

**CITY OF PIPESTONE**

**ORDINANCE NO. 163, FOURTH SERIES**

**AN ORDINANCE AMENDING CHAPTER 153 AND ADDING A NEW SECTION 153.50 OF THE CITY CODE REGARDING THE REGULATION OF CANNABIS AND HEMP BUSINESSES**

The City Council of the City of Pipestone ordains:

**Article I. Legislative Findings.** The City of Pipestone (“City”) makes the following legislative findings:

**Findings and Purpose.** The purpose of this Ordinance (“Ordinance”) is to implement the provisions of Minnesota Statutes, chapter 342, which authorizes the City to protect the public health, safety, welfare of the City’s residents by regulating cannabis businesses within the City.

The City finds and determines that the provisions of this Ordinance are appropriate and in accordance with Minnesota Statutes, that the proposed amendments will promote the City’s interest in reasonable stability in zoning, and that the proposed provisions are in the public interest of protecting the public health, safety and welfare.

**Article II. Definitions. Definitions.** The definition of “Home Occupation” in Section 153.03 of the City Code is hereby amended by adding the following double-underlined language:

***HOME OCCUPATION.*** An occupation, profession, activity, or use carried on in a dwelling unit which is clearly incidental and secondary to the use of the building for dwelling purposes, which does not change the character thereof. In no event shall a Cannabis Business, Lower-Potency Hemp Edible Retailer or Lower-Potency Hemp Manufacturer be considered a Home Occupation.

**Article III. Neighborhood Business District (B-1).** Section 153.11(B) of the City Code is hereby amended by deleting the following ~~stricken~~ language and adding the following double-underlined language:

(B) *Permitted uses.*

- (1) Retail businesses;
- (2) Funeral homes;
- (3) Offices;
- (4) Home occupations per § 153.24;
- (5) Essential services; ~~and~~

(6) Accessory uses per division (E) below;

(7) Cannabis Retailer; and

(8) Lower-Potency Hemp Edible Retailers.

**Article IV.** Central Business District (B-2). Section 153.12(B) of the City Code is hereby amended by deleting the following ~~stricken~~ language and adding the following double-underlined language:

(B) *Permitted uses.*

(1) Retail businesses;

(2) Eating and drinking establishments;

(3) Personal and professional services;

(4) Offices;

(5) Hotels;

(6) Municipal buildings and libraries;

(7) Auto sales, service, and repair;

(8) Trade and vocational schools;

(9) Commercial recreation;

(10) Animal clinics;

(11) Hospitals;

(12) Essential services; ~~and~~

(13) Accessory uses;

(14) Cannabis Retailer; and

(15) Lower-Potency Hemp Edible Retailers.

**Article V.** Central Business District (B-2). Section 153.12(C) of the City Code is hereby amended by deleting the following ~~stricken~~ language and adding the following double-underlined language:

(C) *Conditional uses.*

- (1) Water recreation and water storage;
- (2) Research laboratories;
- (3) Public utility buildings;
- (4) Planned unit business project;
- (5) Multiple-family dwellings;
- (6) Wholesale business;
- (7) Supply yards;
- (8) Churches;
- (9) Light manufacturing;
- (10) Rental storage facilities;
- (11) Drive-up facilities;
- (12) Automotive service station per § 153.33;
- (13) Carwash per § 153.33; ~~and~~
- (14) Manufactured home parks;
- (15) Cannabis Testing Facility;
- (16) Cannabis Wholesaler;
- (17) Cannabis Manufacturer; and
- (18) Temporary Cannabis Event.

**Article VI. Highway Business District (B-3).** Section 153.13(B) of the City Code is hereby amended by deleting the following ~~stricken~~ language and adding the following double-underlined language:

(B) Permitted uses.

- (1) Shopping centers, malls, or plazas;
- (2) Office parks or complexes;

- (3) Eating and drinking establishments;
- (4) Hotels and motels;
- (5) Auto sales service and repair;
- (6) Retail businesses;
- (7) Educational institutions;
- (8) Commercial recreation and entertainment centers;
- (9) Essential services;
- (10) Accessory uses per division (E) below;
- (11) Supply yards; ~~and~~
- (12) Banks;
- (13) Cannabis Retailer;
- (14) Lower-Potency Hemp Edible Retailer;
- (15) Cannabis Delivery Service;
- (16) Cannabis Transporter.

