

## CHAPTER 114: CANNABIS AND HEMP BUSINESSES

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### **§ 114.01 PURPOSE.**

The purpose of this chapter is to implement the provisions of Minnesota Statutes, Chapter 342, and to prescribe regulations, requirements, and restrictions for cannabis and hemp businesses in order to protect the general health, safety, and welfare and to control certain land uses that may have a direct and detrimental effect on the character of the City's residential and commercial neighborhoods.

### **§ 114.02 FINDINGS OF THE CITY COUNCIL.**

The City Council makes the following findings regarding the need to regulate cannabis and hemp businesses.

- (A) The City of Watkins has the authority to adopt this ordinance pursuant to: Minn. Stat. 2023 § 342.13, regarding the authority of a local unit of government to adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business; Minn. Stat. 2023 § 342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses; Minn. Stat. 2023 § 152.0263, Subd. 5, regarding the use of cannabis in public places; and Minn. Stat. 2023 § 462.357, regarding the authority of a local authority to adopt zoning ordinances.
- (B) The City of Watkins has been studying and analyzing recent legislation adopted by the State of Minnesota that legalizes the sale, manufacturing, and distribution of adult-use cannabis.
- (C) Based on the most reliable and up-to-date scientific evidence, the City of Watkins finds that the rapid introduction of newly legalized edible cannabinoid products ("edibles") and cannabis

products, presents a significant potential threat to the public health, safety, and welfare of the residents of City of Watkins, and particularly to youth.

- (D) The United States Surgeon General has issued an advisory to alert the public to the known and potential harms to developing brains, posed by the increasing availability of highly potent marijuana in multiple, concentrated forms.
- (E) Research has found cannabis use during adolescence, especially of products high in tetrahydrocannabinol (THC), or heavy use, is associated with suicide attempt, high school dropout, higher likelihood of use of other illicit drugs and experiencing mental health impairment.
- (F) In 2022, 12% of 11th grade students in Minnesota reported that they had used marijuana in the past 30 days, a number far exceeding that for cigarette smoking (4%).
- (G) Minnesota has recognized the danger of cannabis use among youth by prohibiting the sale of lower potency hemp edibles and cannabis to those under age 21 and by requiring that edibles be packaged so as not to appeal to underage persons and in child-resistant containers.
- (H) A study found that higher dispensary density in states with legal cannabis laws was associated with higher likelihood of youth ages 14 to 18 experimenting with cannabis vaping and edibles.
- (I) The potency of cannabis and cannabis products has increased dramatically over the past decades from 4% tetrahydrocannabinol (THC) to 15 to 30+% THC in flower and up to 95% or more in extracted products, and growing evidence clearly supports greater risk from these products.
- (J) Daily use of cannabis products over 10% THC has been associated with an increased risk of developing psychosis, and such daily use has greatly increased in the past decade amongst youth.
- (K) While the sale of cannabinoid products has been legalized in Minnesota, it continues to be a Schedule I prohibited substance federally and therefore presents special challenges in multiple federally regulated spheres including banking, broadcasting, and immigration.
- (L) The City Council finds that a local regulatory system for cannabis retailers is appropriate to ensure that retailers comply with the cannabis laws and business standards of Watkins to protect the health, safety, and welfare of our youth and most vulnerable residents.
- (M) The City of Watkins has a substantial interest in promoting compliance with state and local laws intended to regulate cannabis sales and use, and in promoting compliance with laws prohibiting sales of cannabis and cannabis products to underage persons.

### **§ 114.03 CONCLUSIONS OF THE CITY COUNCIL.**

In direct furtherance of the substantial goals of public health, safety, and welfare; to ensure responsible cannabis retailing, allowing legal sale and access, without promoting increases in use; and to discourage violations of cannabis-related laws; the City Council adopts the chapter, recognizing that it has a great interest in the present and future character of the City's residential and commercial neighborhoods.

