



May 4, 2023

Governor Walz,

On behalf of organizations representing cities and counties across the entire State of Minnesota, we reach out to you asking for your support of critical local control mechanisms included in the Senate cannabis legalization bill (SF 73). In full anticipation that cannabis legalization will eventually be presented to your desk, we ask you to help shape the final agreement to make certain that core government interests and needs are accounted for with potential legalization.

As you are well aware, the issue of recreational, adult-use cannabis legalization is a significant policy question that solicits passionate viewpoints from diverse perspectives. As such, our organizations have stayed out of political discussions surrounding this broader societal discussion and focused our outreach and requests on the following core principles:

1. Meaningful local control to make sure that residents are empowered through their locally elected leaders to determine what is best for their communities and provide authorities regarding land use and zoning as well as reasonable restrictions.
2. A strong state regulatory framework that ensures product quality control, robust public education, and moderates oversaturation of the legal marketplace while decreasing the illicit marketplace.
3. A recognition of local government costs and impacts through new revenue sharing.

The Senate bill (SF 73) as passed off the Senate floor on Friday, April 28, 2023 largely meets these needs. While it does not include a priority ask from our organizations regarding the opportunity for local governments to “opt out” or prohibit cannabis retail establishments within their jurisdictions, like so many other states do, the bill provides the important following mechanisms:

1. Local land use compatibility statement to ensure that the cannabis management board verifies local zoning compliance with license applicants.
2. Strong local control language that reiterates a local government’s ability to utilize inherent land use and zoning authorities as well as include reasonable restrictions on time, place, and hours of operations.
3. Local registration requirements that would provide local governments with compliance and enforcement responsibilities to ensure state license requirements are met and operations are not acting illegally, selling to minors, or delinquent on local property taxes.
4. Moderate licensing limits that would prevent market oversaturation and allow reasonable limits on total licenses within a county/city if a certain threshold has already been met. These provisions are extremely critical for smaller jurisdictions that are along State borders where these products are illegal.
5. Local revenue sharing that provides cities and counties a modest portion of the Senate’s proposed 10% gross receipts sales tax to offset operational impacts both known, and unknown. It’s important to note that every other state that legalizes adult use cannabis provides local revenue sharing by way of a local options sales tax option OR a share of the state’s general

revenue from the legalized product. Having the bill pay for state agencies while neglecting your local partners as deserving of revenue will fail to set our communities up for success in being adequate partners with the State with this new industry.

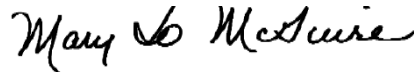
Together, these mechanisms represent extensive conversations between legislators and local government organizations and are a thoughtful and moderated approach to reach a consensus on local government concerns while still respecting the approach and framework presented by House and Senate authors **A bill that would come forward without these considerations and components would deprive your local government partners of reasonable tools and resources to ensure successful legalization and unnecessarily create division between local communities and the new marketplace.**

As your local government partners we ask that, should legislation come forward on cannabis legalization, you hold true to the current Senate bill and make certain that the final proposal includes robust and meaningful local government control mechanism outlined in the Senate bill in addition to providing revenue sharing.

Sincerely,



Ron Johnson  
Councilmember, Bemidji  
President, League of Minnesota Cities



Mary Jo McGuire  
Ramsey County Commissioner  
President, Association of Minnesota Counties



Jim Hovland  
Mayor, Edina  
President, Municipal Legislative Commission



Matt Stemwedel  
City Manager, Coon Rapids  
President, Metro Cities



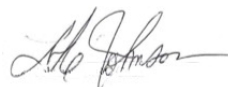
Jacob Kolander  
City Administrator, Spicer  
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