**Article VII.** Highway Business District (B-3). Section 153.13(C) of the City Code is hereby amended by deleting the following ~~stricken~~ language and adding the following double-underlined language:

(C) *Conditional uses.*

- (1) Light manufacturing;
- (2) Churches;
- (3) Planned unit developments;
- (4) Livestock sales or auction centers and confinement buildings;
- (5) Single-family residential;
- (6) Water recreation and water storage;

(7) Fire station and municipal buildings;

(8) Public utility buildings;

(10) Gas/service stations per § 153.33;

(11) Carwash per § 153.33; ~~and~~

(12) Cannabis Manufacturer;

(13) Cannabis Cultivator;

(14) Temporary Cannabis Event; and

(15) Other highway-oriented uses as determined appropriate by the Planning Commission.

**Article VIII.** Light Industrial District (I-1). Section 153.15(B) of the City Code is hereby amended by deleting the following ~~stricken~~ language and adding the following double-underlined language;

(B) *Permitted uses.*

(1) Retail businesses;

(2) Offices;

(3) Personal and professional services;

(4) Governmental buildings;

(5) Vehicle, implement, and/or equipment sales, services, and repair;

(6) Trade and vocational schools;

(7) Research and testing laboratories;

(8) Supply yards;

(9) Warehousing of non-explosive material or equipment;

(10) Truck terminals;

(11) Wholesale businesses;

(12) Radio and television offices and stations;

(13) Freight and parcel shipping facilities;

(14) Rental establishments;

(15) Recreational vehicle/trailer sales, service, and repair;

(16) Essential services;

(17) Storm water retention areas; ~~and~~

(18) The production, assembly, or processing of the following materials, goods, or products where no process involved will produce noise, vibration, air pollution, fire hazard, or noxious emission which could disturb or endanger neighboring properties:

(a) Advertising specialties;

(b) Awnings, canopies, and window treatments;

(c) Bakery, candy, dairy, and other food products;

(d) Bottling facilities;

(e) Ceramic products;

(f) Clothing;

(g) Computer and related components;

(h) Cosmetics, drugs, and other pharmaceutical products;

(i) Electrical, plumbing, and heating supplies and services;

(j) Film processing;

(k) Furniture, cabinets, and similar wood/upholstery products;

(l) Ice facilities;

(m) Jewelry, watches, and clocks;

(n) Metal castings, stampings, and extrusions (non-ferrous);

(o) Metal finishing, fabrication, and welding;

(p) Monuments;

- (q) Musical instruments;
- (r) Office machines;
- (s) Optical goods;
- (t) Packing facilities;
- (u) Packing and crating establishments;
- (v) Printing and publishing;
- (w) Plastic injection molding and extrusion;
- (x) Sheet metal products;
- (y) Small home appliances;
- (z) Textile;
- (aa) Tool and dye operations;
- (bb) Tools, hardware, and plumbing appliances; and
- (cc) Toys and novelties.

(19) Cannabis Retailer;

(20) Lower-Potency Hemp Edible Retailer;

(21) Cannabis Cultivator;

(22) Cannabis Delivery Service;

(23) Cannabis Transporter;

(24) Cannabis Manufacturer; and

(25) Cannabis Wholesaler.

**Article IX.** General Industrial District (I-2). Section 153.16(B) of the City Code is hereby amended by deleting the following ~~stricken~~ language and adding the following double-underlined language:

(B) *Permitted uses.*

- (1) Research and testing laboratories;
- (2) Bottling plant;
- (3) Heavy equipment manufacture, sales, service, or repair;
- (4) Manufacture, processing, and fabrication of clay, concrete, wood, plastic, and metal products;
- (5) Agriculture;
- (6) Trucking or freight terminal;
- (7) Warehouse; ~~and~~
- (8) Essential services-;
- (9) Cannabis Testing Facility;
- (10) Cannabis Manufacturer; and
- (11) Cannabis Cultivator.

**Article X. Performance Standards.** Chapter 153 of the City Code is hereby amended by adding a new Section 153.50 with the following double-underlined language:

**§ 153.50 CANNABIS AND HEMP BUSINESSES**

(A) Authority. The City is authorized by Minnesota Statutes, section 342.13(c) to adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business, including the adoption of zoning regulations under Minnesota Statutes, section 462.357. The City is also authorized to regulate the use of cannabis in public places under Minnesota Statutes, section 152.0263, subdivision 5. The intent of this Section is to comply with the provisions of Minnesota Statutes, chapter 342 and the rules promulgated thereunder. References to statutes shall include any amendments made to those sections and includes any successor provisions.