#### **§ 114.04 DEFINITIONS.**

For the purpose of this chapter, the following definitions apply unless the context clearly indicates or requires a different meaning:

**ADVERTISEMENT.** Any written or oral statement, illustration, or depiction that is intended to promote sales of approved products or sales at a specific cannabis business or hemp business and includes any newspaper, radio, internet and electronic media, or television promotion; the distribution of fliers and circulars; and the display of window and interior signs in a cannabis business. “Advertisement” does not include a fixed outdoor sign that meets the requirements in Minn. Stat. § 342.64, subd. 2, paragraph (b) as amended from time to time.

**APPROVED PRODUCTS.** Any cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, and lower-potency hemp edibles that are a product category approved by the Office of Cannabis Management and that comply with Chapter 342 and rules adopted pursuant to Chapter 342 regarding the testing, packaging, and labeling of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, and lower-potency hemp edibles. “Approved Products” does not include medical cannabinoid products, as defined in Minn. Stat. Ch. 342.

**ATTRACTIVE TO UNDERAGE PERSONS.** Products that are attractive to individuals under age 21 as described in Minn. Stat. § 342.62, subd. 3, and products prohibited under Minn. Stat. § 342.06 (d), as may be amended from time to time.

**CHILD-RESISTANT.** Packaging that meets the poison prevention packaging standards in Code of Federal Regulations, title 16, section 1700.15.

**COMPLIANCE CHECKS.** The system the City uses to investigate and ensure that those retail establishments authorized to sell approved products and medical cannabinoid products are following and complying with age verification requirements and the requirements of this ordinance. Compliance checks may also be conducted by the City or other units of government for educational, research, and training purposes or for investigating or enforcing state or local laws and regulations relating to approved products.

**DELIVERY SALE.** The sale of any approved products and medical cannabinoid products to any person for personal consumption and not for resale when the sale is conducted by any means other than an in-person, over-the-counter sales transaction in a registered retail establishment. Delivery sale includes but is not limited to the sale of any approved product and medical cannabinoid product when the sale is conducted by telephone, other voice transmission, mail, the internet, or app-based service. Delivery sale includes delivery by registered retail establishments or third parties by any means, including curbside pickup.

**ELECTRONIC DELIVERY DEVICE.** Any product containing or delivering nicotine, lobelia, or any other substance, whether natural or synthetic, intended for human consumption through the inhalation of aerosol or vapor from the product. Electronic delivery device includes, but is not limited to, devices manufactured, marketed, or sold as e-cigarettes, e-cigars, e-pipes, vape pens, mods, tank systems, or under any other product name or descriptor. Electronic delivery device includes any component part of a product, whether or not marketed or sold separately. Electronic delivery device does not include any nicotine cessation product that has been authorized by the U.S. Food and Drug Administration to be

marketed and for sale as “drugs,” “devices,” or “combination products,” as defined in the Federal Food, Drug, and Cosmetic Act.

**FLAVORED PRODUCT.** Any cannabis flower, cannabis product, hemp-derived consumer product or medical cannabinoid product intended to be inhaled as smoke, aerosol, or vapor from the product that: (1) contains any added artificial, synthetic, or natural flavoring, either in the product itself or in its components or parts; (2) presents any descriptor or depiction of flavor that would imply to an ordinary person that the product contains flavors other than the natural taste or smell of cannabis; (3) imparts a taste or smell, other than the taste or smell of cannabis, that is distinguishable by an ordinary consumer prior to or during the consumption of the product; or (4) imparts a cooling, a burning, a numbing, or another sensation distinguishable by an ordinary consumer to impart a flavor other than cannabis either prior to or during the consumption of the product.

**LOWER-POTENCY HEMP EDIBLE.** “Lower-potency hemp edible” as defined in Minn. Stat. § 342.01, subd. 50, as amended from time to time.

**LOWER-POTENCY HEMP EDIBLE RETAILER.** Any place of business with a preapproved license, license, or endorsement to sell lower-potency hemp edible products to the public from the Office of Cannabis Management and that has a lower-potency hemp edible retail registration from the City.

**MEDICAL CANNABINOID PRODUCT.** “Medical cannabinoid product” as defined in Minn. Stat. § 342.01, subd. 52, as amended from time to time.

**MEDICAL CANNABIS COMBINATION BUSINESS.** “Medical Cannabis combination business” as described in Minn. Stat. § 342.515, as amended from time to time.

