

DRAFTER'S ANALYSIS: The purpose of this ordinance is to restrict the sales of hemp-derived cannabinoid products to those under the age of 21. The State of Wisconsin adopted the hemp exemptions contained in the 2018 Federal Farm Bill, which contained loopholes allowing for an unregulated market in the sale of psychoactive substances. The state legislature has not taken action to close the loopholes related to the sale of psychoactive substances or to regulate their sale. The City of Madison has seen a proliferation of unregulated businesses selling a variety of these substances and finds it necessary to restrict their sales in order to safeguard those under the age of 21 from these unregulated intoxicating products.

The SUBSTITUTE makes changes as recommended by the Economic Development Committee and Board of Public Health for Madison and Dane County.

The PROPOSED ALTERNATE omits restrictions in the ordinance related to the display of products containing hemp-derived cannabinoid" and the location of establishments selling containing hemp-derived cannabinoids.

The Common Council of the City of Madison do hereby ordain as follows:

1. Section 23.202 entitled "Age Restrictions on Hemp-Derived THC Products" of the Madison General Ordinances is created as follows:

"23.202 AGE RESTRICTIONS ON HEMP-DERIVED THC PRODUCTS.

(1) Definition. In this section, "hemp-derived cannabinoid" means either of the following:

- (a) A cannabinoid other than delta-9 tetrahydrocannabinol (THC) or an isomer derived from such cannabinoid (delta-8 THC, delta-10 THC, hexahydrocannabinol (HHC), HHC-O, THCA, THC-O, THCP, THCV).
- (b) A hemp-derived product containing delta-9 tetrahydrocannabinol in a concentration of 0.3 percent or less.
 - 1. "Hemp-derived cannabinoid" shall not mean any non-intoxicating cannabinoids, including cannabidiol (CBD), which is an active ingredient in cannabis, but does not cause intoxication by itself, is not addictive, and does not contain other isomers as listed in paragraph 1(b).

(2) Age Restriction on the Sale of Hemp-Derived Cannabinoid; Prohibition.

- (a) No person and no hemp-derived cannabinoid establishment, or any officer, associate, member, representative, agent, or employee of such establishment, may sell, deliver, or provide any hemp-derived cannabinoid product to any person under the age of twenty-one (21).
- (b) No person and no hemp-derived cannabinoid establishment, or any officer, associate, member, representative, agent, or employee of such establishment, may deliver, or provide any hemp-derived cannabinoid product to a person without having first verified the purchaser's age with a valid federal, state, Tribal, or municipal issued photo identification.
- (c) This age verification shall be performed by a person and shall not be automated.
- (d) Sale Prohibited. If a person or any officer, associate, member, representative, agent, or employee of a hemp-derived cannabinoid establishment believes or has reason to believe that the ultimate recipient of a hemp-derived cannabinoid

product is under the age of twenty-one (21) or is using a forged or fake identification card, they shall not make the sale.

(3) Signs, Notices and Display.

(a) A retailer of hemp-derived cannabinoids shall conspicuously post a sign in each area within their premises where any hemp-derived cannabinoid products are sold to consumers stating that the sale of any such product to any person under the age of twenty-one (21) is unlawful under this section.

1. Hemp-derived cannabinoid products may not be sold from a vending machine or similar device.

(b) ~~Products containing hemp-derived cannabinoid shall be displayed from behind a sales or service counter so that no person may access it without assistance by an establishment employee.~~

1. ~~Beverages containing hemp-derived cannabinoids may be displayed in a cooler not behind a sales or service counter. Such beverages shall be subject to the same age verification process set forth in subsection (2) of this ordinance.~~

a. Beverages containing hemp-derived cannabinoids may be stored or displayed outside of an enclosed cooler only when they are in sealed cases, cartons, or multipack packaging. Single cans, bottles, or other individual containers are not permitted to be stored, displayed, or kept outside the enclosed cooler at any time.

(4) ~~Retailer Location. Establishments selling hemp-derived cannabinoids shall not be located within ¼ mile or 1,320 feet of a youth-serving organization and location such as, but not limited to: childcare centers, preschools, public or parochial schools, tribal schools, playgrounds, city or county parks, sporting arenas, or organizations with specific interest to serve children (Boys & Girls Club, YMCA, Head Start, etc.). The distance shall be measured by the shortest route along a designated roadway or walking path from the main entrance of the youth-serving business/organization to the premises selling the hemp-derived cannabinoid products.~~

(a) ~~The prohibition in this section does not apply to businesses selling hemp-derived cannabinoids prior to November 1, 2025 January 1, 2026.~~

(54) Penalties. Any person and any hemp-derived cannabinoid establishment who violates Subsection (2)(a)-(d) is subject to a forfeiture of:

(a) ~~Not less than one hundred dollars nor more than five hundred dollars (\$500.00) if the person or retailer has not committed a previous violation within twelve (12) months of the violation; or~~ Five-hundred dollars (\$500.00);

(b) ~~Not less than two hundred fifty dollars (\$250.00) nor more than seven hundred fifty dollars (\$750.00) if the person or retailer has committed a previous violation within twelve (12) months of the violation.~~

(e b) A hemp-derived cannabinoid establishment that violates subsection (3) of this ordinance is subject to a forfeiture of not less than ~~two hundred dollars (\$200.00)~~ five-hundred dollars (\$500.00).

(d c) Repeated violation of this ordinance shall constitute a public nuisance which the City Attorney may abate by seeking an injunction in Dane County Circuit Court.

2. Subsection (3) entitled "Schedule of Deposits" of Section 1.08 entitled "Issuance of Citations and Complaints for Violations of Certain Ordinances and Providing a Schedule of

Cash Deposits” of the Madison General Ordinances is amended by amending therein the following:

<u>“Offense</u>	<u>Ord. No./Adopted Statute No.</u>	<u>Deposit *</u>
Possession of drug paraphernalia.	23.201	\$100
<u>Sale of hemp-derived cannabinoid to under 21 — first offense in 12 months</u>	<u>23.202(5)(a)</u>	<u>\$250 \$500</u>
<u>Sale of hemp-derived cannabinoid to under 21 — second and subsequent offense in 12 months</u>	<u>23.202(5)(b)</u>	<u>\$500</u>
<u>Failure to properly post signage</u>	<u>23.202(5)(e b)</u>	<u>\$100 \$500</u>
Pruning or removing trees in public places.	23.21	\$300

EDITOR’S NOTE:

*New and updated bail deposits must be approved by the Municipal Judge prior to adoption. This deposit has been so approved.

3. Subsection (4) entitled “Issuance of Citations” of Section 1.08 entitled “Issuance of Citations and Complaints for Violations of Certain Ordinances and Providing a Schedule of Cash Deposits” of the Madison General Ordinances is amended by amending therein the following:

<u>“Enforcement Official</u>	<u>Ordinance Chapter or Section and Title</u>
Director of Public Health Madison and Dane County or their designee and Police Department.	Chapter 7, Public Health; Section 9.05, Adult Entertainment Establishments; Section 23.05, Smoking Prohibited in Certain Public Areas; Section 23.12, Transient Hotels and Motels Regulated; <u>Section 23.202, Age Restrictions on Hemp-Derived THC Products</u> ; Section 23.38, Possession of Tobacco Products by Children; Section 23.385, Sale of Tobacco Products to Children Forbidden; Section 23.44, Consumers to Be Offered Selection of Containers; Section 23.61, Internet Solicitation of Unlicensed Regulated Businesses; Section 23.66, Prohibiting Declawing Procedures.”