(B) Definitions. Unless otherwise noted in this Section, words and phrases contained in Minnesota Statutes, section 342.01, and any amendments made thereto or any successor provisions, and the rules promulgated pursuant to Minnesota Statutes, Chapter 342, shall have the same meanings in this Ordinance.

ADULT USE CANNABIS PRODUCT. As defined in Minnesota Statutes, section 342.01, subd. 4.

CANNABIS CULTIVATOR. A business licensed to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant. harvest cannabis flower from mature plant, package and label immature plants and seedlings and cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions authorized by Minnesota Statutes and the Office of Cannabis Management.

CANNABIS DELIVERY SERVICE. A business licensed or endorsed by the Office of Cannabis Management under Minnesota Statutes, section 342.41, or such other law as may apply, to transport and deliver cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumable products to customers and perform other actions authorized by Minnesota Statutes and the Office of Cannabis Management.

CANNABIS EVENT ORGANIZER. A business licensed or endorsed by the Office of Cannabis Management under Minnesota Statutes, section 342.39, or such other law as may apply, to hold a temporary cannabis event.

CANNABIS MANUFACTURER. A business licensed or endorsed by the Office of Cannabis Management under Minnesota Statutes, section 342.31, or such other law as may apply, to manufacture cannabis concentrate, hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight, artificially derived cannabinoids, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption and perform other actions authorized by Minnesota Statutes and the Office of Cannabis Management.

CANNABIS RETAILER. Any person, partnership, firm, corporation, or association, foreign or domestic, selling cannabis product to a consumer and not for the purpose of resale in any form, including a retail location and the retail location(s) of a mezzobusinesses with a retail operations endorsement, microbusinesses with a retail operations endorsement, medical combination businesses operating a retail location, excluding lower-potency hemp edible retailers.

CANNABIS TESTING FACILITY. A business licensed or endorsed by the Office of Cannabis Management under Minnesota Statutes, section 342.37, or such other law as may apply, to test immature cannabis plants and seedlings, cannabis flower, cannabis products, hemp plant parts, hemp concentrate, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products.

CANNABIS TRANSPORTER. A business licensed or endorsed by the Office of Cannabis Management under Minnesota Statutes, section 342.35, or such other law as may apply, to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles and hemp-derived consumer products as authorized by Minnesota Statutes and the Office of Cannabis Management.

CANNABIS WHOLESALER. A business licensed or endorsed by the Office of Cannabis Management under Minnesota Statutes, section 342.33, or such other law as may apply, to sell

immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products to cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, and cannabis retailers, to sell lower-potency hemp edibles to lower-potency hemp edible retailers and to perform other actions authorized by Minnesota Statutes and the Office of Cannabis Management.

DAYCARE. A location licensed with the Minnesota Department of Human Services to provide the care of a child outside the child’s own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

LOWER-POTENCY HEMP EDIBLE. As defined under Minnesota Statutes, section 342.01 subd. 50.

LOWER-POTENCY HEMP EDIBLE RETAILER. A business licensed or endorsed by the Office of Cannabis Management under Minnesota Statutes, section 342.43, or such other law as may apply, to sell lower-potency hemp edibles.

MEDICAL CANNABIS BUSINESS. A business licensed or endorsed by the Office of Cannabis Management under Minnesota Statutes, sections 342.47 through 342.515, or such other law as may apply, to cultivate, process, manufacture, package, and sell medical cannabis and cannabinoid products as authorized by Minnesota Statutes and the Office of Cannabis Management.

OFFICE OF CANNABIS MANAGEMENT (“OCM”). The Minnesota Office of Cannabis Management, which has the powers and duties set out in Minnesota Statutes, section 342.02.

PLACE OF PUBLIC ACCOMMODATION. A business, accommodation, refreshment, entertainment, recreation, or transportation facility of any kind, whether licensed or not, whose goods, services, facilities, privileges, advantages or accommodations are extended, offered, sold, or otherwise made available to the public.

PUBLIC PLACE. A public park or trail, public street or sidewalk; any enclosed, indoor area used by the general public, including, but not limited to, restaurants; bars; any other food or liquor establishment; hospitals; nursing homes; auditoriums; arenas; gyms; meeting rooms; common areas of rental apartment buildings, and other places of public accommodation.

RESIDENTIAL TREATMENT FACILITY. “Residential treatment facility” has the meaning given the term in Minnesota Statutes, section 245.462, subdivision 23.

SCHOOL. A public school as defined under Minnesota Statutes, section 120A.05, or a nonpublic school that must meet the reporting requirements under Minnesota Statutes, section 120A.24.