**MOVEABLE PLACE OF BUSINESS.** Any form of business that is operated out of a kiosk, truck, van, automobile or other type of vehicle or transportable shelter and that is not a fixed address or other permanent type of structure licensed for over-the-counter sales transactions.

**PHARMACY.** A place of business at which prescription drugs are prepared, compounded, or dispensed by or under the supervision of a pharmacist and from which related clinical pharmacy services are delivered.

**REGISTERED CANNABIS RETAIL BUSINESS.** Any cannabis business with a preapproved license, license, or endorsement from the Office of Cannabis Management for retail sales of approved products or medical cannabinoid products and that has a retail registration from a local unit of government.

**REGISTERED RETAIL ESTABLISHMENT.** Refers to registered cannabis retail businesses, microbusinesses with a retail operations endorsement, mezzobusinesses with a retail operations endorsement, medical cannabis combination businesses with retail sales, and lower-potency hemp edible retailers.

**SALE.** Any transfer of goods for money, trade, barter, or other consideration.

**SAMPLE.** Refers to any approved products or medical cannabinoid products that are offered free of charge or for sale at a nominal cost.

**SELF-SERVICE DISPLAY.** The open display of approved products or medical cannabinoid products in a retail establishment in any manner where any person has access to the products without the assistance or intervention of the registered retail establishment or its employee and where a physical exchange of

the products from the registered retail establishment or its employee is not required to access the products.

**SMOKING.** Inhaling, exhaling, burning, or carrying any lighted or heated cigar, cigarette, or pipe, or any other lighted or heated product containing, made, or derived from nicotine, tobacco, cannabis, or other substance, whether natural or synthetic, that is intended for inhalation. Smoking also includes carrying or using an activated electronic delivery device. "Smoking" does not include the use of traditional, or sacred, tobacco used by any American Indian, Indigenous, and Alaska Native communities for spiritual and medicinal purposes.

**TEMPORARY CANNABIS EVENT.** Events described in Minnesota Statutes 342.39 and 342.40, held by an individual or business with a cannabis event organizer license granted by the Office of Cannabis Management, with approval from the City.

**TRUE PARTY OF INTEREST.** Any party with ownership or control over the business, as defined in Minn. Stat. § 342.185 subd. 1(g).

**VENDING MACHINE.** Any mechanical, electric or electronic, or other type of device that dispenses products upon payment by any form by the person seeking to purchase the product.

**YOUTH-ORIENTED FACILITY.** Any facility with residents, customers, visitors, or inhabitants of which 25 percent or more are regularly under the age of 21 or that primarily sells, rents, or offers services or products that are consumed or used primarily by persons under the age of 21. Youth-oriented facilities includes, but is not limited to, schools, playgrounds, places of worship, recreation centers, and parks.

#### **§ 114.05 ZONING REGULATIONS.**

- (A) Cannabis businesses shall be prohibited in all of the City's zoning districts except the M-1 Industrial District, as defined and regulated in Article XX of the Watkins Zoning Code.
- (B) In the M-1 District, a Conditional Use Permit shall be required for each specific business (Retail, Microbusiness, Mezzobusiness, Cultivator, Manufacturer, Wholesale/Warehouse, Transport, Delivery, Testing, Event Organizer, and Medical Cannabis Combination) and for each geographic location, to include, but not limited to, the following conditions:
  - (1) Businesses shall follow all applicable rules of MN Statutes Chapter 342, Cannabis.
  - (2) Permit requirements set forth in this section shall be in addition to, and not in lieu of, any other licensing and permitting requirements imposed by any other federal, state, and local laws.
  - (3) No cannabis business shall be located closer than 500 feet from any other cannabis business. Measurements shall be made in a straight line, without regard to intervening structures or objects, from the nearest point of the actual business premises of any other cannabis business.
  - (4) No cannabis business shall be located closer than 500 feet from any of the following residential use districts. Measurements shall be made in a straight line, without regard to intervening structures or objects, from the nearest point of the actual business premises of the cannabis business to the nearest boundary of the residential use district:

