



## **City of Vermillion Council Agenda**

9:30 a.m. Joint Meeting with Clay County  
Commission, Vermillion Planning & Zoning  
Commission, and Clay County Planning

Commission

Tuesday, June 15, 2021

City Council Chambers

25 Center Street

Vermillion, South Dakota 57069

1. **Roll Call**

2. **Adoption of Agenda**

3. **Visitors to Be Heard**

4. **New Business**

- a. First Reading of Ordinance 1437 – A Temporary Ordinance Regarding the Issuance of Local Medical Cannabis Establishment Permits and/or Licenses in the Joint Jurisdictional Zoning Area.

5. **Adjourn**

**Access the City Council Agenda on the web – [www.vermillion.us](http://www.vermillion.us)**

**Addressing the Council:** Persons addressing the Council shall be recognized. Please state your name and address. Presentations are limited to 5 minutes. For those who do not appear on the agenda, no decision is to be expected at this time.

**Meeting Assistance:** If you require assistance, alternative formats and/or accessible locations consistent with the Americans with Disabilities Act, please contact the City Manager's Office at 677-7050 at least 3 working days prior to the meeting.

**Council Meetings:** City Council regular meetings are held the first and third Monday of each month at 7:00 p.m. If a meeting falls on a City holiday, the meeting will be scheduled for the following Tuesday.

**Live Broadcasts of Council Meetings on Cable Channel:** Regular City Council meetings are broadcast live on Cable Channel 3.

As a courtesy to others, we ask that cellular phones and other electronic devices be turned off during the meeting.

## *Council Agenda Memo*

**From:** John Prescott, City Manager

**Meeting:** June 15, 2021

**Subject:** First reading of Ordinance 1437 - Medical Cannabis regulations in the Joint Jurisdictional Zoning area

**Presenter:** Drew Gunderson, Clay County Zoning Administrator

**Background:** In November of 2020, the voters of South Dakota approved IM26. This measure provides for medical cannabis as of July 1, 2021. The State codified IM26 in Chapter 34-20G earlier this year. The initiated measure provides municipal governments the ability to participate in the process for licensing, permitting, identifying permissible locations in the community, hours of operation, number of medical cannabis dispensaries, and other related items. The State will also have a registration process. The State Department of Health has not yet promulgated the final rules for their portion of the process.

The City Council recently approved Ordinance 1434 to establish where different types of medical cannabis facilities from the dispensary to the grow facilities could be located within Vermillion city limits. At the last regular meeting on June 7, the City Council approved the second reading of Ordinance 1435 to address the licensing of medical cannabis establishments within Vermillion city limits.

**Discussion:** Clay County is the administrator for the Joint Jurisdictional Zoning Area surrounding the City of Vermillion. The City and County are jointly responsible for establishment of zoning regulations in the JJZA. The County is proposing the attached medical cannabis ordinance to pause the enactment of medical cannabis regulations in the Joint Jurisdictional Zoning Area until the State of South Dakota promulgates rules as required by Initiated Measure 26.

**Financial Consideration:** None.

**Conclusion/Recommendations:** Administration recommends the City Council approve the first reading of Ordinance 1437, which pauses enactment of medical cannabis regulations in the Joint Jurisdictional Zoning Area until the State of South Dakota promulgates rules.

**PROPOSED ORDINANCE 1437  
ALSO KNOWN AS CLAY COUNTY ORDINANCE NO. 2021-03**

**A TEMPORARY ORDINANCE REGARDING THE ISSUANCE OF LOCAL MEDICAL  
CANNABIS ESTABLISHMENT PERMITS AND/OR LICENSES.**

**WHEREAS**, Clay County, SD (“County”) and the City of Vermillion, SD (“City”) have a joint jurisdictional zoning agreement pursuant to SDCL 11-6-12; and

**WHEREAS**, said agreement sets forth joint zoning control outside of current City limits for an area as depicted on the Official Zoning Map of the Clay County and City of Vermillion Joint Jurisdictional Zoning Area; and

**WHEREAS**, a local government may enact an ordinance not in conflict with SDCL Chapter 34-20G, governing the time, place, manner, and number of medical cannabis establishments in the locality. A local government may establish civil penalties for violation of an ordinance governing the time, place, and manner of a medical cannabis establishment that may operate in the locality. A local government may require a medical cannabis establishment to obtain a local license, zoning permit, or registration to operate, and may charge a reasonable fee for the local license, zoning permit, or registration; and

**WHEREAS**, the County and the City, make a preliminary finding that the current regulations and controls for the Joint Jurisdictional Zoning Area may not adequately address the unique needs and impacts of medical cannabis establishments as defined in SDCL 34-20G-1; and

**WHEREAS**, the County and the City make a preliminary finding that the County and the City need further study of the relationship of medical cannabis establishments to the Joint Jurisdictional Comprehensive Plan and Joint Jurisdictional Zoning Ordinance. Public interest requires that the County and the City study, analyze, and evaluate the impacts of medical cannabis establishments and fully explore the impacts of any proposed regulations regarding medical cannabis establishments; and

**WHEREAS**, the County and the City make a preliminary finding that it would be inappropriate for a local permit or license to be issued to a medical cannabis establishment in the Joint Jurisdictional Zoning Area prior to the South Dakota Department of Health’s promulgation of regulations governing the same; and

**WHEREAS**, the County and the City hereby exercise their authority under SDCL 11-2-10, SDCL 7-18A-8, SDCL 11-4-3.1, and SDCL 9-19-13 to establish a temporary ordinance regarding the issuance of any local permits/licenses for medical cannabis establishments within the Joint Jurisdictional; and

**WHEREAS**, a temporary ordinance will ensure that a more comprehensive joint jurisdictional zoning ordinance, building permit changes, licensing permits, and any proposed amendments to the Joint Jurisdictional Zoning Area Comprehensive Plan can be completely examined with

adequate public input from citizens, business interests, and medical cannabis industry representatives; and

**WHEREAS**, the County and the City find that a temporary ordinance is reasonable to preserve the status quo and prevent significant investment pending the outcome of the above study and any proposed regulations emanating therefrom; and

**WHEREAS**, the County and the City find that the following ordinance is necessary to protect and immediately preserve the public health, safety, welfare, peace and support of the Joint Jurisdictional Zoning Area and its existing public institutions.

**NOW, THEREFORE, BE IT ORDAINED**, by the governing body of the City of Vermillion, South Dakota that the following sections are adopted:

Section 1. Temporary Ordinance – Application for Local Permit/License

A medical cannabis establishment desiring to operate in the Joint Jurisdictional Zoning Area shall be required to apply for a permit and/or license from the County. Applications for a local permit and/or license to operate a medical cannabis establishment, as defined by SDCL 34-20G-1, shall not be accepted until the South Dakota Department of Health has promulgated regulations as required by SDCL 34-20G-72. Any application received prior to such regulations being promulgated shall be denied.

Section 2. Immediate Effect.

This ordinance is necessary to protect and immediately preserve the public health, safety, welfare, peace, and support of the County and the City governments and their existing public institutions pursuant to SDCL 9-19-13 and SDCL 11-4-3.1.

Dated at Vermillion, South Dakota this 21<sup>st</sup> day of June, 2021.

THE GOVERNING BODY OF THE CITY  
OF VERMILLION, SOUTH DAKOTA

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Kelsey Collier-Wise, Mayor

ATTEST:

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Katie E. Redden, Finance Officer

First Reading: June 15, 2021  
Second Reading: June 21, 2021  
Publication: July 2, 2021  
Effective Date: July 22, 2021