(C) Medical Cannabis Business. A Medical Cannabis Business shall be classified as a Cannabis Cultivator, Cannabis Manufacturer and/or a Cannabis Retailer, depending on the scope

of its operations, for purposes of determining which zoning district the particular business may be located.

(D) Operations. Operation of a business of the types established by Minnesota Statutes, section 324.10 within the City shall comply with the provisions of this Ordinance and the following:

(1) State License Required. Operation of a business of the types established by Minnesota Statutes, section 324.10 shall require a state license issued by the OCM in accordance with Minnesota Statutes.

(2) Building Code. The business shall comply with the provisions of all applicable building code requirements.

(3) Fire Code. The business shall comply with the provisions of all applicable fire code requirements.

(4) Zoning Ordinance. The business shall comply with Chapter 153 of the City Code.

(5) Hours of Operation:

(a) Cannabis businesses shall be limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of 10:00 a.m. and 9:00 p.m.

(b) Temporary cannabis events shall be limited to occur between the hours of 10:00 a.m. and 9:00 p.m.

(c) The hours of operation for all other cannabis business shall be limited to the hours of 7:00 a.m. to 10:00 p.m., unless extended by the City Council.

(6) Prohibited Activities. No cannabis business shall operate in a manner that violates, or fails to comply with, the provisions of Minnesota Statutes, Chapter 342, such other laws as may apply, and the following:

(a) Smoking Prohibited. No cannabis flower, cannabis products, or hemp-derived consumer products in a manner that involves the inhalation of smoke, aerosol, or vapor shall be used at any location where smoking is prohibited under Minnesota Statutes, section 144.414;

(b) Statutory Prohibitions. No cannabis business authorized to sell at retail shall sell any cannabis flower or cannabis products in violation of any of the prohibitions in Minnesota Statutes, Section 342.27, subdivision 12.

(7) Buffer Zones.

(a) Distances. Except as provided below, no cannabis business shall be located or operate within:

1. 1,000 feet of a school;
2. 500 feet of a residential treatment facility;
3. 500 feet of a daycare facility;
4. 500 feet of an attraction within a public park that is regularly used by minors including, but not limited to, playgrounds and athletic fields;
5. 500 feet from another cannabis business; or
6. 500 feet from a church or place of religious assembly.

(b) Measurement. Buffer distances shall be measured from the lot line of the property on which the cannabis business is placed to the structure identified in Section 153.50 (D)(7)(a).

(8) Nonconforming. A cannabis business lawfully established and operating in a location may continue to operate as a lawful nonconforming use if a school, residential treatment facility, daycare facility, or park is established within the required buffer distance. A cannabis business that becomes nonconforming is subject to the restrictions in Minnesota Statutes, section 462.357, subdivision 1e.

(9) Lower-Potency Hemp Edibles. The sale of lower-potency hemp edibles are subject to the restrictions and requirements of this subsection.

- (a) Age Restricted Areas. The sale of lower-potency hemp edibles is only allowed in places that limit admission to persons 21 years of age and older.
- (b) Storage. Lower-potency hemp edibles shall be stored in a locked case and may only be sold behind a counter.

(10) Indoor Operations.

- (a) A cannabis business shall be conducted entirely within a principal or accessory building as allowed by the City Code. All outside storage is prohibited.
- (b) All waste and recycling containers shall be kept within a principal or accessory building.

(11) Utilities.

- (a) The use shall be connected to public water, sanitary sewer, and stormwater utility systems.
- (b) Public Water:

1. There shall be adequate capacity within the public water system, including wells, pump houses, water towers, pressure valves, and distribution pipes serving the property to accommodate the cannabis business.
2. Connection to the public water system shall comply with the City Code.

(c) Sanitary Sewer:

1. There shall be adequate capacity within the sanitary sewer system, including collection pipes, lift stations, forcemains, and wastewater treatment facilities serving the property to accommodate the cannabis business.
2. Discharges to the sanitary sewer system shall comply with the City Code.

(d) Storm Sewer. All discharges to the storm sewer utility system shall comply with the City Code.

(E) Temporary Cannabis Events.

(1) Cannabis Event Permit Required. A cannabis business licensed by the Office of Cannabis Management to conduct temporary cannabis events may only conduct an event in a zoning district in which the use is allowed, and then only upon obtaining a conditional use permit from the City.

(2) Consumption Prohibited. The consumption of adult-use cannabis products at a cannabis event is prohibited.