- (a) R-1, Single Family Residential District; and
  - (b) R-2, Multi Family Residential District.
- (5) As required by Minn. Stat. 2023 § 342.08 Subd.3, administrative rules will be established for the appropriate solid waste standards for the disposal of cannabis plant matter, packaging, recyclable materials, and other solid waste. Permit applications shall include a written solid waste disposal plan.
- (6) As required by Minn. Stat. 2023 § 342.24 Subd.4, all cannabis businesses must maintain a ventilation and filtration system sufficient to meet the requirements for odor control established by state administrative rules. Permit applications shall include a written ventilation and filtration system plan and diagram of ventilation and filtration systems.
- (7) As required by Minn Stat. 2023 § 342.24 Subd.6, cannabis businesses must maintain and follow a security plan to deter and prevent the theft or diversion of cannabis plants, cannabis flower, cannabis products, or hemp-derived consumer products; unauthorized entry into the cannabis business; and the theft of currency. Permit applications shall include a written security plan. The security plan should contain a floor plan of the cannabis business detailing the locations of the following: all entrances and exits to the establishment; the location of any windows, skylights, and roof hatches; the location (and number) of all cameras and their field of view; the location (proof) of all alarm inputs (door contacts, motion detectors, duress/hold up devices) and alarm sirens (spec information for); digital video recorder and alarm control panel, including the location of the off-site storage or network service provider for storage of the required copies of surveillance recordings; and restricted and public areas.
- (8) Retail
- (a) No registered cannabis retail business may be located within 1,000 feet of a school as measured by the shortest line from the property line of the space to be occupied by the proposed retail establishment to the nearest property line of a school.
  - (b) No registered cannabis retail business may be located within 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field, as measured by the shortest line from the property line of the space to be occupied by the proposed retail establishment to the nearest property line of a daycare, residential treatment facility, or attraction within a public park that is regularly used by minors.
  - (c) Applicants shall submit an operating plan demonstrating the proposed layout of the facility, hours of operation, set times and days of sales, policies to avoid entrance and sales to individuals who are under 21 years of age, identification of restricted storage areas, and theft prevention.
- (9) Cultivator
- (a) Per Minn. Stat. 2023 § 342.25 Subd.4; applicants shall submit an operating plan and a cultivation plan which must include but is not limited to: water usage, recycling, solid

waste disposal, and a pest management protocol that incorporates integrated pest management principles to control or prevent the introduction of pests to the cultivation site.

(10) Manufacture

- (a) Per Minn. Stat. 2023 § 342.26 Subd.2; cannabis manufacturing must take place in an enclosed, locked facility that is used exclusively for the manufacture of cannabis products, creation of hemp concentrate, creation of artificially derived cannabinoids, creation of lower-potency hemp edibles, or creation of hemp-derived consumer products, except that a business that also holds a cannabis cultivator license may operate in a facility that shares general office space, bathrooms, entryways, and walkways.
- (b) Per Minn. Stat. 2023 § 342.28 Subd.3; applicants shall submit an operating plan demonstrating the proposed size and layout of the manufacturing facility; plans for wastewater and waste disposal for the manufacturing facility; and plans for providing electricity, water, and other utilities necessary for the normal operation of the manufacturing facility. All buildings and structures are subject to federal environmental and workplace safety requirements.

(11) Wholesale/Warehouse

- (a) Per Minn. Stat. 2023 § 342.33 Subd.2; applicants shall submit an operating plan demonstrating the proposed layout of the facility including a diagram of ventilation and filtration systems, and policies to avoid sales to unlicensed cannabis businesses.

(12) Transport

- (a) Per Minn. Stat. 2023 § 342.35 Subd.2; applicants shall submit a loading, transporting, and unloading plan; and the number and type of equipment the business will use 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.

(13) Delivery

- (a) Per Minn. Stat. 2023 § 342.41 Subd.2; applicants shall submit a list of all vehicles to be used in the delivery of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products including the vehicle make, model, and color; the vehicle identification number; the license plate number; and proof of insurance for each vehicle.
- (b) Per Minn. Stat. 2023 § 342.41 Subd.2; applicants shall submit a business plan demonstrating policies to avoid sales of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals who are under 21 years of age and plans to prevent the visibility of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals outside the delivery vehicle.

