products be located behind the counter or in a locked case and age verified
 - ***Sale can be at exclusive liquor stores. The LMC Insurance Trust is working on guidance for cities to considering selling cannabinoid products at municipal liquor store.**
 - 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, and products that have been removed from packaging must not be removed from the premises.
- Drug Free Work Place: Employee Drug, Alcohol and Cannabis Testing
 - Overall, you can't go to work impaired by cannabis, possess cannabis or use cannabis while you're at work and while on work premises or work vehicle. Employees are prohibited from being under the influence of alcohol or drugs (including cannabis) when reporting for work, while on duty, while on city premises, while operating city vehicle, equipment or performing city business.
 - No changes to policy for employees holding a CDL. Will continue to enforce drug and drug testing standards (including prohibition on cannabis use) against all CDL holders.
 - Non-CDL license/safety sensitive city positions. Will not require job applicants to undergo cannabis testing. Will be subject to testing when reasonable suspicion exists.