(3) Application Process. The following procedure shall apply for seeking a cannabis event permit for an event. A separate cannabis event permit is required for each event.

- (a) The applicant must complete and submit the City's cannabis event permit application form together with the applicable fee at least 60 days before the start of the proposed event. Incomplete applications will be returned to the applicant without processing. If the propose cannabis event constitutes a special event under the City's regulations, the applicant is required to follow the applicable requirements to obtain a special events permit, and such approval shall also constitute the cannabis event permit for the particular event.
- (b) If approved, the cannabis event permit shall, at a minimum, indicate the event location, dates (not to exceed four days), daily operating hours, and the specific restrictions or requirements placed on the event. The types of restrictions and requirements placed on an event will vary depending on the anticipated size and may include, but are not limited to, traffic routing, parking, security, sanitation facilities, garbage, first aid, limitations on amplified music and public address systems, insurance coverages, and maximum attendance.

(4) Enforcement. The City may suspend or revoke a cannabis event permit if the event organizer fails to comply with the conditions placed on the permit in any material way after being informed of the violation and the need to correct it. The City may deny issuing a permit to an event organizer that failed to comply with any cannabis event permit issued within the preceding three years.

(F) Use in Public Places. No person shall use cannabis flower, cannabis products, lower potency hemp edibles, or hemp-derived consumer products in a public place or a place of public accommodation unless the premises is an establishment or an event licensed by the OCM to permit on-site consumption.

(G) Retail Registration.

(1) The City shall administer regulations for cannabis and lower-potency hemp edible retailer registration.

(2) Registration Required:

(a) No individual or entity may operate a state licensed cannabis or lower-potency hemp edible retail business within the City without first registering with the City.

(b) Any cannabis or lower-potency hemp edible retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty of up to \$2,000.00 for each violation.

(3) Registrations Limited. The number of registered cannabis retail businesses within the City shall be limited in accordance with the following provisions, whichever is less:

(a) The City shall limit the number of cannabis retail businesses to no more than one (1) registration for every twelve thousand, five hundred (12,500) residents within the City; and,

(b) If Pipestone County has one (1) active cannabis retail businesses registration for every twelve thousand five hundred (12,500) residents, the City shall not register additional state-licensed cannabis retail businesses.

(4) Certification. Pursuant to Minnesota Statutes, Chapter 342, within thirty (30) days of receiving a copy of a state license application from the OCM, the City shall certify on a form provided by the OCM whether a proposed cannabis or lower-potency hemp edible retail business complies with the City's building code, fire code and zoning ordinance.

(5) Process. The City shall issue a retail registration to a cannabis or lower-potency hemp edible retail business that adheres to the requirements of Minnesota Statutes, section 342.22, subject to the following procedures:

(a) Fees. A registration fee, as established in the City's fee schedule, shall be required to be paid by an applicant depending on the type of retail cannabis or lower-potency hemp edible business state-issued license applied for in accordance with the following:

(i) An initial retail registration fee shall not exceed five hundred dollars (\$500) or one-half (1/2) the amount of an initial state license fee established by Minnesota Statutes, section 342.11, whichever is less.

(ii) A renewal retail registration fee shall not exceed one thousand dollars (\$1,000) or one-half (1/2) the amount of a renewal state license fee established by Minnesota Statutes, section 342.11, whichever is less.

(iii) The initial registration fee shall include the initial retail registration fee and the first annual renewal fee; a renewal retail registration fee shall be charged at the time of the second renewal and each subsequent renewal thereafter.

(iv) A medical combination business operating an adult-use retail location shall only be charged a single registration fee, not to exceed the lesser of a single retail registration fee, defined by this section, of the adult-use retail business.

(v) The registration fee shall not be refunded once processed in accordance with this Section.

(b) Application. An applicant for a cannabis or lower-potency hemp edible retail business registration shall submit an application form, as provided by the City to include, but is not limited to, the following information:

(i) Full name of the property owner and applicant.

(ii) Address, email address, and telephone number of the applicant.

(iii) The address and parcel identification number for the property which the retail registration is sought.

(iv) Certification that the applicant complies with the requirements of local ordinances established pursuant to Minnesota Statutes, section 342.13.

The applicant shall include with the form:

(i) The registration fee as required in by this Section.

(ii) A copy of a valid state license or written notice of OCM license preapproval;

(iii) Certification of compliance with workers compensation insurance coverage requirements pursuant to Minnesota statutes, section 176.182.

(iv) Certification to the City that there are no delinquent property taxes, special assessments, interest, or City utility fees due upon the property to which the application relates.