(14) Testing Facility

- (a) Per Minn. Stat. 2023 § 342.37 Subd.2; applicants shall submit an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems, and policies to avoid sales to unlicensed businesses.
- (c) Per Minn. Stat. 2023 § 342.37 Subd.2; applicants shall submit proof of accreditation by a laboratory accrediting organization approved by the office that, at a minimum, requires a laboratory to operate formal management systems under the International Organization for Standardization.

(15) Event Organizer

- (a) Per Minn. Stat. 2023 § 342.39 Subd.2; applicants shall submit the type and number of any other cannabis business license held by the applicant; the address and location where the temporary cannabis event will take place; the name of the temporary cannabis event; the dates and hours during which the cannabis event will take place; and a list of the name, number, and type of cannabis businesses and hemp businesses that will display cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products at the event, which may be supplemented or amended within 72 hours of the time at which the cannabis event begins.
- (b) Per Minn. Stat. 2023 § 342.37 Subd.2; applicants shall submit a diagram of the physical layout of the temporary cannabis event showing where the event will take place on the grounds, all entrances and exits that will be used by participants during the event, the location where cannabis waste will be stored, and any location where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be stored.
- (c) Per Minn. Stat. 2023 § 342.40 Subd.3; applicants shall show proof that they have hired or contracted for licensed security personnel to provide security services at the cannabis event. All security personnel hired or contracted for shall be at least 21 years of age and present on the licensed event premises at all times that cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products are available for display.
- (d) Per Minn. Stat. 2023 § 342.40 Subd.4; applicants shall submit a written plan to ensure that access to an event is limited to individuals who are at least 21 years of age. At or near each public entrance to any area where the display of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed, a cannabis event organizer shall maintain a clearly visible and legible sign consisting of the following statement: "No persons under 21 allowed." The lettering of the sign shall be not less than one inch in height.
- (e) Per Minn. Stat. 2023 § 342.40 Subd.5; applicants shall submit a written plan to ensure that all used, unused, and waste cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products



that are not removed by a customer, cannabis business, or hemp business are disposed of in an authorized manner.

- (f) Per Minn. Stat. 2023 § 342.40 Subd.6; applicants shall submit proof that all transportation of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products intended for display and all such items used for display during the cannabis event must be transported to and from the cannabis event by a licensed cannabis transporter.

#### **§ 114.06 SIGN RESTRICTIONS.**

In order to protect minors from exposure to lurid signs and materials and in order to preserve the value of property surrounding cannabis and hemp businesses, the following sign regulation shall apply to all cannabis and hemp businesses in the City in lieu of the provisions of Chapter 153.

- (A) All signs shall be flat wall signs. No signs shall be freestanding, located on the roof, or contain any flashing lights, moving elements, or electronically or mechanically changing messages.
- (B) The amount of allowable sign area shall be on square foot of sign area per foot of lot frontage on a street, not to exceed 80 square feet.
- (C) No merchandise, photos, or pictures of the products or activities on the premises shall be displayed in window areas or any other area where they can be viewed from the sidewalk or public right-of-way adjoining the building or structure in which the cannabis or hemp business is located.
- (D) No signs shall be placed in any window. A one square foot sign may be placed on the door to state hours of operation and no admittance to anyone under 21 years of age, and IDs will be checked.

#### **§ 114.07 REGISTRATION AND OPERATIONS OF REGISTERED RETAILERS.**

- (A) **License required.** No person shall sell or offer to sell any approved product or medical cannabinoid product without first having obtained a license or retail endorsement to do so from the Office of Cannabis Management.
- (B) **Registration required.** No person shall sell or offer to sell any approved product or medical cannabinoid product without first being granted a registration by the City. Operating a retail establishment without a valid retail registration is a violation of this Ordinance and of Minn. Stat. § 342.22, subd. 5(e) and is subject to a civil penalty of up to \$2,000 per violation.
- (C) **Application.** An application for a registration to sell approved products and medical cannabinoid products must be made on a form provided by the City. The application must contain the full name of the applicant and any true parties of interest, the applicant's and true parties' residential and business addresses and telephone numbers, the name of the business for which the registration is sought, and any additional information the City deems necessary. Upon receipt of a completed application, the City will timely review the application. If an application is incomplete, it will be returned to the applicant with notice of the information necessary to make the application complete.

