



April 14, 2023

Dear Chair Rest and Members of the Senate Taxes Committee:

Metro Cities, representing the collective interests of cities in the metropolitan area, appreciates the opportunity to comment on SF 73 (Port) as it is considered by the Senate Taxes Committee on Monday.

Metro Cities has specific concerns with the bill related to its impacts on local budgets, and the ability of local governments to implement and enforce state laws.

Cities should share in revenues from taxation on cannabis products or be authorized to tax cannabis sales locally. SF 73 must recognize the additional financial and staffing pressures adult-use cannabis legalization will put on cities and local law enforcement, as is the case when local governments are responsible for implementing and enforcing state laws.

SF 73 requires local governments to register cannabis businesses if they have been licensed by the state and have met certain other requirements and requires local governments to conduct compliance checks for every cannabis and hemp business with retail registrations. This responsibility puts increased demands on cost-burdened local budgets. Costs will be especially burdensome for small cities and cities bordering states where adult-use cannabis is illegal.

Without funding for local governments, Minnesota will be an outlier among states that have legalized adult-use cannabis.

Metro Cities supports the requirement that the Office of Cannabis Management conduct an annual report that includes information on recommended funding levels for peace officer training. Even if this legislation is successful in eliminating the illicit market, local resources will be required to respond to new challenges such as increased rates of impaired driving, unlicensed or out of compliance retailers, and nuisance complaints from residents.

Thank you for your consideration of this letter. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Michael Lund". The signature is written in a cursive, flowing style.

Mike Lund
Government Relations Specialist
Metro Cities