(c) Complete Application. The application shall be considered as being officially submitted when the Zoning Administrator determines that there is compliance with all the information requirements. If an application is determined to be complete, the Zoning Administrator shall inform the applicant as such and process the registration fee. If an application is determined to be incomplete, the Zoning Administrator shall provide the applicant written notice within fifteen (15) business days of receipt of the request stating the information that must be submitted to complete the application.

(6) Zoning Administrator Decision:

(a) The Zoning Administrator shall review the application and shall determine, in consultation with other City staff as may be appropriate, if the request for registration complies with all applicable provisions of this Section.

(b) An application for registration of a cannabis or lower-potency hemp edible retail business that meets the requirements of this ordinance shall be approved.

(c) The Zoning Administrator shall deny an application for registration of a cannabis or lower-potency hemp edible retail business if:

(i) The cannabis retail business would exceed the maximum number of registered cannabis retail businesses permitted under this Section.

(ii) The cannabis or lower-potency hemp edible retail business does not comply with the requirements of this Section.

(d) The Zoning Administrator shall provide the applicant and property owner with written notice of their decision regarding the application.

(e) Appeal of an application for a cannabis or lower-potency hemp edible retail business registration being denied may be appealed in accordance with City's Zoning Ordinance.

(7) Renewal. The City shall renew an annual registration of a cannabis or lower-potency hemp edible retail business at the same time Office of Cannabis Management renews the license in accordance with the procedure established by this Section.

(8) Location Change.

(a) A registered cannabis or lower-potency hemp edible retail business shall be required to submit a new application for registration under this Section if it seeks to move to a new location still within the City.

(b) A previously registered cannabis or lower-potency hemp edible retail business that seeks to change locations within the City shall be subject to the location requirements established by this ordinance.

(9) Transfer Prohibited. A cannabis or lower-potency hemp edible retail business registration issued in accordance with this Section shall not be transferred.

(10) Inspections and Compliance Checks.

(a) Pre-Registration Compliance Check. Prior to issuance of a cannabis or lower-potency hemp edible retail business registration, the City shall conduct a preliminary compliance check to ensure compliance with the provisions of this Section.

(b) Annual Compliance Checks. The City shall complete at minimum of one (1) compliance check per calendar year of every registered cannabis or lower-potency hemp edible retail business to assess if said business meets age verification requirements, as required under Minnesota Statutes, section 342.22 Subd. 4(b); Minnesota Statutes, section 342.24; and this Section.

(c) The City shall conduct a minimum of one (1) unannounced age verification compliance check at least once (1) per calendar year.

(d) Age verification compliance checks shall involve persons at least seventeen (17) years of age but under the age of twenty-one (21) who, with the prior written consent of a parent or guardian if the person is under the age of eighteen (18) years, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of City.

(e) Any compliance check failures by a cannabis or lower-potency hemp edible retail business under this Section shall be reported to the OCM.

(11) Suspension of Registration

(a) When Suspension is Warranted. The City may suspend a cannabis or lower-potency hemp edible retail business's registration if it violates this ordinance or poses an immediate threat to the health or safety of the public. The City shall immediately notify the business in writing the grounds for the suspension.

(b) Notification to OCM. The City shall immediately notify the OCM in writing the grounds for the suspension. The OCM will provide the City and the cannabis or lower-potency hemp edible retail business a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.

(c) Length of Suspension. The suspension of a cannabis or lower-potency hemp edible retail business registration may be for up to 30 calendar days, unless OCM suspends the license for a longer period. The business may not make sales to customers if their registration is suspended.

(d) The City may reinstate a registration if it determines that the violations have been resolved. The City shall reinstate a registration if OCM determines that the violation(s) have been resolved.

(e) Civil Penalties. Subject to Minnesota Statutes, section 342.22, subd. 5(e), the City may impose a civil penalty, as specified in the City's Fee Schedule, for registration violations, not to exceed \$2,000.

**Article XI. Severability.** Should any section or part of this Ordinance be declared by a court of competent jurisdiction to be invalid, such decision will not affect the validity of the ordinance as a whole or any part other than the part declared invalid.

**Article XII. Effective Date.** This Ordinance shall become effective the day after its legal publication.

Adopted this 20th day of December, 2024.

\_\_\_\_\_  
Dan Delaney, Mayor

ATTEST: \_\_\_\_\_  
Deb Nelson, City Administrator

Date of Publication December 26, 2024

Effective Date December 27, 2024