- (D) **Action.** The City shall review the application for conformance with this Ordinance and all applicable state and local laws and rules, including but not limited to compliance with local zoning code, building code, and fire code. The City may approve or deny the application for a registration, or it may delay action for a reasonable period of time to complete any investigation of the application or the applicant deemed necessary. If the City approves the application, the City will issue the registration to the applicant. If the City denies the application, notice of the denial will be given to the applicant along with notice of the applicant's right to appeal the decision.
- (E) **Term.** All registrations issued are valid for one calendar year from the date of issue.
- (F) **Revocation or suspension.** Any registration issued may be suspended or revoked following the procedure set forth in Section 114.15 of this Ordinance.
- (G) **Transfers.** All registrations issued are valid only on the premises for which the registration was issued and only for the person to whom the registration was issued. The transfer of any registration to another location or person is prohibited.
- (H) **Display.** All registrations must be posted and displayed at all times at the registered retail establishment or medical cannabis combination business in plain view of the general public.
- (I) **Renewals.** The renewal of a registration issued under this Ordinance will be handled in the same manner as the original application. The request for a renewal must be made at least 30 days but no more than 60 days before the expiration of the current registration.
- (J) **Issuance is privilege and not a right.** The issuance of a registration is a privilege and does not entitle the registration holder to an automatic renewal of the registration.
- (K) **Maximum number of registrations.**
- (1) The City shall limit the number of cannabis retail businesses to one registration within the legal boundaries of the City.
  - (2) No registrations will be granted after the county or cities within the county have granted at least one registration for every 12,500 residents in the county.
- (L) **Pharmacies ineligible for registration.** No new or renewed registration will be granted to a pharmacy or any retail establishment that operates an on-site pharmacy.

#### **§ 114.08 FEES.**

No registration will be issued under this ordinance until the appropriate registration fees are paid in full. The fees will be established pursuant to Minn. Stat. § 342.22, subd. 2, as amended from time to time.

#### **§ 114.09 BASIS FOR DENIAL OF REGISTRATION.**

- (A) An initial application for registration or a renewal of registration with the City will be denied if:
- (1) the applicant is under 21 years of age;

- (2) the applicant does not have a valid retail license, preapproved license, or retail endorsement from the Office of Cannabis Management;
  - (3) the applicant fails to provide any of the information required on the licensing application or provides false or misleading information;
  - (4) the applicant is prohibited by state, or local law, ordinance, or other regulation from holding a registration; or,
  - (5) the applicant fails a pre-application inspection by the City of Watkins as provided under Minn. Stat. § 342.22, subd. 3(b) as amended from time to time.
- (B) If a registration is mistakenly issued or renewed to any person, it will be revoked upon the discovery of ineligibility for registration under this ordinance or state or other local law, ordinance or other regulation. Any revocation will comply with the requirements of Minn. Stat. § 342.22, subd. 5, as amended from time to time.

#### **§ 114.10 PROHIBITED SALES AND OTHER RESTRICTIONS.**

- (A) **In general.** In addition to the prohibitions and restrictions set forth under Minn. Stat. § 342.46, subd. 7, and Minn. Stat. § 342.27, subd. 12 no registered cannabis retailer, lower-potency hemp edible retailer, or medical cannabis combination business shall sell or offer to sell any approved product or medical cannabinoid product:
- (1) **By means of any type of vending machine.**
  - (2) **By means of self-service display.** All approved products and medical cannabinoid products, including lower-potency hemp beverages, must be stored in a locked case behind the sales counter, in a storage unit, or in another area not freely accessible by the general public. This does not prohibit registered cannabis retailers from displaying single product samples pursuant to Minn. Stat. § 342.27, subd. 5.
  - (3) **At a moveable place of business.** Only fixed location businesses may sell approved products and medical cannabinoid products.
  - (4) **That does not comply with the packaging and labeling required** under Minn. Stat. §§ 342.62 and 342.63 as may be amended from time to time, except that:
    - (a) No lower-potency hemp edible beverage may be sold outside of its original packaging; and,
    - (b) No lower-potency hemp edible product may be sold that does not indicate a single serving by scoring or use of another indicator that appears on the product. If it is not possible to indicate a single serving by scoring or use of another indicator that appears on the product, the lower-potency hemp edible may not be packaged in a manner that includes more than a single serving in each container.
  - (5) **By means of delivery sales.** All sales of approved products and medical cannabinoid products must be conducted in person, in a registered retail establishment, in over-the-counter sales transactions.

This does not prohibit sale of medical cannabinoid products by medical cannabis combination businesses by curbside pick-up as allowed in Minn. Stat. § 342.51, subd. 5.

(6) **By any other means, to any other person, or in any other manner or form prohibited by state or other local law, ordinance provision, or other regulation.**

(B) **Legal age.** No person shall sell any approved product to any person under the age of 21. Businesses licensed or endorsed to sell medical cannabinoid products may sell medical cannabinoid products to persons under age 21 who are enrolled in the medical registry program pursuant to Minn. Stat. § 342.24, subd. 1.

(C) **Age verification.** Before any sale of approved products, the registered retail establishment must verify by means of government-issued photographic identification containing the bearer's date of birth that the purchaser is at least twenty-one (21) years of age.

(D) **Signage.** Notice of the legal sales age, age verification requirement, and possible penalties for underage sales must be posted prominently and in plain view at all times at each location where approved products are offered for sale. The required signage must be posted in a manner that is clearly visible to anyone who is, or is considering, making a purchase.

(E) **No admittance of any person under age 21.** No person shall sell or offer for sale any approved products or medical cannabinoid products, except in registered retail establishments that prohibit persons under the age of 21 from entering at all times.

Businesses licensed or endorsed to sell medical cannabinoid products may allow admittance to persons under age 21 who are enrolled in the medical registry program for the sole purpose of purchasing medical cannabinoid products pursuant to Minn. Stat. § 342.24.

(G) **Cannabis retailer distance restrictions.**

(1) No registered cannabis retail business may be located within 1,000 feet of a school as measured by the shortest line from the property line of the space to be occupied by the proposed retail establishment to the nearest property line of a school.

(2) No registered cannabis retail business may be located within 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field, as measured by the shortest line from the property line of the space to be occupied by the proposed retail establishment to the nearest property line of a daycare, residential treatment facility, or attraction within a public park that is regularly used by minors.

(H) **Cannabis retailer hours of operation.** Sales of approved products at a registered cannabis retail business are only allowed between the hours of 10:00 a.m. and 9:00 p.m. seven days per week and may not be open to the public or sell any other products at times when the business is prohibited from selling approved products.

(I) **Instructional program.** Registered retail establishments must ensure that all salesclerks complete a training program on the legal requirements related to the sale of approved products or medical cannabinoid products, and the possible consequences of registration or license

violations. Registered retail establishments must maintain documentation demonstrating their compliance and must provide this documentation to the City at the time of renewal, or whenever requested to do so during the registration term.

- (J) **Minimum clerk age.** Individuals employed by a registered retail establishment and medical cannabis combination business must be at least 21 years of age to sell approved products and medical cannabinoid products.
- (K) **Samples prohibited.** No samples of any approved products or medical cannabinoid products may be distributed free of charge or at a nominal cost. The distribution of approved products or medical cannabinoid products as a free donation is prohibited.
- (L) **Smoking prohibited.** Smoking is prohibited within the indoor area of any registered retail establishment.
- (M) **On-site consumption prohibited.** No registered retail establishment may allow on-site consumption of lower-potency hemp edible products on the premises.
- (N) **Sale of other products.** Registered cannabis retail businesses and medical cannabis combination businesses are limited to selling only the products allowed under Minn. Stat. § 342.27 subd. 3 as amended from time to time. The sale of any products other than approved products by registered retailers must comport with all requirements of state law.
- (O) **Child-resistant packaging.** All sales of any approved products and medical cannabinoid products must be packaged in child-resistant packaging. Upon request by the City, a registered retail establishment must provide a copy of the certificate of compliance or full laboratory testing report for the packaging used.
- (P) **Advertising restrictions.** Registered retail establishments must follow all advertisement restrictions pursuant to Minn. Stat. § 342.64, as amended from time to time.
- (Q) **Products that are attractive to underage persons.** No person shall sell or offer for sale any approved products and medical cannabinoid products that are attractive to underage persons.
- (R) **Coupon and price promotion.** No registered retail establishment may accept or redeem any coupon, price promotion, or other instrument or mechanism, whether in paper, digital, electronic, mobile, or any other form, that provides any approved products to a consumer at no cost or at a price that is less than the non-discounted, standard price listed by a retailer on the item or on any shelving, posting, advertising, or display at the location where the item is sold or offered for sale, including all applicable taxes.
- (S) **Flavored product.** No person shall sell or offer for sale any flavored products intended to be inhaled as smoke, aerosol, or vapor.
- (T) **Potency and amount per sale transaction.**
  - (1) Registered cannabis retail businesses may sell or offer for sale approved products that comply with potency limits in accordance with Minn. Stat. § 342.27, subd. 2, c, d, and e, as amended from time to time.

- (2) Lower-potency hemp edible retailers may sell or offer for sale lower-potency hemp edible products that comply with potency limits in accordance with Minn. Stat. § 342.46, subd. 6, as amended from time to time.

**§ 114.11 TEMPORARY CANNABIS EVENTS.**

- (A) No sales of approved products are allowed at temporary cannabis events.
- (B) No use of approved products is allowed at temporary cannabis events.

**§ 114.12 COMPLIANCE CHECKS AND INSPECTIONS.**

- (A) All registered retail establishments must be open to inspection by authorized City officials or their designees during regular business hours.
- (B) In accordance with Minn. Stat. § 342.22, subd. 4, the City or their designees will conduct compliance checks of every retail establishment with a retail registration issued by the City. The checks will assess compliance with age verification requirements and all provisions of this ordinance.
- (C) From time to time, but at least once per year, the City or their designees must conduct compliance checks to ensure compliance with all provisions of this ordinance.
- (D) In accordance with state law, the City or their designees will conduct at least one annual compliance check that involves participation of a person at least 17 years of age, but under the age of 21 to enter the registered retail establishment to attempt to purchase approved products under the supervision of a law enforcement officer or an employee of the City. Prior written consent from a parent or guardian is required for any person under the age of 18 to participate in a compliance check.

**§ 114.13 RESPONSIBILITY.**

All registered medical cannabis combination businesses, cannabis retail businesses, and lower-potency hemp edible retailers are responsible for the actions of their employees regarding the sale, offer to sell, and furnishing of approved products or medical cannabinoid products on the licensed and registered premises. The sale, offer to sell, or furnishing of any approved product or medical cannabinoid product by an employee will be considered an act of the registrant.

**§ 114.14 DEFENSES.**

It is an affirmative defense to a violation of this Ordinance for a person to have reasonably relied on proof of age as described by state law.

**§ 114.15 SUSPENSION, PENALTIES.**

- (A) **Registration suspension.** In accordance with Minn. Stat. § 342.22, subd. 5, If the City determines that a cannabis or hemp business with a retail registration issued by the City is not operating in compliance with the requirements of Minn. Chapter 342, or that the operation of the business poses an immediate threat to the health or safety of the public, the City may suspend the retail registration of the cannabis or hemp business. The City shall immediately notify the Office of

Cannabis Management of the suspension and shall include a description of the grounds for the suspension.

- (B) **Length of suspension.** The suspension of a cannabis 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.

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

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

- (B) **Retail establishment operating without a registration.** Pursuant to Minn. Stat. § 342.22, subd. 5(e), any retail establishment found to be making or attempting to make any sales to a customer or patient without a valid retail registration will be charged a civil penalty of \$2,000 for each violation.

- (D) **Statutory penalties.** If the penalties for violations of this ordinance authorized to be imposed by Minn. Stat. Chapter 342, as amended from time to time, differ from those established in this Ordinance, then the higher penalty will prevail. Any person, firm, or corporation who violates any provision of this chapter for which another penalty is not specifically provided shall, upon conviction, be penalized as provided in § 10.99.

#### **§ 114.16 SEVERABILITY.**

If any section or provision of this ordinance is held invalid, such invalidity will not affect other sections or provisions that can be given force and effect without the invalidated section or provision.